



SPECIAL MEETING AGENDA

Date: 6/11/2019
Time: 6:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

City Councilmember Catherine Carlton will be participating by phone from:
1222 Langley Circle
Naperville, IL 60563

According to City Council policy, all regular meetings of the City Council are to end by midnight unless there is a super majority vote taken by 11:00 p.m. to extend the meeting and identify the items to be considered after 11:00 p.m.

CL. Closed Session (City Hall - “Downtown” Conference Room, 1st Floor)

CL1. Closed session conference with labor negotiators pursuant to Government Code 54957.6 regarding Menlo Park Police Sergeants Association (PSA) and American Federation of State, County and Municipal Employees (AFSCME)

Attendees: City Manager Starla Jerome-Robinson, Assistant City Manager Nick Pegueros, City Attorney Bill McClure, Administrative Services Director Lenka Diaz, Human Resources Manager Theresa DellaSanta

7:00 p.m. Special Meeting

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. Consent Calendar

D1. Update the City’s public engagement plan and dedicate a vacant full-time equivalent personnel to manage a pilot program to application of the Institute for Local Government’s public engagement framework on new City projects ([Staff Report #19-123-CC](#))

D2. Award contracts totaling \$511,857 to Towne Ford Sales and Priority 1 Safety for hybrid vehicles and outfitting ([Staff Report #19-121-CC](#))

D3. Approve updated direction on preparation of the city manager’s proposed fiscal year 2019-20 budget ([Staff Report #19-124-CC](#))

E. Regular Business

- E1. Direction to city attorney on whether to draft an interim ordinance imposing temporary moratorium on development and direction regarding scope of potential temporary moratorium ([Staff Report #19-122-CC](#))

F. City Manager's Report

G. City Councilmember Reports

H. Adjournment

At every regular meeting of the City Council, in addition to the public comment period where the public shall have the right to address the City Council on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Council on any item listed on the agenda at a time designated by the chair, either before or during the City Council's consideration of the item.

At every special meeting of the City Council, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the chair, either before or during consideration of the item. For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the city clerk's office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours. Persons with disabilities, who require auxiliary aids or services in attending or participating in City Council meetings, may call the City Clerk's Office at 650-330-6620.

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STAFF REPORT

City Council

Meeting Date:

6/11/2019

Staff Report Number:

19-123-CC

Consent Calendar:

Update the City's public engagement plan and dedicate a vacant full-time equivalent personnel to manage a pilot program to application of the Institute for Local Government's public engagement framework on new City projects

Executive Summary

The City's current engagement efforts are decentralized and past practice including a community engagement model handbook which was last updated in 2011. While a decentralized approach allows city department's greater flexibility in their engagement efforts, members of the public have expressed concerns about meeting fatigue, frustration in how their participation impacts the outcome, and an inadequate level of public engagement before recommendations are presented to the City Council.

To address the public's concerns, staff transmitted a recommendation (Attachment A) to the City Council May 14, May 21 and June 4, to adopt the best practice public engagement model developed by the Institute for Local Government "TIERS" (Attachment B.) In addition to adopting the best practice engagement framework, staff recommended dedicating a vacant full-time equivalent position to manage an organizationwide pilot implementation of TIERS. On May 21, staff presented the recommendation and the City Council received public comment. Due to the late hour, however, the City Council did not have the opportunity to discuss or take action on the agenda item.

Staff recommends that the City Council:

1. Update the City's existing "community engagement model handbook" to incorporate the Institute for Local Government's TIERS public engagement framework (Attachment B); and
2. Dedicate a vacant full time equivalent position to manage a comprehensive pilot program for fiscal year 2019-20 to evaluate the TIERS public engagement framework.

City Council acceptance of TIERS as an update to the community engagement model handbook is necessary to ensure that staff conducts engagement processes guided by a City Council endorsed framework. As part of the framework, the City Council will be asked to adopt project specific public engagement plans, project specific public engagement resource budgets, and define the level of public participation desired as part of the public engagement process.

As a pilot program, the City Council retains full discretion to terminate use of the TIERS public engagement framework, at any time, and direct staff to explore other best practices if TIERS does not meet the City Council's expectations.

Policy Issues

In evaluating the staff recommendation, the City Council may consider the following questions:

1. Is the City's current engagement process sufficient to collect the information or stakeholder engagement

desired by the City Council?

2. Is the Institute for Local Government's best practice tool, TIERS public engagement framework, sufficiently comprehensive to explore as a pilot program?
3. Does the City Council desire a consistent engagement effort across all departments to improve the experience and collect the input of various stakeholders in the community?

Background

In 2008, the City Council created a community engagement manager position to implement a City Council priority to improve public engagement in the city's regulatory decisions. In early 2009, the community engagement manager prepared a comprehensive community engagement guidebook (Attachment C) to assist staff in their work on a variety of projects. Shortly following the issuance of the guidebook, the "Great Recession" required the elimination of the community engagement manager position with the incumbent taking the role of community services director. Except for an update to the guidebook in 2011, Menlo Park has not devoted the resources necessary to ensure that the city's engagement efforts are consistent across departments, relevant to current community needs, and responsive to changes in best practices.

Analysis

No additional analysis has been requested since the recommendation's inclusion on the City Council's May 14 agenda (Attachment A.)

For the City Council's consideration, this report contains the full Institute for Local Government's TIERS public engagement framework learning lab workbook (Attachment B.)

Impact on City Resources

The pilot program has sufficient resources in the current and proposed budget.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Hyperlink – June 4 staff report: menlopark.org/DocumentCenter/View/21725/H2-20190604-Public-engagementCC
- B. Hyperlink – Institute for Local Government TIERS public engagement framework learning lab workbook: menlopark.org/DocumentCenter/View/21824/D1Public-engagement-Att-B

Report prepared by:
Nick Pegueros, Assistant City Manager



STAFF REPORT

City Council
Meeting Date: 6/11/2019
Staff Report Number: 19-121-CC

Consent Calendar: **Award contracts totaling \$511,857 to Towne Ford Sales and Priority 1 Safety for hybrid vehicles and outfitting**

Recommendation

Staff recommends that the City Council:

- A. Award a contract to Towne Ford Sales in the amount of \$378,260 for the purchase of eight hybrid utility patrol vehicles
- B. Award a contract to Priority 1 Safety in the amount of \$128,597 for the outfitting of safety equipment
- C. Allow a contingency of \$5,000 to be used for any unforeseen costs associated with vehicle and equipment purchases

Policy Issues

The cost of each of the expenditures exceeds the city manager's authority so requires City Council approval.

Background

Annually, staff recommends replacement of vehicles and equipment based on mileage, age and downtime for repairs. The City typically replaces three to five police vehicles per year, with patrol vehicles replaced more frequently than non-patrol vehicles. This purchase will replace the three oldest police vehicles and add five additional vehicles in accordance with the staffing increase for Beat 4 totaling eight. On October 9, 2018, City Council approved the purchase of four hybrid utility patrol vehicles, scheduled to arrive summer 2019.

Staff is also considering the City's sustainability goals. The City Council adopted a climate action plan that includes a community greenhouse gas (GHG) reduction goal of 27 percent by 2020. The climate action plan provides a list of strategies to explore in order to achieve this goal, such as an environmental purchasing policy for city purchases.

Some environmentally preferable products or services may cost more when compared to non-environmentally preferable products and services, and the City Council can make the final decision on whether to authorize paying a higher cost to achieve environmental goals.

Analysis

The highest user of fleet vehicles is the police department. This creates a significant opportunity to explore GHG reductions for city operations. The sustainability division has conducted a review of other potential options for police patrol vehicles. The only available pursuit rated patrol cars are traditional gasoline

powered and hybrid vehicles. There are no electric vehicles (EVs) available for patrol cars due to the unique and complex space and equipment requirements of police departments, stringent safety standards and the need for fast charging infrastructure. Additionally, there are no feasible contingency plans in case of a power outage of any duration due to a man-made or natural disaster.

A very limited number of police departments are piloting electric patrol cars by modifying the consumer EVs available. The process of converting a consumer EV car into a police vehicle is extensive. The Fremont Police department is piloting a Tesla patrol vehicle, and it took about a year to specially outfit the vehicle. This vehicle also does not meet stringent safety standards of a pursuit rated patrol vehicle.

This leaves only hybrid patrol cars available for GHG reduction opportunities. The table below outlines potential hybrid options. It is important the preferred vehicle option meets safety and capacity needs of the police department.

Table 1: Sustainable police patrol vehicle options based on six year replacement life cycle

Patrol vehicle type	Miles per gallon (MPG)	Pursuit rated	Meets CHP crash standards	Sufficient capacity for equipment and passengers	GHG emissions reduced	Cost including fuel
Current 2009 Ford sedans being replaced (gas only)	19	Yes	Yes	Yes	None	N/A – no longer available
Current Ford SUV (gas only)	17	Yes	Yes	Yes	None*	\$365,474
Ford SUV hybrid (current recommendation)	24	Yes	Yes	Yes	35	\$547,854
Ford sedan hybrid (discontinued in 2021)	38	Yes	No	No	84	\$326,740 (estimate)
Electric vehicle	No carmaker offers electric vehicles for police patrol cars at this time.					

*increases emissions

The SUV hybrid is the best available option for GHG reduction and meets the requirements and needs of police officers. This purchase will supplement the police department’s four hybrid detective vehicles, two electric motorcycles, two electric parking enforcement vehicles and four hybrid utility patrol vehicles scheduled to arrive summer 2019. After this purchase, 10 out of 27 patrol vehicles would be hybrids, eight out of 17 non-patrol vehicles would be hybrid or electric, and two out of six motorcycles would be electric.

On April 9, staff solicited proposals for eight hybrid utility patrol vehicles through a request for proposal (RFP) process. The RFP was advertised on the City’s website, and 10 vendors were notified via email. Proposals were due and opened April 23. One complete proposal was received.

The vehicles are all Ford models, the City’s standard. There is an additional cost of approximately \$11,500 per hybrid vehicle compared to the gasoline powered police utility, which equates to a premium of approximately 31 percent. Priority 1 Safety is currently the only local police safety equipment outfitter.

City staff recommends that the City Council approve the purchase and outfitting of all eight hybrid vehicles.

If the City Council decides that it does not want to pay the premium for the Ford hybrid police utility vehicle at this time, then City Council should provide direction on vehicle purchase.

Impact on City Resources

The costs of the vehicle and equipment purchase as follows:

Vendor	Description	Type	Quantity	Cost
Towne Ford Sales	Police black and white hybrid utility vehicles	Ford utility hybrid	8	\$378,260
Priority 1 Safety	Safety equipment purchase and installation	Vehicle outfitting	8	\$128,597
Contingency		Vehicles and outfitting	1	\$5,000
Total				\$511,857

The vehicle replacement program budget has adequate funds from the general fund to cover the purchase of five vehicles this fiscal year and will request additional funding for the other three through the budget process for next fiscal year.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

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Attachments

None.

Report prepared by:
Donald Weber, Public Works Supervisor - Fleet
Rebecca Lucky, Sustainability Manager

Report reviewed by:
Brian Henry, Assistant Public Works Director
Dave Bertini, Chief of Police

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STAFF REPORT



City Council

Meeting Date: 06/11/2019

Staff Report Number: 19-124-CC

Consent Calendar:

Approve updated direction on preparation of the city manager's proposed fiscal year 2019-20 budget

Executive Summary

This consent item seeks City Council approval of updated direction on the preparation of the city manager's proposed fiscal year 2019-20 budget. This item also transmits additional data and justifications requested by the City Council as part of the June 4 public hearing on the city manager's proposed 2019-20 budget. To better facilitate the budget adoption process, staff is in the process of preparing a final draft budget document for City Council approval June 18 at its baseline level. Most service level enhancements funded by the general fund will be removed from the final draft city manager's proposed budget for consideration June 18. At that time, the City Council may decide to add any service level enhancements desired by a majority of the City Council.

Analysis

In order to also provide additional context to support decision-making, this analysis contains responses to the City Council's requests for information about proposed staffing changes and updates to assumptions used in budget preparation to the extent the information is available by time of publication. City Council retains the authority to modify the city manager's proposed budget before adoption and the intent of the information and changes outlined below reflect staff's best efforts to provide City Council with the necessary clarity of options to adopt a budget, which fully represents the priorities and vision of the community and City Council.

Staffing

The budget proposed June 4 included the addition of 4.75 full-time equivalent (FTE) employees, net of changes from the prior year adopted budget. These include 3.25 FTEs in the library, 1.5 FTEs in public works, 1 FTE in administrative services (provisional), and the removal of 1 FTE in police. The proposed budget included an overview of each of the changes and, responsive to the request by City Council, the supporting analysis which is available as of publication is included for each change below. One position, the 0.5 FTE senior civil engineer (provisional) in public works, is not included as staff understood this position to have consensus City Council support as presented in the proposed budget June 4.

Library department phase II staffing mix change – 3.25 FTEs

The fiscal year 2019-20 proposed budget included the additional of 3.25 FTE regular library staff to:

- Support service level enhancements of 20.5 additional open hours per week at the Belle Haven Branch library
- Support operations of a planned new after-school homework tutoring center four days per week at the Belle Haven branch library
- Complete the second phase of the City Council's planned two-year transition away from overreliance on temporary library staff and toward a more balanced mix of permanent and temporary staff, as was recommended by a comprehensive library department administrative and operational review in 2015 and implemented by City Council in 2018 with the intent to implement the second phase in 2019.

The proposed new staff positions in the second and final phase include 2.0 FTEs in the librarian classification and 1.25 FTEs in the library assistant classification. The increase in regular personnel is partly offset by a reduction in temporary library staff expenditures for a net increase in fiscal year 2019-20 of \$284,958 in the general fund.

City Council June 5, 2018¹ approved the fiscal year 2018-19 operating budget including the first phase of the planned two-year transition away from temporary library staff and the scope and intent of the planned second phase to be implemented in fiscal year 2019-20. What follows is an excerpt from the June 5, 2018, City Council report outlining the scope and intent of the two-year plan:

- “As observed in the 2015 library operational and administrative review – ‘The library’s staffing model, with its significant reliance on part-time and temporary staff, while providing some scheduling flexibility and cost savings, significantly impairs staff capacity and program development.’ If the city desires to grow the library programming to serve more residents and provide greater enrichment opportunities, there is a need to replace temporary personnel with regular personnel. The strong local economy has only exacerbated the condition observed by the [administrative review] consultant in 2015 as the city struggles to retain and recruit talent to fill temporary positions. While the true need is 6.25 FTE to meet the objectives of the organizational review, the recommendation is to phase in the new staffing model over two fiscal years. In fiscal year 2018-19, the proposed budget includes 2.0 librarians and 1.0 library assistant.”

Comparative statistical data² compiled by the California State Library from 2017-18, the most recent year data is available, indicates that Menlo Park lags well behind its peer jurisdictions in several key metrics for library services. This comparative data was among the sources used for the 2015 Administrative and Operational Review of the library department that was a primary factor in City Council's 2018 decision to rehabilitate the library-staffing model by adding FTE staff and reducing overdependence on temporary staff.

What follows is a summary comparison of Menlo Park to the other 16 public library systems in San Mateo, Santa Clara and San Francisco counties, followed by graphic representations of the data in bar charts:

- Menlo Park ranked #13 out of 16 library systems in ratio of library staff hours to library open hours. The City is substantially lower than the state average in this metric. Figure 1 below shows the local and statewide comparison.
- Menlo Park ranked #13 out of 16 in lowest average annual total library staff expenditure (salary and benefits) per FTE staff. Figure 2 below outlines this data.
- Menlo Park ranked #15 out of 16 in lowest average annual library staff benefit expenditure per FTE staff. The City is substantially lower than the state average in this metric. Figure 2 includes this data in juxtaposition with the average annual total staff expenditure.
- Menlo Park ranked #16 out of 16 with the lowest number of programs overall and fared slightly better in programs per capita, ranking #10 out of 16. Figures 3 and 4 outline both of these comparisons.

¹ Link: <https://www.menlopark.org/DocumentCenter/View/17752/H1---Budget>

² Link: https://ca.countingopinions.com/index.php?page_id=3

Figure 1. Comparative data. Staff hours per library open hour.

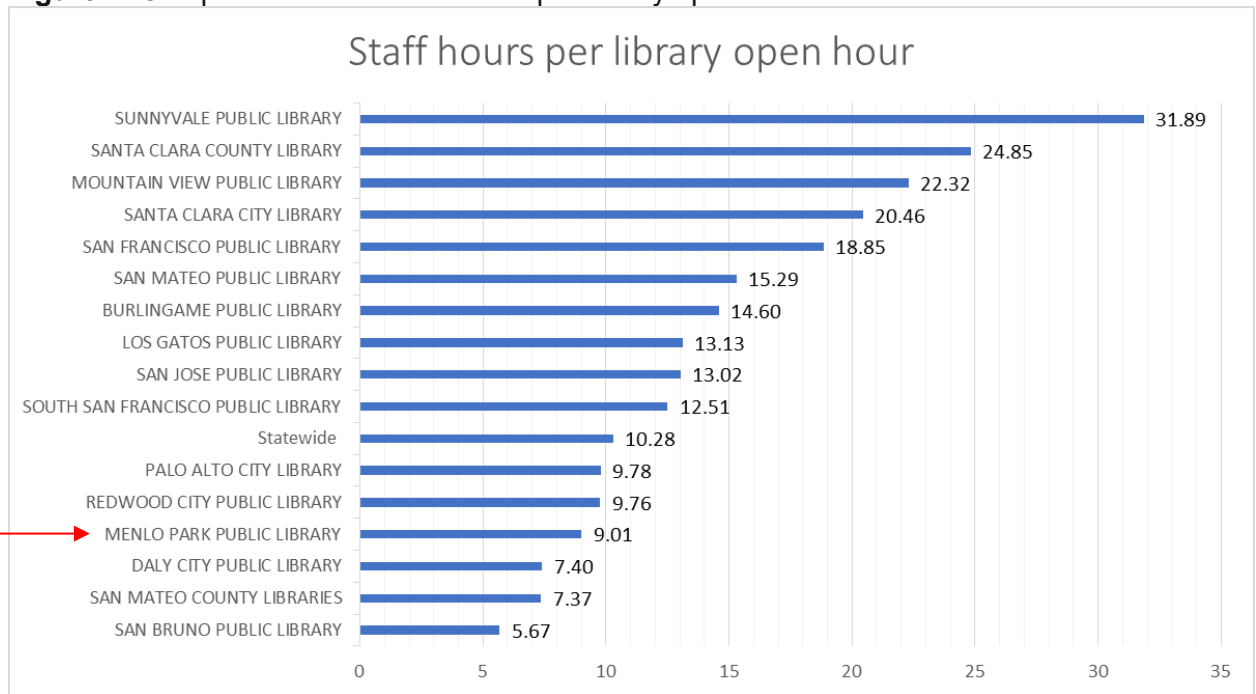


Figure 2. Comparative data. Average annual total staff expenditure (salary and benefits) per FTE staff.

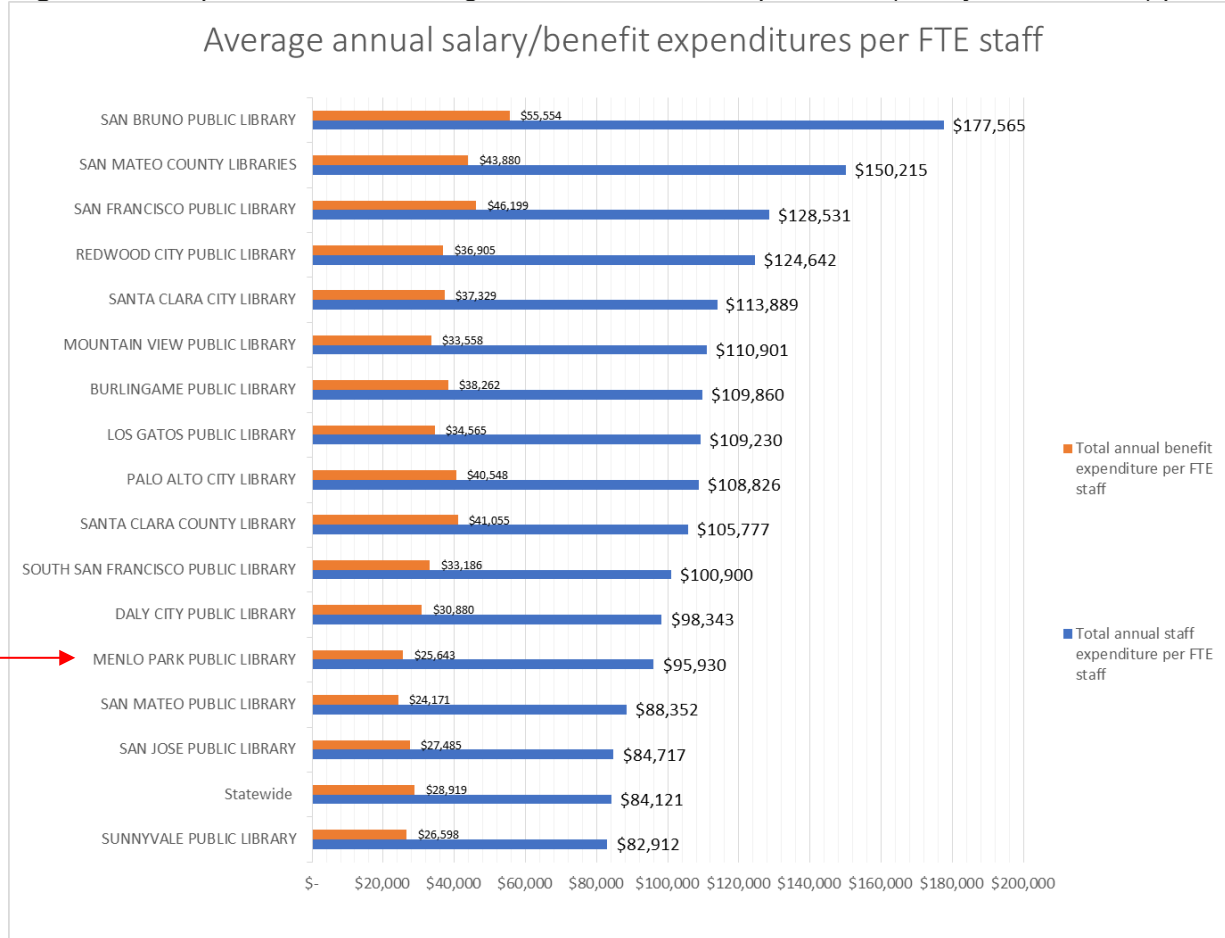


Figure 3. Comparative data. Total number of library programs offered (annual)

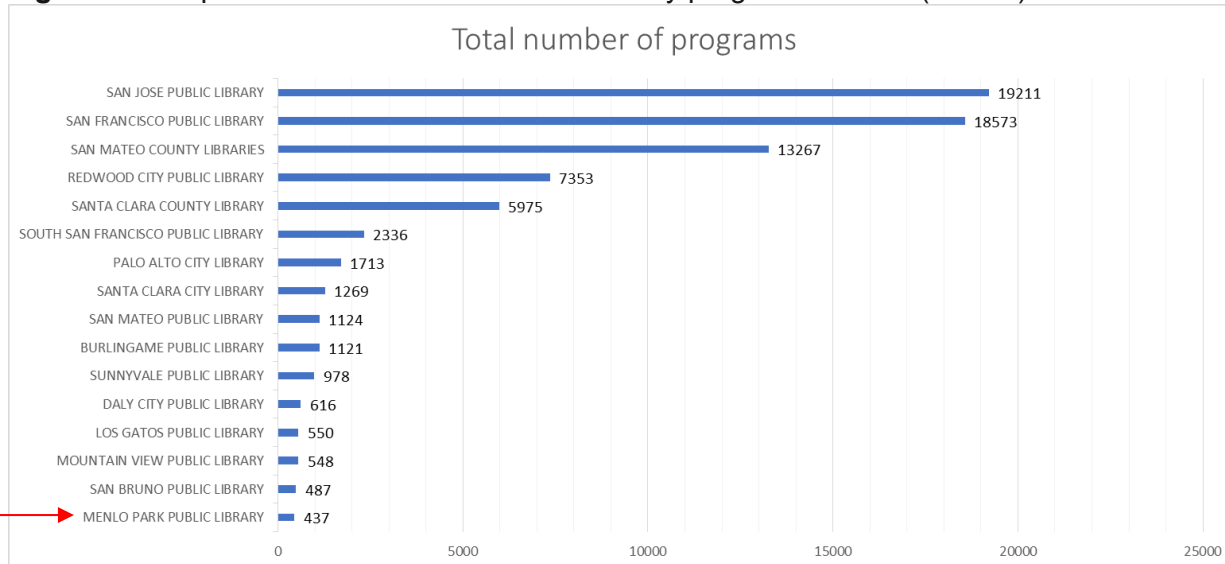
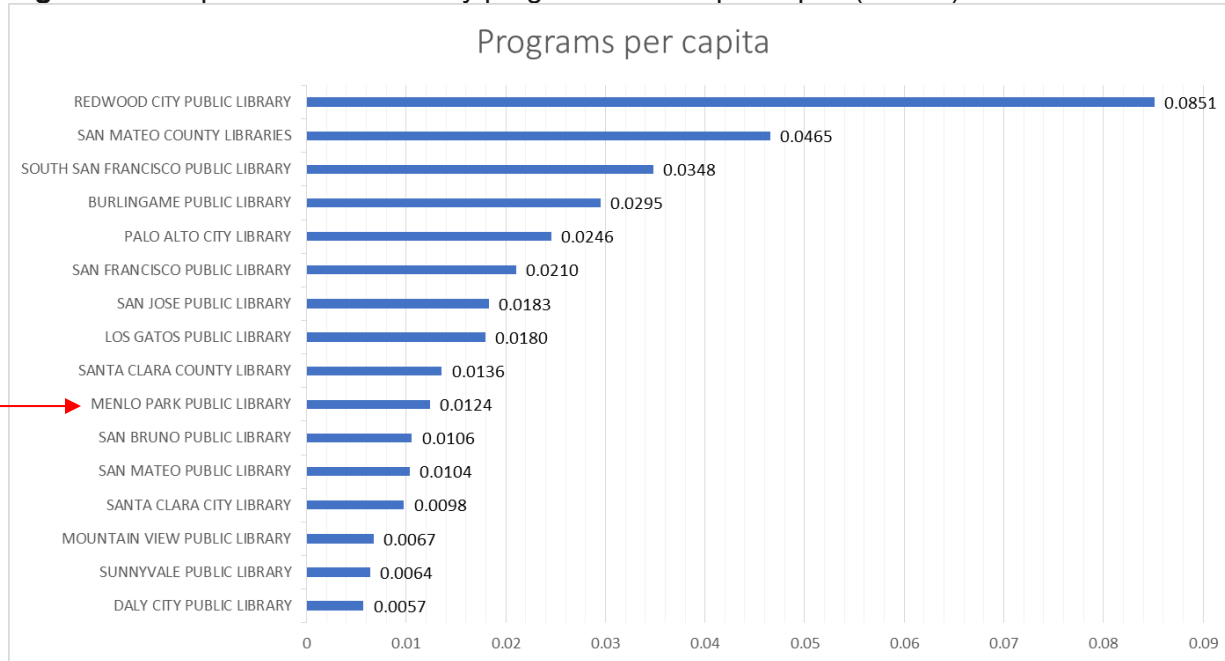


Figure 4. Comparative data. Library programs offered per capita (annual)



Public works equipment mechanic – one FTE

In the public works department, one FTE equipment mechanic was proposed to meet industry best practices in repair and preventive maintenance and to follow the recommendation made in the draft organizational review for the fleet maintenance section. The draft report includes the following recommendation:

The fleet maintenance section of the division is responsible for maintaining each vehicle and piece of equipment in the City. This encompasses 222 units, which are comprised of a typical mix of municipal equipment, such as sedans, pickup trucks, heavy equipment, smaller equipment such as compressors and pumps, mowers, trailers and others.

In the fleet industry, organizations such as NAFA (the National Association of Fleet Administrators) and the American Public Works Association (APWA) have developed and published a standard approach for comparing fleets of differing composition and calculating mechanic-staffing requirements. This approach is known as vehicle equivalency analysis (or sometimes maintenance repair unit analysis.)

A vehicle equivalent unit (VEU) represents a relative repair factor that enables comparisons between different types of vehicles and different fleets. The baseline that is used is the general passenger sedan, having a VEU of one. All other types of vehicles and equipment are assigned a VEU based on the relative level of effort to maintain them in comparison to a sedan. For instance, a law enforcement patrol vehicle is generally given a VE of 2.5, indicating this type of vehicle required 2.5 times the level of effort to maintain than does a sedan. A trailer might be given a VE of 0.25, while a heavy truck, on the other end of the spectrum, a 5.0.

For this project, we assigned a VEU for each make and model of vehicle. The 222 active vehicles in the fleet total 302.7 VEUs. Therefore, the fleet maintenance section is responsible for maintaining a fleet that is the equivalent of about 303 sedans. The following table summarizes VEU calculations:



Table 1: Itemized fiscal year 2015-16				
Class	Description	Number	Vehicle equivalency	Total VEU
A	AUTO/NON HYBRID	9	1	9
AP	AUTO/POLICE	14	2.5	35
B	HYBRID AUTO	5	1	5
BE	ELECTRIC ZEV	4	1	4
BP	HYBRID/POLICE	3	2.5	7.5
C	LIGHT TRUCK 0-9999 GVWR	24	1.5	36
CM	MEDIUM TRUCK 10K - 26K	2	2	4
CP	TRUCK/POLICE	2	2.5	5
D	MEDIUM TRUCK 10,000-26,000 GVWR	24	2	48
E	HEAVY TRUCK 26,001-80,000 GVWR	9	5	45
G	SPORT UTILITY (SUV)	5	1.5	7.5
GP	SUV/POLICE	17	1.5	25.5
I	MOWER	2	0.5	1
J	GEN-SET/EMERGENCY/OFFSITE	5	0.5	2.5
K	MISCELLANEOUS EQUIPMENT	32	0.5	16
KI	TRACTOR IMPLEMENT	9	0.1	0.9
L	OFF-ROAD EQUIPMENT	10	0.5	5
LM	OFF-ROAD/MOWER	7	3	21
M	MOTORCYCLE	5	0.5	2.5
N	LIFTING VEHICLE	3	1.5	4.5
T	TRAILER	7	0.25	1.75
TE	TRAILER/ENG/BATT	16	0.25	4
V	VAN 1/2 - 1 TON	8	1.5	12
Total		222	NA	302.65

The fleet maintenance section maintains the above equipment with a staffing contingent of 2.0 FTE, which includes a senior equipment mechanic and two (2) seasonal mechanics. Therefore, each FTE mechanic is responsible for an average of 151.3 VEU, as compared to the typical range of between 90 and 110 VEU per FTE.

The fleet maintenance section should add one equipment mechanic in order to more efficiently and effectively maintain the fleet. The addition of this mechanic position would reduce the current VEU ratio of 151.3 to one FTE, to a more reasonable 100.9 to one FTE, which is at the high end of the typical range, but sufficient to ensure that the fleet is preventively maintained in accordance with best

practices in the industry.

One component of the requirement of the fleet maintenance section is a City Council-approved agreement between the City and West Bay Sanitary for shared services given the opportunity for economies of scale and the close proximity of the two agencies. Included as Attachment A, the original justification for the agreement remains absent additional direction for City Council. If the West Bay vehicles were excluded from the VEU calculations, then two FTEs would still be justified, but the reliance on seasonal mechanics would be reduced. Before budget cuts in 2009, the City had two mechanic FTEs. Through the end of the fiscal year, one of the two seasonal mechanics is serving in a provisional capacity based on borrowing a FTE from another vacancy in the maintenance division.

The budget requirement for the one FTE equipment mechanic position is \$118,833 and would utilize general fund monies.

Administrative services budget manager – one FTE (provisional)

The proposed budget included 1 FTE budget manager position with a three-year provisional term to implement changes to the City's budget software, prepare the organization to develop the fiscal year 2020-21 budget using a new process, and to implement changes to the City's financial accounting software in the following two years of the provisional term. This position was fully allocated to the general capital improvement plan (CIP) fund, making use of the information technology master plan project budget, and does not affect the general fund. The budget requirement for one FTE budget manager is \$193,559.

In 2019-20, the new FTE is necessary to meet an ambitious timeline to implement some of the impactful improvements to the budget document and process recommended by members of the Finance and Audit Committee (FAC.) While the role of the provisional employee will, in part, be focused on system implementation, the more time consuming aspects of change to the budget document include generating/collecting new information desired such as benchmarks, performance measures, historical information, and working with the organization and the FAC on presentation and format. While timing of the project is important since a new software will need to be in place by January 2020 to use for the 2020-21 budget, staff will prepare a separate action for City Council consideration in July 2019.

Budget assumption updates

Another area which staff understood City Council desired additional clarification is in the budget assumptions used to develop the proposed budget. Included in the questions were the magnitude of the General Fund surplus and the excess educational revenue augmentation fund (excess ERAF) mechanic.

Excess ERAF

Staff understood the chief revenue concern to be the assumption that the City would receive 100 percent of excess ERAF. Previous budget practice is to include 50 percent of excess ERAF in recognition that it is an at-risk revenue source and has a reasonable likelihood of being withheld from the City at some point. Based on the experience of recent years, staff is confident that the City will receive the full excess ERAF in fiscal year 2019-20, but prepared the 10-year forecast with the assumption that it would be fully withheld by the State in some unknown year. The 10-year forecast model includes a large number of trials, each of which included the loss of ERAF in a random year. Based on the proposed strategy of making supplemental pension payments, the 10-year forecast model substituted the City's accumulated Strategic pension reserve in order to balance the budget at the point excess ERAF was removed in order to continue making supplemental payments toward the unfunded pension liabilities.

In the budget proposed June 18, staff will return to the previous budget practice of including only 50 percent of excess ERAF, or \$1.28 million estimated in fiscal year 2019-20.

Herbicide-free enhancements

The City maintains natural grass sports fields at seven locations throughout the City. Four of the seven locations are school sites at which the City and the applicable school district have entered into a joint use agreement. The City agrees to maintain the field in exchange for the right to program the field for local sports user groups. In total, the City maintains approximately 18 acres of natural grass fields. Every year, the City closes each field and performs a six-week renovation on a staggered schedule from June to September in an attempt to minimize the number of fields that are closed at any one time. The renovations typically involve deep tine aerating, seeding, fertilizing, mulching, irrigating and the application of a broadleaf herbicide. The herbicide, which does not contain the active ingredient glyphosate used in RoundUp, focuses on killing weeds without adversely affecting the grass. In compliance with the City's integrated pest management plan, the fields are posted to notify the public about the use of the herbicide. If the City were to forgo the use of herbicides on sports fields, then it would need to explore options for being able to maintain the fields at the high level local sports groups have grown accustomed. Staff believes it would be beneficial to conduct outreach to user groups and perhaps the Parks and Recreation Commission. In general, an herbicide-free approach would require hand weeding a few times per year coupled with select sod replacement where weeds have taken over a portion of a field. Staff has not researched the cost for these routines however based on recent bids received to explore herbicide-free medians and right-of-way, the order of magnitude to expand scope to include sports fields could range from \$500,000 to \$800,000 per year.

General fund surplus

In the previously proposed budget, general fund revenues and expenditures were balanced with an operating surplus of \$0.10 million. Responsive to the City Council concerns over the magnitude of this surplus, all proposed service level enhancements which used general fund monies and without a regulatory need or inter-agency agreement will be removed, substantially increasing the operating surplus available for use according to City Council direction. The most significant of these service level enhancements is the early pay down of unfunded pension liabilities, which earmarks \$1,815,033 in 2019-20 to begin a payoff over 10-15 years. It should be noted that the sum of all service level enhancements and a contingency to expand the herbicide-free program exceed the available resources in 2019-20.

Next steps

If the aforementioned changes are approved, staff will present a version of the proposed budget at the City Council meeting June 18, which allows City Council to adopt the baseline budget or adopt a version including a la carte changes to desired service level enhancements.

Background

- On February 2, the City Council held a goal-setting workshop that initiated and provided guidance for the development of the fiscal year 2019-20 operating budget.
- On May 21³, the city manager's proposed fiscal year 2019-20 budget was presented to the City Council and the community at a public study session.
- On June 4⁴, the City Council held a public hearing to take public comment on the proposed budget and capital improvement program. During the public hearing, the City Council requested additional information and data from staff pertaining to the staffing augmentation requests contained in the proposed budget.

³ Link: https://www.menlopark.org/AgendaCenter/ViewFile/Agenda/_05212019-3284

⁴ Link: <https://www.menlopark.org/DocumentCenter/View/21723/G1-20190604-Budget-Staff-Report-CC>

Impact on City Resources

There is no impact on City resources to receive this item and approve updated direction on budget preparation.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA Guidelines §§ 15378 and 15061(b)(3)) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Hyperlink – October 9, 2012 staff report: menlopark.org/DocumentCenter/View/21822/D3-Att-A---West-Bay-staff-report

Prepared by:

Dan Jacobson, Finance and Budget Manager
Sean Reinhart, Library Services Director
Justin Murphy, Deputy City Manager
Nick Pegueros, Assistant City Manager

Reviewed by:

Starla Jerome-Robinson, City Manager

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**STAFF REPORT****City Council****Meeting Date:****6/11/2019****Staff Report Number:****19-122-CC****Regular Business:**

Direction to city attorney on whether to draft an interim ordinance imposing temporary moratorium on development and direction regarding scope of potential temporary moratorium

Executive Summary

This regular business item seeks City Council direction on the following issues:

1. Should the city attorney be directed to draft a temporary moratorium on all new non-residential construction (including hotels) citywide?
2. Should the city attorney be directed to draft a temporary moratorium on any increased floor area ratio (FAR) for existing non-residential construction (including hotels) citywide?
3. Should the city attorney be directed to draft a temporary moratorium on all new residential construction on developments containing over 100 units applicable only to District 1?
4. Should the city attorney be directed to draft a temporary moratorium on any increased FAR for existing residential developments containing over 100 units applicable only to District 1?
5. If the City Council directs the city attorney to draft a temporary moratorium, should certain projects be exempt (e.g., projects that are currently in the pipeline; mixed use projects, retail projects, hotel projects, affordable housing projects, public projects?)

Policy Issues

The actions requested of the City Council in this report are best summarized by the following three policy questions:

1. Does the City Council desire to reopen any of the current land use policies in a way that would impact new development?
2. Does the City Council want to procure and/or dedicate additional planning resources toward studying current land use policies?
3. Does the City Council believe there are specific, adverse public health or safety impacts that would be mitigated or avoided by limiting residential development for an interim period?

Analysis

On June 5, Mayor Pro Tem Taylor and City Councilmember Nash requested the Mayor to agendize the topic of a moratorium. The June 5 letter proposed the following moratorium on the following:

- All new non-residential construction (including hotels) citywide?
- Any increased FAR for existing non-residential construction (including hotels) citywide?

- All new residential construction on developments containing over 100 units applicable only to District 1?¹
- Any increased FAR for existing residential developments containing over 100 units applicable only to District 1?²

The purpose of the request was to ensure that the City's current general plan and El Camino Real and downtown specific plan reflect current community values and address present day opportunities and challenges (Attachment A.)

State law governs the City's ability to adopt temporary moratorium ordinances. A moratorium is a stringent temporary land use control based on documented, health, safety and general welfare concerns made pursuant to the police power. Cities may adopt temporary ordinances prohibiting any uses that may be in conflict with a contemplated general plan, specific plan or zoning proposal that the city plans to study within a reasonable time (Government Code Section 65858.) To adopt a moratorium, the City must follow the prescribed statutory process and must make written statutory findings.

Procedures for adopting moratorium ordinances

A moratorium ordinance is adopted on a temporary basis and may be adopted as an urgency measure or not. An urgency ordinance is adopted without notice and becomes effective immediately. An interim non-urgency ordinance is adopted following notice and a public hearing, but also becomes effective immediately. Whether the moratorium is adopted as an urgency or non-urgency basis, a moratorium requires a four-fifths vote of the City Council to approve and has an initial duration of 45 days.

If the initial ordinance is adopted as an urgency measure without following the notice and adoption procedures required for other ordinances, after notice and a public hearing, the interim ordinance may be extended for up to 10 months and 15 days and subsequently extended for up to one additional year. Any extension requires a four-fifths vote of the City Council for adoption. No more than two extensions may be adopted for a total duration of up to two years.

Alternatively, if the moratorium is adopted following notice and a public hearing, after the expiration of the initial 45 days, an ordinance may be adopted by a four-fifths vote of the City Council following notice and a public hearing that extends the ordinance for up to 22 months and 15 days (for a total duration of two years.)

Regardless of whether notice is provided when adopting the moratorium, such an ordinance may be adopted at either a regular or special meeting and goes into effect immediately without the need to conduct a second reading.

Ten days before the expiration of the interim ordinance or any extension, the City Council must issue a written report describing the measures taken to alleviate the condition which led to the adoption of the ordinance (Government Code Section 65858 (d).)

It is important to note that the City may only prohibit the issuance of development permits. It may neither prohibit developers from submitting new permit applications nor prohibit the processing of permits during

¹ MidPen's pending application at 1345 Willow is for less than 100 units.

² Based on a preliminary staff analysis, there are currently three existing housing projects over 100 units in District 1: Greenheart, St. Anton and Greystar.

the moratorium. *Building Indus. Legal Defense Found. v. Superior Court* (1999) 72 Cal.App.4th 1410. Projects that have an approved Development Agreement are exempt from a moratorium³.

Required statutory findings

When adopting a moratorium, the City must make two statutory findings: (1) there is a current and immediate threat to the public health, safety or welfare, and (2) the approval of additional entitlements under the zoning ordinance would result in that threat to public health, safety or welfare. (Government Code 65858 (c).)

Some of the reasons for adopting the moratorium identified in the June 5 letter are:

- To analyze the jobs/housing imbalance by district
- Review zoning and how/where additional housing can be encouraged
 - Consider re-zoning areas from commercial to residential or some mixture of residential and retail or other commercial use
 - Consider up-zoning current housing in some areas
 - Consider city housing affordability policy
- Analyze development caps and the remaining allowable net new development
- Analyze development revenues and expenditures
- Analyze impacts of development by type of development, including:
 - Access to quality education
 - Access to community services
 - Access to emergency services
 - Access to clean air and clean water
 - Traffic and access to public transit

If the moratorium would have an effect on projects with a significant component of multifamily housing⁴, the City must make three additional findings if it elects to extend the moratorium beyond the initial 45-day period:

(1) The continued approval of the development of multifamily housing projects would have a specific, adverse impact upon the public health or safety. 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 that the ordinance is adopted by the legislative body.

(2) The interim ordinance is necessary to mitigate or avoid the specific, adverse impact identified pursuant to paragraph (1.)

³ Projects with approved Development Agreements include: Stanford, Menlo Gateway, Facebook and Greenheart.

⁴ The statute defines “projects with a significant component of multifamily housing” to mean project in which multifamily housing consists of at least one-third of the total square footage of the project.

(3) There is no feasible alternative to satisfactorily mitigate or avoid the specific, adverse impact identified pursuant to paragraph (1) as well or better, with a less burdensome or restrictive effect, than the adoption of the proposed interim ordinance.

The July 5 letter identified the unique significant and irreversible development impacts that could be caused by additional housing, including

- Unprecedented development and influx of traffic
- Sensitive population
 - Lack of affordable housing causing displacement, especially vulnerable seniors
 - Lack of local quality education
- Location in middle of major roadways with environmental and physical impacts, such as:
 - Air quality
 - Traffic gridlock
 - Flood zone
- Historical under-investment of infrastructure

Other considerations

If the City Council directs the city attorney to draft a moratorium, the City Council may want to consider whether there should be any exceptions to the moratorium. It is legally permissible to impose a temporary moratorium on any development project that has not yet acquired a vested right to develop. Traditionally, vested rights are acquired once the City has issued a building permit and the developer has incurred costs in reliance on such permit. However, many cities elect as a policy matter to exempt from a moratorium projects that have submitted formal complete applications to the City and are in the review process (e.g., “pipeline” projects.) For example, the MidPen Housing affordable housing project has received its compliance letter and funding from the City’s BMR funds and is preparing its construction drawings for a building permit. Similarly, the proposed Hampton Inn project at 1704 El Camino Real has submitted an application and is set for a Planning Commission hearing for final review June 24. A list of similar pipeline projects is attached as Attachment B.

In addition, the City Council should identify whether it plans to include mixed use projects in the definition of non-residential projects as the higher standard for housing related findings would apply to such projects. Other issues to consider are whether the City Council plans to exclude retail projects and public projects (e.g., the Belle Haven Library.)

Next steps

If the City Council elects not to direct the city attorney to draft a moratorium ordinance, no further action is needed. If more information is needed before the City Council is prepared to provide direction on preparing a moratorium, the City Council should request the desired information.

If the City Council decides to direct the city attorney to draft a moratorium ordinance, it may want to appoint a subcommittee to work with the city attorney and community development director. The City Council should also discuss whether to agendize the moratorium for its upcoming July 16 or subsequent regular meeting or a special meeting. If there does not appear to be a 4/5 vote to adopt the moratorium, the City Council may want to consider whether this work effort is warranted.

Impact on City Resources

If the City elects to adopt a moratorium in order to study new land use policies, additional planning staff time would be required to work on these initiatives. A moratorium will likely result in significant unbudgeted costs and expenses to consider changes to the general plan, specific plan, zoning ordinance and prepare associated environmental review. This may draw senior staff time away from other planning projects. While a moratorium can limit the issuance of permits, moratorium law prohibits cities from preventing the processing of a development application. Thus, even with a moratorium in place, staff must still process development applications as they are submitted. It is likely that additional contract planning staff would be needed to work on processing applications while existing staff is working on updates to the general plan or specific plan. Given the current planning market it may be difficult to promptly retain additional contract staff. Staff will need until at least July 16 to better analyze the staffing needs and resources and the resulting impact on other projects.

Public Engagement

There was no public engagement process conducted in the preparation of this report. The issue of a moratorium was raised in connection with the City Council's recent study sessions on Connect Menlo and the Willow Village project. A City press release was issued to raise awareness that this matter would be scheduled June 11 and applicants with pending projects that could be affected by the moratorium were notified of the item.

Environmental Review

Since the City Council is not adopting an ordinance or taking any final action, the direction provided by City Council is not subject to the California Environmental Quality Act (CEQA). If and when the City Council takes action on a moratorium ordinance, it will fall under the CEQA exemption found in Title 14 California Code of Regulations Section 15061(b)(3) because it is designed to preserve the status quo and therefore does not have the potential to significantly impact the environment. The ordinance would also be categorically exempt under CEQA Section 15308 as a regulatory action taken by the City pursuant to its police power and in accordance with Government Code Section 65858 to assure maintenance and protection of the environment pending the evaluation and adoption of potential local legislation, regulation and policies. Adoption of the proposed interim ordinance is categorically exempt from review under Section 15301 (Class One - Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines since it will temporarily perpetuate existing environmental conditions.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Letter from Vice Mayor Taylor and City Councilmember Nash
- B. List of pipeline projects as of June 5

Staff Report #: 19-122-CC

Report prepared by:
Cara E. Silver, Assistant City Attorney
William M. McClure, City Attorney

June 5, 2019

Dear Mayor Mueller, City Manager Jerome-Robinson, and City Attorney McClure,

The City of Menlo Park has two comprehensive, long-term land use documents, under which there has been unprecedented development:

- General Plan adopted November 29, 2016
- El Camino Real and Downtown Specific Plan adopted in June 2012 with several modest modifications approved in October 2014.

We request that Council consider moratoriums in the City of Menlo Park as follows:

1. A citywide moratorium covering:
 - all new non-residential construction (including hotels) and
 - any increased FAR for existing non-residential construction (including hotels).

The purpose of this citywide moratorium is to ensure that these plans reflect current community values and address present day opportunities and challenges:

- analyze the jobs/housing imbalance including:
 - determine the current jobs/housing situation by district
 - review zoning and how/where additional housing can be encouraged
 - consider re-zoning areas from commercial to residential or some mixture of residential and retail or other commercial use
 - consider up-zoning current housing in some areas
 - consider city housing affordability policy
 - analyze development caps and the remaining allowable net new development
 - analyze development revenues and expenditures
 - analyze impacts of development by type of development including (but not limited to):
 - access to quality education
 - access to community services
 - access to emergency services
 - access to clean air and clean water
 - traffic and access to public transit
2. An additional District 1 moratorium covering:
 - all new residential construction for developments over 100 units and
 - any increased FAR for existing residential developments over 100 units.

District 1 has unique significant and irreversible development impacts including:

- unprecedented development and influx of traffic
- sensitive population
 - lack of affordable housing causing displacement, especially vulnerable seniors
 - lack of local quality education
- location in middle of major roadways with environmental and physical impacts:
 - air quality
 - traffic gridlock
 - flood zone
- historical under investment

This is our formal request to agendize the topic of a moratorium. Our definition of a moratorium is to allow us to step back and look at the City's goals and quality of life for residents – here is where we are, now how do we fix it? Please let us know if you need additional direction.

Sincerely,

Councilmember Betsy Nash and Mayor Pro Tem Cecilia Taylor

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Pending Projects - New Construction and/or Additions - Residential, Non-Residential and Hotels

Project Address	Description	Development Level	Entitlement Status	Building Permit Status	Net New Res. Units	Net New Non-Res. SF	Net New Hotel Rooms
District 1							
1305 Willow Rd	Commercial - Retail	n/a	Approved/Council approved right-of-way abandonment	n/a	0	709	0
1345 Willow Rd	Residential - 100% affordable	n/a	Determined in substantial conformance/Council Approved BMR Funds for Project	n/a	58	0	0
Willow Village	Mixed Use - Office, Residential, Commercial and Hotel	Bonus	Under Review	n/a	1,735	926,789	250
111 Independence	Residential - Rental	Bonus	Pending - EIR Scoping Session scheduled for June 14, 2019	n/a	105	-14,400	0
1105 O'Brien Drive	Life Science	Bonus	Under Review	n/a	0	66,404	0
151 Commonwealth/164 Jefferson	Office	Bonus	Under Review - EIR Scoping Session conducted on 6/3/19	n/a	0	249,500	0
1350 Adams Court	Life Science	Bonus	Under Review	n/a	0	260,400	0
3723 Haven Avenue (Hotel Moxy)	Hotel	n/a	Under Review	n/a	0	-13,700	167
1 Facebook Way (Citizen M)	Hotel	n/a	Under Review	n/a	0	81,293	240*
180-186 Constitution/141 Jefferson/172 Constitution (Menlo Uptown)	Residential - Mix Rental and For-Sale Townhomes	Bonus	Under Review	n/a	483	-108,411	0
115 Independence, 104 & 110 Constitution - Menlo Portal	Mixed Use - Office, Residential, and Commercial	Bonus	Planning Commission study session scheduled on June 24, 2019	n/a	320	-30,123	0
District 3							
1704 El Camino Real/Hampton Inn	Hotel	Public Benefit Bonus	Planning Commission meeting scheduled for 6/24/19	n/a	0	29,228	42
555 Willow Rd	New Boardinghouse	n/a	Pending - conducted study session on 5/20/19	n/a	16 bedrooms	-1,400	0
1540 El Camino Real (former Beltramo's)	Mixed-use office and residential development	Base	Approved	Plans under review	27	17,223	0
556 Santa Cruz Ave (556-558 Santa Cruz Ave)	Mixed-use retail/office/residential development	Base	Approved	Plans under review	-3	4,085	0
725 Oak Grove Ave	Renovation and small expansion of an existing commercial building	Base	Approved	Plans under review	0	1,718	0
40 Middlefield Rd	Office	n/a	Approved	n/a	0	3,600	0
250 Middlefield Rd	Office Addition	n/a	Approved	n/a	0	3,853	0
District 4							
949 El Camino Real	Live entertainment venue	Public Benefit Bonus	Approved	Plans under review	0	6,682	0
1021 Evelyn St (formerly 840 Menlo Avenue)	Mixed-use office and residential development	Base	Approved	n/a	3	6,610	0
975 Florence	Condominium conversion of 6 units and add 2 new units	n/a	Pending City Council review - tentatively scheduled for 7/18/19	n/a	2	0	0
706-716 Santa Cruz Avenue	Mixed-use - retail, office, and residential development	Base	Under Review	n/a	4	22,731	0
115 El Camino Real	Mixed-use - commercial space on the first floor and residential units on the second and third floors	Base	Pending - Planning Commission review anticipated summer 2019	n/a	4	-6,868	-13
201 El Camino Real	Residential/medical office mixed-use building	Public Benefit Bonus	Pending Planning Commission study session on public benefit tentatively scheduled for 7/15/19	n/a	12	1,322	0

* The approved conditional development permit and development agreement for the Facebook Campus Expansion project is permitted to have 200 hotel rooms. The applicant is requesting to increase the number of hotel rooms to 240.