



**SPECIAL AND REGULAR MEETING AGENDA**

**Date:** 6/19/2018  
**Time:** 6:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

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.

**6:00 p.m. Closed Session (City Hall - “Downtown” Conference Room, 1st Floor)**

Public Comment on these items will be taken before adjourning to Closed Session.

- CL1.** Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding current labor negotiations with Service Employees International Union (SEIU) and American Federation of State, County and Municipal Employees (AFSCME)

**7:00 p.m. Regular Session**

- A. Call to Order**
- B. Roll Call**
- C. Pledge of Allegiance**
- D. Report from Closed Session**
- E. Presentations and Proclamations**
- E1. Proclamation recognizing Cherise Brandell
- F. Public Comment**

Under “Public Comment,” the public may address the City Council on any subject not listed on the agenda. Each speaker may address the City Council once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The City Council cannot act on items not listed on the agenda and, therefore, the City Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

- G. Consent Calendar**
- G1. Accept the City Council meeting minutes for April 24, May 22, and June 5, 2018 ([Attachment](#))
- G2. Adopt Resolution No. 6442 calling and giving notice of holding a General Municipal Election for three City Council seats in districts 1, 2 and 4, requesting that the City Council consolidate the election with the Gubernatorial General Election to be held November 6, 2018, and contracting with the San

Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for election services  
([Staff Report #18-127-CC](#))

- G3. Authorize the City Manager to enter into an agreement with Alta Planning + Design for the Safe Routes to School program ([Staff Report #18-136-CC](#))
- G4. Authorize the City Manager to enter into an agreement with Contract Sweeping Services, Inc. for street sweeping services ([Staff Report #18-137-CC](#))
- G5. Award of a construction contract to Golden Bay Construction, Inc. for the Carlton Avenue, Monte Rosa Drive, and North Lemon Avenue Traffic Calming Project and appropriate the funds  
([Staff Report #18-135-CC](#))
- G6. Adopt a Resolution No. 6445 authorizing the installation of temporary traffic calming modifications in the Belle Haven neighborhood due to construction impacts of ongoing projects in the Bayfront area  
([Staff Report #18-133-CC](#))
- G7. Introduce, read and waive further reading of an ordinance adding Chapter 8.54 [Tenant Anti-Discrimination] to the City's Municipal Code ([Staff Report #18-126-CC](#))
- G8. Adoption of Resolution No. 6446 Updating the Below Market Rate Housing Guidelines  
([Staff Report #18-134-CC](#))
- G9. Approve partnership with Menlo Spark and Grid Alternatives to provide free solar electric systems and electric vehicle charging stations to income qualifying homeowners in Menlo Park  
([Staff Report #18-138-CC](#))

#### **H. Public Hearing**

- H1. Adopt Resolution No. 6443 overruling protests, ordering the improvements, confirming the diagram and ordering the levy and collection of assessments for Landscaping Assessment District for fiscal year 2018-19 ([Staff Report #18-130-CC](#))
- H2. Adopt Resolution No. 6444 to collect the regulatory fee at the existing rates to implement the City's Storm Water Management Program for fiscal year 2018-19 ([Staff Report #18-131-CC](#))
- H3. Introduce Ordinance No. 1047 updating the community amenities requirement for bonus level development in the residential mixed-use zoning district ([Staff Report #18-129-CC](#))

#### **I. Regular Business**

- I1. Amend the fiscal year 2017-18 budget and authorize the City Manager to execute agreements with GameTime for The Park Playground Equipment Project ([Staff Report #18-141-CC](#))
- I2. Approve resolutions: adopting the fiscal year 2018–19 budget and Capital Improvement Plan and appropriating funds; establishing the appropriations limit for fiscal year 2018–19; establishing a consecutive temporary tax percentage reduction in the Utility Users' Tax rates through September 30, 2019; and establishing Citywide salary schedule effective July 8, 2018  
([Staff Report #18-140-CC](#))
- I3. Approve a total project budget of \$1.6 million and authorize the City Manager to execute agreements to implement a New Land Management System ([Staff Report #18-139-CC](#))

I4. Adoption of resolution calling election to place charter measure on ballot, approval of final proposed charter language and recommendation from ad hoc committee on inclusion of term limits in charter and charter committee formation ([Staff Report #18-120-CC](#))

I5. Appoint a City Council ad hoc subcommittee to work with the Chamber of Commerce regarding Downtown beautification, business incentives and homeless issues ([Staff Report #18-128-CC](#))

**J. Informational Items**

J1. Update on Employee Engagement and Organizational Development Project ([Staff Report #18-125-CC](#))

J2. Update on the Transportation Master Plan status ([Staff Report #18-132-CC](#))

**K. City Manager's Report**

**L. Councilmember Reports**

**M. 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 Mayor, 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 Mayor, either before or during consideration of the item.

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.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at [menlopark.org/agenda](http://menlopark.org/agenda) and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at [menlopark.org/notifyme](http://menlopark.org/notifyme). Agendas and staff reports may also be obtained by contacting City Clerk at 650-330-6620. (Posted: 6/14/2018)

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**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 4/24/2018  
**Time:** 6:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**Councilmember Kirsten Keith will be participating by phone from:**  
**2611 Kiahuna Plantation Dr., #10F, Koloa, HI 96756**

**6:00 p.m. Special Session**

**SS. Study Session**

SS1. Discussion and feedback on the process for potentially developing a downtown parking structure (Staff Report #18-092)

Housing and Economic Development Manager Jim Cogan introduced the item and made a presentation (Attachment).

- Judy Adams spoke in support of a parking garage in conjunction with a movie theatre.
- Meg McGraw-Sherer spoke in support of afford housing as the mixed-use structure for the parking garage.
- Daniel Valverde, Housing Leadership Council representative, spoke in support of affordable housing as a mixed-use with a parking garage.
- Michele Tate spoke in support of affordable housing as a mixed-use with a parking garage.
- Adina Levin, Complete Streets Commission representative, spoke in support of increasing downtown access and provided suggestions aside from a parking structure.
- Lynne Bramlett spoke in support of the mixed-use structure with either a movie theatre or affordable housing.
- Fran Dehn spoke in support of a parking structure.
- Katie Behroozi commented that there is a lack of parking in the downtown area, but questioned whether a parking garage was the most cost effective solution.
- Jen Wolosin commented that technology is streamlining movies and producing less driving, and urged City Council to consider the future needs of parking.
- Diane Dittmar spoke in support of a parking structure.
- John Conmay spoke in support of a parking structure.
- Diane Bailey spoke in support of a parking structure.

After discussion, the City Council expressed support for the mixed-use structure with affordable housing and/or an entertainment venue. City Council also requested more details on funding and suggested an ad hoc subcommittee be put into place. City Manager Alex McIntyre spoke in support of the subcommittee but clarified this project timeline would have to be extended due to staffing.

**7:00 p.m. Regular Session**

**A. Call to Order**

**B. Roll Call**

**C. Pledge of Allegiance**

**D. Presentations and Proclamations**

D1. Proclamation recognizing Arlinda Heineck

Mayor Ohtaki presented a proclamation to Arlinda Heineck.

D2. Proclamation recognizing Jim Cogan

Mayor Ohtaki presented a proclamation to Jim Cogan.

D3. Certificates of Recognition for Menlo Green Challenge Winners

Mayor Ohtaki presented certificates of recognition for Menlo Green Challenge winners.

D4. Certificates of Recognition for Green Businesses

Mayor Ohtaki presented certificates of recognition for green businesses.

**E. Public Comment**

- Sue Connelly spoke against the new main library and questioned where the need for new library began and where funding would come from.
- Helen Grieco, California Common Cause representative, thanked the City Council and community for all the work entered into with the electoral districting.
- Adina Levin stated that Assembly Bill 2363 allows local cities discretion in setting speed limits and supports the “20 is plenty” moto for neighborhood streets.
- Dr. Mary Streshly commented that open lines of communication should be kept between Facebook and Menlo Park because the zoning will affect the school districts.
- Osnat Loewenthal expressed the need for more outreach to the parents of children attending the Child Care Center regarding the new main library project.
- Pamela Jones notified the City Council and members of the public of the League of Women Voters candidate forums on April 25 and 28, 2018. She also commented that the June 5 election is using a new system and there will be no polling places.
- Katie Behroozi provided a recap of the bicycle training performed over the weekend by the Parents for Safe Routes and thanked Mayor Ohtaki for attending.
- Sean Mulcahy requested City Council to provided logistics on the construction aspect of the Guild renovation.

**F. Commission Report**

F1. Consider applicants and make appointments to fill vacancies on the various City commissions and committees (Staff Report #18-093-CC)

The City Council made appointments to fill vacancies on the Complete Streets Commission, Environmental Quality Commission, Housing Commission, Library Commission, Parks and Recreation Commission, Planning Commission, and Finance and Audit Committee.

Complete Streets Commission reappointed:

- Lydia Lee
- Adina Levin

- Philip Mazarra
- Betsey Nash

Environmental Quality Commission appointed:

- Tom Kabat
- Ryann Price
- James Payne

Housing Commission appointed:

- Rachel Horst
- Wendy McPherson

Library Commission appointed:

- Alan Cohen
- Noopur Pandey
- Katie Hardovic
- Ashley Chambers

Parks and Recreation Commission appointed:

- Dana Payne

Planning Commission appointed:

- Drew Combs (reappointed)
- Camille Kennedy

Finance and Audit Committee appointed:

- Roger Royse
- Soody Tronson (reappointed)

**G. Consent Calendar**

- G1. Accept the City Council meeting minutes for February 13, March 21 and March 27, 2018
- G2. Waive the reading and adopt Ordinance No. 1044 amending Municipal Code Chapter 2.04, City Council, of Title 2, Administration and Personnel, to establish a district based electoral system and to adopt a map describing the boundaries of each district and disband the Advisory Districting Committee (Staff Report #18-091-CC)
- G3. Adopt Resolution No. 6433 approving the list of projects eligible for fiscal year 2018-19 funds from Senate Bill 1: The Road Repair and Accountability Act of 2017 (Staff Report #18-087-CC)
- G4. Adopt Resolution No. 6434 accepting dedication of a public access easement at 937 Hamilton Ave. and authorize the public works director to sign agreements as required for the public access easement (Staff Report #18-089-CC)
- G5. Authorize the city manager to enter into master professional agreements with Liebert Cassidy Whitmore, Sloan Sakai Yeung & Wong LLP, Robert Half, and Maze and Associates for professional

and contract services (Staff Report #18-086-CC)

**ACTION:** Motion and second (Cline/Keith) to approve the consent calendar, passed unanimously.

## H. Public Hearing

- H1. Adopt Resolution No. 6436 amending the City's comprehensive master fee schedule for Community Development, Community Services, Library, Police and Public Works (Staff Report #18-095-CC)

Administrative Services Director Nick Pegueros introduced the item and made a presentation (Attachment).

Mayor Ohtaki opened the public hearing.

No public comment.

Mayor Ohtaki closed the public hearing by acclamation.

The City Council directed staff to implement all fees July 2018 with the exception of single family residential building permit fees. Those fees will be phased in over the next four years.

**ACTION:** Motion and second (Carlton/Ohtaki) to adopt Resolution No. 6436 amending the City's master fee schedule to incorporate proposed changes in fees to become effective immediately; July 1, 2018 with the exception of single-family residential building projects to become effective over the next four years, passed unanimously.

## I. Regular Business

- I1. Adopt Resolution No. 6435 to approve an amended and restated franchise agreement with Recology for waste collection services between 2021 and 2035 (Staff Report #18-090-CC)

Sustainability Manager Rebecca Lucky introduced the item and made a presentation (Attachment).

**ACTION:** Motion and second (Carlton/Cline) to adopt Resolution No. 6435 to approve an amended and restated franchise agreement with Recology for waste collection services between 2021 and 2035. The motion passed 3-0-2 (Mueller and Keith abstained).

- I2. Receive an update on the Transportation Master Plan and provide direction on regional infrastructure priorities (Staff Report #18-084-CC)

Assistant Public Works Director Nicole Nagaya introduced the item and made a presentation. (Attachment)

- Andrew Boone stated that traffic congestion will be a result from projects and expressed concern that projects do not align with the general plan.
- Pamela Jones commented that Menlo Park funnels Santa Clara County traffic.
- Cecilia Taylor questioned on that studies be conducted during higher traffic hours and spoke against flyovers in the Bel Haven neighborhood.
- Adina Levin, representing the Complete Streets Commission, commented that Willow is a local street as well as a pass through for vehicles and should be considered a neighborhood street.



City Council supported the removal of options two and four presented in the staff report. There was also discussion on ways to reduce cut through traffic on Willow. City Council directed staff to start a dialogue with the City of Mountain View requesting their support towards the improvements.

**J. Informational Items**

- J1. Quarterly financial review of General Fund operations as of March 31, 2018 (Staff Report #18-097-CC)
- J2. Review of the City's investment portfolio as of March 31, 2018 (Staff Report #18-094-CC)
- J3. Quarterly update on the 2018 City Council Work Plan (Staff Report #18-096-CC)
- J4. Removal of the relocation of Independence Drive from the zoning map (Staff Report #18-088-CC)

**K. City Manager's Report**

Mayor Pro Tem Mueller reported that he would be in Panama and Mexico for work.

**L. Councilmember Reports**

**M. Adjournment**

Mayor Ohtaki adjourned the meeting at 11:36 p.m.

Judi A. Herren, City Clerk

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**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 5/22/2018  
**Time:** 6:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**6:00 p.m. Closed Session (City Hall - “Downtown” Conference Room, 1st Floor)**

Mayor Ohtaki called the closed session to order at 6:00 p.m.

- CL1.** Closed session conference with legal counsel pursuant to Government Code section 54956.9(d)(1) regarding existing litigation: 1 case  
Case Name: Talavera v. City of Menlo Park; Case Number: RG17869108

Attendees: City Manager Alex McIntyre, City Attorney Bill McClure, Special Counsel for Employment Actions Suzanne Solomon, Administrative Services Director Nick Pegueros, Human Resources Manager Lenka Diaz

**7:00 p.m. Regular Session**

**A. Call to Order**

**B. Roll Call**

**C. Pledge of Allegiance**

**D. Report from Closed Session**

**E. Presentations and Proclamations**

- E1.** Proclamation recognizing “Public Works Week” (May 20–26, 2018)

Mayor Ohtaki presented a proclamation to Director of Public Works Justin Murphy and Associate Civil Engineer Rene Punsalan (Attachment).

Director of Public Works Justin Murphy presented an award to the City Council for an early completion of the Santa Cruz Avenue Sidewalk project.

- Andrew Boone commented he has seen an improvement in Public Works work but the pace of work still needs attention.

- E2.** Presentation by “Get Us Moving” San Mateo County regarding transportation

Jessica Epstein from SamTrans Government/Community Affairs made a presentation (Attachment).

- Andrew Boone spoke against the Get Us Moving measure.
- Diane Bailey spoke in favor of the funding.
- Jen Wolosin spoke in favor of the funding.

- Adina Levin spoke in favor of the outreach.

## **F. Public Comment**

- Dr. Mary Streshly provided an update on the collaboration between Menlo Park, Facebook, and Sequoia Union High School District on the ConnectMenlo housing development plan.
- Andrew Boone commented on the possible traffic impacts from the Facebook project. Boone spoke in favor of the City Council 2018 Workplan and the inclusion of an increased minimum wage.

## **G. Commissioner Reports**

### G1. Environmental Quality Commission quarterly update

Environmental Quality Commission Chair Janelle London presented the report (Attached).

## **H. Consent Calendar**

- H1. Accept the City Council meeting minutes for April 16, 2018
- H2. Approve amendments to greenhouse gas reduction strategies in the 2015 Climate Action Plan (Staff Report #18-116-CC)
- H3. Adopt Resolution No. 6347 preliminary approval of the engineer's report for the Menlo Park Landscaping Assessment District and Resolution No. and 6348, intention to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2018-19 (Staff Report #18-106-CC)
- H4. Authorize the Mayor to sign letters requesting coordination with neighboring cities pursuing grade separation and approve changes to the City's rail policy (Staff Report #18-111-CC)
- H5. Authorize the Mayor to sign a letter of intent to join Commute.org (Staff Report #18-109-CC)
- H6. Accept the Water System Master Plan (Staff Report #18-108-CC)
- H7. Authorize the City Manager to amend an agreement with W-Trans for the Transportation Master Plan and Transportation Impact Fee Program and appropriate \$241,000 from the undesignated fund balance of the General Fund (Staff Report #18-114-CC)
- H8. Approve a specific location of the Menlo Gates Project at the corner of Alma Street and Ravenswood Avenue near the Library and authorize the City Manager to enter into any applicable agreements with the Menlo Park Historical Association to execute the project (Staff Report #18-115-CC)
- H9. Award a construction contract to Suarez & Munoz Construction, Inc. for the Jack Lyle Park Restroom Project in the amount of \$496,465, approve a contingency in the amount of \$75,000; and appropriate \$140,000 from undesignated fund balance (Staff Report #18-110-CC)
- H10. Award of a construction contract for the 2018 Street Preventive Maintenance Project to Graham Contractors, Inc., in the amount of \$819,490; approve a construction contingency in the amount of

\$123,000; and appropriate \$300,000 from undesignated fund balance (Staff Report #18-112-CC)

**ACTION:** Motion and second (Keith/Carlton) to approve the consent calendar, passed unanimously.

## I. Public Hearing

11. Consider the Planning Commission's recommendation to approve Environmental Impact Report addendum, Specific Plan And Zoning Ordinance amendment, architectural control, use permit, and Below Market Rate Housing agreement for the Guild Theater Renovation Project at 949 El Camino Real (Staff Report #18-113-CC)

Senior Planner Corinna Sandmeier introduced the item and made a presentation (Attachment).

Mayor Ohtaki opened the public hearing.

- Jamie D'Alessandro spoke in support of the Guild Theater Renovation Project.
- Jeff & Kori Mueller spoke in support of the Guild Theater Renovation Project.
- Judy Adams spoke in support of the Guild Theater Renovation Project.
- Sean Mulcahy spoke in support of the Guild Theater Renovation Project. However, expressed concerns about construction impacts on his neighboring business.
- Karli Cleary spoke in support of the Guild Theater Renovation Project.
- Jean Forstner spoke in support of the Guild Theater Renovation Project.
- Daniel Abrams spoke in support of the Guild Theater Renovation Project.
- Naya Chatterjee spoke in support of the Guild Theater Renovation Project.
- Eric Aimgren spoke in support of the Guild Theater Renovation Project.
- Alexis Dennie spoke in support of the Guild Theater Renovation Project.
- Joel Jewitt spoke in support of the Guild Theater Renovation Project.
- Chris Neil spoke in support of the Guild Theater Renovation Project.
- Skip Hilton spoke in support of the Guild Theater Renovation Project.
- Nikki Sokol spoke in support of the Guild Theater Renovation Project.
- Marc Bryman spoke in support of the Guild Theater Renovation Project.
- Alex Delly spoke in support of the Guild Theater Renovation Project and expressed concerns with project logistics.
- Fran Dehn spoke in support of the Guild Theater Renovation Project.
- Steve Eisna spoke in support of the Guild Theater Renovation Project and expressed concerns for parking a construction impacts and traffic to retailers and residents on Live Oak.
- Adina Levin spoke in support of the Guild Theater Renovation Project and made comments regarding parking.

Mayor Ohtaki closed the public hearing by acclamation.

The City Council discussed mitigating traffic issues and parking during construction with tour buses and how to minimize impacts to neighboring businesses and residences. City Council also requested that "super event" times and days be reviewed and modified.

**ACTION:** Motion and second (Cline/Carlton) to approve of the Guild Theater Renovation Project at 949 El Camino Real and specific entitlements and environmental review components as follows: 1. An addendum to the Specific Plan Program Environmental Impact Report (Program EIR) to analyze

the potential environmental impacts of the proposed Specific Plan and Zoning Ordinance amendments; 2. A Specific Plan and Zoning Ordinance amendment to allow a live performance facility with community benefits, located in a feature building north of Live Oak Avenue in the El Camino Real South-West (ECR SW) sub-district of the El Camino Real/Downtown Specific Plan (SP-ECR/D) zoning district at a total bonus level floor area ratio (FAR) of 2.50, with a maximum above grade FAR of 1.50, and other associated amendments; 3. Architectural control for compliance with Specific Plan standards and guidelines for a commercial development consisting of a live entertainment venue on an approximately 4,752-square foot site; 4. A use permit to allow small scale commercial recreation and a bar; and, 5. Below Market Rate (BMR) Housing agreement for compliance with the City's BMR Housing Program, passed unanimously.

## **J. Regular Business**

### **J1. Approve next steps for library system improvements (Staff Report #18-085-CC)**

Assistant Library Services Director Nick Szegda introduced the item and made a presentation (Attachment).

- Jen Wolosin spoke in support of the project if housing and traffic impacts are considered (Attachment).
- Daniel Valverde spoke in support of the project with the addition of affordable housing.
- Leora Ross spoke in support of the project with the addition of affordable housing (Attachment).
- Lynne Fovinci spoke in support of the project.
- Pamela Jones spoke in support of the project but stated the Laurel site was preferable compared to the Belle Haven.
- Lynne Bramlett spoke against the project, requested more transparent public engagement, and funding analysis.
- Karen Grove spoke in support of the project with the inclusion of affordable housing.
- Steve Calder requested more transparency and responsiveness to the needs and voices of the community.
- Susan Stimson spoke about concerns regarding the process.
- Sue Connelly spoke in opposition of the project's approval tonight and expressed concerns about the reporting of citizens input.
- Monica Corman spoke in support of the project.
- Emily Martin spoke against the project.
- Jacqui Cebrian spoke in support of the project.
- Meg McGraw-Sherer spoke in support of the project if affordable housing is considered.
- Osnat Loewenthal spoke in opposition of the project and had concerns about the process.
- Adina Levin spoke against the project because it is not a top priority. She did speak in support of affordable housing if the project is approved.
- Andrew Boone spoke in favor of the project at the Laurel site and affordable housing inclusion but questioned funding.
- Eddy Rodriguez spoke in support of the project and the inclusion of affordable housing.

The City Council discussed ways to keep the process transparent and ways to address the needs of the public.

Mayor Ohtaki continued this item to a future meeting.

**K. Informational Items**

- K1. Update on the South Bay Salt Pond Restoration Project – Ravenswood Ponds and construction impacts to Bedwell Bayfront Park (Staff Report #18-107-CC)

**L. City Manager's Report**

**M. Councilmember Reports**

**N. Adjournment**

Mayor Ohtaki adjourned the meeting at 12:05 a.m.

Judi Herren, City Clerk

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**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 6/5/2018  
**Time:** 6:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**6:00 p.m. Closed Session (City Hall - “Downtown” Conference Room, 1st Floor)**

Mayor Ohtaki called the closed session to order at 6:00 p.m.

- CL1. Closed session conference with legal counsel pursuant to Government Code section 54956.9(d)(1) regarding existing litigation: 1 case  
Case Name: Talavera v. City of Menlo Park; Case No.: RG17869108
- CL2. Closed session conference with legal counsel pursuant to Government Code section 54956.9(d)(1) regarding existing litigation: 1 case  
Case Name: Chamberlin v. City of Menlo Park et al, United States District Court, Northern District of California, Case No.: 3:17-CV-04994-LB

**7:00 p.m. Regular Session**

- A. Call to Order**
- B. Roll Call**
- C. Pledge of Allegiance**
- D. Report from Closed Session**
- E. Public Comment**
  - Nettie Wijnsman commented on concerns regarding San Mateo County’s Environmental Impact Report (EIR) of Flood Park; parking, current park usage, traffic impacts, speeding vehicles, and noise.
  - Alice Newton spoke in favor of the proposed plans for Flood Park and spoke against the proposed lacrosse/soccer field’s location.
  - Enrique Navas requested collaboration from the City Council and the Sequoia School District regarding impact fee analysis.
- F. Commissioner Reports**
  - F1. Housing Commission quarterly update  
  
Housing Commission quarterly update was moved to a future City Council meeting.
- G. Consent Calendar**

- G1. Accept the City Council meeting minutes for April 24 and May 8, 2018
- G2. Adopt a Specific Plan and Zoning Ordinance amendment associated with the Guild Theater Renovation Project at 949 El Camino Real (Staff Report #18-122-CC)
- G3. Authorize the City Manager to amend the contract with CalWest Lighting & Signal Maintenance to provide traffic signal and street light maintenance services (Staff Report #18-118-CC)
- G4. Authorize the City Manager to send a staff representative with the July 2018 Bizen Student Exchange Trip and approve related travel expenses not to exceed \$3,000 (Staff Report #18-124-CC)

Council Member Carlton pulled items G1 and G4.

**ACTION:** Motion and second (Cline/Keith) to approve items G2 and G3, passed unanimously.

- G1. Accept the City Council meeting minutes for April 24 and May 8, 2018

Council Member Carlton requested the Committee/Commission appointees be named on the April 24 minutes. Mayor Pro Tem Mueller requested that the April 24 minutes reflect “and/or” when referring to the downtown parking structure as a mix-used structure.

**ACTION:** Motion and second (Cline/Ohtaki) to approve item G1, passed unanimously.

- G4. Authorize the City Manager to send a staff representative with the July 2018 Bizen Student Exchange Trip and approve related travel expenses not to exceed \$3,000 (Staff Report #18-124-CC)

City Council discussed the need for a staff member to attend the Bizen Exchange Trip.

**ACTION:** Motion and second (Carlton/Ohtaki) to approve item G4, passed unanimously.

## H. Public Hearing

- H1. Public Hearing on proposed fiscal year 2018-19 budget and Capital Improvement Plan (Staff Report #18-123-CC)

City Manager Alex McIntyre and Administrative Services Director Nick Pegueros introduced the item and made a presentation (Attachment).

Mayor Ohtaki opened the public hearing.

No public comment.

Mayor Ohtaki closed the public hearing by acclamation.

City Council thanked staff for the work that went into the balanced budget. They also discussed ways to fund the Sharon Oaks sidewalk project, Willow park sidewalk and bicycle lane project, Alta School sidewalk project, Belle Haven Library, and the downtown parking garage. City Council also directed staff to return to the June 19 meeting on creating and appointing members to a subcommittee to work with the Chamber of Commerce on the beautification, human care for the homeless, and business incentives in the downtown area.

- H2. Consider an appeal of the Planning Commission approval of a use permit for a new residence at 752 Gilbert Avenue (Staff Report #18-117-CC)

Assistant Planner Michele T. Morris introduced the item and made a presentation (Attachment).

Appellants Eric Selvik, Soni Bergman, David Lehmann, and Krystl Wong supported the project but had concerns with the height, landscaping, and location of the second story (Attachemnt).

Mayor Ohtaki opened the public hearing.

- Susan Leonard commented the rural charm on the Gilbert neighborhood and the proposed structure seemed to be more industrial.

Mayor Ohtaki closed the public hearing by acclamation.

City Council discussed the various options presented by staff, the Planning Commission, the architect Chris Spalding, and the appellants. Staff was directed to work as a liaison between the appellants and architect for the landscaping design.

**ACTION:** Motion and second (Carlton/Cline) to approve the denial of the appeal, uphold the Planning Commission approval with the following conditions; maximum height to be 18 inches and the appellants to be involved in the landscape design, passed unanimously.

## **I. Regular Business**

- I1. Adoption of resolution calling election to place charter measure on ballot, approval of final proposed charter language and recommendation from ad hoc committee on inclusion of term limits in charter and charter committee formation (Staff Report #18-120-CC)

Item I1 was moved to the June 19 City Council meeting.

## **J. Informational Items**

- J1. Update on Land Management Information System Replacement (Staff Report #18-121-CC)

- J2. Update on the Citywide Safe Routes to School program (Staff Report #18-119-CC)

- Jen Wolosin thanked the City Council and staff for prioritizing the Safe Routes to School program.

## **K. City Manager's Report**

## **L. Councilmember Reports**

Mayor Ohtaki stated the Stanford General Use Permit Subcommittee raised important questions regarding the traffic mitigation before the final EIR is submitted.

## **M. Adjournment**

Mayor Ohtaki adjourned the meeting at 11:36 p.m.

Judi Herren, City Clerk

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**STAFF REPORT**

**City Council Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-127-CC

**Consent Calendar:** Adopt Resolution No. 6442 calling and giving notice of holding a General Municipal Election for three City Council seats in districts 1, 2 and 4, requesting that the City Council consolidate the election with the Gubernatorial General Election to be held November 6, 2018, and contracting with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for election services

**Recommendation**

Staff recommends that the City Council adopt the proposed resolution that calls the election of three City Council seats in districts 1, 2 and 4, consolidates the City of Menlo Park's General Municipal Election with the Gubernatorial General Election November 6, 2018 and approves contracting with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder to provide election services.

**Policy Issues**

These actions are prescribed under the California Elections Code in order for the General Municipal Election of three City Council seats in districts 1, 2 and 4 to take place.

**Background**

The General Municipal Election to elect members of the Menlo Park City Council is held in November of even numbered years. This will be the first district-based election following City Council's transition to district elections. City Council members will be elected from three districts (1, 2 and 4) this cycle and from the remaining two districts (3 and 5) in the next cycle. The terms of three at-large City Councilmembers (Cline, Keith and Ohtaki) will expire this year. City Councilmembers Carlton and Mueller will continue to serve as at-large City Council members until their terms expire in 2020. City Council member terms are for four years.

Historically, the City of Menlo Park consolidates its general municipal election with the county of San Mateo and requests the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder to provide specialized services including the printing and mailing of ballot materials, establishing and operating of polling places and the counting of ballots.

**Analysis**

The Elections Code requires the governing body to adopt a resolution calling for the November 6, 2018 election (Attachment A). Menlo Park consolidates its general municipal election with the county of San Mateo. In order to contract with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder to render services, the City Council must adopt a resolution requesting that the board of supervisors approve consolidation and approve a service agreement, which specifies the duties of the City and the County.

The following are important dates for the November 6, 2018 election:

**July 2 – July 16**

Between these dates, the city clerk shall publish a Notice of Election for three open City Council seats (Districts 1, 2 and 4).

**July 16 – August 10**

This is the City Council candidate filing period. Nomination papers, declarations of candidacy and other election materials are available during this time from the city clerk between established business hours. Paperwork must be filed by 5 p.m., the close of business, August 10, 2018. Generally, if an incumbent elects not to run this nomination period is extended for five days. Since there are no existing incumbents in the newly formed districts, the nomination period will close August 10.

**Impact on City Resources**

According to the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for election services, the estimated cost of consolidated election services for the three City Council seats is approximately between \$19,600 and \$23,520. Funds are included in the proposed fiscal year 2018-19 budget.

**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. Resolution No. 6442

Report prepared by:  
Judi A. Herren, City Clerk

**RESOLUTION NO. 6442****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK CALLING AND GIVING NOTICE OF HOLDING A GENERAL MUNICIPAL ELECTION FOR THREE CITY COUNCIL SEATS IN DISTRICTS 1, 2 AND 4; REQUESTING ELECTION CONSOLIDATION WITH THE GUBERNATORIAL GENERAL ELECTION TO BE HELD ON NOVEMBER 6, 2018; AND CONTRACTING WITH THE SAN MATEO COUNTY CHIEF ELECTIONS OFFICER AND ASSESSOR-COUNTY CLERK-RECORDER FOR ELECTIONS SERVICES**

WHEREAS, the City Council of Menlo Park is calling a General Municipal Election to be held on Tuesday, November 6, 2018, for the purpose of electing three City Council members for full four-year terms; and

WHEREAS, the General Municipal Election is to be consolidated with the Gubernatorial General Election to be held on the same date and that the City precincts, polling places and election officers of the two elections be the same, and that the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE BE IT RESOLVED that the City of Menlo Park orders as follows:

1. The City hereby calls a General Municipal Election to elect one person each from City Council Districts 1, 2 and 4 to the City Council of the City of Menlo Park for a term commencing January 1, 2019, and ending December 31, 2022.
2. Pursuant to California Elections Code Section 10403, the City Council of Menlo Park is hereby consenting and agreeing to the consolidation of a General Municipal Election with the Gubernatorial General Election to be held on November 6, 2018.
3. Nomination papers may be procured from the City Clerk no earlier than July 16, 2018 and shall be filed with the City Clerk no later than 5:00 p.m. on August 10, 2018. That the election precincts, polling places, voting booths and election officials in each of the precincts in which this election shall be held shall be the same as provided for the Gubernatorial General Election on said date, as prescribed by the ordinance, order, resolution or notice of the Board of Supervisors of San Mateo County calling, providing for or giving notice of such other election and which sets forth such precincts, voting booths, polling places and election officials.
4. Pursuant to Elections Code 10002, the City Council further requests that the County Board of Supervisors permit County election official(s) be authorized to render services to the City relating to the conduct of said election. The services shall be of the administrative type normally performed by such County election official(s) in conducting elections including, but not limited to, checking registrations; printing and mailing sample ballots; ballots; candidates' statements; hiring election officers and arranging for polling places; providing and distribution of election supplies; and counting ballots and canvassing returns.
5. That the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder is hereby authorized to canvass the returns of the General Municipal Election, and that the

election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

6. The City of Menlo Park recognizes that the costs incurred by the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder, by reason of this consolidation, will be reimbursed by the City of Menlo Park as specified in the Services Agreement that the City of Menlo Park hereby authorizes the City Manager to execute.
7. Pursuant to Elections Code 13307, the City Council hereby determines to levy against each candidate availing himself or herself if the service of including a candidate's statement not to exceed two hundred (200) words in length in the voters' pamphlets, the actual prorated costs of printing, handling, and translating the candidates statement incurred by the City of Menlo Park. The City Clerk shall provide written notice to such effect with each set of nomination papers issued and shall require payment of the estimated pro rated share at the time the candidate statement is filed.
8. The City Clerk is hereby directed to submit a certified copy of this resolution to the Board of Supervisors of the County of San Mateo, and to the appropriate County election officials of San Mateo. The City Clerk is also directed to file a copy of the resolution with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder prior to August 10, 2018.
9. That the City Clerk shall certify to the passage and adoption of this resolution.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting of said City Council on the nineteenth day of June, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk





## STAFF REPORT

### City Council

Meeting Date:

6/19/2018

Staff Report Number:

18-136-CC

Consent Calendar:

**Authorize the City Manager to enter into an agreement with Alta Planning + Design for the Safe Routes to School Program**

### Recommendation

Staff recommends that the City Council authorize the City Manager to enter into an agreement with Alta Planning + Design for professional consulting services for the Safe Routes to School program for \$90,000.

### Policy Issues

The development of a Citywide Safe Routes to School program is included as one of the top six priority projects in the City Council's adopted 2018 work plan. The program is also an implementation program included in the 2016 general plan circulation element.

### Background

On February 7, 2017, the City Council adopted its 2017 work plan that included the development of a Citywide Safe Routes to School Program. On June 20, 2017, the City Council approved its 2017-18 budget, which included funding to initiate the program's first year. The program was initiated in fall 2017, however progress was slower than anticipated due to other emergent priorities, including responding to the Willow Road/ highway 101 construction impacts in the Willows neighborhood, the Stanford University general use permit draft environmental impact report, the Stanford University Center for academic medicine project and appeal, and ongoing operational challenges with the City's shuttle program; all of which combined to significantly reduce the division's ability to commence new projects. In addition, two vacancies within the division occurred in July and October 2017, which are currently in the process of being filled.

On February 6, 2018, the City Council adopted its 2018 work plan, including the Citywide Safe Routes to School program and further prioritized it as one of the city's top six priority projects. Accordingly, staff reprioritized work efforts and prepared a draft request for proposals for the program. The Safe Routes to School subcommittee of the Complete Streets Commission and advocates from Parents for Safe Routes reviewed the draft request for proposals. Staff incorporated this feedback and released the request for proposals May 2, 2018. Six proposals were received by the due date of May 23, 2018.

### Analysis

There are approximately 20 public and private schools (Attachment A) located within the City of Menlo Park or neighboring communities that serve Menlo Park residents. The goal of Safe Routes to School is that children can travel to school via bicycling or walking, thus increasing independence and reducing the need for parents to drive children and congestion related to this traffic. The key to this program, in addition to the city's infrastructure, is having informational resources available for both parents and children to know their

commute options to school. The City, therefore, is seeking firm(s) to assist in developing resources and strategies to create a Citywide Safe Routes to School Program. This program will provide all schools resources to offer their students, along with support to continue the longevity of the Safe Routes to School Program.

### Scope of work

The request for proposals was released May 2, 2018, outlining the program initiation in two phases:

1. Establishment of a Safe Routes to Schools Program
2. Operation of a Safe Routes to Schools Program

Phase 1 will provide background data, analysis and best practice recommendations to the city for establishing a new Safe Routes Program. This phase emphasizes gathering existing practices and policies, liaising with staff in various departments that can influence safe routes and providing sample funding recommendations and job descriptions to sustain the program over time. Best practice recommendations for a crossing guard program and strategies for funding a Safe Routes Program with overlapping jurisdictions and agency partners will be developed.

Phase 2 will provide support to city staff through a contract to sustain Safe Routes Program operations. A part-time coordinator will be hired from the community by the consultant on a contract basis (approximately 15 hours per week) to work in coordination with the consultant. Anticipated tasks may evolve during program initiation and establishment, but are anticipated to include developing an advisory committee including representatives from various schools, community groups, adjacent cities and other stakeholders; preparing community engagement materials to promote the program; assisting with grant writing; planning safety demonstration and biking/walking themed events; developing an educational curriculum and other educational materials. An option to extend the phase 2 contract, depending on consultant performance and future funding availability, is included for up to two additional fiscal years, through June 2021.

Six proposals were received from various firms before the May 23, 2018, deadline. The proposals represent engineering/planning firms, advocacy groups and nonprofits: Alta Planning + Design, Kimley-Horn, Silicon Valley Bicycle Coalition, Safe Routes to School National Partnership, Strategic Energy Innovations and TransForm.

A team of six city staff and Complete Streets Commission subcommittee members reviewed the proposals. Proposers were scored on each phase for which they proposed (e.g., firm proposing on two phases was scored twice). Scores were averaged amongst the six reviewers, and proposers were ranked. A meeting was held to discuss each applicant's scores, and to gain a consensus of the preferred firm(s) for selection.

The panel was unanimous in its decision, recommending Alta Planning + Design as the top proposal for Phase 1, Phase 2, and mapping services for the Safe Routes to School Program. This firm was chosen for its experience and price point. Alta Planning + Design has successfully worked with the City of Menlo Park on past transportation projects, along with having experience working on the City of Palo Alto's and San Mateo County Office of Education's Safe Routes to School programs.

A scope of work from Alta Planning + Design (Attachment B) details the anticipated work flow and deliverables. A summary schedule is provided in Table 1.

Table 1: Next steps and schedule	
Future tasks	Schedule
Notice to proceed, phases 1 and 2	July 2018
Phase 1 completion	June 2019
Phase 2, year 1	2018-19
Optional phase 2 extensions	2019-20, 2020-21

**Impact on City Resources**

The estimated total annual cost of the Safe Routes to School Program is \$90,000. A cost breakdown is provided in Table 2. In the city’s fiscal year 2017-18 budget, \$90,000 is available for the program. Therefore, no additional resources are requested at this time. As part of the 2018-19 budget, an additional \$90,000 is proposed to sustain the annual program operations. Staff has incorporated an optional extension of the agreement for two additional years with satisfactory consultant performance. Funding levels for future program years will be determined in each year’s annual budget development process based on available resources and overall city needs. The consultant recommendations as part of the Phase 1 scope of work will include recommendations for future funding levels to sustain and expand the program in the future. While no additional staff resources are requested at this time to implement the program, the consultant recommendations will also include staffing recommendations for the future. These could include continuing contract assistance or hiring a city employee at either part-time or full-time to manage the program.

Table 2: Cost breakdown	
Phase 1	\$42,000
Phase 2	\$48,000
<b>Total cost</b>	<b>\$90,000</b>

**Environmental Review**

This proposed action is categorically exempt under the current California Environmental Quality Act Guidelines per Section 15322, Educational or Training Programs Involving No Physical Changes.

**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. Map of school locations in Menlo Park
- B. Alta Planning + Design scope of work and fee estimate

Report prepared by:  
 Nicholas Yee, Transportation Demand Management Coordinator

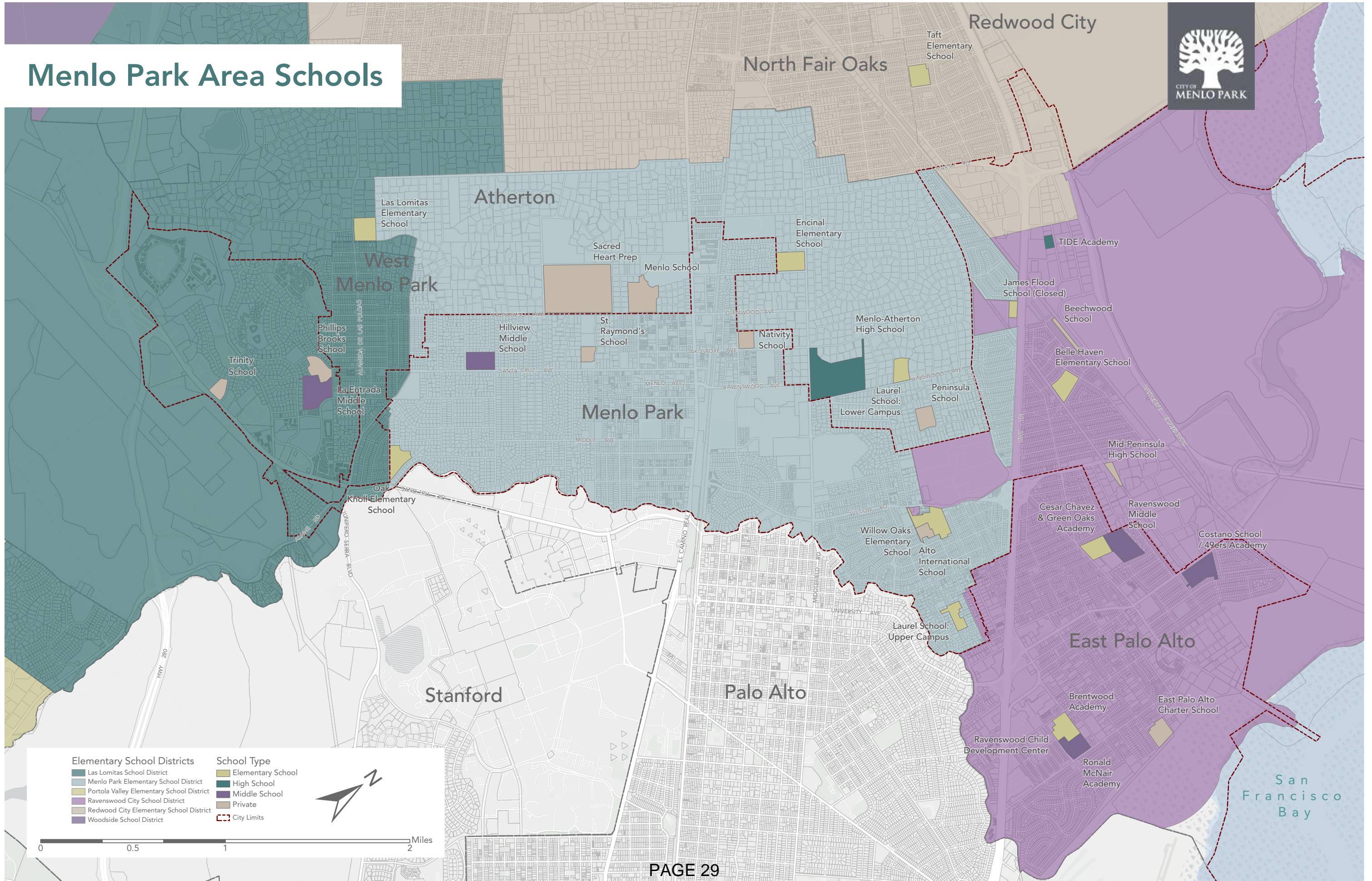
Report reviewed by:  
 Nicole H. Nagaya, Assistant Public Works Director



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# Menlo Park Area Schools



Elementary School Districts	School Type
Las Lomas School District	Elementary School
Menlo Park Elementary School District	High School
Portola Valley Elementary School District	Middle School
Ravenswood City School District	Private
Redwood City Elementary School District	City Limits
Woodside School District	

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## City of Menlo Park Safe Routes to School Program

# Scope of Work

Revised June 4, 2018

## Phase 1: Establish Safe Routes to School Program

### Task 0: Administration

#### Task 0.1 Project Management

Throughout the project, there will be ongoing coordination between Alta and the City of Menlo Park. Alta's Project Manager, Hannah Day-Kapell, will be in regular communication with the City of Menlo Park Manager making sure we meet City expectations. The regular team calls will help keep the project on schedule, on budget, and make sure the Team continues to meet expectations. Alta will hold bi-weekly team calls to discuss the ongoing efforts and next steps.

Alta will also provide monthly project status reports that will include:

- Task deliverable status, budget spent, and budget remaining
- Schedule status
- Deliverables submitted
- Deliverables to be submitted in the next month

#### Task 0.2 Project Kick-Off Meeting

Alta will plan and facilitate a project kick-off in-person meeting with conference call option to clarify the project scope, schedule, objectives, key stakeholders, and points of engagement. We will also develop a list of stakeholders and discuss prioritization criteria at this meeting.

#### Task 0 Deliverables:

- Team meeting agendas and notes
- Kick-off meeting agenda and notes
- Monthly project status updates

### Task 1: Safe Routes to School Background Analysis

#### Task 1.1 Background Data

Alta will prepare a data request memo identifying the GIS and program history information we need for this analysis. We will collect ongoing traffic management plans, programs, and strategies currently implemented at schools, including Transportation Demand Management (TDM) strategies that private schools are required to have as part of their City-approved use permit. We will utilize the data we have from the Menlo Park Transportation Master Plan, prior work with SMCOE, and parent survey or student hand tally data from the SRTS National Center's data clearinghouse. The City will provide this information to Alta in one internally consistent package of information.

Alta will summarize the SRTS efforts conducted in Menlo Park in a memorandum, which will include demographics, enrollment, and status of champions or volunteers at each school.

#### Task 1.2 School Prioritization

Alta will use the information analyzed in Task 1.1 to identify and prioritize which schools (both public and private) need more support and resources from the City to conduct SRTS activities as much as more involved schools. Priority may consider qualitative data such as transportation safety and equity needs, as well as more qualitative data such as the ability to leverage resources. We recommend surveying school administrators about their experience with SRTS, barriers to walking and biking, and priorities for school travel. This will identify opportunities to leverage resources, initial schools to focus on, and activities that could address specific issues.

The analysis may be based on the following factors:

- School demographics: percent of students receiving free/reduced lunch, percent of non-white or Hispanic students, enrollment, grades
- Demographics of the census tract where schools are located: non-auto households, household income, nearby collisions that have involved a bicyclist or pedestrian, and other health and equity information as available
- Involvement in SRTS: existing champion or school team, previous activities, mode split

Alta will run the prioritization methodology for all in and around Menlo Park, to compare the Menlo Park schools with neighboring schools. We will combine the survey and data-driven analysis to identify priorities for the City's SRTS program.

### **Task 1 Deliverables:**

- Data request memo
- Memorandum summarizing existing SRTS efforts in Menlo Park
- Prioritization methodology and results

## **Task 2: Program Development**

### **Task 2.1 Policy and Recommendations**

Alta will review existing city and school district policies around walking and biking to school. We will recommend policies that help establish and prioritize SRTS programs and projects within the city.

### **Task 2.2 Stakeholder Outreach**

Alta will develop a list of stakeholders to engage with during the SRTS planning phase. These will include City staff, school and district representatives, and parent or community champions. Alta will work with the City to confirm a list of ten (10) stakeholders to be interviewed via phone about their current engagement in SRTS and what resources they may bring to the project.

### **Task 2.3 Best Practices Review**

Alta has been involved with SRTS in the Bay Area since it began, and we have been key partners in developing and evaluating SRTS programs in San Mateo County, Palo Alto, and other communities on the peninsula. We will utilize our existing relationships and knowledge of local, regional, statewide, and national SRTS programs to recommend best practices for the City of Menlo Park to consider.

With the City and through stakeholder engagement, we will develop a list of key topics to be explored through this best practices review. This may include crossing guard programs, SRTS programs in areas with less parent support, encouragement in hilly areas, and activities to reach diverse populations. Alta will provide best practices examples for up to six (6) specific topic areas, outlining goals, staffing needs, and recommendations for Menlo Park.

### **Task 2.4 SRTS Program Recommendations**

Alta will develop a series of recommendations for the SRTS program based on stakeholder interviews, existing conditions, and best practices. We recommend defining a menu of specific activities and events that schools can participate in, which can be linked to likely barriers to active transportation that families at the school face.

Recommendations will include, but will not be limited to:



- Key next steps and longer-term goals, with responsible party and timelines
- A phasing strategy to reach schools where they are
- The level of staffing needed to establish the program in all 15 schools over a five-year period
- The level of staffing needed to maintain an ongoing presence in all schools
- The anticipated annual funding levels necessary to establish and operationalize the program over a five-year period
- Potential funding sources to maintain the program over time
- A sample job description for a SRTS coordinator
- A framework of recommended activities and toolkit of local and national resources

Alta will deliver the draft SRTS recommendations and meet with City staff to discuss. City will disseminate the draft to appropriate stakeholders for review. Alta will revise the SRTS recommendations based on one set of consolidated, internally-consistent edits provided by the City.

#### **Task 2 Deliverables:**

- Policy review and recommendations memo
- List of stakeholders and contact information
- Up to ten (10) stakeholder interviews via phone, and notes
- Best practices review of up to six (6) topics
- SRTS programs recommendation, draft and final

### **Task 3. SRTS Advisory Committee/Task Force**

#### **Task 3.1 Convene Advisory Committee/Task Force**

Identifying partners and convening a formal Advisory Committee or Task Force is the heart of a successful SRTS program and is essential to the long-term continuation of the program. We envision that the bulk of this effort will involve convening individuals and organizations, drafting goals for the ongoing Menlo Park SRTS program, and discussing specific elements to include in the program recommendations. The Advisory Committee should consist of City staff, teachers, administrators, public health and public safety professionals, law enforcement, PTA/PTO representatives, parents, and community organizations.

Alta will work with the City to organize a SRTS Advisory Committee that will meet with the SRTS Coordinator on a regular basis. Alta staff will develop agendas and facilitate the first two meetings, before the SRTS Coordinator takes over. The first meeting will educate stakeholders on the importance of SRTS, discuss SRTS best practices with potential application in Menlo Park, and build capacity among local partners who will be implementing various aspects of the program. The second meeting will identify stakeholder needs and the needs for each school.

#### **Task 3 Deliverables:**

- Advisory Committee roster with contact information
- Advisory Committee meeting agendas and notes for first two meetings

### **Task 4. Suggested Route to School Maps**

#### **Task 4.1 Walk and Roll Map Template and Brochure Package**

At the start of the project, Alta will provide a data request memorandum that outlines data needed, including, but not limited to GIS layers, school enrollment areas, location and timing of crossing guards, school bell schedules, student and bus loading locations, bike parking, traffic speeds and volumes.

Alta will present the City three (3) example templates for a Suggested Routes to School Brochure. The City will decide the final design from the templates and can comment on the walking and biking tips, local resources, and encouragement language that may be on the back of the map.

The City will select a school for the template brochure package, and Alta will prepare a draft sample Suggested Route to School map brochure for review. We will revise the draft based on a single set of internally-consistent comments, compiled by the City.

#### **Task 4.2 Walk and Roll Maps**

Using information provided by the City from the Data Request Memo, Alta will develop school base maps for each of the schools using the selected template. We assume the public outreach and route selection will be led by the SRTS Coordinator, working with each school staff, PTA, and the SRTS Advisory Committee/Task Force to draw routes on the draft base maps.

Alta will develop a Walk and Roll map for 15 schools using the information provided by the SRTS Coordinator. We will revise each map one (1) additional time and package final files in GIS, Adobe Illustrator, and Adobe InDesign.

#### **Task 4 Deliverables:**

- Three (3) sample map brochure templates
- One (1) draft map brochure, based on a school of the City's choosing
- Base maps in the approved template for each school (up to 15)
- Draft and final Suggested Routes to School map brochures for each school (up to 15)

## **Phase 2: SRTS Program Operations**

In Phase 2 of the Menlo Park SRTS program, Alta will hire a part-time community organizer to be the Menlo Park SRTS Coordinator and act as the feet-on-the-ground for the project. The City will participate in the hiring process and approve the selection of the SRTS Coordinator. Alta will train the individual and provide resources, graphics assistance, best practices experience, and other support for implementing the program.

### **Task 1. Develop Relationships**

Using the stakeholder list developed in Task 2.2, Alta's SRTS Coordinator will begin by attending staff and PTA meetings, visiting the schools, attending San Mateo Countywide meetings and MTC's Spare the Air Youth meetings, and joining other meetings as time allows. The Coordinator will share information about SRTS in general and specific resources in the City, highlighting the menu of selected activities and events. The Coordinator will work on-site at the City in a part-time capacity for the duration of the project.

#### **Deliverables:**

- Monthly reporting of activities and maintain a list of meetings attended, stakeholders convened, and activities organized.

### **Task 2. Community Engagement**

Alta's SRTS Coordinator will provide outreach materials to educate parents and school staff about SRTS and the benefits of walking and biking. This may include copy for newsletters and social media, participation in community events, planning safety demonstrations, and planning bicycle/walking themed school events such as Walk to School Day/Week/Month. Alta will use our outreach toolkit of SRTS statistics and success stories to share the message that walking and biking can be fun, normal, and safe parts of everyday life.

#### **Deliverables:**

- Outreach copy
- Events tracking at each school

### **Task 3. SRTS Advisory Committee/Task Force**

The SRTS Coordinator will prepare agendas and facilitate meetings with the Advisory Committee (Phase I, Task.3) on a monthly or bi-monthly basis. Meetings will focus on sharing information, discussing issues, and finding and implementing solutions that will strengthen the program.

**Deliverables:**

- Monthly or bi-monthly SRTS Advisory Committee/Task Force meeting agendas and minutes

### **Task 4. Technical Assistance**

The SRTS Coordinator will work with all 15 schools, 4 districts, and city, county, and regional staff to support SRTS activities and initiatives throughout the city. Activities will seek to build school-based capacity and independence to sustain SRTS activities in the future and build support beyond the Coordinator's availability. This may take the form of preparing grants, bolstering a parent champion program, creating materials and outreach copy for walking and biking activities, and other related activities. The Coordinator will work with the City to confirm activities and priorities.

**Deliverables:**

- Technical assistance, TBD

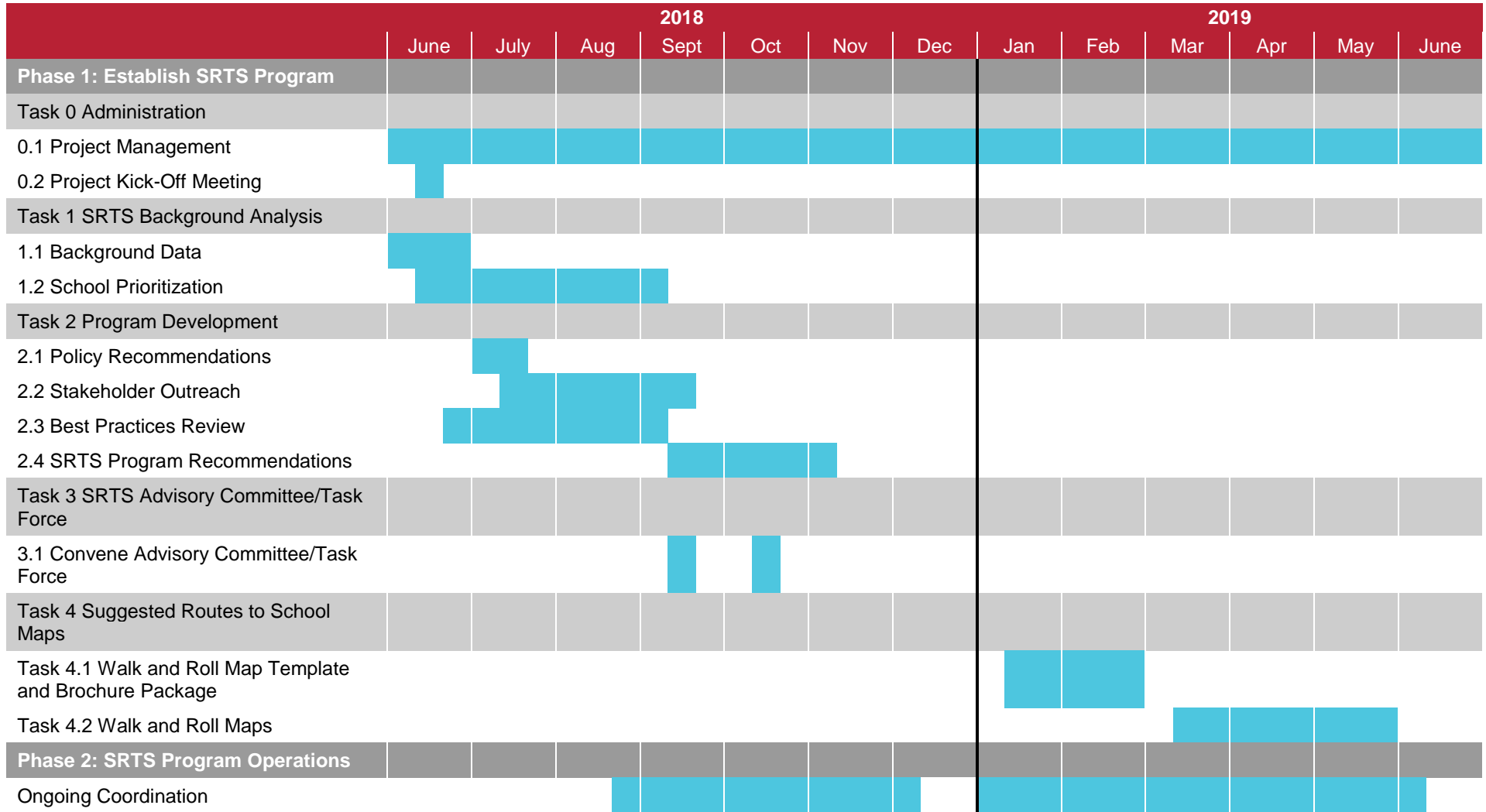
### **Task 5. Safe Routes to School Curriculum**

The SRTS Coordinator will work with schools, school districts, and community centers to identify and implement educational curriculum focused on bicycling and walking skills. SRTS curricula teach students how to walk and bike safely and about the benefits and impacts of active transportation. The California Active Transportation Resource Center (ATRC) has identified a standards-aligned Bicycle & Pedestrian Safety Curriculum that teachers could use. We will identify individual lesson components and design modules for Menlo Park that comply with standards. This curriculum will form the basis for more standardized education that may be integrated into physical education classes, elective classes, and after-school clubs/programs.

**Deliverables:**

- SRTS curriculum recommendations
- SRTS modules

# Schedule



# Budget

TASK	Alta Planning + Design									Task Hours	Total Task Fee
	Principal-in-Charge Brett Hondorp	Project Manager Hannah Day-Kapell	Senior SRTS Advisor Kristin Haukom	Assistant Project Manager Lola Torney	Planner Beth Martin	GIS Lisa Schroer	Graphics Anne Bothner-By	Admin Holly Koenig	SRTS Coordinator TBD		
<i>2018 Hourly Rate*</i>	\$272	\$150	\$150	\$106	\$98	\$98	\$106	\$74	\$74		
<b>Phase 1: Establish Safe Routes to School Program</b>											
<b>Task 0 Administration</b>	6	26	0	16	0	0	0	24	0	72	\$9,004
0.1 Project Management	6	24		12				24		66	\$8,280
0.2 Project Kick-Off Meeting		2		4						6	\$724
<b>Task 1 SRTS Background Analysis</b>	1	5	2	6	8	24	0	0	0	46	\$5,094
1.1 Background Data		1		2		8				11	\$1,146
1.2 School Prioritization	1	4	2	4	8	16				35	\$3,948
<b>Task 2 Program Development</b>	4	18	6	14	44	0	4	0	0	90	\$10,908
2.1 Policy Recommendations		2			4					6	\$692
2.2 Stakeholder Outreach	1	4		4	12					21	\$2,472
2.3 Best Practices Review	1	4	2	4	10					21	\$2,576
2.4 SRTS Program Recommendations	2	8	4	6	18		4			42	\$5,168
<b>Task 3 SRTS Advisory Committee/Task Force</b>	2	8	6	18	0	0	0	0	0	34	\$4,552
3.1 Convene Advisory Committee/Task Force	2	8	6	18						34	\$4,552
<b>Task 4 Suggested Routes to School Maps</b>	3	8	0	14	60	23	6	0	0	25	\$12,270
4.1 Walk and Roll Map Template and Brochure Package	1	4		6		8	6			25	\$2,928
4.2 Walk and Roll Maps	2	4		8	60	15				89	\$9,342
<b>Staff Hours</b>	16	65	14	68	112	47	10	24	0	267	\$41,828
Reimbursable Expenses & Travel											\$500
<b>Phase 1 Subtotal</b>	\$4,352	\$9,750	\$2,100	\$7,208	\$10,976	\$4,606	\$1,060	\$1,776	\$0		\$42,328
<b>Phase 2: SRTS Program Operations</b>											
Ongoing Coordination	2	12	4	20			20		540	598	\$47,144
<b>Staff Hours</b>	2	12	4	20	0	0	20	0	540	598	\$47,144
Reimbursable Expenses & Travel											\$500
<b>Phase 2 Subtotal</b>	\$544	\$1,800	\$600	\$2,120	\$0	\$0	\$2,120	\$0	\$39,960		\$47,644
<b>Project Total</b>											\$89,972

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## STAFF REPORT

### City Council

Meeting Date:

6/19/2018

Staff Report Number:

18-137-CC

Consent Calendar:

**Authorize the City Manager to enter into an agreement with Contract Sweeping Services, Inc. for street sweeping services**

### Recommendation

Staff recommends that the City Council authorize the City Manager to enter into an agreement with Contract Sweeping Services, Inc. through June 30, 2023, with the option to extend the agreement for four additional one year terms up to the authorized budget.

### Policy Issues

The recommended action is consistent with Ordinance No. 859 (Municipal Code Chapter 7.42), “stormwater management program,” which sets to protect and enhance the water quality of our watercourses, water bodies and wetlands in a manner pursuant to and consistent with the Clean Water Act.

### Background

City street sweeping is a valued service provided to residents and businesses and is required by the San Francisco Bay municipal regional stormwater national pollutant discharge elimination system permit.

Every residential and commercial street in the city is swept on a regular schedule. To reduce the amount of debris flowing to the bay and prevent the likelihood of flooding during heavy rains, the schedule changes with the seasons. All of the streets throughout the city are maintained with the same level of frequency. The street sweeping day is generally the next business day after trash collection.

### Analysis

On May 7, 2013, the City Council authorized the city manager to enter into a five-year agreement with Sweeping Services, Inc. The current agreement ends June 30, 2018.

Staff advertised for proposals for the street sweeping services in May 2018. On June 1, 2018, two proposals were submitted and opened for street sweeping services. The lowest proposal, submitted by Contract Sweeping Services, Inc., is in the amount of \$999,035.01 for five years. The second proposal was submitted by JD Services in the amount of \$1,876,650.77 for five years. The City is currently using Contract Sweeping Services Inc. and is satisfied with their performance.

The proposed new agreement will begin July 1, 2018, and end June 30, 2023, with the option to extend agreement for four additional one-year terms. Any price increase for an additional one-year term will be according to the consumer price index and may not exceed 5 percent in any year. Either party may terminate the contract with 90 days written notice.

### **Impact on City Resources**

The total five year agreement amounts to \$999,035.01. The fiscal year 2018-19 budget allocates \$143,000 from Measure M funds, \$43,000 from the landscape tree assessment fund, and \$20,000 from the general fund for these services plus contingencies. Funding for future years will be requested during the budget process each 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 proposes an organizational structure change that 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.

Report prepared by:  
Brian Henry, Public Works Superintendent

Report reviewed by:  
Justin Murphy, Public Works Director





## STAFF REPORT

### City Council

Meeting Date:

6/19/2018

Staff Report Number:

18-135-CC

Consent Calendar:

**Award of a construction contract to Golden Bay Construction, Inc. for the Carlton Avenue, Monte Rosa Drive, and North Lemon Avenue Traffic Calming Project and appropriate the funds**

### Recommendation

Staff recommends that City Council award a construction contract to Golden Bay Construction, Inc. for the Carlton Avenue, Monte Rosa Drive, and North Lemon Avenue Traffic Calming Project in the amount of \$103,558, approve a construction contingency in the amount of \$10,500, and appropriate \$95,000 from Measure A fund balance.

### Policy Issues

This project is consistent with the City's circulation element, adopted in 2016, which includes goals of promoting safe, multimodal streets, and minimizing cut-through and high-speed traffic that diminishes the quality of life in Menlo Park's residential neighborhoods.

### Background

On November 16, 2004, the City Council adopted the City of Menlo Park Neighborhood Traffic Management Program to provide consistent, citywide policies for neighborhood traffic management to ensure equitable and effective solutions to traffic issues. It represents the city's commitment to enhance its neighborhoods' safety and livability.

On January 16, 2018, following the Neighborhood Traffic Management Program process, the City Council approved the installation of the traffic management plan for North Lemon Avenue between Valparaiso Avenue and Santa Cruz Avenue for a six-month trial period and appropriated \$30,000 from the Measure A fund for construction, contract administration and inspection of this project. The traffic management plan is comprised of the following measures on North Lemon Avenue:

1. Installation of speed humps
2. Installation of neighborhood gateways near Valparaiso Avenue and near Santa Cruz Avenue

Two existing speed humps on Carlton Avenue between Ivy Drive and Hamilton Avenue currently do not meet the new city standards for speed humps and consequently, need to be removed and replaced. Following the last cycle of street resurfacing of Carlton Avenue in 2014, the speed humps no longer met the appropriate height to be effective. Further, reconstruction will allow the humps to be replaced with those that better accommodate emergency vehicles with wheel cut-outs. These speed humps were installed prior to the adoption of the Neighborhood Traffic Management Program by City Council.

Two existing speed tables on Monte Rosa Drive between Sand Hill Road and Siskiyou Drive currently do not meet the new city standard for speed tables and consequently need to be removed and replaced.

Following the last cycle of street resurfacing of Monte Rosa Avenue in 2017, the speed humps were replaced with a new standard to accommodate emergency vehicles; however, the height was not effective. Replacing the speed hump with a revised standard would result in a more effective speed reduction while still accommodating emergency vehicles with wheel cutouts. The speed table installation on Monte Rosa Drive followed the Neighborhood Traffic Management Program process in 2006.

**Analysis**

On May 1, 2018, bids were solicited from prospective contractors via the competitive bidding process. The work to be done consists, in general, of removing existing speed humps and tables, installing asphalt concrete speed humps and speed tables, removing existing speed humps and tables, transporting City-furnished concrete planters from the City’s corporation yard to North Lemon Avenue, removing and replacing existing striping, pavement marking and markers, installing new striping and pavement marking and markers, installing new traffic signs and poles and other incidentals as necessary to complete the work on Carlton Avenue, Monte Rosa Drive and North Lemon Avenue.

Bids for this project were opened May 23, 2018, with the following results.

Table 1: Bid results	
Contractor	Bid price
Engineer’s estimate	\$75,000
Golden Bay Construction, Inc.	\$103,558
Guerra Construction Group	\$115,100

Upon bid evaluation and analysis by staff, the low bid is considered reasonable for the work involved in the project. Since recent city’s projects involving speed hump/table installations were part of the city’s resurfacing projects, the engineer’s estimate for this project was based on the unit prices from those projects in lieu of similarly sized stand-alone projects. In addition, the current construction climate is extremely competitive, further explaining why the low bid was higher than the engineer’s estimate. Staff does not recommend rejecting and re-soliciting bids, as it likely would not result in lower bid prices unless the scope of work was modified. Since the two bids received were close in cost, staff believes that the high bid prices reflect the current competitive climate.

Staff has worked with Golden Bay Construction, Inc. on various projects in the past and is satisfied with its past performance. The contractor is required to complete this project in 30 working days following contract award. It is estimated the project would be completed in mid-September 2018

**Impact on City Resources**

Staff is requesting an appropriation of \$95,000 from the Measure A balance as follows:

Table 2: Construction budget	
Construction contract	\$103,558
Contingencies	\$10,500
Construction inspection	\$10,942
<b>Total</b>	<b>\$ 125,000</b>

<b>Table 3: Appropriation request</b>	
Approved budget for North Lemon Avenue traffic calming	\$30,000
New appropriations	\$95,000
<b>Total project budget</b>	<b>\$125,000</b>

**Environmental Review**

The Project is categorically exempt under class 1 of the current State of California Environmental Quality Act Statute and Guidelines, which allows minor alterations and repair of existing facilities.

**Public Notice**

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

Report prepared by:  
Rene Baile, Associate Transportation Engineer

Report reviewed by:  
Nikki Nagaya, Assistant Director of Public Works

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**STAFF REPORT**

**City Council Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-133-CC

**Consent Calendar:** **Adopt a Resolution No. 6445 authorizing the installation of temporary traffic calming modifications in the Belle Haven neighborhood due to construction impacts of ongoing projects in the Bayfront area**

**Recommendation**

Staff recommends that City Council adopt a Resolution No. 6445 (Attachment A) authorizing the installation of temporary traffic calming modifications (e.g., no through traffic signage) in the Belle Haven neighborhood due to construction impacts of the ongoing projects in the Bayfront area.

**Policy Issues**

A number of ongoing construction projects on Chrysler Drive, Independence Drive, Chilco Street and Constitution Drive are simultaneously proceeding to support several development projects. The ongoing construction has exacerbated cut through traffic concerns in the Belle Haven neighborhood. City Council may order, by resolution, the installation of traffic control devices as identified in section 11.12.010 of the City's Municipal Code.

**Background**

On May 22, 2018, Belle Haven residents submitted a request to the City Council to install “no through traffic” signs and turn restrictions in the neighborhood (Attachment B). Staff met with the residents initiating the request to discuss their concerns and the requested signs. Staff has prepared this report to summarize the concerns and recommend next steps.

Due to the number and severity of ongoing construction projects on Chrysler Drive, Independence Drive, Chilco Street and Constitution Drive proceeding simultaneously, traffic impacts to the Bayfront area and Belle Haven neighborhood have been exacerbated. While a left-turn restriction from Chilco Street to Hamilton Avenue is currently provided, cut through traffic has continued to worsen in the neighborhood. Development projects under construction in the area include Menlo Gateway (Independence Drive and Constitution Drive sites), the Facebook campus expansion (Constitution Drive), the new TIDE Academy High School, and several tenant improvement building updates in the area. Additionally, multiple utility upgrades are required to be completed to advance these development projects as well. Most of the development projects have requirements to construct off-site street and/or frontage improvements and transportation mitigation measures as conditions of project approval or environmental review requirements. Given timing of the peak construction season in the drier summer months and building occupancy timeline requirements, many projects are simultaneously being constructed in this area.

Belle Haven traffic calming study

In addition to the street and frontage improvement requirements described above, the Facebook campus

expansion (Constitution Drive) project approvals included a mitigation measure to complete the Belle Haven traffic calming study. The purpose of this study is to address the potential for increased cut through traffic in the Belle Haven neighborhood. Further, the mitigation requires that traffic calming measures identified in the study be funded and implemented, where supported by a consensus of the community.

On October 17, 2017, the City Council approved the draft scope of work for the study. The approved version is available on the City's website (Attachment C). The study commenced immediately following approval of the scope and traffic data was collected in November 2017 and supplemented in early 2018. Recommendations are being developed and reviewed by City staff and are expected to be presented to the Complete Streets Commission in July 2018.

## **Analysis**

In response to the request from residents May 22, 2018, staff prepared this report to summarize the concerns and recommend next steps. This request is similar to the action requested for the Willows neighborhood in November 2017 due to ongoing construction and new travel patterns at the highway 101/Willow Road interchange.

Staff recommends the City Council adopt a resolution (Attachment A) authorizing the installation of "no through traffic" signs at the critical entry points to the neighborhood during the evening commute period. The recommended locations include:

- Independence Drive at Marsh Road
- Constitution Drive at Chrysler Drive
- Constitution Drive at Chilco Street
- Chilco Street at Terminal Avenue

Signs at Bayfront Expressway and Chrysler Drive and Chilco Street would also be included if an appropriate location can be identified within the ongoing construction activity underway on the shoulders of Bayfront Expressway. Staff has included these locations in the draft resolution as locations requiring additional evaluation upon City Council approval.

The signs are intended to discourage cut-through traffic. If approved, staff would order the necessary signs and install them as soon as possible, which is anticipated to be approximately one month. Similar to the Willows neighborhood installation, staff recommends white regulatory signs be installed. Although the signs are regulatory, the signs are not enforceable as described in the March 28, 2017, City Council staff report #17-071-CC.

These signs would be an incremental step in addressing the cut-through traffic and congestion being experienced by the Belle Haven neighborhood. Other recommendations, including turn restrictions and other traffic calming and streetscape modifications are recommended to be considered through the Belle Haven Neighborhood traffic calming study, as they could be more impactful to local residents in the Belle Haven neighborhood, requiring more analysis to better understand trade-offs.

## **Impact on City Resources**

As a required condition of approval for a development project, the Belle Haven traffic calming study is considered part of the baseline City service levels. The installation of 'no cut through traffic' signs would be funded from the current sign installation budget. No additional funds or resources are requested at this time.

### **Environmental Review**

The proposed recommendations are modifications to the existing roadway network for safety during construction and are categorically exempt (section 15301(f)) under the California Environmental Quality Act (CEQA). Environmental analysis, including traffic studies, may be required for the installation of other traffic calming options that are more likely to have unintended impacts, by rerouting traffic to other streets. The Belle Haven traffic calming study would address other future options and required environmental review.

### **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. Resolution No. 6445
- B. Letter requesting traffic calming modifications in the Belle Haven neighborhood
- C. Project website, including approved scope of work  
<https://www.menlopark.org/1208/Belle-Haven-Traffic-Calming-Study>

Report prepared by:  
Nicole H. Nagaya, Assistant Public Works Director

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**RESOLUTION NO. 6445**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
AUTHORIZING THE INSTALLATION OF TEMPORARY TRAFFIC CALMING  
SIGNS IN THE BELLE HAVEN NEIGHBORHOOD**

WHEREAS, regional commute traffic accessing the Dumbarton Bridge (State Route 84) has resulted in significant cut-through traffic concerns in Menlo Park neighborhoods; and,

WHEREAS, numerous ongoing construction projects are occurring in the Bayfront area and are affecting local streets; and,

WHEREAS, these numerous ongoing construction projects have exacerbated the cut-through traffic concerns in the Belle Haven neighborhood; and,

WHEREAS, the Belle Haven neighborhood has requested the City Council install immediate modifications to reduce the traffic concerns; and,

WHEREAS, temporary traffic calming devices (“no through traffic” signs) are recommended to help alleviate the cut-through traffic; and,

WHEREAS, the City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore.

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby authorize the installation of the following “no through traffic” signs at the locations identified below:

1. Independence Drive at Marsh Road
2. Constitution Drive at Chrysler Drive
3. Constitution Drive at Chilco Street
4. Chilco Street at Terminal Avenue
5. Bayfront Expressway at Chrysler Drive (pending appropriate location can be identified)
6. Bayfront Expressway at Chilco Street (pending appropriate location can be identified)

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the nineteenth day of June, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this nineteenth day of June, 2019.

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Judi A. Herren, City Clerk

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**Nagaya, Nicole H**

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**From:** Julie Shanson <julie@bellehavenaction.org>  
**Sent:** Tuesday, May 22, 2018 3:14 PM  
**To:** \_CCIN  
**Cc:** Cecilia Taylor; Annielka Perez  
**Subject:** No More Cut Thru Traffic

Esteemed City Council Members and Senior City Staff,

We request that you implement a pilot program in the heavily trafficked area of Menlo Park that is most impacted by cut through traffic from 101, Bayfront Expressway and Willow Road to improve the ability of the residents to enter and leave the neighborhood during commute hours.

We conduct walk throughs weekly (usually Monday afternoons and Friday mornings during peak commute hours) to orient stakeholders to neighborhood traffic challenges. You are invited to join us - reserve a spot by emailing [info@bellehavenaction.org](mailto:info@bellehavenaction.org)

Currently, it's very difficult to exit the neighborhood after 7:20am, and as we heard "the traffic is crazy up until after 9am." It's also nearly impossible to get home until after 7pm.

Our discussions with neighborhood residents yielded these additional comments:

It would have taken me 45 minutes from Van Buren and Bay Road to Willow and Newbridge (a distance of .7 miles), so we parked at Van Buren and walked home over the footbridge, then went back to get the car later that evening. As I was walking back to the car I saw several of my Belle Haven neighbors fetching their cars too.

I take the later shift at work so I can get home. Otherwise I sit in traffic for a good hour for a 10 minute ride.

It would be helpful to be able to borrow a bike at the footbridge to be able to get home.

Enclosed are [photos](#) taken at various intersections in the area at commute times.

Residents see that other neighborhoods have been able to pilot alternate traffic routing. We politely request a similar pilot to begin as soon as Monday.

We are enclosing a [link to a map](#) of potential areas for signs residents would like to see both within and around the perimeter of the neighborhood.

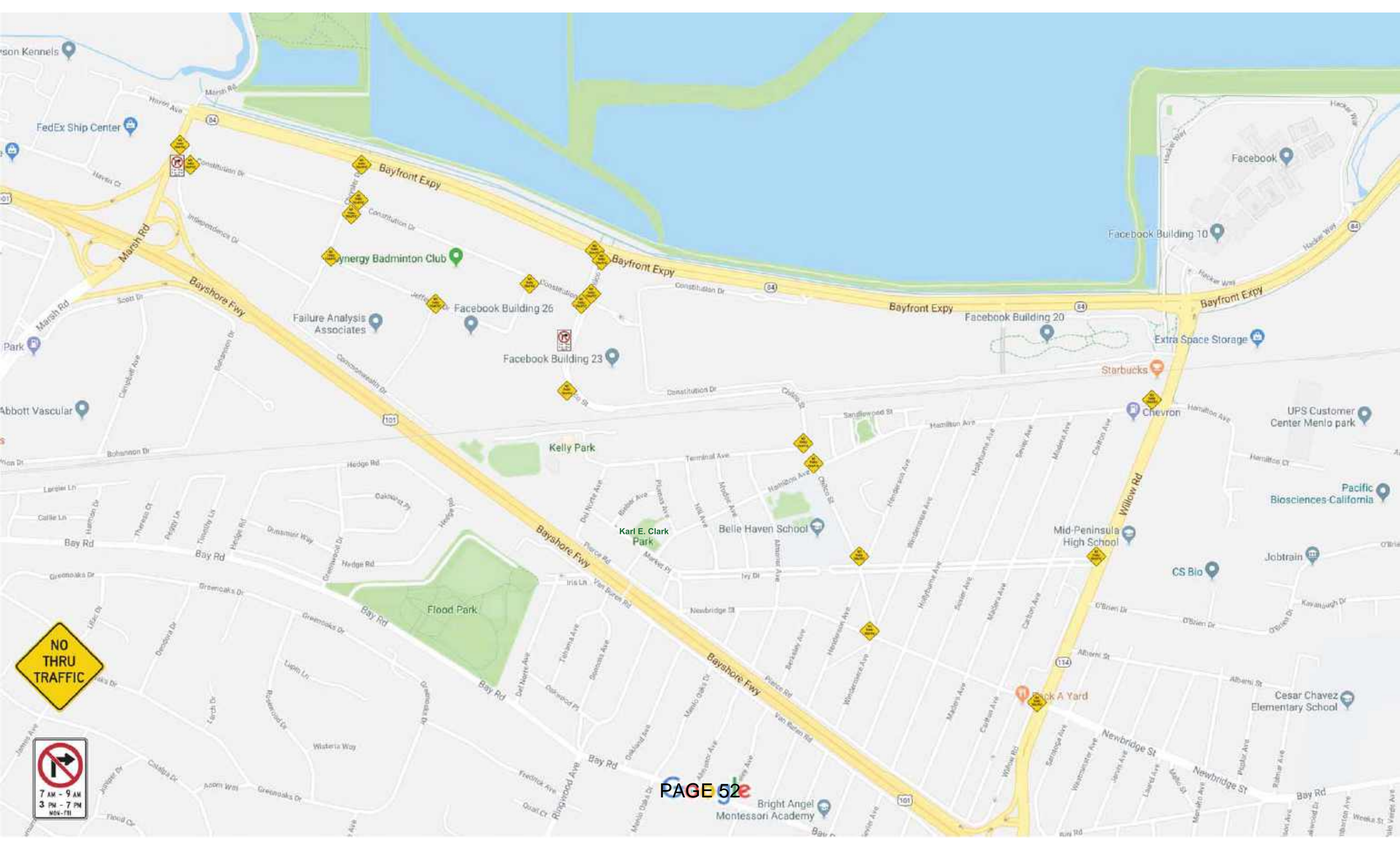
Can you approve no thru traffic signs for the Belle Haven neighborhood?

Sincerely,

Cecilia Taylor, Julie Shanson and Annielka Perez, Belle Haven Action

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Julie Shanson  
 Communications Manager



NO THRU TRAFFIC

7 AM - 9 AM  
3 PM - 7 PM  
NOV-FRI



## STAFF REPORT

### City Council

**Meeting Date:**

**6/19/2018**

**Staff Report Number:**

**18-126-CC**

**Consent Calendar:**

**Introduce, read and waive further reading of an ordinance adding Chapter 8.54 [Tenant Anti-Discrimination] to the City's Municipal Code**

### Recommendation

Staff recommends that the City Council, based upon the recommendation of the Housing Commission, adopt an ordinance that prohibits discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 vouchers.

### Policy Issues

The City of Menlo Park Housing Element Program H1.G (Adopt an Anti-Discrimination Ordinance) calls for the city to adopt an anti-discrimination ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.

### Background

The 2015-2023 City of Menlo Park Housing Element was adopted by the City Council April 1, 2014. The housing element included in the general plan establishes housing objectives, policies and programs in response to community housing conditions and needs. The city's housing element was prepared to respond to current and near-term future housing needs in Menlo Park and to provide a framework for the community's longer-term approach to addressing its housing needs. The housing element contains goals, updated information and strategic directions (policies and implementing actions) that the city is committed to undertaking. One of those implementing actions that the city is committed to undertake is breakout H.1.G – to adopt an anti-discrimination ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.

### Analysis

Housing vouchers were initially championed as an efficient way of subsidizing decent, safe and sanitary housing for low-income households. More recently, vouchers have come to be seen as a tool for promoting economic, racial and ethnic integration. The advantages of vouchers depend on the ability of a voucher recipient to locate a landlord willing to accept the voucher. Some landlords wish to avoid the administrative burden associated with the voucher program. Other landlords perceive voucher recipients to be undesirable tenants and/or fear their other tenants would object to voucher recipients as neighbors. This type of discrimination based on source of income hinders the use of vouchers and decreases the efficacy of the program. State and local anti-discrimination laws are one policy response to address this issue. State law, however, narrowly defines source of income so that it does not reach government rent subsidies such as Section 8. Local source of income laws are not preempted by state law and are a tool to make it illegal for



landlords to discriminate against voucher recipients solely based on their source of income for rental payments.

Research has found that source of income laws have the potential to make a substantial difference in voucher utilization rates and a modest difference in locational outcomes.<sup>1</sup> Neighborhoods with source of income laws in place show improved utilization rates and better locational outcomes. Utilization rates increased in the jurisdictions with source of income laws in place in comparison to those without such laws. Thus, policy makers can expect an increase in utilization rates and, for some, greater access to less disadvantaged areas. Given the dearth of affordable housing options in many communities, this is not insignificant.

In San Mateo County, the San Mateo County Housing Authority administers the Section 8 voucher program. The Housing Authority reportedly assists approximately 4,300 low-income families in San Mateo County with Section 8 vouchers. Once someone has been approved for the program, it is their responsibility to find housing where the landlord agrees to participate in the program. The unit must meet minimum standards of health and safety and be inspected by the administering agency. The unit can be a house, townhouse, condominium or apartment. The tenant pays 30 percent of their income toward the rent and the housing subsidy pays the balance. The subsidy is paid to the landlord directly by the Housing Authority on behalf of the participating tenant. Landlords who participate in the program receive the same rent as market rent for the unit. The Section 8 program does not require the landlord to accept a lower rent.

The proposed ordinance establishes a right of tenants to be free from discrimination based on their use of a rental subsidy, including Section 8 vouchers. The ordinance would prohibit discrimination based on the source of income, wholly or partially, in any real property transaction, including rental of a unit. The ordinance authorizes any aggrieved person enforce the anti-discrimination ordinance, and after requesting mediation, to file a civil action. This is consistent with the Fair Employment and Housing Act and the redress provided by other communities, including East Palo Alto. The city has no responsibility or liability to enforce the anti-discrimination ordinance.

The Housing Commission considered the draft ordinance and unanimously (6-0-1) recommended its approval at their meeting May 9, 2018, with one minor change. Staff originally drafted an exemption from the ordinance from buildings with fewer than four units, as the administrative burden of complying with Section 8 requirements may be difficult for small landlords. The Housing Commission recommended instead that only buildings with fewer than three units be exempt to capture more units where the ordinance would be applicable. That change has been made in the ordinance attached to this staff report.

### **Impact on City Resources**

This ordinance is not anticipated to have an impact on City resources.

### **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

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<sup>1</sup>*The Impact of Source of Income Laws on Voucher Utilization and Locational Outcomes*, U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

Staff Report #: 18-126-CC

prior to the meeting.

**Attachments**

A. Ordinance adding Chapter 8.54, Tenant Anti-Discrimination

Report prepared by:

Leigh F. Prince  
Assistant City Attorney

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**ORDINANCE NUMBER 1048****ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADDING CHAPTER 8.54 [TENANT ANTI-DISCRIMINATION] TO TITLE  
8 [PEACE SAFETY AND MORALS] OF THE MENLO PARK MUNICIPAL  
CODE**

The City Council of the City Menlo Park does hereby ordain as follows:

**SECTION 1. FINDINGS AND DETERMINATIONS.**

- A. The opportunity to seek, obtain and hold housing without discrimination is a civil right. The City of Menlo Park desires to eliminate discrimination in a person's ability to obtain housing based on a person's source of income for rental payments.
- B. The U.S. Department of Housing and Urban Development reports that some landlords avoid the administrative burden associated with voucher programs and other landlords resist renting to voucher recipients because they perceive this group to be undesirable tenants and/or they fear that other tenants would object to voucher recipients as neighbors. This type of discrimination based on the source of income prevents a voucher program from living up to its full potential.
- C. The San Mateo County Housing Authority reportedly assists approximately 4,300 low-income families in San Mateo County with Section 8 vouchers. The success of this program depends on the voluntary participation of landlords to rent to participant families, which include elderly persons, disabled persons, and working families who do not earn enough to keep pace with rising rental housing costs.
- D. Source of income anti-discrimination ordinances have the potential to increase the number of individuals and families who are able to successfully locate housing using a voucher.
- E. The City of Menlo Park Housing Element Program H1.G calls for the City to adopt and the City Council of the City of Menlo Park now wishes to adopt an anti-discrimination ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.

**SECTION 2. ADDITION OF CODE.** Chapter 8.54 [Tenant Anti-Discrimination] is hereby added to Title 8 [Peace Safety and Morals] of the Menlo Park Municipal Code to read as follows:

**Chapter: 8.54 TENANT ANTI-DISCRIMINATION**

- 8.54.010**      **Purpose and Findings**
- 8.54.020**      **Definitions**
- 8.54.030**      **Source of Income Protections**
- 8.54.040**      **Civil Liability**
- 8.54.050**      **Criminal Penalty**
- 8.54.060**      **City Liability**
  
- 8.54.010**      **Purpose and Findings**

- A. Equal housing opportunities should be available to all people. The City is opposed to

and desires to eliminate discrimination in a person's ability to obtain housing based on a person's source of income.

- B. The purpose of this chapter is to establish a right of tenants to be free from discrimination based on their use of a rental subsidy, including Section 8 and other rental programs.

**8.54.020 Definitions**

- A. For purposes of this chapter, "source of income" means all lawful sources of income or rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program.
- B. The word "person" as used in this chapter means any individual, firm, corporation or other organization or group of persons however organized.

**8.54.030 Source of Income Protections**

- A. It is unlawful for any person to do any of the following wholly or partially based on the source of income:
  - 1. To interrupt, terminate, fail or refuse to initiate or conduct any transaction in real property, including, but not limited to, the rental thereof;
  - 2. To require different terms for such transaction;
  - 3. To falsely represent that an interest in real property is not available for such transaction;
  - 4. To refuse or restrict facilities, services, repairs or improvements for any tenant or lessee;
  - 5. To make, print, publish, advertise or disseminate in any way, or cause to be made, printed or published, advertised or disseminated in any way, any notice, statement, or advertisement with respect to a transaction in real property or with respect to financing related to any such transaction, which unlawfully indicates preference, limitation or discrimination based on source of income.
- B. It is unlawful for any person to use a financial or income standard for the rental of housing that does either of the following:
  - 1. Fails to account for any rental payments or portions of rental payments that will be made by other individuals or organizations on the same basis as rental payments to be made directly by the tenant or prospective tenant;
  - 2. Fails to account for the aggregate income of persons residing together or proposing to reside together or an aggregate income of tenants or prospective tenants and their cosigners or proposed cosigners on the same basis as the aggregate income of married persons residing together or proposing to reside together.
- C. Exceptions.
  - 1. Nothing in this chapter shall be construed to apply to the rental or leasing of any housing unit in which the owner or any member of his/her family occupies one of the living units or the structure contains fewer than three dwelling units.
  - 2. Nothing in this chapter shall be deemed to permit any rental or occupancy of any dwelling unit or commercial space otherwise prohibited by law.

**8.54.040 Civil Liability**

- A. Any aggrieved person may enforce the provisions of this chapter by means of a civil action for damages and injunctive relief in any court of competent jurisdiction. The litigating complainant shall file a courtesy copy of the lawsuit with the City Attorney.
- B. Prior to filing a civil action, a person whose rights have allegedly been violated under this chapter shall first request to mediate the controversy. The complainant's obligations under this section shall be satisfied if the parties mediate in good faith or if the opposing part does not agree to mediation within 14 days of the request to mediate.

**8.54.050 Criminal Penalty**

Any person who violates any provision of this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than One Thousand Dollars (\$1,000) or by imprisonment in the county jail for a period not exceeding six months, or both.

**8.54.060 City Liability**

- A. The City shall not be liable for any damages, costs or expenses which are the result of any act or omission of or any decision made by any person (e.g. mediator, court) concerning an anti-discrimination claim or a complainant's assertions pertaining to rights granted or conferred by this chapter.
- B. Under no circumstances shall the City have any responsibility or liability to enforce this chapter or to seek legal redress.

SECTION 3. SEVERABILITY. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act ("CEQA") because the activity is not a project as defined by Section 15378 of the CEQA Guidelines. The ordinance has no potential for resulting in physical change to the environment either directly or indirectly.

SECTION 5. EFFECTIVE DATE AND PUBLISHING. This ordinance shall take effect 30 days after adoption. The City Clerk shall cause publication of the ordinance within 15 days after passage in a newspaper of general circulation published and circulated in the city or, if none, the posted in at least three public places in the city. Within 15 days after the adoption of the ordinance amendment, a summary of the amendment shall be published with the names of the council members voting for and against the amendment.

INTRODUCED on the nineteenth day of June, 2018.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the \_\_\_\_ day of \_\_\_\_\_, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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Peter I. Ohtaki, Mayor

ATTEST:

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Judi A. Herren, City Clerk



## STAFF REPORT

### City Council

**Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-134-CC

**Consent Calendar:** Adopt Resolution No. 6446 updating the Below Market Rate (BMR) Housing Guidelines

### Recommendation

Staff recommends that the City Council adopt Resolution No. 6446 updating the Below Market Rate Housing Program Guidelines and find the action exempt under the California Environmental Quality Act.

### Policy Issues

The City of Menlo Park Housing Element Program H4.C calls for the City to modify the Below Market Rate Housing Program Guidelines (“BMR Guidelines”).

### Background

On April 1, 2014, the City Council adopted the 2015-2023 City of Menlo Park Housing Element. The Housing Element included in the General Plan establishes housing objectives, policies and programs in response to community housing conditions and needs. The City of Menlo Park Housing Element Program H4.C calls for the City to modify the BMR Guidelines.

The first set of updates to the BMR Guidelines related to reinstating the City’s inclusionary rental housing program in light of recent State law changes was adopted by the City Council April 17, 2018, upon the Housing Commission’s and Planning Commission’s recommendations. While the City’s previous practice was to require all BMR units be affordable to low income households, in response to public comments, this update also permitted the City Council to waive this requirement and permit a range of affordability levels to address unmet Housing Element need.

This second round of changes implements recommendations from the Housing Commission’s BMR Guidelines Subcommittee that was formed in 2017. The BMR Guidelines Subcommittee met with City staff, Hello Housing staff and the City Attorney’s office to discuss a series of recommended changes. This second set of updates to the BMR Guidelines, as discussed in this staff report, accomplish the following: (1) modernizes the definitions of household to reflect more inclusiveness; (2) addresses how to handle over-income tenants; (3) aligns City BMR household income and maximum rent limits with San Mateo County’s; (4) memorializes the City’s current practice of maintaining a BMR Rental Interest List; (5) addresses displaced tenants and (6) allows developer to place all BMR units in standalone project on same lot as market rate project if approved by City Council.

On May 7, 2018, the Housing Commission considered this current set of recommendations. The Commission unanimously recommended the Guidelines be forwarded to City Council with the following comments: (1) the Commission disagreed with the exception for placing all BMR units in the same project [Section 5.1 of the Updated BMR Guidelines] and (2) requested clarification on the types of economic

conditions that would justify placing displaced tenants on the BMR Purchase Waiting List and BMR Rental Interest list.

On June 4, 2018, the Planning Commission considered this current set of recommendations. The Commission unanimously recommended the Guidelines be forwarded to City Council with the following comments and suggestions: (1) a sunset clause that would remove reference to the 2008 displacement allowance for economic hardship after 2023, (2) clarify management of the BMR lists, (3) agreed to an exception for placing all BMR units in a standalone project provided there was a public benefit and City Council approval, and (4) ensure the guidelines don't prioritize or preclude current/recent Menlo Park community members in favor of other individuals in regards to BMR Program access and benefits.

On June 13, 2018, the Housing Commission reviewed the BMR Guidelines in light of the Planning Commission's comments. The Housing Commission unanimously reaffirmed its vote to recommend the updated BMR Guidelines to City Council and emphasized their continuing opposition to adding language that would appear to encourage a standalone BMR project. Instead, the Housing Commission reasoned that the current language permits the City Council to allow standalone projects on an exception basis. In addition, the Housing Commission recommended that the displacement provision be expanded to include post-2008 economic displacement.

In the near future, staff also expects to work with the Housing Commission subcommittee on a third set of modifications, including the City Council's most recent request to review and update the BMR fees.

## **Analysis**

### Definition of household

The City's definition of household has not been updated for quite some time. At a minimum, the City must comply with federal and state laws aimed at preventing housing discrimination. The Department of Housing and Urban Development (HUD) defines "household" to mean:

All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. (Source: HUD Glossary – Attachment B)

This broad definition recognizes that households can take many forms and are not always limited to related family members. The update incorporates HUD's definition of household into the BMR Guidelines. (Section 6.1.1.)

While recognizing households can take a number of different forms, many agencies impose reasonable joint residency requirements to ensure that persons listed on an application are in fact a true household and will continue to live together as such. Menlo Park's BMR Guidelines currently require all household members to have lived together for one year before the date of application. At the subcommittee's suggestion, the BMR Guidelines have been updated to exempt from this one-year joint residency requirement new household members added by domestic partnership, adoption or aging family members. In addition, the BMR Guidelines give the City the ability to waive this requirement in other appropriate circumstances. (Section 6.3.1.) At the subcommittee's suggestion, the BMR Guidelines have been revised to permit unhoused persons to qualify for a Menlo Park residency preference if they can demonstrate their last permanent residence was located in Menlo Park or that they currently reside in Menlo Park as documented by a case manager or homeless services provider. (Section 7.1.) This criterion for determining local residency for unhoused persons has been effectively applied in Sunnyvale.

### Over-income tenant

From time to time, BMR tenants who are income qualified at the time of the initial lease agreement, receive additional income (i.e., job promotion) which eliminates eligibility. Under the current BMR Guidelines, if a tenant remained over income for more than two years, the owner would be required to terminate the lease and re-lease the unit to an income-qualifying tenant. To avoid this harsh remedy, the City's BMR agreement instead provides that the tenant may remain on-site (as a market rate tenant), but that the next available unit be rented and designated as a BMR unit. The BMR Guidelines Subcommittee discussed these two different approaches and recommended that the BMR Guidelines be updated to include the same language as contained in the BMR agreement as follows:

A qualified BMR tenant shall continue to qualify unless at the time of recertification, for two consecutive years, the household's income exceeds the eligibility requirements, then the tenant shall no longer be qualified. Upon the owner's determination that any such household is no longer qualified, the unit shall no longer be deemed a BMR unit, and the owner shall make the next available unit, which is comparable in terms of size, features and number of bedrooms, a BMR unit (the "Next Available Unit Requirement"), or take other actions as may be necessary to ensure that the total required number of units are rented to qualifying BMR households. The owner shall notify the City annually if it substitutes a different unit for one of the designated BMR units pursuant to this paragraph.

(Section 11.1.7.)

The Planning Commission raised a concern about increasing an existing BMR tenant's rent from low income to market and pointed out that such a tenant may not be able to afford market rate rent. Staff agreed to discuss this issue with Hello Housing and bring forward any additional recommendations in connection with the next round of BMR Guideline updates.

### Household income and maximum monthly rents

Historically, the City of Menlo Park's BMR Program has been geared toward low income households defined as 60-80% of the Area Median Income (AMI). The City Council recently amended the BMR Guidelines to allow for a mix of different affordability levels if approved by City Council. In addition, the BMR Guidelines Subcommittee recommended additional changes to the affordability requirements. First, they recommended the "moderate income" limit be increased from 110% AMI to 120% AMI to better correspond with the County of San Mateo and HUD's threshold (Attachment B – Table A). They also recommended the maximum rent table be updated to better align with the County's table (Attachment B – Table B). The two differences between the City and County tables are the County rent limits do not include utilities (whereas the City's does) and the tables include slightly different occupancy assumptions. The updated Table B now reflects the maximum rent levels specified by the County.

### BMR Rental Interest List

At one time, the City maintained BMR waiting lists for both purchase and rental units, ranked by application date. The City still maintains a ranked BMR Purchase Waiting List (the City has designated Hello Housing to do this). However, for rentals, the City currently maintains a BMR Rental Interest List that is unranked and makes that list available to all owners who request it or are required to consider it pursuant to an affordable housing (BMR) agreement. The BMR Guidelines Subcommittee expressed an interest in modifying the BMR Guidelines to reflect the City's current practice. Staff has made changes to Sections 7 and 11.1.4 to reflect this current administrative practice. (See Sections 7 and 11.1.4.)

### Displaced tenants

The BMR Guidelines Subcommittee also discussed adding a citywide preference for displaced Belle Haven residents and offering some protection for tenants displaced from Menlo Park due to the recession in 2008. As for a Belle Haven preference, the City Council provided earlier direction that this preference be limited to affordable housing developed in the R-MU district and staff has brought forward a separate ordinance codifying that policy. As for economic displacement in general, staff has modified the BMR Guidelines to permit Menlo Park tenants who had resided in the City for at least three years as of 2008 and who were displaced due to economic reasons (i.e., job loss) to be placed on either the BMR Rental Interest List. This provision reads:

A person residing in Menlo Park for at least three consecutive years as of 2008 who was subsequently displaced from such housing shall not be disqualified based on current nonresidency, provided they can show their displacement was due to economic conditions beyond their control (including but not limited to job loss, rent increase, eviction, foreclosure or other form of economic hardship resulting in loss of housing). Evidence of such economic displacement shall be in the form of direct evidence (i.e., job termination letter) or declarations submitted under penalty of perjury.

(Section 7.1.) Note this provision includes edits suggested by the Housing Commission to clarify what types of economic conditions were beyond the resident's control and they type of evidence needed to support the claim.

The Planning Commission voted to recommend a sunset provision for the exception. Per Hello Housing there are currently seven people on the lists who qualify under this provision. Because these people have already been identified, there does not appear to be a need for a sunset provision as recommended by the Planning Commission. With respect to the Housing Commission's recommendation that the economic displacement provision be extended to post-2008 Menlo Park residents, staff has not analyzed the impact of this additional policy change nor has the Planning Commission reviewed. Accordingly, staff recommends that this issue be referred to the Housing Commission's newly formed Anti-displacement Subcommittee.

### Standalone BMR projects

Some housing developers have recently expressed interest in developing an all-senior standalone BMR project that would both satisfy the BMR requirements as well as provide additional BMR units and related senior services. In order to cater to seniors the standalone project would have amenities not available to other market rate tenants. In order to facilitate this type of project, staff originally recommended an amendment expressly permitting the City Council to authorize standalone projects provided there was a legitimate reason for doing so.

The Housing Commission opposed this amendment on the grounds that it was inconsistent with Menlo Park's longstanding economically inclusive policy of integrated units. The Housing Commission also noted that the Guidelines currently grant the City Council authority to make exceptions (Sections 5.1 and 12 of the BMR Guidelines) and that additional clarification would serve to encourage segregated projects. One of the Planning Commissioners expressed similar concerns about inclusion of this exception, though the body as a whole supported the language.

Upon reflection, staff believes the Guidelines currently authorize the City Council to grant exceptions and that including the additional language might unintentionally encourage more standalone projects in conflict with the overall intent of the BMR program. Accordingly, staff does not propose any changes to Section 5.1 at this time.



### **Impact on City Resources**

This update is not anticipated to have an impact on City resources.

### **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. Resolution No. 6446 - Updating the Below Market Rate (BMR) Program Guidelines
- B. Updated BMR Program Guidelines
- C. HUD glossary – Hyperlink: [https://www.huduser.gov/portal/glossary/glossary\\_all.html#h](https://www.huduser.gov/portal/glossary/glossary_all.html#h)

Report prepared by:

Cara E. Silver, Assistant City Attorney

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**RESOLUTION NO. 6446**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO  
ADOPTING REVISIONS TO THE BELOW MARKET RATE HOUSING  
PROGRAM GUIDELINES**

WHEREAS, the City Council of the City of Menlo Park adopted the Below Market Rate Housing Program Guidelines on the twelfth of January, 1988; and

WHEREAS, the City of Menlo Park wishes to make clarifications and updates to those Guidelines to better implement the intent of the program.

NOW, THEREFORE, IT IS RESOLVED that the revisions to the Guidelines recommended by staff and presented to the City Council on the nineteenth day of June, 2018, incorporated herein as Exhibit A, govern the operation of the program from this date forward.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the nineteenth day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this nineteenth day of June, 2018.

---

Judi A. Herren  
City Clerk

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# BELOW MARKET RATE HOUSING PROGRAM GUIDELINES

## **Income Limits/Section 14, Tables A and B Updated for 2017-18**

Originally Adopted by City Council on January 12, 1988

Revised by City Council on the following dates:

- December 17, 2002 (No Resolution)
- March 25, 2003 (Resolution No. 5433)
- January 13, 2004 (No Resolution)
- March 22, 2005 (Resolution No. 5586)
- March 2, 2010 (Resolution No. 5915)
- May 10, 2011 (No Resolution)
- May 6, 2014 (Resolution No. 6196)
- April 17, 2018 (Resolution No. 6432)
- July XX, 2018 (Resolution No. [6446](#))



# BELOW MARKET RATE HOUSING PROGRAM GUIDELINES

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## 1. OVERVIEW

The high cost and scarcity of housing in Menlo Park have been caused in large part because the number of jobs in Menlo Park has grown, but the supply of housing has not increased significantly. A majority of new employees earn low- and moderate-incomes and are most severely impacted by the lack of affordable housing in Menlo Park. Because of the high cost of housing, families who seek to live in Menlo Park cannot afford to purchase homes here and are forced to rent. Many renters pay a disproportionately high amount of their incomes in rent.

**1.1 Purpose.** The City of Menlo Park's Below Market Rate ("BMR") Housing Program is intended to increase the housing supply for households that have very low, low- and moderate-incomes compared to the median income for San Mateo County. The primary objective is to obtain actual housing units, either "rental" or "for sale," rather than equivalent cash. ~~Occupancy of BMR units is determined according to these City Council established guidelines from those on a numbered waiting list maintained by the City or its designee.~~

**1.2 Enabling Legislation.** The BMR Housing Program is governed by Chapter 16.96 of the Municipal Code. The BMR Housing Program is administered under these BMR Housing Program Guidelines ("Guidelines").

## 2. BMR HOUSING AGREEMENT AND REVIEW PROCESS

**2.1 BMR Housing Agreement.** Before acceptance of plans for review by the City of Menlo Park staff, a developer should provide a proposal for meeting the requirements of the BMR Housing Program. The proposal should include one or a combination of the following alternatives: a) Provision of BMR units on site; and/or b) Provision of BMR units off-site; and/or c) Payment of an in-lieu fee. These alternatives are listed in order of preference.

**2.2 Review Steps.** The following review steps apply to most development projects:

- City staff will review a BMR For-Sale Agreement or an Affordability Housing Agreement (either, a "BMR Housing Agreement"), that has been prepared by the developer's attorney on a form substantially similar to that provided by the City and shall make a recommendation with respect to it to the Housing Commission, and, if applicable, to the Planning Commission and/or, if applicable, the City Council. The City Attorney must approve as to form the BMR Housing Agreement prior to its review by the Planning Commission.
- ~~The Planning Commission will review the application for development with the BMR Housing Agreement. The City Attorney must approve the BMR Housing Agreement prior to its review by the Planning Commission. If the City Council has final approval authority for the project, the~~



~~Planning Commission will recommend the BMR Housing Agreement for City Council approval. Otherwise the Planning Commission will approve the BMR Housing Agreement.~~

- The City Council grants approval of the BMR Housing Agreement for projects which it reviews. For all other projects, the BMR Housing Agreement shall be approved by the entity having final approval authority over the project. The BMR Housing Agreement must be immediately signed and recorded after City Council approval.

### 3. REQUIREMENTS FOR DEVELOPMENTS BY TYPE

**3.1 Commercial Developments.** The BMR Housing Program requires commercial developments which bring employees to Menlo Park to provide BMR units or to contribute to the BMR Housing Fund that is set up to increase the stock of housing for very low, low and moderate income households, with preference for workers whose employment is located in the City of Menlo Park, and for City residents.

**3.1.1 Commercial Development Requirements.** Commercial buildings of 10,000 square feet or more gross floor area are required to mitigate the demand for affordable housing created by the commercial development project. In order to do so, it is preferred that a commercial development project provide BMR housing on-site (if allowed by zoning) or off-site (if on-site BMR units are infeasible). A density bonus of up to 15% above the density otherwise allowed by zoning may be permitted when BMR housing is provided on-site. The BMR Housing Agreement will detail the BMR Housing Program participation of a particular development.

Although the provision of actual BMR units is strongly preferred, it is not always possible to provide BMR housing units. In such cases, the developer shall pay a commercial in-lieu fee rather than provide actual BMR housing units. Commercial in-lieu fees must be paid prior to the issuance of a building permit.

Commercial in-lieu fees are charged at different rates to two groups based on the employee housing demand the uses produce. Group A uses are office and research and development ("R&D"). Group B uses are all other uses not in Group A.

Commercial in-lieu fee rates are adjusted annually on July 1st. The amount of the adjustment is based on a five-year moving average of the percentage increase in the Consumer Price Index (Shelter Only) for All Urban Consumers in the San Francisco-Oakland-San Jose area. Refer to Section 14, Table D, for the Commercial In-lieu Fee Rates, which may be updated by City staff from time to time.

**3.1.2 Applicability.** The BMR Housing Program applies to conditional use permits, conditional development permits, planned development permits, subdivision approvals, architectural control approvals, variance approvals and building permits for any commercial development. The BMR Housing Program also applies to the construction of any new square footage or any square footage that is converted from an exempt use to a non-exempt use. Finally, the BMR Housing Program applies

to the conversion of floor area from a less intensive use (Commercial/Industrial uses) to a more intensive use (Office/R&D).

**3.1.3 Exemptions.** The following are exempted from the BMR Housing Program:

- (a) Private schools and churches;
- (b) Public facilities;
- (c) Commercial development projects of less than 10,000 square feet; and
- (d) Projects that generate few or no employees.

**3.2 Residential Developments.** The BMR Housing Program requires residential developments which use scarce residentially zoned land in Menlo Park to provide BMR units or to contribute to the BMR Housing Fund. The BMR [Housing](#) Fund is set up to increase the stock of housing for very low-, low- and moderate-income families, with preference for workers whose employment is located in the City of Menlo Park, and for City residents.

**3.2.1 Residential Development Requirements.** Residential developments of five or more units are subject to the requirements of the BMR Housing Program. These requirements also apply to condominium conversions of five units or more. As part of the application for a residential development of five or more units, the developer must submit a BMR Housing Agreement, in a form substantially similar to that provided by the City, which details the developer's plan for participation in the BMR Housing Program. No building permit or other land use authorization may be issued or approved by the City unless the requirements of the BMR Program have been satisfied.

**3.2.2 Condominium Conversions.** If an apartment complex already participating in the BMR Housing Program elects to convert the complex to condominiums, then the existing BMR rental apartments shall be converted to BMR condominium units under the BMR Housing Program.

When market rate rental units are removed from the rental housing stock for conversion to condominiums, and they are not already participating in the BMR Housing Program, then the project shall meet the same requirements as new developments to provide BMR units in effect at the time of conversion. When the property owner notifies the City of the intent to sell, the property owner shall notify any BMR tenants of such units of the pending sale and non-renewal of lease. Such tenant(s) shall be given the right of first refusal to purchase the unit. If the tenant seeks to purchase the unit, at the close of escrow the unit shall exist as a for-sale BMR unit. If the tenant does not seek to purchase, the tenant shall vacate the unit at the expiration of the current lease term and the unit will be sold to an eligible third party according to the BMR Guidelines and held as a for-sale BMR unit. The tenant who

vacates will have priority to move to other vacant BMR rental units in the City for two years from the date the lease expired, regardless of the place of residence of the displaced BMR tenant.

**3.3 Mixed Use Developments.** Mixed use developments must comply with the requirements for commercial developments in the commercial portion of the development and must comply with the requirements for residential developments for the residential portion of the development.

**3.4 Required Contribution for Residential Development Projects.** All residential developments of five units or more are required to participate in the BMR Housing Program. The preferred BMR Housing Program contribution for all residential developments is on-site BMR units. For rental residential development projects, the applicant may comply with the City's BMR requirements by providing in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units. Any alternative means of compliance shall be approved by the City Council upon findings that the alternative is commensurate with the applicable on-site requirement and complies with applicable BMR Guidelines.

For ownership residential development projects, if providing on-site BMR units is not feasible as confirmed by the City, developers are required to pay an in-lieu fee as described in Section 4.3. The requirements for participation increase by development size as shown below:

**One (1) to Four (4) Units.** Developers are exempt from the requirements of the BMR Housing Program.

**Five (5) to Nine (9) Units.** It is preferred that the developer provide one unit at below market rate to a very low, low, or moderate income household.

**Ten (10) to Nineteen (19) Units.** The developer shall provide not less than 10% of the units at below market rates to very low-, low- and moderate-income households.

**Twenty (20) or More Units.** The developer shall provide not less than 15% of the units at below market rates to very low-, low- and moderate-income households. On a case-by-case basis, the City will consider creative proposals for providing lower cost units available to lower income households such as smaller unit size, duet-style, and/or attached units that are visually and architecturally consistent with the market-rate units on the exterior, and that meet the City's requirements for design, materials, and interior features of BMR units.

**3.4.1 Fraction of a BMR Housing Unit.** If the number of BMR units required for a residential development project includes a fraction of a unit, the developer shall provide either a whole unit, the preferred form of participation, or make a pro rata residential in lieu payment on account of such fraction per Section 4.3 or 4.4, as applicable.

*Example: A residential project is developed with 25 condominium units. The BMR requirement of 15% equates to 3.75 units. The preferred BMR Housing Program participation is four BMR units. If four BMR units are provided, the developer would pay no in-lieu fee. Alternatively, if three BMR units are provided, the developer would have to pay an in-lieu fee for the remaining fractional BMR unit.*

#### **4. BMR PROGRAM REQUIREMENTS FOR ON-SITE BMR UNITS, OFF-SITE BMR UNITS AND IN-LIEU FEES**

##### **4.1 On-Site BMR Units.**

**4.1.1 Initial Price for For-Sale Unit.** The initial selling price of BMR for-sale units for extremely low (30% AMI), very low (50% AMI), subsidized low (60% AMI), low (80% AMI) or moderate (1240% AMI) income households is based on what is affordable to households with incomes at the identified percentage of area median income ("AMI") related to household size, as established from time to time by the State of California Housing and Community Development Department ("HCD") for San Mateo County. See Section 14, Table A, which may be updated by City staff from time to time.

**4.1.2 Initial Price for Rental Unit.** The initial monthly rental amounts for BMR rental units will be equal to or less than thirty percent (30%) of the applicable income limits for extremely low, very low, subsidized low, low and moderate income households adjusted for occupancy, [as established from time to time by the HCD for San Mateo County](#). In no case shall the monthly rental amounts for BMR units exceed seventy-five percent (75%) of comparable market rate rents. The maximum rent for specific BMR units will be based on Section 14, Table B of the BMR Guidelines, which may be updated by City staff from time to time. See also Sections 11.1.1 and 11.1.2.

~~For purposes of these BMR Guidelines, monthly housing cost means the total of monthly payments actually made by the household for (a) use and occupancy of each BMR unit and land and facilities associated therewith, (b) any separately charged fees or service charges which are required of all households, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, and which are not paid directly by the household, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity.~~

The purchase or rental price for BMR units shall be established and agreed upon in writing in the BMR Housing Agreement per Section 2.2, prior to final building inspection for such BMR units. The provision of affordable units at extremely low, very low, low and/or moderate income levels shall be roughly equivalent to the provision of all of the affordable units at the low income level.

**4.1.3 Bonus Unit.** For each BMR unit provided, a developer shall be permitted to build one additional market rate (bonus) unit. However, in no event shall

the total number of units in a development be more than fifteen percent (15%) over the number otherwise allowed by zoning.

**4.2 Off-Site BMR Units.** If authorized by the City as described in Section 2.2, developers may propose to provide BMR units at a site other than the proposed development. These off-site BMR units must be provided on or before completion of the proposed development and must provide the same number of units at below market rates to very low, low and moderate income households as required for on-site developments. Such units may be new or existing. Provision by the developer and acceptance by the City of off-site units shall be described in the BMR Housing Agreement. Size, location, amenities and condition of the BMR units shall be among the factors considered by the City in evaluating the acceptability of the off-site BMR units. For existing units, the developer shall be responsible for correcting, at developer's expense, all deficiencies revealed by detailed inspection of the premises by qualified inspectors, including a certified pest inspector.

The initial price or rent for the BMR units shall be established as stated in Sections 4.1.1 and 4.1.2 and in accordance with the BMR Income Guidelines in Section 14 in effect at the time the BMR unit is ready for sale or rent. Fractions of required BMR units shall be handled by provision of an in-lieu fee for the market rate units for which no BMR unit is provided.

**4.3 Ownership Residential In Lieu Payments Based on Sales Price.**

**4.3.1 Developments of Ten (10) or More Units.** In developments of 10 or more units, the City will consider an in-lieu payment alternative to required BMR units only if the developer substantiates to the City's satisfaction that the BMR units cannot be provided on or off-site. In developments of 10 or more units which provide BMR units, upon the close of escrow on the sale of each unit in the subdivision for which a BMR unit has not been provided, the developer shall pay to the City an in-lieu payment calculated at three percent (3%) of the actual sales price of each unit sold. In lieu payments for fractions of BMR units shall be determined by disregarding any bonus units and as three percent (3%) of selling price of each market rate unit sold if the developer substantiates to the City's satisfaction that the BMR units cannot be provided on or off-site.

If a portion of a BMR requirement is met by a provision of BMR units, and the developer substantiates to the City's satisfaction that a sufficient number of BMR units cannot be provided on or off-site, then BMR in-lieu payments will be required from the sales of the number of market rate units (excluding bonus units) that is in proportion to the BMR requirement that is not met.

**4.3.2 Developments of Five (5) to Nine (9) Units.**

**Residential In-Lieu Payments Based on Sales Price.** In developments of five to nine units, the City will consider an in-lieu payment alternative to required BMR units only if the developer cannot provide an additional BMR unit. If providing an

additional BMR unit is not feasible, developers are required to pay a residential in lieu fee as described below.

<u>Unit No.</u>	<u>In lieu fee for each unit</u>
1, 2 and 3	1% of the sales price
4, 5 and 6	2% of the sales price
7, 8 and 9	3% of the sales price

*Example: In a development of seven units, the BMR contribution would be, in order of preference: a) One BMR unit out of the seven units, with the possibility of a density bonus of one unit, or, if that is not feasible, b) Three units designated to pay an in-lieu fee of one percent (1%) of the sales price, three units to pay in-lieu fees of two percent (2%) of their sales prices and one unit to pay three percent (3%) of its sales price.*

Units paying in-lieu fees are designated so that they are distributed by unit size and location throughout the project.

In developments of 10 or more units which provide BMR units, upon the close of escrow on the sale of each unit in the subdivision for which a BMR unit has not been provided, the developer shall pay to the City an in-lieu payment calculated at three percent (3%) of the actual sales price of each unit sold.

*Example: Two possible plans to meet the BMR requirement for a project of 15 housing units are, in order of preference: a) Two BMR units are provided, and no in-lieu fees are paid, or b) One BMR unit is provided out of the first 10 units, one bonus unit is granted for the provision of the BMR unit, and four units pay in-lieu fees.*

**Units held as rental, in-lieu fee.** If the developer retains any completed unit as a rental, either for its own account or through subsidiary or affiliated organizations, the BMR contribution including BMR housing unit or in-lieu payment for such unit shall be negotiated between the developer and the City. If an in-lieu fee is paid, the market value shall be based on an appropriate appraisal by an appraiser agreed upon by the City and the developer and paid for by the developer. The basis for such appraisal shall be as a condominium rather than as a rental.

**4.4 Rental Residential In Lieu Payments Based on Cost.** The City Council shall establish a rental residential in-lieu fee by resolution, which fee may be updated from time to time. The fee shall be based on the cost to develop, design, construct, and maintain a standard one-bedroom unit in Menlo Park. The fee shall also include the proportionate costs of associated common area as well as land acquisition costs. The fee shall be adjusted on a project-by-project basis depending on size, location and other factors relevant to cost. The fee can be adjusted by a pre-set formula or by a consultant selected by the City and funded by the applicant.

## 5. CHARACTERISTICS OF BMR UNITS

**5.1 Size and Location of BMR Units.** BMR housing units shall generally be of the same proportionate size (number of bedrooms and square footage) as the market-rate units. The BMR units should be distributed throughout the development, and should be indistinguishable from the exterior. BMR units shall contain standard appliances common to new units, but need not have luxury accessories, such as Jacuzzi tubs. The Planning Commission and/or City Council shall have the authority to waive these size, location and appearance requirements of BMR units in order to carry out the purposes of the BMR Housing Program and the Housing Element.

**5.2 Design and Materials in BMR Units.** The design and materials used in construction of BMR units shall be of a quality comparable to other new units constructed in the development but need not be of luxury quality.

**5.3 The BMR Price Must Be Set Before Final Building Inspection.** There shall be no final inspection of BMR housing units until their purchase or rental prices have been agreed upon in writing by the developer and the City Manager, or his or her designee. Also, the sale or rental process will not begin until the sales price is set.

### **5.3.1 Final Inspection Schedule for Smaller and Larger Developments.**

**Less Than Ten (10) Units.** In developments of less than 10 units with one or more BMR units, all BMR units must pass final inspection before the last market rate unit passes final inspection.

**Ten (10) to Nineteen (19) Units.** In developments of 10 or more units, including developments that are constructed in phases, for the first 10 housing units, a BMR unit must pass final inspection before nine market rate units may pass final inspection. For each additional group of 10 housing units, one additional BMR unit must pass final inspection before nine additional market rate units may pass final inspection.

**Twenty (20) or More Units.** In developments of 20 or more units, including developments that are constructed in phases, for the first 10 housing units, a BMR unit must pass final inspection before nine market rate units may pass final inspection. In addition, two additional BMR units must pass final inspection before eight additional market rate units may pass final inspection. For each additional group of 20 housing units, three additional BMR units must pass final inspection before 17 additional market rate units may pass final inspection. No project or phase may pass final inspection unless all the BMR units, which equal 15% or more of the housing units in that phase or project, have passed final inspection for that phase or project.

**Last Unit.** In no case may the last market rate unit pass final inspection before the last BMR unit has passed final inspection.

**5.4 Sales Price Determination for BMR For-Sale Units.** The maximum sales price for BMR units shall be calculated as affordable to households on the BMR Purchase Waiting List, which are eligible by income at the time that the maximum prices are set and which are of the smallest size eligible for the BMR units (excluding two-bedroom units, which shall be based on incomes for two person households even when units are made available to one person households). See Section 14, Table A, for income eligibility limits, and Table C, for occupancy standards, which tables may be updated by City staff from time to time. The affordability of maximum prices will take into consideration mortgage interest rates, minimum down payments, mortgage debt-to-income ratios and other qualifying criteria used by lenders at the time the sales prices are set, as well as cost of insurance, taxes, homeowners' dues and any other necessary costs of homeownership.

**5.4.1 Price Determination for Projects with Condominium Maps That Will Rent for an Indefinite Period of Time.** Projects with condominium subdivision maps that will rent BMR units for an indefinite period shall have basic sales prices established at the outset for such BMR units in accordance with the Guidelines. Such initial sales prices shall be adjusted for the period between the month of completion of the BMR units and the month of notification of intent to sell the units, with further adjustments for improvements and deterioration per the Guidelines. The adjustments shall be based on one-third of the increase in the Consumer Price Index ("CPI"), All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable adjustments.

**5.5 Legal Characteristics of BMR Units: Right of First Refusal and Deed Restrictions.** All BMR units shall be subject to deed restrictions and conditions which include a right of first refusal in favor of the City for a period of 55 years under which the City or its designee will be entitled to purchase the property at the lower of (1) market value, or (2) the purchase price paid by seller, plus one-third of the increase (during the period of seller's ownership) in the Consumer Price Index ("CPI"), All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable adjustments. The deed restrictions will also prohibit sales or transfers of the property except with the written consent of the City and at a price computed as above. Exceptions from all prohibitions against sale or transfer will include:

- (1) Demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period;
- (2) Transfer by termination of joint tenancy or by gift or inheritance to parents, spouse, children, grandchildren or their issue.

The prohibition against sales or transfers will not terminate at the end of 55 years in the event of an exempt transfer by termination of joint tenancy or by gift or inheritance to family members. The prohibition against sales or transfers will terminate in the event of an exempt sale or transfer when there is a demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period of time.



In the event of an exempt sale when there is a demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period of time, the seller will be entitled to receive the lesser of (A) market value or (B) the purchase price paid by the seller plus one-third of the increase (during the seller's ownership) in the CPI, plus certain other equitable adjustments, as specified in the deed restrictions. The balance of the proceeds shall be paid to the City of Menlo Park to be deposited in the BMR Housing Fund. Any transferee pursuant to an exempt transfer by termination of joint tenancy or by gift or inheritance to family members must reside in the BMR unit and must qualify under the income criteria of the BMR Program at the time of the transfer of the BMR unit.

## 6. ELIGIBILITY REQUIREMENTS FOR HOUSEHOLDS APPLYING TO PURCHASE BMR UNITS

**Note:** Eligibility requirements for households that wish to be placed on the BMR Purchase Waiting List are identified in Section 7. The requirements identified below apply at the actual time of application to purchase a BMR unit. In order for a household to be eligible at the time of application to purchase, ALL of the following requirements must be met:

**6.1 BMR Purchase Waiting List.** Applicants are eligible to have their names placed on the BMR Purchase Waiting List if they meet the following three requirements at the time they submit an application for the BMR Purchase Waiting List: (1) currently live or work within incorporated Menlo Park; (2) meet the current income limit requirements (per household size) for purchase of a BMR unit; and (3) all applicants currently live together as a household.

**6.1.1 Definition of Household.** For the purposes of this program, household is defined as all persons who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

~~single person, or two or more persons sharing residency whose income resources are available to meet the household's needs.~~—To be considered a household, all applicants/household members must live together in a home that is their primary residence. To be considered part of the household and included in household size, children under the age of 18 (including foster children) must reside in the home at least part-time or parents must have at least partial (50%) custody of the child/children.

**6.2 Live and/or Work Eligibility.** Households that live and/or work within incorporated Menlo Park shall be eligible for the Below Market Rate Housing Program in accordance with the following provisions:

**6.2.1 Eligibility by Living in Menlo Park.** To qualify as living in Menlo Park, the applicant household must meet the following two requirements at the time of

application: (1) currently live in Menlo Park as the household's primary residence and (2) must have continuously lived in Menlo Park for a minimum of one (1) year prior to the date of actual application to purchase.

**6.2.2 Eligibility by Working in Menlo Park.** To qualify as a household that works in Menlo Park, a member of the applicant's household must meet the following two requirements at the time of application: (1) currently work in Menlo Park at least 20 hours per week, or (if currently less than 20 hours per week) hours worked over the course of the one year prior to application averages a minimum of 20 hours per week and (2) must have continuously worked in Menlo Park for a minimum of one year prior to the date of actual application to purchase.

**6.2.2.1 Types of Work.** Work is defined as (1) owning and operating a business at a Menlo Park location; (2) employment for wages or salary by an employer located at a Menlo Park location; (3) contract employment where the actual work is conducted at a Menlo Park location for one year; or (4) commission work, up to and including a 100% commission arrangement, conducted in Menlo Park.

**6.2.2.2 Employer-Based Work.** If employed for wages or salary by an employer, working in Menlo Park is defined as the employer is located in Menlo Park AND the employment/actual work is performed within incorporated Menlo Park.

**6.2.2.3 Owning and Operating a Business at a Menlo Park Location.** This does NOT include owning (either wholly or in part) a residential or commercial property for investment purposes only.

**6.2.2.4 Work does NOT include volunteer or unpaid work.**

**6.3 Household Requirement.** To constitute a household, all members of the applicant household must currently live together (in a location that is their primary residence) at the time of application. Also, at the time of application and regardless of where they currently live, all members who make up the applicant household must have continuously lived together for a minimum of one year prior to the date of application.

**6.3.1 Exceptions.** Exceptions to this minimum one year joint-residency requirement include:

- Children under the age of 18 who have recently joined the household in conjunction with marriage, separation, or divorce, or similar family re-organization, and for whom there is evidence of a custody agreement or arrangement. This also applies to foster children.
- Children born or adopted into a household.
- Households newly formed as a result of marriage or domestic partnership.

- Other circumstances approved by the City to account for a recently added household member (such as an aging parent).

**6.4 First Time Homebuyer.** All members of the applicant household must be first time homebuyers, defined as not having owned a home as your primary residence within the last three years prior to the date of application. First time homebuyers DO include owners of mobile homes, as well as applicants whose names are on title for properties they have not lived in as their primary residences for the last three years (for instance rental properties, which must be considered as part of the applicant's eligibility per assets).

**6.4.1. Exceptions.** Exceptions to this requirement are:

- Applicants who are current BMR homeowners and are otherwise eligible for the BMR Housing Program, are eligible to place their names on the BMR Purchase Wwaiting Llist and to purchase a smaller or larger home needed due to changes in household size or family needs, such as for handicap accessibility (per Section 7.2.6, below).
- Applicants whose names were placed on the BMR Purchase Wwaiting Llist prior to March 2, 2010.
- Applicant households that currently and/or within the last three years prior to the date of application own homes as their primary residences more than 50 miles outside Menlo Park city limits, that are otherwise eligible for the BMR Housing Program.

**6.5 Complete One-Time Pre-Purchase Homebuyer Education.** After an applicant's name is placed on the BMR Purchase Wwaiting Llist and before receiving an offer to purchase a BMR property, all adult applicants/household members must complete a one-time homebuyer education workshop, class, or counseling session. When applicants' names are placed on the BMR Purchase Wwaiting Llist to purchase BMR units, program staff provides them with a list of approved local organizations that provide pre-purchase homebuyer education. Applicants choose an education provider or program from the approved list and may choose to attend in either a group or individualized setting. It is the applicants' responsibility to provide the City or the City's BMR Housing Program provider with evidence that a pre-purchase homebuyer education workshop or session was completed. In most cases, the education providers will provide applicants with certificates of completion, which applicants can submit to the City's BMR Housing Program provider as proof that the pre-purchase education requirement was completed. Households on the BMR Purchase Wwaiting Llist that have not completed the homebuyer education requirement will retain their rank on the list but will NOT be invited to apply to purchase BMR units. Only households on the BMR Purchase Wwaiting Llist that have completed the education requirement will be invited to apply when units become available. Elderly parents of applicants living in the household need not complete the education requirement.

**6.5.1 Prior Completion of Pre-Purchase Homebuyer Education.** At the time of application to the BMR Purchase Wwaiting List, applicants who provide written evidence of having completed an approved homebuyer education workshop, class, or counseling session within the previous twelve months prior to the date of application to the BMR Purchase Wwaiting List are not required to complete an additional workshop, class, or counseling session.

**6.5.2 Homebuyer Education Provider.** At the City's discretion, the City may elect to work exclusively with one or more homebuyer education providers/organizations. The City may also choose to contract with a particular person or organization to provide this educational component.

**6.5.3 Long-Term Education or Counseling Required for Certain Applicants.** Applicants who are invited to apply to purchase BMR units and are twice denied (on separate occasions) due to long-term or significant credit problems, will be required to meet individually with a credit counseling professional in order to remain on the BMR Purchase Wwaiting List. The applicant must provide evidence of completion of credit counseling within six months to the City's BMR provider or the applicant will be removed from the BMR Purchase Wwaiting L-list. This does not exclude the applicant from applying to the BMR Purchase Wwaiting List again, to be placed at the bottom of the list.

**6.6 Ownership Interest.** A minimum of 50% of the ownership interest in the property must be vested in the qualifying applicant(s), regardless of income.

**6.7 Income and Asset Limits for Purchasers of BMR Units.** Income eligibility limits are established by HCD for San Mateo County~~the State of California Housing and Community Development Department~~ ("HCD"). Income limits are updated ~~by the State of California HCD~~ on an annual basis. BMR units shall only be sold to very low, low, and moderate income households. Only households having gross incomes at or below ~~124~~140% of the AMI for San Mateo County, adjusted for household size, are eligible to purchase and occupy BMR for-sale units, either upon initial sale or upon any subsequent resale, as specified in the deed restrictions. Refer to Section 14, Table A, for the income eligibility limits, which may be updated by City staff from time to time.

An asset is a cash or non-cash item that can be converted into cash. Only households having non-retirement assets that do not exceed the purchase price of the BMR units are considered eligible.

- Assets Include: cash held in checking accounts, savings accounts, and safe deposit boxes; equity in real property; cash value of stocks (including options), bonds, Treasury bills, certificates of deposit, money market accounts, and revocable trusts; personal property held as an investment such as gems, jewelry, coin and art collections, antiques, and vintage and/or luxury cars; lump sum or one-time receipts such as inheritances, capital gains, lottery winnings, victim's restitution, and

insurance settlements; payment of funds from mortgages or deeds of trust held by the applicant(s); boats and planes; and motor homes intended for primary residential use.

- Assets DO NOT Include: cars and furniture (except cars and furniture held as investments such as vintage and/or luxury cars, and antiques); company pension and retirement plans; Keogh accounts; dedicated education funds/savings accounts; and funds dedicated to federally recognized retirement programs such as 401K's and IRA's.

Note that equity in real property or capital investments is defined as follows: the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g. broker/realtor fees) that would be incurred in selling the asset.

**6.7.1 Senior or Disabled Households That Use Assets for Living Expenses.** An exception to the income and asset limit requirement is a household whose head is over 62 years of age, or permanently disabled and unable to work, with assets valued up to two times the price of the BMR unit. The applicant must be able to demonstrate that the sole use of his/her assets has been for household support for at least the three previous years, and that the total annual household income meets the BMR Guidelines.

## **7. BMR PURCHASE WAITING LIST AND FOR RENTAL AND FOR PURCHASE UNITS BMR RENTAL INTEREST LIST**

**7.1 BMR Purchase Waiting List and BMR Rental Interest List Eligibility Requirements.** A numbered BMR Purchase Waiting List of households eligible for rental and/or for-purchase of BMR units is maintained by the City or the City's designee. In addition, the City maintains an unranked BMR Rental interest list. Households are eligible to be placed on the BMR Purchase Waiting List or BMR Rental Interest List if they meet the following ~~four~~ requirements at the time they submit applications for the either waiting list:

- The household currently resides within incorporated Menlo Park as its primary residence OR a member of the household currently works at least 20 hours per week within incorporated Menlo Park.
- For purposes of these Guidelines, unhoused persons may show local residency by providing evidence that their last permanent residence was located in Menlo Park and/or documentation from a case manager or homeless services provider demonstrating current residency in Menlo Park, including places or structures other than a bona fide dwelling unit (i.e. vehicle or tent).

- The household meets the current income limit requirements (per household size) for rent and/or purchase of a BMR unit. See Section 14, Table A, for income eligibility limits, which may be updated by City staff from time to time.
- Except as specified in Section 6.3.1 of these Guidelines, aAll persons included as members of the household currently live together in a residence that is their primary home.
- A person residing in Menlo Park in 2008 who was subsequently displaced from such housing shall not be disqualified based on current lack of residency, provided they can show their displacement was due to economic conditions beyond their control -(including but not limited to job loss, rent increase, eviction, foreclosure or other form of economic hardship resulting in loss of housing). Evidence of such economic displacement shall be in the form of direct evidence (i.e. job termination letter) or declarations submitted under penalty of perjury.
- Applicant households may submit applications and, if eligible, will be placed on the numbered BMR Purchase Wwaiting Llist in the order in which their applications were received and/or the BMR Rrental linterest Llist, which is neither numbered nor ordered.
- In accordance with Section 6.4, all members of the household must be first time homebuyers for inclusion on the BMR Purchase Wwaiting Llist.

**7.2 BMR Purchase Waiting List Management.** BMR units available for ~~rent or~~ purchase are offered to households on the BMR Purchase wWwaiting Llist in the order in which the BMR Purchase Wwaiting Llist applications were received.

**7.2.1 Annual affirmation of continued interest in remaining on the BMR Purchase Wwaiting Llist.** On an annual basis, all households on the BMR Purchase Wwaiting Llist will be required to confirm their continued interest in remaining on the list. At or around the same time each year, the City's BMR Housing Program provider will mail and/or email annual update forms/applications to all current households on the BMR Purchase Wwaiting Llist. Households on the BMR Purchase Wwaiting Llist that wish to remain on the list are asked to complete the form and return it to the City's BMR Housing Program provider within a specified period of time (usually about one month) with a \$10 annual fee for processing. Households who do not respond by completing and returning the forms and the fee by the specified deadline, or whose mail is returned undeliverable to the City's BMR Housing Program provider or who otherwise cannot be reached, shall be removed from the BMR Purchase Wwaiting Llist. This does not exclude households removed from the BMR Purchase Wwaiting Llist from re-applying to the list, to be added to the bottom of the list in accordance with normal procedures.



**7.2.2 Complete One-Time Pre-Purchase Homebuyer Education for Households That Would Like to Purchase a BMR Unit.** For households that indicate they would like to purchase BMR units, after households are placed on the BMR Purchase Wwaiting List and before receiving offers to purchase BMR properties, all adult applicants/household members must complete a one-time homebuyer education workshop, class, or counseling session, per Section 6.5.

**7.2.3** When a BMR unit is offered for purchase ~~or rent~~, applicants must enter into a purchase agreement ~~or lease~~ within a defined, reasonable period of time. If an applicant fails to do so, the BMR unit will be offered to the next eligible applicant on the BMR Purchase Wwaiting List. The City of Menlo Park reserves the right to establish other criteria to give preference to certain categories of eligible participants on the BMR Purchase Wwaiting List.

**7.2.4** A tenant of a BMR rental unit who is required to vacate the BMR rental unit due to its conversion to a BMR for sale unit, shall have first priority for vacant BMR rental units for which the tenant is eligible and qualifies for two years from the expiration of the lease, regardless of the place of residence of the displaced tenant.

**7.2.5 Preference for Handicap Accessible Units for Bona Fide Wheelchair Users.** If the BMR unit is wheelchair accessible, then bona fide wheelchair users on the BMR Purchase Wwaiting List who are otherwise eligible for the BMR unit, including by household size and income, will receive preference over other applicants, and the BMR unit will be offered to the bona fide wheelchair users in the order that their applications were received.

**7.2.6** Households who are current BMR homeowners are eligible to place their name on the BMR Purchase wWaiting List and to purchase a smaller or larger home needed due to changes in their household size or family needs, such as for a handicapped accessible unit.

## **8. THE BMR UNIT PURCHASE PROCESS: BUYER SELECTION AND SALE PROCEDURES**

### **8.1 New Units and Condominium Conversions.**

**8.1.1** The participating developer informs the City or its designee in writing that the BMR unit has received its final building inspection and that the BMR unit is ready for sale and occupancy. "The City" shall mean the City Manager, or his or her designee.

**8.1.2** City of Menlo Park staff or the City's BMR Housing Program provider inspects the BMR unit. After approval of the unit, the City or the City's BMR Housing Program provider writes a certifying letter that states the BMR unit meets the BMR Housing Program's requirements and satisfies the BMR Agreement's provisions. The certifying letter will also state the price for the BMR unit. The price for the BMR unit will be determined based on the information described in the next three sections.

**8.1.3** The City or its designee obtains necessary information for determining the price of the BMR unit. These include, but may not be limited to, the estimated tax figures from the developer and the County Assessor, as well as Homeowner's Association dues, Covenants, Conditions and Restrictions, and insurance figures from the developer. Also included will be all associated Homeowner Association documentation.

**8.1.4** Household size and income qualifications are established. In households in which an adult holds 50% or more custody of a minor child or children through a legally binding joint custody settlement, each such child shall count as a person in determining the household size.

**8.1.5** The City or its designee determines the maximum price of the BMR unit based on an income up to 1240% of ~~the San Mateo County AMI ("AMI") related to household size, as established from time to time by HCD for San Mateo County for the smallest household size eligible for the BMR unit (excluding two-bedroom units, which are based on income for a two person household)~~, monthly housing costs including current mortgage rates, insurance costs, homeowners' dues, taxes, closing costs and any other consideration of costs of qualifying for a first mortgage and purchase of the BMR unit. See Section 14, Table A, for income eligibility limits, which may be updated by City staff from time to time. When these documents and the information described in this and preceding sections have been received, the City will provide the developer with a certifying letter in which the City states the price for the BMR unit, accepts the BMR unit as available for purchase and the purchase period will commence.

**8.1.6** If there is a standard pre-sale requirement by the BMR applicant's lender for a certain percentage of units in the project to be sold before the BMR applicant's lender will close, then the time for the City's purchase or the buyer's purchase will be extended until that requisite number of units has closed.

**8.1.7** The City may retain a realtor to facilitate the sale of the property.

**8.1.8** Contact is established between the City or its designee and the developer's representative to work out a schedule and convenient strategy for advertisements, if needed, when the units will be open for viewing, and for when the interested applicants may obtain detailed information about the units.

**8.1.9** All marketing and sales procedures for BMR units must be approved by the City and will be subject to review on a periodic basis for compliance.

**8.1.10** An information packet and application forms are designed and duplicated by the City or its designee. The developer provides information about the unit, including a floor plan of the unit and of the building showing the location of the unit, dimensions, appliances, amenities, and finishes.

**8.1.11** The City or the City's BMR Housing Program provider holds an application orientation meeting(s). Households on the BMR Purchase Wwaiting List



with the lowest numbers are contacted and invited to attend the orientation meeting(s). Only households that are eligible by household size and have completed the one-time pre-purchase education requirement are contacted and invited to attend the orientation. Applications to purchase BMR units can only be obtained by attending an application orientation meeting. At the meeting, potential applicants are provided with the following information:

- A detailed description of the BMR Housing Program, including the rights, restrictions, and responsibilities of owning a BMR unit.
- A complete description of the property or properties being offered for sale including buyer eligibility requirements, the purchase price, home owner association costs (if any), estimated property taxes, and home features.
- An overview of the home loan application process and description of necessary costs including down payment (if required), closing costs, real estate taxes, and mortgage insurance.
- A description of the BMR and home loan approval process. Potential applicants are informed they must work with one of the program's approved mortgage providers. Per the City's discretion the potential applicants are also informed of the kinds of acceptable mortgage financing, and also of mortgage financing not allowed at that time (for instance negative amortizing loans).
- Based on the purchase price, estimates are provided on the minimum annual income required to purchase, as well as possible monthly housing costs including principal and interest, property taxes, and insurance payments.
- A step-by-step explanation of the BMR purchase application. If there are several sizes of units for which applicants may be eligible, applicants are instructed where to indicate their unit size preferences.

Potential applicants are invited to ask questions. Meeting attendees are invited to sign up to tour the property or properties for sale. Attendees are given applications and a reasonable deadline to submit their completed applications.

**8.1.12** Completed applications are submitted to the City or its designee along with income and asset verifications.

**8.1.13** When the application period closes, the City or its designee reviews the completed applications. The complete, eligible, qualifying applications are ranked in order by BMR Purchase Waiting List numbers and/or other criteria established by the City. The complete applications with the lowest numbers, and meeting other qualifying criteria for each unit, if any, are selected, and the households that submitted them are notified of the opportunity to purchase the BMR unit, in the

order of their numbers on the BMR Purchase Waiting List. They are invited to an orientation meeting.

**8.1.14** If the leading applicant for a unit fails to contact the developer, provide a deposit, or obtain appropriate financing within the period of time specified in the notification letter, the City or its designee will contact the next household on the list.

**8.1.15** The City of Menlo Park or its designee submits to the title insurance company the Grant Deed, BMR Agreement and Deed Restrictions, and Request for Notice to be recorded with the deed to the property.

**8.1.16** The developer shall be free to sell a BMR unit without restriction as to price or qualification of buyer if all of the following criteria are met, unless the BMR applicant's lender has a loan condition that a specific number of units in the development must be sold before the loan can be approved: (1) the City and the developer are unable to obtain a qualified buyer within six months after the City has provided written notice both certifying that the unit is available for purchase and setting the price for the BMR unit, (2) the City or its designee does not offer to purchase the BMR unit within said six months period, and complete said purchase within not more than 60 days following the end of the six month period, (3) the developer has exercised reasonable good faith efforts to obtain a qualified buyer. A qualified buyer is a buyer who meets the eligibility requirements of the BMR Housing Program and who demonstrates the ability to complete the purchase of the BMR unit. Written notice of availability shall be delivered to the City Manager, City of Menlo Park, 701 Laurel Street, Menlo Park, CA 94025. Separate written notice of availability shall also be delivered to the City Manager, City of Menlo Park, 701 Laurel Street, Menlo Park, CA 94025.

## **9. OCCUPANCY REQUIREMENTS FOR OWNER-OCCUPIED BMR UNITS**

**9.1 Primary Residence.** The owners listed on title to the BMR property must occupy it as their primary residence and remain in residence for the duration of the Deed Restrictions (55 years). Occupancy is defined as a minimum stay of 10 months in every 12 month period. BMR owners may not terminate occupancy of the BMR property and allow the property to be occupied by a relative, friend, or tenant. Failure of the purchaser to maintain a homeowner's property tax exemption shall be construed as evidence that the BMR property is not the primary place of residence of the purchaser. As necessary, the City may request that BMR owners provide evidence that their units are currently occupied by them as their primary residences. Examples of such evidence may include current copies of any of the following: homeowner's insurance, car/vehicle registration, and utility bills.

**9.2 Refinancing and BMR Valuations.** BMR owners may refinance the debt on their property at any time following purchase, however, they must contact the City's designated BMR Housing Program provider first, prior to a refinance or equity line. The City's BMR Housing Program provider will provide the owner with clear instructions to ensure program compliance. At that time and at any other time the owner requests it, the BMR Housing Program provider will provide the owner and/or

the lender with the current BMR value of the home, in accordance with the formula specified in the Deed Restrictions. Only the City's BMR Housing Program provider can determine the appraised value of a BMR unit and it is the owner's responsibility to inform their lender that the property is a BMR unit. BMR owners are not allowed to take out loans against their property that exceed the BMR value of the home. There is a fee for refinancing a BMR unit that is set by the City's BMR Housing Program provider.

**9.3 Transfers of Title.** Prior to adding an additional person to title or transferring title to the BMR unit, BMR owners must contact the City for clear instructions to ensure program compliance.

The following transfers of title are exempt from the City's right of first refusal and do NOT re-start the ~~fifty~~55 year deed restriction clock:

- Transfer by devise or inheritance to the owner's spouse.
- Transfer of title by an owner's death to a surviving joint tenant, tenant in common, or a surviving spouse of community property (that is, another owner already on title).
- Transfer of title to a spouse as part of divorce or dissolution proceedings.
- Transfer of title or an interest in the property to the spouse in conjunction with marriage.

Transfers by devise or inheritance (such as to a child or other family member), are permitted under certain terms and conditions identified in the Deed Restrictions. These kinds of transfers must first be reviewed and approved by the City or the BMR Housing Program provider. If the person inheriting the property meets the following terms and conditions, then that person may take title, assume full ownership, and reside in the BMR unit. This would then restart the 55 year deed restriction clock. If the person inheriting the property does NOT meet the following terms and conditions they may still inherit the property but are not allowed to live there. In such case, the inheriting party must sell the property and shall be entitled to receive any proceeds from the sale after payment of sales expenses and all liens against the property. The property would then be sold by the City through the BMR Housing Program to an eligible, qualified household on the BMR Purchase Waiting List.

For transfers of title by devise or inheritance, the inheriting party ("Transferee") must meet the following terms and conditions in order to live in the BMR unit:

- Transferee shall occupy, establish and maintain the property as the Transferee's primary residence.

- The Transferee must meet all current eligibility requirements for the BMR Housing Program, as identified at the time of transfer in the BMR Guidelines.
- The Transferee must sign a new BMR Agreement and Deed Restrictions for the property. This restarts the 55 year clock.

## **10. PROCESS FOR RESALE OF BMR UNITS**

**10.1** The seller notifies the City by certified mail that he/she wishes to sell the unit. The City notifies its designee, if applicable. The unit must be provided in good repair and salable condition, or the cost of rehabilitating the unit will be reimbursed to the City out of the proceeds of the sale. The definition of “salable condition” for any given unit shall be provided on a case-by-case basis following the City’s inspection of the unit, and shall be at the discretion of the City Manager or his/her designee. “Salable condition” shall refer to the general appearance, condition, and functionality of all: flooring; painted surfaces; plumbing, heating, and electrical systems; fixtures; appliances; doors; windows; walkways; patios; roofing; grading; and landscaping. In addition for each unit, the City reserves the right to withhold the cost of having it professionally cleaned from the seller’s proceeds. Once cleaning is complete, the seller will be refunded any difference between the amount withheld and the actual cost to clean the unit.

**10.2** When the seller notifies the City or the City’s BMR Housing Program provider, and it has been determined that the unit is in good repair and salable condition, and the City has set the price for the BMR unit, then the City or the City’s BMR Housing Program provider will state in writing that the 180 day period for completing the sale of the BMR unit shall commence. The price will be set using information in Sections 10.3 through 10.6 below.

**10.3** The City or its designee obtains an appraisal made to ascertain the market value of the unit, giving consideration to substantial improvements made by the seller, if needed.

**10.4** The City or its designee obtains figures for homeowners' dues, insurance, and taxes from the seller.

**10.5** The City or its designee checks major lending institutions active in this market to ascertain current mortgage information (prevailing interest rates, length of loans available, points, and minimum down payments). Monthly housing costs are estimated.

**10.6** The City or its designee establishes a sales price, based on the original selling price of the unit, depreciated value of substantial improvements made by the seller, and 1/3 of the increase in the cost of living index for the Bay Area. The selling price is established for the unit at the appraised market value or the computed price whichever is the lower.

**10.7** The City retains a realtor to facilitate the sale of the property.

**10.8** Agreement is reached between seller and the City or its designee for a schedule of open houses for the unit, at the seller's convenience.

**10.9** The procedure continues the same as in Sections 8.1.7 – 8.1.16 above, with the seller substituted for the developer.

**10.10** The City or its designee submits to the title insurance company the Grant Deed, BMR Agreement and Deed Restrictions, and Request for Notice and the seller's release from the previous Deed Restrictions, to be recorded with the new deed to the property.

## **11. REQUIREMENTS FOR BMR RENTAL DEVELOPMENTS**

### **11.1 Income and Rent Standards.**

**11.1.1 Income Limits upon Occupancy of BMR Rental Units.** Unless otherwise approved by the Planning Commission or City Council in the BMR Housing Agreement for the proposed project, only households having gross incomes at or below Low Income for San Mateo County, adjusted for household size, are eligible to occupy BMR rental units, either when initially rented or upon filling any subsequent vacancy. See Section 14, Table A (Below Market Rate Household Income Limits), which may be updated by City staff from time to time. Any variation in the affordability mix to assist the City in meeting its Regional Housing Needs Assessment (including very low, low or moderate income households) shall require a finding by the approving body that the mix is roughly equivalent to the provision of all of the affordable units at the low income level.

**11.1.2 BMR Rent.** BMR units may be rented for monthly amounts not exceeding thirty percent (30%) of the income limit for extremely low, very low, subsidized low, low or moderate income households adjusted for occupancy, as established from time to time by the HCD for San Mateo County. ~~The number of occupants used to calculate the maximum monthly housing cost limits for BMR rental units will be the minimum occupancy for the unit size as identified in Table C.~~ In no case shall the monthly rental amounts for BMR units exceed 75% of comparable market rate rents. The maximum rental amounts are listed in Section 14, Table B, (Maximum Monthly Housing Cost Limits for BMR Rental Units), which may be updated by City staff from time to time. BMR rents may be adjusted from time to time to reflect any changes to the then current Income limits.

~~For purposes of these BMR Guidelines, monthly housing cost means the total of monthly payments actually made by the household for (a) use and occupancy of each BMR unit and land and facilities associated therewith, (b) any separately charged fees or service charges which are required of all households, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, and which are not paid directly by the household, including garbage~~

~~collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity.~~

**11.1.3 Tenant Selection and Certification Procedures.** Priority for occupancy of all BMR rental units shall be given to those eligible households who either live or work in the City of Menlo Park as defined in Sections 6.2 and 7.1 of these Guidelines. ~~During the 15 day period following the date the City and its designee receive notification from the owner (or owner's agent) of an impending availability or vacancy in a BMR rental unit, priority for occupancy of that unit, when available, shall be given to eligible households on the Waiting List, on a first-come, first-served basis. The selected household shall be allowed up to 30 days to move into the unit after it is ready for occupancy.~~

If no qualified household living or working in Menlo Park is available to occupy the vacated unit as aforesaid, the owner shall be free to rent the BMR unit to any other eligible BMR tenant.

**11.1.4 BMR Rental InterestWaiting List.** The qualifications of BMR rental tenants as described in Section 7.1, above, will be independently verified by the ~~owner City or its designee.~~ The City of Menlo Park or the City's designee shall maintain a BMR Rental Interest the waiting Llist for BMR rental units and shall make it available to any owner/developer upon request.

**11.1.5 One-Year Lease Offer.** Each BMR tenant shall be offered the opportunity to enter into a lease, which has a minimum term of one year. Such offer must be made in writing. If the tenant rejects the offer, such rejection must also be in writing. A lease may be renewed upon the mutual agreement of both parties.

**11.1.6 Vacation of Units and Re-Renting.** When a BMR tenant vacates, the owner must provide notice to the City, and re-rent the unit to a qualified BMR tenant in accordance with these BMR Guidelines and the BMR Housing Agreement for the unit.

**11.1.7 Annual Recertification of BMR Units.** The City of Menlo Park or the City's BMR Housing Program provider will recertify annually, by procedures to be established in the BMR Housing Agreement, the provision of BMR rental units as agreed at the time of application for the permit. ~~If, at the time of recertification, for two consecutive years, a tenant's household income exceeds the eligibility requirements set forth in the BMR Guidelines ("Ineligible Tenant"), the Ineligible Tenant shall no longer be qualified to rent the BMR unit and the lease shall provide that the lease term shall expire and the tenant shall vacate the BMR unit on or prior to 60 days after delivery of a notice of ineligibility by the property manager or City or City's designee to the tenant. Upon expiration of the lease term pursuant to the foregoing, if the tenant has not vacated the BMR unit as required, the property manager shall promptly take steps to evict the Ineligible Tenant and replace the BMR unit with an eligible tenant as~~



~~soon as reasonably possible. A qualified BMR tenant shall continue to qualify unless at the time of recertification, for two consecutive years, the household's income exceeds the eligibility requirements, then the tenant shall no longer be qualified. Upon the owner's determination that any such household is no longer qualified, the unit shall no longer be deemed a BMR Unit, and the owner shall make the next available unit, which is comparable in terms of size, features and number of bedrooms, a BMR (the "Next Available Unit Requirement"), or take other actions as may be necessary to ensure that the total required number of units are rented to qualifying BMR households. The owner shall notify the City annually if it substitutes a different unit for one of the designated BMR Units pursuant to this paragraph.~~

**11.1.8 Annual Report.** On an annual basis on or before July 1 of each year, the developer or subsequent owner shall submit a report (the "Annual Report") to the City which contains, with respect to each BMR unit, the name of the eligible tenant, the rental rate and the income and household size of the occupants. The Annual Report shall be based on information supplied by the tenant or occupant of each BMR unit in a certified statement executed yearly by the tenant on a form provided or previously approved by the City or designee. Execution and delivery thereof by the tenant may be required by the terms of the lease as a condition to continued occupancy at the BMR rate. In order to verify the information provided, City shall have the right to inspect the books and records of developer and its rental agent or bookkeeper upon reasonable notice during normal business hours. The Annual Report shall also provide a statement of the owner's management policies, communications with the tenants and maintenance of the BMR unit, including a statement of planned repairs to be made and the dates for the repairs.

## 12. EQUIVALENT ALTERNATIVES

Nothing set forth herein shall preclude the City from approving reasonably equivalent alternatives to these BMR Guidelines, including, but not limited to, in lieu fees, land dedication, off-site construction or acquisition and rehabilitation of units. Additionally, the City reserves the right to approve reasonably equivalent alternatives to the characteristics of the proposed BMR units and the affordability mix. Any modifications to these ~~guidelines~~ Guidelines shall be approved by the City ~~Council~~ Council ~~in writing~~ and shall contain findings that the alternative is commensurate with the applicable ~~guideline~~ requirement(s) in the BMR Guidelines and is consistent with the goals of the BMR Guidelines.

## 13. BELOW MARKET RATE HOUSING FUND ~~("BMR FUND")~~ AND SEVERABILITY CLAUSE

**13.1 Purpose.** The City of Menlo Park ~~BMR~~ Below Market Rate Housing Fund ~~("BMR Housing Fund")~~ is a separate City fund set aside for the specific purpose of assisting the development of housing that is affordable to very low, low and moderate income households. The BMR Housing Fund is generated by such income as in-lieu fees. All monies contributed to the BMR Housing Fund, as well as

repayments and interest earnings accrued, shall be used solely for this purpose, subject to provisions set forth below.

**13.2 Eligible Uses.** The BMR Housing Fund will be used to reduce the cost of housing to levels that are affordable to very low, low and moderate income households, as defined in the Housing Element of the City's General Plan. A preference will be given to assisting development of housing for households with minor children; however, this preference does not preclude the use of funds for other types of housing affordable to households with very low, low and moderate incomes.

**13.3 Eligible Uses in Support of Very Low, Low and Moderate Income Housing Development.** The BMR Housing Fund may be used for, but is not limited, to the following:

- Provision of below market rate financing for homebuyers.
- Purchase of land or air rights for resale to developers at a reduced cost to facilitate housing development for very low, low or moderate income households.
- Reduction of interest rates for construction loans or permanent financing, or assistance with other costs associated with development or purchase of very low, low or moderate income housing.
- Rehabilitation of uninhabitable structures for very low, low or moderate income housing.
- On-site and off-site improvement costs for production of affordable housing.
- Reduction of purchase price to provide units that are very low, low or moderate cost.
- Rent subsidies to reduce the cost of rent for households with limited incomes.
- Emergency repair and/or renovation loan program for BMR owners of older units.
- Loan program to assist BMR condominium owners who have no other way to pay for major special assessments.
- City staff time and administrative costs associated with implementation of the BMR Housing Program.

**13.4 Procedures.** Requests for use of BMR Housing Fund money shall be submitted to staff for review and recommendation to the City Council. A request for funding shall provide the following minimum information:



- A description of the proposal to be funded and the organizations involved in the project. Public benefit and relevant Housing Element policies and programs should be identified.
- Amount of funding requested.
- Identification of the number of very low, low and moderate income households to be assisted and the specific income range of those assisted.
- Reasons why special funding is appropriate.
- Identification of loan rate, financial status of applicants, and source of repayment funds or other terms.
- Identification of leverage achieved through City funding.

**13.5 Annual Report.** At the close of each fiscal year, City staff shall report on activity during the previous year (deposits and disbursements) and available funds. The City's auditor shall periodically examine this report and all other BMR Housing Fund financial records, and shall report the results of this examination. In addition, City staff shall report annually on activities assisted by monies from the BMR Housing Fund. The report will review how the program is serving its designated purpose. It will include a discussion of the timely use of funds for actions taken to provide BMR housing units, a review of management activities, and staff recommendations for policy changes to improve the program's performance. In addition, it will provide, for each activity, information corresponding to that required of funding requests listed above in Section 13.4.

**13.6 Severability Clause.** If any one or more of the provisions contained in the BMR Guidelines shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then such provisions shall be deemed severable from the remaining provisions contained in the BMR Guidelines, and the BMR Guidelines shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

**13.7 Administrative Updates.** Future updates to tables in Section 14 may be made annually without City Council approval when data becomes available from the appropriate state and federal agencies.

14. TABLES

Table A

Below Market Rate Household Income Limits

<i>Household Size</i>	<i>Extremely Low (30% AMI)</i>	<i>Very Low (50% AMI)</i>	<i>City Subsidized Low (60% AMI)</i>	<i>Low (80% AMI)</i>	<i>Area Median Income (100% AMI)</i>	<i>Moderate (120% AMI)</i>
1	27,650	46,100	55,320	73,750	80,700	<del>96,850</del> 88,770
2	31,600	52,650	63,180	84,300	92,250	<del>110,700</del> 101,475
3	35,550	59,250	71,100	94,850	103,750	<del>124,500</del> 114,125
4	39,500	65,800	78,960	105,350	115,300	<del>138,350</del> 126,830
5	42,700	71,100	85,320	113,800	124,500	<del>149,400</del> 136,950
6	45,850	76,350	91,620	122,250	133,750	<del>160,500</del> 147,125
7	49,000	81,600	97,920	130,650	142,950	<del>171,550</del> 157,245
8	52,150	86,900	104,280	139,100	152,200	<del>182,600</del> 167,420

Source: Based on median income for a household of four persons as reported in the Income Guidelines for San Mateo County published by the Department of Housing and Community Development Division of Housing Policy Development for 2017.

<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k17.pdf>

**Table B**

**Maximum Affordable Rent Payment\***

<i>Unit Size</i>	<i>Extremely Low (30% AMI)</i>	<i>Very Low (50% AMI)</i>	<i>City Subsidized Low (60% AMI)</i>	<i>Low (80% AMI)</i>	<i>Area Median Income (100% AMI)</i>	<i>Moderate Income (110% AMI)</i>
Studio***	605****	1,008	1,210	1,613	1,765	1,942
1	691	1,153	1,383	1,844	2,018	2,219
2	790	1,316	1,580	2,108	2,306	2,537
3	889	1,481	1,778	2,371	2,594	2,853
4	988	1,645	1,974	2,634	2,883	3,171

<i>Unit Size</i>	<i>Extremely Low (30% AMI)</i>	<i>Very Low (50% AMI)</i>	<i>City Subsidized Low (60% AMI)</i>	<i>Low (80% AMI)***</i>	<i>Area Median Income (100% AMI)</i>	<i>Moderate Income (120% AMI)***</i>
Studio**	691	1,152	1,479	1,844	2,304	2,421
1	740	1,234	1,586	1,976	2,468	2,594
2	888	1,481	1,904	2,371	2,962	3,113
3	1,026	1,711	2,192	2,739	3,422	3,597
4	1,145	1,908	2,425	3,056	3,816	4,013

Source:

<https://housing.smcgov.org/sites/housing.smcgov.org/files/2017%20Income%20and%20Rent%2006%2019%2017.pdf>

\* Monthly housing cost means the total of monthly payments actually made by the household for (a) use and occupancy of each BMR unit and land and facilities associated therewith, (b) any separately charged fees or service charges which are required of all households, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, and which are not paid directly by the household, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity.

\*\*Maximum affordable rent based on monthly housing cost limit for rental units calculated by taking 30% of the annual monthly income and all utilities paid by landlord unless further adjusted by HUD. Utility allowances for tenant-paid utilities may be established by Housing Authority of County of San Mateo Section 8 Program limit for each income category based on number of occupants which is determined based upon the minimum number of persons per unit identified in Table C and dividing by twelve (12) monthly.

\*\*\*The following is the assumed family size for each unit: Studio: 1 person; and one-bedroom: 1.5 persons; two-bedroom: 3 persons; three-bedroom: 4.5 persons; four-bedroom: 6 persons units both have a minimum occupancy of one individual. To adjust for unit size, the housing cost limit for a studio is reduced by twelve and one-half percent (12.5%) from the one-bedroom.

\*\*\*In 2017, HCD for San Mateo County did not provide a maximum rent for low or moderate income households. The maximum rent in the table is 30% of annual income divided by 12

months, rounded to the nearest whole number. With respect to a one-bedroom unit with 1.5 persons occupying, the income limit is determined by adding the income for a one person household plus the income for a two person household and dividing by two. With respect to a three-bedroom unit with 4.5 persons occupying, the income limit is determined by adding the income for a four person

**Table C**

**Occupancy Standards**

Occupancy of BMR units shall be limited to the following:

Unit Size	Number of Persons	
	Minimum	Maximum
Studio	1	2
1	1	4
2	2	5
3	3	7
4	4	9

household plus the income for a five person household and dividing by two.

\*\*\*\*All numbers in the chart are rounded to the nearest whole number.

Note: ~~Smallest household size for purposes of determining the maximum rental amount shall be one person per bedroom or studio.~~ The City Manager or his/her designee has the discretion to vary the persons per unit for unusually large units, not to exceed one person per bedroom, plus one.

**Table D**  
**Commercial In-Lieu Fees for 2017-18**

<b>Group A</b> uses are Research & Development and Office.	Fee: \$16.90 per square foot of gross floor area.
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<b>Group B</b> uses are all other Commercial Uses not in Group A.	Fee: \$9.17 per square foot of gross floor area.
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Commercial In-Lieu Fees are adjusted annually on July 1.

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**STAFF REPORT**

**City Council Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-138-CC

**Consent Calendar:** **Approve partnership with Menlo Spark and Grid Alternatives to provide free solar electric systems and electric vehicle charging stations to income qualifying homeowners in Menlo Park**

**Recommendation**

Approve partnership with Menlo Spark and Grid Alternatives to provide free solar electric systems and electric vehicle charging stations to income qualifying homeowners in Menlo Park.

**Policy Issues**

The free solar electric system program offered by Menlo Spark and Grid Alternatives aligns with and supports the City Council's target to reduce greenhouse gas emissions 27 percent by 2020, as outlined in the Climate Action Plan.

**Background**

For the last three years the City of Menlo Park has partnered with two nonprofits, Menlo Spark and Grid Alternatives, to support, their Single-family Affordable Solar Homes (SASH) program that provides free solar electric systems to income qualifying homeowners in Belle Haven and East Palo Alto. This year there is an additional benefit being offered to install free electric vehicle charging stations to homeowners that have previously participated in the SASH program. The homeowner would need to purchase an electric vehicle to qualify for the incentive and meet income requirements.

Grid Alternatives was established in 2001 with a mission to make renewable energy technology and job training accessible to underserved communities. Menlo Spark was established in 2015, and works with businesses, residents, and government partners to achieve a climate-neutral Menlo Park within 10 years.

The extent of the City's partnership in the SASH program involves no financial contribution, but use of the City's logo and branding on outreach materials to raise the legitimacy and homeowner confidence in the program for increased participation rates. Letters will be sent by the city with the City's logo on them to homeowners in the Belle Haven neighborhood, notifying them about the program and inviting them to an informational meeting July 12 at the Senior Center (Attachments A and B).

The SASH program directly aligns with the City's Climate Action Plan strategies to provide renewable energy and would help support the City Council's goal to reduce greenhouse gas (GHG) emission 27 percent by 2020.

## Analysis

The City has partnered with the SASH program in the past, as it aligns with the Climate Action Plan strategies to encourage renewable energy use to achieve the City Council's goal to reduce communitywide greenhouse gas (GHG) emissions 27 percent (103,181 tons) by 2020.

To date, 25 homes in the Belle Haven neighborhood now have solar electric systems that provide the following community and homeowner benefits:

- Reducing 1,517 tons of GHG emissions
- Equivalent to planting 35,000 trees
- \$760,000 in lifetime savings for the homeowners

An additional 10 homes will receive solar electric systems by the end of this year. Each solar electric system costs on average under \$14,000. The state provides at least 68 percent of the funding for each project and Facebook provides the remaining 32 percent (roughly \$4,500). Funding for the complimentary home electric vehicle charging stations will be supported by the Chan Zuckerberg initiative.

There does not appear to be any legal risk associated with partnering on a program that is partially funded by Facebook. Facebook would not be giving any funds directly to the city, and as a result would not trigger the City's gift policy. Facebook funding would be going directly to the nonprofits and recipients of the SASH program.

The City would not receive any revenue from this program. Facebook and/or private foundation funding would be going directly to the nonprofits and recipients of the SASH program.

## Impact on City Resources

Minimal impact to staff resources include obtaining City Council approval, mailing letters, coordinating a meeting room for the informational meeting July 12, and reviewing outreach materials for compliance with the City's branding procedures.

## Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §15061(b)(3) as it proposes an organizational structure change that 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. Outreach letter to the community regarding the SASH Program
- B. Outreach letter to past participants in the SASH Program for electric vehicles charging stations

Report prepared by:  
Rebecca L. Lucky, Sustainability Manager





June 12, 2018

Dear Menlo Park Homeowner,

You may have noticed some of your neighbors getting solar panels on their rooftops. We're reaching out to you because you may qualify for a **free** solar electric system for your home. Two nonprofit organizations, Menlo Spark and GRID Alternatives, are working together to bring free solar energy to Belle Haven homes through a rebate program called "Single Family Affordable Solar Homes" (SASH). We are excited to have support from the City of Menlo Park, and a business sponsorship from Facebook to make this clean energy benefit available to you.

Additionally, did you know that you could also receive up to \$5,000 towards the purchase of a new or used plug-in hybrid or battery electric car? If you qualify for solar and you purchase either a plug-in hybrid or battery electric car, you can receive an electric car charger for your home, installed at **no-cost** by GRID Alternatives.

*Going Green Can Save you Green! To learn more about how much money you can save with solar, and electric vehicles, and find out if you are eligible, please join our information session:*

**July 12th at 6:00 p.m. at the Onetta Harris Community Center 100 Terminal Ave.**  
*~ Refreshments will be served ~*

**Menlo Spark** ([www.menlospark.org](http://www.menlospark.org)) is an independent nonprofit organization working with businesses, residents and government partners to achieve a climate-neutral Menlo Park within ten years.

**GRID Alternatives** ([www.gridalternatives.org](http://www.gridalternatives.org)) is a national non-profit organization that helps low-income families use solar energy to reduce their energy bills, while also providing hands-on solar installation training. With this no-cost solar program (thanks to a subsidy from the State of California), you could **save 50-90% on your electric bill** and help our community reduce its greenhouse gas emissions.

Preliminary qualification is simple. You qualify for GRID Alternatives' solar program if:

1. You own and live in your home
2. Your monthly PG&E electric bill is over \$30
3. Your 2017 household income (including children) is at or below the following amounts:

Household Size	1	2	3	4	5
<b>Maximum Household Income</b>	\$82,200	\$93,950	\$105,700	\$117,400	\$126,800

We encourage residents to inquire about their eligibility by calling: Damian Villa at **(510) 775-9161** or [dvilla@gridalternatives.org](mailto:dvilla@gridalternatives.org). We look forward to bringing you clean energy, clean cars and savings for your wallet.

With kind regards,

Renee Sharp  
Regional Director  
GRID Alternatives

Diane Bailey  
Executive Director  
Menlo Spark

Rebecca Lucky  
Environmental Manager  
City of Menlo Park

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June 12, 2018

Dear GRID Alternatives Homeowner,

Congratulations on your solar electric system! In addition to the funds that paid for your solar system, did you know that the state of California offers up to \$5,000 in incentives towards the purchase of new and used electric cars? If you purchase either a plug-in hybrid or battery electric car, you can receive an electric car charger for your home, installed at **no-cost** by GRID Alternatives.

Why replace your gas car with an electric car? Here are some of the benefits of driving electric cars:

- Save money: almost \$1,000 each year in fuel savings and avoided maintenance
- Charge at home; never stop at a gas station again
- Be healthy, drive clean with no pollution from your tailpipe
- Access carpool (“HOV”) lanes to save time on the freeway

*To learn more about local and state incentives for solar, electric vehicles, and find out if you are eligible, please join our information session:*

**July 12th at 5:00 p.m. at the Onetta Harris Community Center 100 Terminal Ave.**

*~ Refreshments will be served ~*

**Menlo Spark** ([www.menlospark.org](http://www.menlospark.org)) is an independent nonprofit organization working with businesses, residents and government partners to achieve a climate-neutral Menlo Park within ten years.

**GRID Alternatives** ([www.gridalternatives.org](http://www.gridalternatives.org)) is a national non-profit organization that helps low-income families use solar energy to reduce their energy bills, while also providing hands-on solar installation training. With this no-cost solar program (thanks to a subsidy from the State of California), you could **save 50-90% on your electric bill** and help our community reduce its greenhouse gas emissions.

You may qualify for GRID Alternatives if you own and live in your home and your total household income is at or below the following amounts:

Household Size	1	2	3	4	5
Maximum Household Income	\$82,200	\$93,950	\$105,700	\$117,400	\$126,800

We encourage residents to inquire about their eligibility by calling: Damian Villa at (510) 775-9161 or [dvilla@gridalternatives.org](mailto:dvilla@gridalternatives.org). We look forward to bringing you clean energy, clean cars and savings for your wallet.

With kind regards,

Renee Sharp  
Regional Director  
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Diane Bailey  
Executive Director  
Menlo Spark

Rebecca Lucky  
Environmental Manager  
City of Menlo Park

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## STAFF REPORT

**City Council Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-130-CC

**Public Hearing:** **Adopt Resolution No. 6443 overruling protests, ordering the improvements, confirming the diagram and ordering the levy and collection of assessments for Landscaping Assessment District for fiscal year 2018-19**

### Recommendation

Staff recommends that the City Council adopt Resolution No. 6443 overruling protests, ordering the improvements, confirming the diagram, and ordering the levy and collection of assessments and increasing the tree assessment by 10 percent, which amounts to \$6.71 per single family equivalent per year and the sidewalk assessment by 20 percent, which amounts to \$6.03 per single family equivalent per year for the Landscaping Assessment District for fiscal year 2018-19.

### Policy Issues

The funds collected through the district are used for the maintenance of the city's trees and sidewalks. If the City Council does not adopt the resolution required for the collection of the assessments, the lack of adequate funding would impact the high level of service required for the proper care and maintenance of the city's trees and sidewalks.

### Background

In 1983, the City of Menlo Park established a district for the proper care and maintenance of city street trees. In 1990, the City added an assessment for the repair and maintenance of sidewalks and parking strips in the public right of way damaged by city street trees. Funds generated by the district are also used for street sweeping services. Each year, the City must act to continue the collection of assessments. On May 22, 2018, the City Council adopted Resolution No. 6347 preliminarily approving the engineer's report and Resolution No. 6438 stating its intention to order the levy and collection of assessments for the district for fiscal year 2018-19. The staff report is included as Attachment B.

### Analysis

To cover the Tree Maintenance Program's budget for fiscal 2018-19, the engineer's report proposes an assessment of \$73.82 per single family equivalent a year, which reflects a 10 percent increase from last year's assessment of \$67.11 (an increase of \$6.71). The increase in the tree assessment accounts for additional tree care required due prevailing wage to the drought, increasing costs associated with the tree pruning contract and a recent increase in the street sweeping contract. The engineer's report also proposes a sidewalk assessment of \$36.16 per single family equivalent a year, which reflects a 20 percent increase from last year's assessment of \$30.13 (an increase of \$6.03). The increase in the sidewalk assessment is to continue addressing the annual sidewalk replacement needs and the current back log. The assessments

are subject to an annual adjustment based on the engineering news record construction cost index for the San Francisco Bay Area. The maximum authorized assessment rate for fiscal year 2018-19, based on current and accumulated unused construction cost index increases reserved from prior years, are \$110.82 per Single Family Equivalent (SFE) benefit unit for tree maintenance and \$49.48 per SFE benefit unit for sidewalk maintenance. These increases would be legally permissible without additional ballot proceedings.

The action taken by the City Council May 22, 2018, initiated the period in which any property owners can protest the amount of their proposed assessments. No protests have been received as of the date of this staff report. Before taking any final action, the City Council must conduct the public hearing and give direction regarding any protests received. If the City Council confirms and approves the assessments by adopting the resolution, the levies will be submitted to the county controller for inclusion on the property tax roll for fiscal year 2018-19.

### **Impact on City Resources**

Funding for the entire tree-maintenance, street sweeping and sidewalk-repair programs under the district come from a variety of sources, including the carry-over of unspent funds from prior years, annual tax assessment revenues, Measure M and contributions from the general fund. If the City Council does not order the rate increase, levy and collection of assessments, the impact on City resources would be \$910,676 (the total amount of the proposed tree and sidewalk assessments).

### **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 proposes an organizational structure change that 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. Resolution No. 6443
- B. Staff report dated May 22, 2018

Report prepared by:  
Eren Romero, Business Manager

Report reviewed by:  
Justin Murphy, Public Works Director

## RESOLUTION NO. 6443

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
OVERRULING PROTESTS, ORDERING THE IMPROVEMENTS, CONFIRMING  
THE DIAGRAM AND ORDERING THE LEVY AND COLLECTION OF  
ASSESSMENTS AND INCREASE THE TREE ASSESSMENT AND THE  
SIDEWALK ASSESSMENT FOR THE CITY OF MENLO PARK LANDSCAPING  
ASSESSMENT DISTRICT FOR FISCAL YEAR 2018-19**

WHEREAS, on the twenty-second day of May, 2018, said City Council adopted Resolution No. 6348, describing improvements and directing preparation of the Engineer's Report for the City of Menlo Park Landscaping District for Fiscal Year 2018-19, pursuant to provisions of Article XIII D of the California Constitution and the Landscaping and Lighting Act of 1972; and

WHEREAS, said City Council thereupon duly considered said report and each and every part thereof and found that it contained all the matters and things called for by the provisions of said Act and said Resolution No. 6348 including (1) plans and specifications of the existing improvements and the proposed new improvements; (2) estimate of costs; (3) diagram of the District; and (4) an assessment according to benefits; all of which were done in the form and manner required by said Act; and

WHEREAS, said City Council found that said report and each and every part thereof was sufficient in every particular and determined that it should stand as the report for all subsequent proceedings under said Act, whereupon said City Council pursuant to the requirements of said Act, appointed Tuesday, June 19, 2018, at the hour of 7:00 p.m. or soon thereafter of said day in the regular meeting place of said City Council, City Council Chambers, Civic Center, 701 Laurel Street, Menlo Park, California 94025, as the time and place for hearing protests in relation to the continuation and collection of the proposed assessments for said improvements, including the maintenance or servicing, or both, thereof, for FY 2018-19; and

WHEREAS, on June 19, 2018, at the hour of 7:00 p.m. or soon thereafter at 701 Laurel Street, Menlo Park, California, the Public Hearing was duly and regularly held as noticed, and all persons interested and desiring to be heard were given an opportunity to speak and be heard, and all matters and things pertaining to the levy were fully heard and considered by this City Council, and all oral statements and all written protests or communications were duly considered; and

WHEREAS, persons interested, objecting to said improvements, including the maintenance or servicing, or both, thereof, or to the extent of the assessment district, or to the proposed assessment or diagram or to the Engineer's estimate of costs thereof, filed written protests with the City Clerk of said City at or before the conclusion of said hearing, and all persons interested desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the continuation and collection of the assessments for said improvements, including the maintenance or servicing, or both, thereof, were fully heard and considered by said City Council.

NOW, THEREFORE, BE IT RESOLVED, AND IS HEREBY FOUND, DETERMINED, AND ORDERED AS FOLLOWS:

1. That protests against said improvements, including the maintenance or servicing, both, thereof, or to the extent of the assessment district, or to the proposed continued assessment or diagram, or to the Engineer's estimate of costs thereof, for FY 2018-19 be, and each of them are hereby overruled.
2. That the public interest, convenience, and necessity require and said City Council does hereby order the continuation and collection of assessments pursuant to said Act, for the construction or installation of the improvements, including the maintenance or servicing, or both, thereof, more particularly described in said Engineer's Report and made a part hereof by reference thereto.

3. That the City of Menlo Park Landscaping District and the boundaries thereof benefited and to be assessed for said costs for the construction or installation of the improvements, including the maintenance or servicing, or both, thereof, are situated in Menlo Park, California, and are more particularly described by reference to a map thereof on file in the office of the City Clerk of said City. Said map indicates by a boundary line the extent of the territory included in said District and the general location of said District.
4. That the plans and specifications for the existing improvements and for the proposed improvements to be made within the assessment district-contained in said report, be, and they are hereby, finally adopted and approved.
5. That the Engineer's estimate of the itemized and total costs and expenses of said improvements, maintenance and servicing thereof, and of the incidental expenses in connection therewith, contained in said report, be, and it is hereby, finally adopted and approved.
6. That the public interest and convenience require, and said City Council does hereby order the improvements to be made as described in, and in accordance with, said Engineer's Report, reference to which is hereby made for a more particular description of said improvements.
7. That the diagram showing the exterior boundaries of the assessment district referred to and described in Resolution No. 6348 therein and the lines and dimensions of each lot or parcel of land within said District as such lot or parcel of land is shown on the County Assessor's maps for the fiscal year to which it applies, each of which lot or parcel of land has been given a separate number upon said diagram, as contained in said report, be, and it is hereby, finally approved and confirmed.
8. That the continued assessment of the total amount of the costs and expenses of the said improvements upon the several lots or parcels of land in said District in proportion to the estimated benefits to be received by such lots or parcels, respectively, from said improvements, and the maintenance or servicing, or both, thereof and of the expenses incidental thereto contained in said report be, and the same is hereby, finally approved and confirmed.
9. Based on the oral and documentary evidence, including the Engineer's Report, offered and received at the hearing, this City Council expressly finds and determines (a) that each of the several lots and parcels of land will be specially benefited by the maintenance of the improvements at least in the amount if not more than the amount, of the continued assessment apportioned against the lots and parcels of land, respectively, and (b) that there is substantial evidence to support, and the weight of the evidence preponderates in favor of, the aforesaid finding and determination as to special benefits.
10. That said Engineer's Report for FY 2018-19 be, and the same is hereby, finally adopted and approved as a whole.



11. That the City Clerk shall forthwith file with the Auditor of San Mateo County the said continued assessment, together with said diagram thereto attached and made a part thereof, as confirmed by the City Council, with the certificate of such confirmation thereto attached and of the date thereof.
12. That the order for the levy and collection of assessment for the improvements and the final adoption and approval of the Engineer's Report as a whole, and of the plans and specifications, estimate of the costs and expenses, the diagram and the continued assessment as contained in said Report, as hereinabove determined and ordered, is intended to and shall refer and apply to said Report, or any portion thereof, as amended, modified, revised, or corrected by, or pursuant to and in accordance with any resolution or order, if any, heretofore duly adopted or made by this City Council.
13. That the San Mateo County Controller and the San Mateo County Tax Collector apply the City of Menlo Park Landscaping District assessments to the tax roll and have the San Mateo County Tax Collector collect said continued assessments in the manner and form as with all other such assessments collected by the San Mateo County Tax Collector.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a regular meeting by the City Council of the City of Menlo Park on the nineteenth day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City, this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk

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## STAFF REPORT

**City Council**  
**Meeting Date:** 5/22/2018  
**Staff Report Number:** 18-106-CC

**Consent Calendar:** Adopt Resolution No. 6347 preliminary approval of the engineer's report for the Menlo Park Landscaping Assessment District and Resolution No. and 6348, intention to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2018-19

### Recommendation

Staff recommends that the City Council:

1. Adopt Resolution No. 6347, the preliminary approval of the engineer's report for the Landscaping Assessment District for fiscal year 2018-19, which proposes an increase to the tree assessment by 10 percent, which amounts to \$6.71 per single family equivalent per year and an increase to the sidewalk assessment by 20 percent, which amounts to \$6.03 per single family equivalent per year (Attachment A);
2. Adopt Resolution No. 6438, the intention to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2018-19 pursuant to the Landscaping and Lighting Act of 1972 (Attachment B); and
3. Set the date for the public hearing for June 19, 2018.

### Policy Issues

If the City Council does not order the levy and collection of assessments, the impact on City resources would be \$910,676 (the total amount of the proposed tree and sidewalk assessments).

### Background

The Landscaping Assessment District provides funding for the maintenance of street trees, street sweeping and sidewalk repairs due to street tree root damage throughout the city.

#### Tree maintenance

Between 1960 and 1982, the city had a three-person tree crew to care for city parks, medians and street trees. At that time, the tree crew trimmed street trees as requested by residents. There was no specific long-term plan in place to address tree maintenance. As the street trees grew, it took considerably more effort per tree to provide proper care and the city did not have the resources to keep up with the required maintenance needs.

The voters approved Measure N in 1982 as an advisory measure to the City Council regarding formation of the City Landscaping Assessment District. The Landscaping Assessment District was formalized in 1983 to provide proper street-tree maintenance. Programmatic changes have occurred over the past 35 years to address new regulations and maintain the existing tree canopy. Proper care of the tree canopy continues to be identified as a priority by property owners, the Environmental Quality Commission and the City Council.

In 1998, the city expressed concern regarding the declining health of the trees, of which 80 percent were classified as mature trees. Due to the lack of City resources to maintain older trees, there was a growing concern that most of the street trees would fail around the same time. Consequently, the city moved forward in adopting proactive measures to minimize the risk of failure by replacing mature unhealthy trees with younger healthier trees.

In 1998, the city went through a Proposition 218 ballot measure which was approved by voters. The approval of the ballot measure resulted in an increased assessment and reduction of the tree trimming/evaluation schedule to once every five years from once every seven years. In addition, the city implemented a reforestation program with a portion of the Landscaping Assessment District funds in fiscal year 2008-09.

### Street sweeping

Street sweeping is performed throughout the city to remove debris for aesthetic, bicycle and pedestrian safety, and health reasons, as well as compliance with stormwater regulations to improve water quality. Street sweeping work has been performed by contract services since 1992.

### City tree-damaged sidewalk repair

As trees mature, their extensive network of roots inevitably break through the sidewalk resulting in uplift. Without a proactive saw cutting and/or sidewalk removal and replacement program, the sidewalks will continue to deteriorate and become tripping hazards and more costly to repair over time.

Before 1990, property owners and the city split the cost of repairing damaged sidewalks by city street trees. Each year the city entered into individual agreements with approximately 200 property owners to conduct these repairs. The annual cost was a financial burden to some residents on fixed incomes and burdensome for the city to administer; therefore, the city established an assessment for sidewalk repair in 1990 to make the program more cost-effective and efficient to operate.

## **Analysis**

Each fiscal year, the City Council must direct the preparation of an engineer's report, budgets and proposed assessments before the assessments can be levied. The engineer's report establishes the foundation and justification for the continued collection of the landscape assessments for fiscal year 2018-19. On February 13, 2018, the City Council adopted a resolution no. 6425 describing the improvements and directing the preparation of an engineer's report for the Landscaping Assessment District for fiscal year 2018-19. In developing the engineer's report, staff and the consultant reviewed the existing budget and operating needs to maintain street trees and sidewalk repair requirements at the current level of service. The report describes in detail the incorporation of the proposed budget and the method used for apportioning the total assessment among properties within the Landscaping Assessment District. This method involves identifying the benefit received by each property in relation to a Single Family Equivalent (SFE). The proposed budgets and findings from the engineer's report are described below.

### Tree maintenance assessment

Staff has contracted with West Coast Arborists since 2004 to perform tree grid trimming, planting and removal, and emergency services as necessary. The grid trimming, which consists of the majority of work performed by West Coast Arborists, involves the pruning of a set number of trees on an annual basis. Currently, the city performs tree grid pruning on a five year cycle. The grid pruning strategy is common practice within municipal arboriculture, as it becomes cost effective to maintain the trees on a regular basis. When pruning is deferred for longer periods, fast growing trees can become prone to limb failure and hazards, requiring more expensive measures in the long run.



On September 10, 2014, the city approved a new five year contract with West Coast Arborists for the tree maintenance. Under the contract terms, compensation for the work is based on prevailing wages determined by the State’s Department of Industrial Relations (DIR). However, in August 2015, DIR created a new laborer classification for tree maintenance work and issued a prevailing wage determination. The new prevailing wages resulted in a 52 percent to 105 percent increase in wages for West Coast Arborists. For fiscal year 2016-17, to offset the new state requirements, West Coast Arborists requested a 31 percent price adjustment to the unit costs for the tasks included in the 2014 contract. City Council authorized the city manager to amend the existing contract with West Coast Arborists and adjust the rates by 31 percent. For fiscal year 2017-18, West Coast Arborists agreed to keep the same rates as fiscal year 2016-17. For fiscal year 2018-19, West Coast Arborists has requested a 3.6 percent rate increase.

The Tree Maintenance Program expenditures include the contract for grid tree pruning services, debris removal (includes street sweeping), general operating expenses, vehicle and equipment maintenance and the salaries and benefits associated with the staff time required to manage the program and work on street trees. Additional tree care required due to the drought, increasing prevailing wage costs associated with the tree pruning contract, and a recent request to increase the street sweeping contract rates have resulted in higher expenditures projected for fiscal year 2018-19.

The street sweeping contractor, Contract Sweeping Services Inc. has recently notified staff of its intent to increase rates by 37 percent for fiscal year 2018-19 due to drastic increases in equipment prices, operations and employee retention. As result of this, staff released a request for proposals in April and will open proposals June 1, 2018. Staff has contacted other agencies and the proposed increase is comparable to what other agencies are currently paying for street sweeping services. In anticipation in receiving proposals similar in price, staff requested a \$43,000 budget increase for fiscal year 2018-19. Currently, San Mateo County Measure M funds pay for these services; however, with the increase in rates, it is necessary to utilize the landscape assessment to partially fund street sweeping contract services.

As shown in Table 1, the estimated expenses are greater than the revenue. However, a fund balance of approximately \$236,065 is projected to be carried over from fiscal year 2017-18. The fund balance is primarily the result of vacancies in the tree program in past years.

<b>Table 1: Tree maintenance assessments Proposed fiscal year 2018-19 budget</b>	
Projected beginning fund balance	\$236,065.00
<b>Estimated revenues:</b>	
Tree assessment revenue	\$663,498.59
General fund contribution	\$251,529.53
Measure M funds	\$143,000.00
<b>Total</b>	<b>\$1,294,093.22</b>
<b>Estimated expenses</b>	
Street tree maintenance	\$752,273.00
Debris removal (including street sweeping services)	\$268,601.56
Administration and County assessment fees	\$135,500.00
<b>Total</b>	<b>\$1,156,374.53</b>
Projected ending fund balance	\$137,718.66



Table 2 below summarizes the proposed rates for parcels with and without street trees. The assessment for properties without street trees, but in close proximity to parcels with street trees, is 50 percent of the tree assessment due to the direct benefit of the nearby trees.

Table 2: Annual tree assessment rates Proposed fiscal year 2018-19 (10 percent increase)		
Property type	Properties with trees	Properties without trees
Single family	\$73.82 per parcel	\$36.91 per parcel
R-2 zone, in use as single family	\$73.82 per parcel	\$36.91 per parcel
Condominium/townhouse	\$66.44 per unit \$332.19 max. per project	\$33.22 per unit \$166.10 max per project
Other multifamily	\$59.06 per unit \$295.28 max per project	\$29.53 per unit \$147.64 max. per project
Commercial	\$73.82 per 1/5 acre \$369.10 max. per project	\$36.91 per 14/5 acre \$184.55 max. per project
Industrial	\$73.82 per 1/5 acre \$369.10 max. per project	\$36.91 per 14/5 acre \$184.55 max. per project
Parks, educational	\$73.82 per parcel	\$36.91 per parcel
Miscellaneous, other	\$0.00 per parcel	0.00 per parcel

Sidewalk assessment

The sidewalk repair program includes sidewalk, curb, gutter and parking strip repair and replacement due to damage cause by street trees. In fiscal year 2017-18, the program has a \$400,000 budget. The program is broken into two separate contracts, one for sidewalk saw cutting (\$100,000) and the other for sidewalk replacement (\$300,000). Under the saw cutting program, the city retains a contractor to address minor tripping hazards, which are fixed by performing horizontal saw cuts rather than removing the entire sidewalk section. Since the city adopted this approach, it has reduced the need for complete concrete removal, which has resulted in significant cost savings over the years.

For the sidewalk replacement program, the City Council awarded a multiyear contract to Golden Bay Construction November 11, 2015. However, the annual sidewalk replacement needs exceed the budget of \$400,000 and a back log of requests has occurred. To address the sidewalk replacement needs that are backlogged and perform additional work that staff receives annually, a budget increase from \$400,000 to \$500,000 per year is needed. As part of the city’s fiscal year 2018-19 Capital Improvement Program budget, staff has proposed this increase. Staff is recommending a 20 percent increase to the sidewalk repair assessment to continue addressing the program backlog in fiscal year 2018-19. It is expected that the backlog would be completed in approximately five years at this funding level. At this assessment level in the future, it is expected that the fund would be able to pay for the annual calls staff receive on tripping hazards once the backlog is completed.

Table 3: Sidewalk, curb, gutter, parking strip assessment rates Proposed fiscal year 2018-19 (20 percent increase)			
Parcels with trees	Assessment rate	Parcels without trees	Assessment rate
Sidewalks, curbs, gutters	\$36.16 (per parcel)	Parcels with or without improvements	\$11.93 (per parcel)
Parking strips and gutters	\$36.16 (per parcel)	Miscellaneous, other	\$0.00 (per parcel)



Curbs and/or gutters only	\$24.23 (per parcel)		
No improvements	\$11.93 (per parcel)		
Miscellaneous, Other	\$0.00 (per parcel)		

Table 4: Sidewalk assessments Proposed fiscal year 2018-19 budget	
Projected beginning fund balance	\$58,031.00
Estimated revenues:	
Sidewalk assessment revenue	\$247,177.10
General fund contribution	\$250,000.00
<b>Total</b>	<b>\$552,208.10</b>
Estimated expenses:	
Sidewalk, curb, gutter parking strip repair/replacement	\$500,000.00
Projected ending fund balance	\$52,208.10

Assessment

The assessments are subject to an annual adjustment based on the Engineering News Record Construction Cost Index (CCI) for the San Francisco Bay Area. The maximum authorized assessment rate for fiscal year 2018-19, based on current and accumulated unused CCI increases reserved from prior years, are \$110.82 per SFE benefit unit for tree maintenance and \$49.48 per SFE benefit unit for sidewalk maintenance. These increases would be legally permissible without additional ballot proceedings. The estimated budget in the engineer’s report proposes assessments for fiscal year 2018-19 to be levied at a rate below the allowable maximum described above: \$73.82 per SFE for tree maintenance and \$36.16 per SFE for sidewalk maintenance. The sidewalk assessment has only increased once in fiscal year 2017-18 since it was formed in 1990 and the tree assessment has been increasing over the last five years. The comparison assessments for single family properties with City trees and sidewalks levied in fiscal year 2017-18 and the proposed rates for fiscal year 2018-19 are shown below:

Table 5: Assessment (annual, per SFE) Fiscal year 2018-19					
Assessment	Fiscal year 2017-18 rate	Percent increase	Fiscal year 2018-19 rate	Amount increase	Maximum allowable assessment
Tree assessment	\$67.11	10 percent	\$73.82	\$6.71	\$110.82
Sidewalk assessment	\$30.13	20 percent	\$36.16	\$6.03	\$49.48

While the ongoing cost of maintenance of trees and sidewalks has significantly increased, since the inception of the Landscaping Assessment District, the city has tried to minimize rate increases. Incremental rate increases combined with monies allocated from the general fund ensures the maintenance program remains proactive while maintaining a balanced funding approach.

If the City Council approves the attached resolutions, staff will publish a legal notice of the assessment public hearing at least 10 days before the hearing, which is tentatively scheduled for June 19, 2018. Once

the assessments are confirmed and approved, the levies will be submitted to the County Controller for inclusion onto the property tax roll for fiscal year 2018-19.

Approval of engineer's report

SCI Consulting Group has completed the preliminary engineer's report (Attachment C) for the Landscaping Assessment District, which includes the Landscaping Assessment District's proposed fiscal year 2018-19 budget. The budget covers tree maintenance, the city's street sweeping program, and the sidewalk repair program. The report describes in detail the method used for apportioning the total assessment among properties within the Landscaping Assessment District. This method involves identifying the benefit received by each property in relation to a single family residence.

**Impact on City Resources**

Funding for the entire tree maintenance, street sweeping and sidewalk repair programs under the Landscaping Assessment District come from a variety of sources, including the carry-over of unspent funds from prior years, annual tax assessment revenues, and contributions from the general fund. If the City Council does not order the rate increase, levy and collection of assessments, the impact on City resources would be \$910,676 (the total amount of the proposed tree and sidewalk assessments).

**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 proposes an organizational structure change that 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 before the meeting.

**Attachments**

- A. Resolution No. 6437, preliminary approval of the engineer's report
- B. Resolution No. 6438, intention to order the levy and collection of assessments
- C. Engineer's report dated May 2018

Report prepared by:  
Eren Romero, Business Manager

Reviewed by:  
Justin Murphy, Public Works Director



**RESOLUTION NO. 6437****RESOLUTION OF PRELIMINARY APPROVAL OF THE ENGINEER'S REPORT  
FOR THE CITY OF MENLO PARK LANDSCAPING DISTRICT FOR FISCAL  
YEAR 2018-19**

WHEREAS, on the 13th day of February, 2018, the Menlo Park City Council did adopt Resolution No. 6425, describing improvements and directing preparation of the Engineer's Report for the City of Menlo Park Landscaping District (District) for Fiscal Year 2018-19, pursuant to provisions of Article XIID of the California Constitution and the Landscaping and Lighting Act of 1972, in said City and did refer the proposed improvements to SCI Consulting Group and did therein direct SCI Consulting Group to prepare and file with the Clerk of said City a report, in writing, all as therein more particularly described, under and in accordance with Section 22565, *et. seq.*, of the Streets and Highways Code and Article XIID of the California Constitution; and

WHEREAS, said SCI Consulting Group prepared and filed with the City Clerk of said City a report in writing as called for in Resolution No. 6425 and under and pursuant to said Article and Act, which report has been presented to this Council for consideration; and

WHEREAS, said Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that neither said report, nor any part thereof, should be modified in any respect.

NOW, THEREFORE, BE IT RESOLVED THAT IT IS HEREBY FOUND, DETERMINED, and ORDERED, as follow:

1. That the plans and specifications for the existing improvements and the proposed new improvements to be made within the District contained in said report, be, and they are hereby, preliminarily approved;
2. That the Engineer's estimate of the itemized and total costs and expenses of said improvements, maintenance, and servicing thereof, and of the incidental expenses in connection therewith, contained in said report be, and each of them is hereby, preliminarily approved;
3. That the diagram (Exhibit A) showing the exterior boundaries of the District referred to and described in said Resolution No. 6425 and the lines and dimensions of each lot or parcel of land within said District as such lot or parcel of land is shown on the County Assessor's maps for the fiscal year to which the report applies, each of which lot or parcel of land has been given a separate number upon said diagram, as contained in said report be, and it is hereby, preliminarily approved;
4. That the proposed continued assessment of the total amount of the estimated costs and expenses of the proposed improvements upon the several lots or parcels of land in said District in proportion to the estimated benefits to be received by such lots or parcels, respectively, from said improvements including the maintenance or servicing, or both, thereof, and of the expenses incidental thereto, as contained in said report be, and they are hereby, preliminarily approved; and

5. That said report shall stand as the Engineer's Report for the purpose of all subsequent proceedings to be had pursuant to said Resolution No. 6425.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-second of May, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

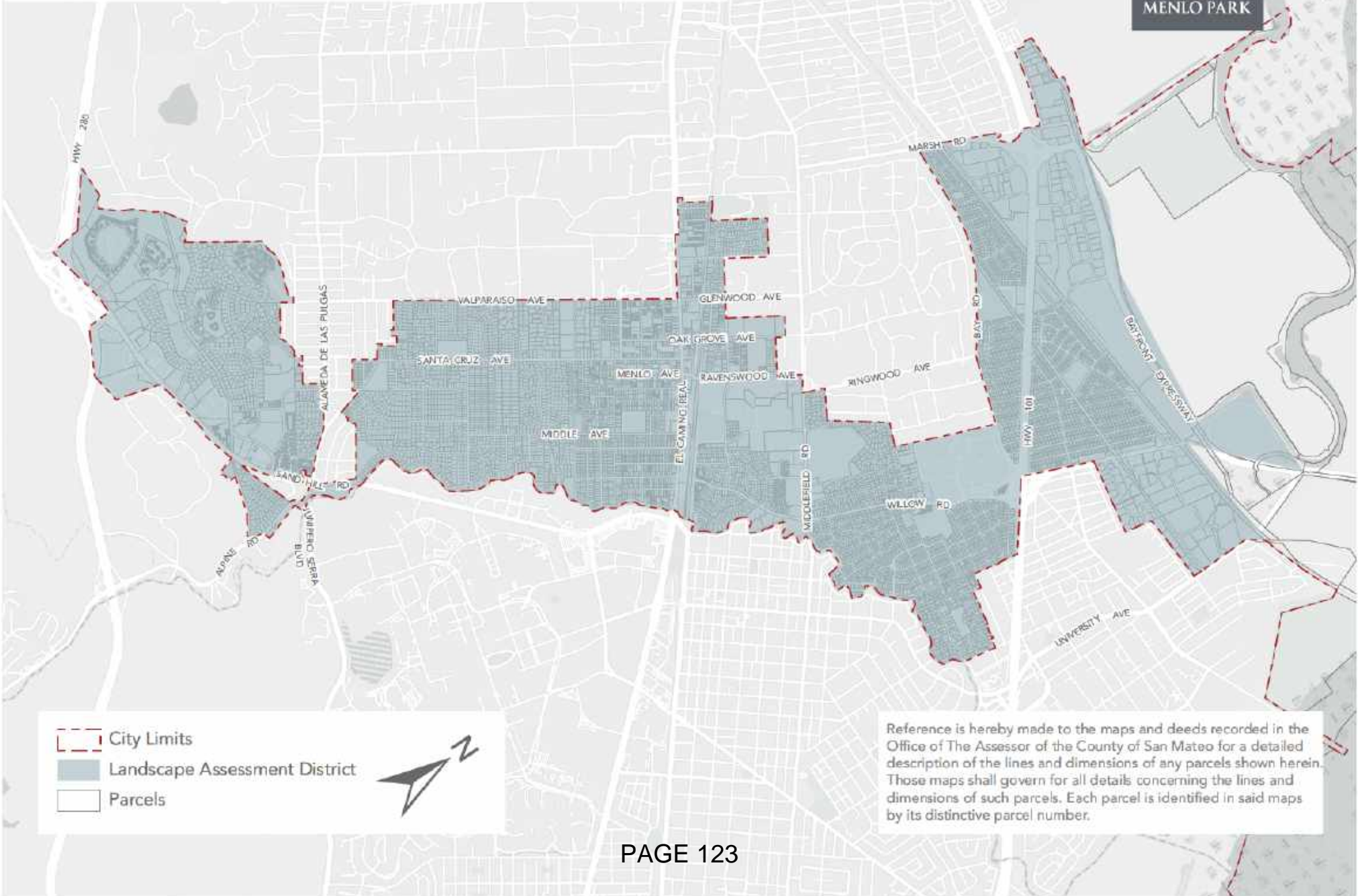
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-second of May, 2018.

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Judi A. Herren, City Clerk



# Landscape Assessment District



City Limits

Landscape Assessment District

Parcels



Reference is hereby made to the maps and deeds recorded in the Office of The Assessor of the County of San Mateo for a detailed description of the lines and dimensions of any parcels shown herein. Those maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in said maps by its distinctive parcel number.

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**RESOLUTION NO. 6438****RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK TO ORDER THE CONTINUATION AND COLLECTION OF ASSESSMENTS FOR THE CITY OF MENLO PARK LANDSCAPING DISTRICT FOR FISCAL YEAR 2018-19 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972**

WHEREAS, pursuant to Resolution No. 6425 describing improvements and directing the preparation of the Engineer's Report for Fiscal Year 2018-19 for the City of Menlo Park Landscaping District, adopted on February 13, 2018, by the City Council of Menlo Park; and

WHEREAS pursuant to provisions of Article XIID of the California Constitution and the Landscaping and Lighting Act of 1972, SCI Consulting Group for said City has prepared and filed with the City Clerk of this City the written report called for under and in accordance with Section 22565, *et. seq.*, of the Streets and Highways Code and Article XIID of the California Constitution; and

WHEREAS, by said Resolution No. 6425, which said report has been submitted and preliminarily approved by this Council in accordance with said Article and Act.

NOW, THEREFORE, BE IT RESOLVED, THAT IT IS HEREBY FOUND, DETERMINED, and ORDERED, as follows:

1. In its opinion, the public interest and convenience require, and it is the intention of this Council, to order the continuation and collection of assessments for Fiscal Year 2018-19 pursuant to the provisions of Article XIID of the California Constitution and the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, for the construction or installation of the improvements, including the maintenance or servicing, or both, thereof, more particularly described in Exhibit A hereto attached and by reference incorporated herein;
2. The cost and expense of said improvements, including the maintenance or servicing, or both, thereof, are to be made chargeable upon the assessment district designated as "City of Menlo Park Landscaping District" (District) the exterior boundaries of which District are the composite and consolidated area as more particularly described on a map thereof on file in the office of the Clerk of said City, to which reference is hereby made for further particulars. Said map indicates by a boundary line the extent of the territory included in the District and the general location of said District;
3. Said Engineer's Report prepared by SCI Consulting Group, preliminarily approved by this Council, and on file with the Clerk of this City, is hereby referred to for a full and detailed description of the improvements, the boundaries of the assessment district and the proposed assessments upon assessable lots and parcels of land within the District;
4. The authorized maximum assessment rates for the District include an annual adjustment by an amount equal to the annual change in the Engineering News Record Index, not to exceed 3.00 percent per year, plus any uncaptured excesses. Assessment rates for the tree portion of the assessments are proposed to increase during Fiscal Year 2018-19 by 10.00%. Including the authorized annual adjustment, the maximum authorized assessment rate for street tree maintenance for Fiscal Year 2018-19 is \$110.82 per single family equivalent benefit unit, and the assessment rate per single family equivalent benefit unit for

Fiscal Year 2018-19 is \$73.82 which is less than the maximum authorized rate. Assessment rates for the sidewalk repairs portion of the assessments are proposed to increase during Fiscal Year 2018-19 by 20.00%. Including the authorized annual adjustment, the maximum authorized assessment rate for sidewalk maintenance for Fiscal Year 2018-19 is \$49.48 per single family equivalent benefit unit, and the assessment rate per single family equivalent benefit unit for Fiscal Year 2018-19 is \$36.13, which is less than the maximum authorized rate;

5. Notice is hereby given that Tuesday, the 19th day of June, 2018, at the hour of 7:00 o'clock p.m., or as soon thereafter as the matter may be heard, in the regular meeting place of said Council, Council Chambers, Civic Center, 701 Laurel Street, Menlo Park, California, be, and the same are hereby appointed and fixed as the time and place for a Public Hearing by this Council on the question of the continuation and collection of the proposed assessment for the construction or installation of said improvements, including the maintenance and servicing, or both, thereof, and when and where it will consider all oral statements and all written protests made or filed by any interested person at or before the conclusion of said hearing, against said improvements, the boundaries of the assessment district and any zone therein, the proposed diagram or the proposed assessment, to the Engineer's estimate of the cost thereof, and when and where it will consider and finally act upon the Engineer's Report;
6. The Clerk of said City is hereby directed to give notice of said Public Hearing by causing a copy of this resolution to be published once in *The Daily News*, a newspaper circulated in said City, and by conspicuously posting a copy thereof upon the official bulletin board customarily used by the City for the posting of notices, said posting and publication to be had and completed at least ten (10) days prior to the date of public hearing specified herein; and
7. The Office of the Public Works Director of said City is hereby designated as the office to answer inquiries regarding any protest proceedings to be had herein, and may be contacted during regular office hours at the Civic Center, 701 Laurel Street, Menlo Park, California, 94025, or by calling (650) 330-6740.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-second day of May, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-second of May, 2018.

---

Judi A. Herren, City Clerk

**Exhibit A**

**City of Menlo Park Landscaping District**

Maintaining and servicing of street trees, including the cost of repair, removal or replacement of all or any part thereof, providing for the life, growth, health, and beauty of landscaping, including cultivation, trimming, spraying, fertilizing, or treating for disease or injury, the removal of trimmings, rubbish, debris, and other solid waste, and water for the irrigation thereof, and the installation or construction, including the maintenance and servicing thereof, of curbs, gutters, sidewalks, and parking strips.

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**CITY OF MENLO PARK**  
**LANDSCAPING ASSESSMENT DISTRICT**

**ENGINEER'S REPORT**

FISCAL YEAR 2018-19

MAY, 2018

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 AND  
ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:  
**SCI Consulting Group**  
4745 MANGELS BLVD.  
FAIRFIELD, CALIFORNIA 94534  
PHONE 707.430.4300  
FAX 707.430.4319  
[WWW.SCI-CG.COM](http://WWW.SCI-CG.COM)

**CITY OF MENLO PARK**

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**MENLO PARK CITY COUNCIL**

Mayor Peter I. Ohtaki  
Mayor Pro Tem Ray Mueller  
Council Member Catherine Carlton  
Council Member Richard Cline  
Council Member Kirsten Keith

**CITY MANAGER**

Alex D. McIntyre

**PUBLIC WORKS DIRECTOR**

Justin Murphy

**CITY CLERK**

Judi Herren

**CITY ATTORNEY**

Bill McClure

**ENGINEER OF WORK**

SCI Consulting Group  
Lead Assessment Engineer, John Bliss, M.Eng., P.E.

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## INTRODUCTION

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### ASSESSMENT BACKGROUND

Between 1960 and 1982, the City of Menlo Park had one three-person crew to care for approximately 9,000 City trees. As the trees grew, it took considerably more time per tree to provide proper care. Consequently one tree crew was unable to perform the necessary work to maintain all of the street trees in proper condition. The Landscape Assessment District was originally formed in 1983 for the purpose of levying annual special assessments in order to properly maintain street trees in the City of Menlo Park. Currently, there are approximately 11,000 street trees that are maintained by the assessments.

Prior to 1990, property owners and the City would split the cost of repairing sidewalks damaged by City trees. The City would annually enter into an agreement with approximately 200 individual property owners. The one-time cost was a financial burden to some residents on fixed incomes. In order to make the program more cost-effective and less of a financial burden for property owners, an assessment for repair of sidewalks/parking strips due to City street-tree related damages was established in 1990.

The increased cost of the necessary work made the assessment amounts levied in Fiscal Year 1997-98 insufficient for adequately maintaining the City's street trees, curbs, gutters and sidewalks. An increase in the assessments was required to provide funding for continued tree maintenance and sidewalk repairs. However, with the passage of Proposition 218 on November 6, 1996, assessments can only be raised after the City conducts an assessment ballot proceeding and the ballots submitted in opposition to the assessments do not exceed the ballots in favor of the assessments. (Each ballot is weighted by the amount of assessment for the property it represents.)

### ASSESSMENT PROCESS

In 1998, the City conducted an assessment ballot proceeding for increased tree maintenance and sidewalk repair assessments pursuant to the requirements of Article XIID of the California Constitution (Proposition 218) and the Landscaping and Lighting Act of 1972. The proposed tree maintenance assessments for fiscal year 1998-99 were \$64.28 per single family equivalent unit and the proposed sidewalk repair assessments were \$28.70 per single family equivalent. The proposed maximum assessments also included an annual assessment cost escalator tied to the annual change in the Engineering News Record Construction Cost Index for the San Francisco Bay Area ("ENR Index"). These proposed assessments were supported by 73% of assessment ballots received from property owners (with each ballot weighted by the amount of assessments it represented). Therefore, on June 16, 1998 by its Resolution Number 4840-D, the City Council levied the new assessments.

### ENGINEER'S REPORT AND CONTINUATION OF ASSESSMENTS

In each subsequent year for which the assessments will be continued, the City Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the



upcoming fiscal year. After the Engineer's Report is completed, the City Council may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council.

The maximum authorized assessment rate, as increased each year by the change in the ENR Index, is the maximum assessment rate that can be levied in the given fiscal year without approval from property owners in another assessment ballot proceeding. In fiscal year 1998-99, the assessments were levied at the maximum rate for that fiscal year. Since this first fiscal year after the ballot proceeding, the assessments for tree maintenance have been levied below the maximum authorized rate, and the assessment rate for sidewalk repairs has not been increased above the original rate.

From December 2016 to December 2017, the ENR Index increased 3.49 percent. The maximum amount assessments can be increased annually is the ENR Index plus any uncaptured excess reserved from prior years, to a maximum increase to the ENR not to exceed 3%.

Based on accumulated excess reserves from prior years, the maximum authorized rates for fiscal year 2018-19 are \$110.82 for trees and \$49.48 for sidewalks without another ballot proceeding. (No additional ballot proceeding is required because the maximum authorized assessment rates, including the annual adjustments in these rates, were approved in the 1998 ballot proceeding. The actual rate levied in any given fiscal year can be revised up, with an annual maximum increase of 3%, or down, by any amount that does not cause the actual rates levied to exceed the maximum authorized assessment rates.)

The City reduced the assessment rate for tree maintenance in fiscal year 2000-01 and increased the assessment rate in fiscal years 2002-03, 2005-06 through 2009-10, 2014-15, and 2016-17 through 2017-18. In other fiscal years it was not necessary to increase the rate, due to sufficient reserve funds carried forward from prior fiscal years, combined with general benefit contributions. For fiscal year 2018-19 the proposed assessments for tree maintenance are proposed to increase 10.0% from fiscal year 2017-18, and the assessments for sidewalk maintenance are proposed to increase 20.0% (which includes some uncaptured excess reserved from prior years) from fiscal year 2017-18. The proposed rates are \$73.82 per Single Family Equivalent (SFE) for tree maintenance and \$36.16 per SFE for sidewalk maintenance. The comparison of actual rates levied in fiscal year 2017-18 and the proposed rates for fiscal year 2018-19 are shown below.

#### Sidewalk Maintenance

FY 2017-18 Rate	ENR Increase Applied	FY 2018-19 Rate	Increase
\$30.13	20.0%	\$36.16	\$6.03

#### Tree Maintenance

FY 2017-18 Rate	ENR Increase Applied	FY 2018-19 Rate	Increase
\$67.11	10.0%	\$73.82	\$6.71

If the Council approves this Engineer's Report and the continuation of the assessments by resolution, a notice of assessment levies must be published in a local newspaper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10 day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 19, 2018. At this hearing, the Council will consider approval of a resolution confirming the continuation of the assessments for fiscal year 2018-19. If so confirmed and approved, the assessments will be submitted to the County Controller for inclusion on the property tax roll for Fiscal Year 2018-19.

## **LEGAL ANALYSIS**

### **PROPOSITION 218**

This assessment is consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article XIII C and XIII D of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process used to establish this assessment.

The original assessment existed prior to the passage of Proposition 218. Although the original assessment is also consistent with Proposition 218, the California judiciary has generally referred to pre-Proposition 218 assessments as "grandfathered assessments" and held them to a lower standard than post Proposition 218 assessments.

### **SILICON VALLEY TAXPAYERS ASSOCIATION, INC. v SANTA CLARA COUNTY OPEN SPACE AUTHORITY**

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant court case in further legally clarifying the substantive assessment requirements of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district



**DAHMS V. DOWNTOWN POMONA PROPERTY**

On June 8, 2009, the 4<sup>th</sup> Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e., 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

**BONANDER V. TOWN OF TIBURON**

On December 31, 2009, the 1<sup>st</sup> District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

**BEUTZ V. COUNTY OF RIVERSIDE**

On May 26, 2010 the 4<sup>th</sup> District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

**GOLDEN HILL NEIGHBORHOOD ASSOCIATION V. CITY OF SAN DIEGO**

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

**COMPLIANCE WITH CURRENT LAW**

This Engineer's Report is consistent with the requirements of Article XIIC and XIID of the California Constitution and with the *SVTA* decision because the Improvements to be funded are clearly defined; the Improvements are directly available to and will directly benefit property in the Assessment District; and the Improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with *Beutz*, *Dahms* and *Greater Golden Hill* because the Improvements will directly benefit property in the Assessment District and the general



benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the Improvements and proportional special benefit to each property.

## PLANS & SPECIFICATIONS

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Following is a description of the Services that are provided for the benefit of property in the Assessment District. Prior to the residential development in Menlo Park, the Level of Service on these improvements was effectively zero. The formula below describes the relationship between the final level of improvements, the baseline level of service (pre-development) had the assessment not been instituted, and the enhanced level of improvements funded by the assessment.

<b>Final Level of Service</b>	=	<b>Baseline Level of Service (≈zero, pre-development)</b>	+	<b>Enhanced Level of Service</b>
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The City of Menlo Park maintains street trees, sidewalks, curbs, gutters, and parking strips throughout the City.

The proposed improvements to be undertaken by the City of Menlo Park and financed by the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. The said improvements consist of maintaining, trimming, disease treatment, and replacement of street trees; street sweeping to remove debris; and the repair and replacement of damaged sidewalks, curbs, gutters, and parking strips damaged by street trees throughout the City of Menlo Park.

## METHOD OF ASSESSMENT

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This section of the Engineer's Report includes an explanation of the benefits to be derived from the maintenance, repair, and replacement of street trees, sidewalks, curbs, gutters, and parking strips throughout the City, and the methodology used to apportion the total assessment to properties within the Landscaping Assessment District.

The Landscaping Assessment District consists of all Assessor Parcels within the boundaries of the City of Menlo Park as defined by the County of San Mateo tax code areas. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Landscaping Assessment District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

### DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to properties. This benefit is received by property over and above any general benefits and such benefit is not based on any one property owner's use of the amenities or a property owner's specific demographic status. With reference to the requirements for assessment, Section 22573 of the Landscaping and Lighting Act of 1972 states:

*"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Article XIII D, Section 4 of the California Constitution has confirmed that assessments must be based on the special benefit to property:

*"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing of landscaping and lighting improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from maintenance and improvements such as those within by the District. These types of special benefit are summarized as follows:

- A. PROXIMITY TO IMPROVED LANDSCAPED AREAS WITHIN THE ASSESSMENT DISTRICT.
- B. ACCESS TO IMPROVED LANDSCAPED AREAS WITHIN THE ASSESSMENT DISTRICT.
- C. IMPROVED VIEWS WITHIN THE ASSESSMENT DISTRICT.
- D. ENHANCED ENVIRONMENT BECAUSE OF THE VIGOROUS STREET TREE PROGRAM FOR OWNERS OF PROPERTY IN THE LANDSCAPING ASSESSMENT DISTRICT.
- E. INCREASED SAFETY AGAINST TRIPPING AND OTHER HAZARDS CAUSED BY CRACKED OR DAMAGED SIDEWALKS, CURBS AND GUTTERS.
- F. ENHANCED DESIRABILITY OF THE PROPERTY.
- G. REDUCED LIABILITY FOR LANDSCAPE MAINTENANCE.

In this case, the recent the SVTA v. SCCOSA decision provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that landscaping improvements are a direct advantage and special benefit to property that is proximate to landscaping that is improved by an assessment:

*The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

## **BENEFIT FACTORS**

The special benefits from the Improvements are further detailed below:

### **PROXIMITY TO IMPROVED LANDSCAPED AREAS WITHIN THE ASSESSMENT DISTRICT**

Only the specific properties within close proximity to the Improvements are included in the Assessment District. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.



In absence of the assessments, the Improvements would not be provided and the landscaping areas in the Assessment District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits, but when combined with the unique proximity and access enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

#### **ACCESS TO IMPROVED LANDSCAPED AREAS WITHIN THE ASSESSMENT DISTRICT**

Since the parcels in the Assessment District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved landscaping areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

#### **IMPROVED VIEWS WITHIN THE ASSESSMENT DISTRICT**

The City, by maintaining these landscaped areas, provides improved views to properties in the Assessment District. The properties in the Assessment District enjoy close and unique proximity, access and views of the Improvements; therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District. The Landscaping Assessment District provides funding to maintain and protect these public resources and facilities of the City. For example, the assessments provide funding to trim and maintain the street trees to maintain them in a healthy condition. This benefits properties by maintaining and improving the public resources in the community.

In order to allocate the proposed assessments, the Engineer begins by identifying the types of special benefit arising from the maintenance, repair, and replacement of the aforementioned facilities and that would be provided to property within the District. These types of special benefit are as follows:

#### **ENHANCED ENVIRONMENT BECAUSE OF THE VIGOROUS STREET TREE PROGRAM FOR OWNERS OF PROPERTY IN THE LANDSCAPING ASSESSMENT DISTRICT.**

Residential properties benefit from the enhanced environment provided by a vigorous program to install and maintain the street trees at a level beyond that followed by other cities throughout the County. The increased use of street trees provides an atmosphere of beauty beyond the norm. The improvements to the trees will be available to residents and guests of properties within the District.

Non-residential properties also will benefit from these improvements in many ways. The use of street trees softens the environment making it more pleasant for employees during commute time and at breaks from their work. These improvements, therefore, enhance an employer's ability to attract and keep quality employees. The benefits to employers ultimately flow to the property because better employees improve the employment prospects

for companies and enhanced economic conditions benefit the property by making it more valuable.

**INCREASED SAFETY AGAINST TRIPPING AND OTHER HAZARDS CAUSED BY CRACKED OR DAMAGED SIDEWALKS, CURBS AND GUTTERS.**

An aggressive inspection program identifies hazardous conditions in sidewalks, curbs and gutters caused by street trees and allows for these conditions to be repaired on a timely basis. Timely repair of hazardous conditions greatly improves the overall safety of the environment, thereby providing for safer use of property.

**ENHANCED DESIRABILITY OF THE PROPERTY**

The assessments will provide funding to improve the City's street tree program, raising the quality to a more desired level, and to ensure that the sidewalks, curbs, and gutters remain operable, safe, clean and well maintained. Such improved and well-maintained facilities enhance the overall desirability of property. This is a benefit to residential, commercial and industrial properties.

**REDUCED LIABILITY FOR LANDSCAPE MAINTENANCE**

The assessments will reduce the liability for landscape maintenance to street trees and other improvements. This is a benefit to residential, commercial and industrial properties.

**GENERAL VS. SPECIAL BENEFIT**

Article XIII D of the Constitution specifies that only special benefits are assessable and that the City must separate the general benefits from the special benefits conferred on any parcel. The complete analysis of special benefits and their allocation are found elsewhere in this report. For the Landscaping Assessment District, the City has identified a general benefit and has separated it from the special assessments.

The City's maintenance of street trees and sidewalk facilities provides a general benefit to the community and to the general public to some degree. The measure of this general benefit is the enhancement of the environment and safety provided to the greater public at large. This general benefit can be measured by the proportionate amount of time that the City's sidewalks and street trees are used and enjoyed by the greater public at large<sup>1</sup>. It is reasonable to assume that approximately 1/4 or 25% of the usage and enjoyment of the improvements is by the greater public. Therefore, approximately 25% of the benefits conferred by the improvements are general in nature.

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<sup>1</sup>. The greater public at large is generally defined as those who are not residents, property owners, customers or employees within the City, and residents who do not live in close proximity to the improvements.



The City's total budget for maintenance and improvement of its trees and sidewalk facilities is \$1,676,375. Of this total budget amount, the City will contribute \$250,000 from sources other than the assessments for sidewalk repair and \$251,530 for street tree maintenance. These contributions by the City, as well as \$143,000 in funds from Measure M, total \$644,530, equating to approximately 38.9% of the total budget for maintenance and more than offset the cost of the general benefits resulting from the improvements.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided within the assessment district. It is also important to note that the improvements and services funded by the assessments in Pomona are similar to the improvements and services funded by the Assessments described in this Engineer's Report and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this Report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the Assessment.

#### **METHOD OF ASSESSMENT**

The second step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a single family home on one parcel. The "benchmark" property is the single family detached dwelling which is one Single Family Equivalent, or one SFE.

As stated previously, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner's use of the improvements, on a specific property owner's occupancy of property, or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who enjoy the special benefits described above, use and enjoy the City's trees and sidewalks, and control property values by placing a value on the special benefits to be provided by the improvements. In other words, the benefits derived to property are related the average number of people who could potentially live on, work at or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is an indicator of the relative level of benefit received by the property.

## ASSESSMENT APPORTIONMENT - STREET TREES

### PROPERTIES WITH STREET TREES

All improved residential properties that represent a single residential dwelling unit and have a street tree on or fronting the property are assigned 1.0 SFE. All single-family houses with tree(s) and those units in R-2 zones that are being used as single family dwellings (with trees) are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the relative number of people who reside in multi-family residential units compared to the average number of people who reside in a single-family home. The population density factors for the County of San Mateo from the 1990 US Census (the most recent data available when the Assessment was established) are depicted below. The SFE factors for condominium, townhouse, and multi-family parcels, as derived from relative dwelling unit population density, are also shown below.

FIGURE 1 – RESIDENTIAL ASSESSMENT FACTORS

<i>Property Type</i>	<i>Total Population</i>	<i>Occupied Households</i>	<i>Persons per Household</i>	<i>SFE Factor*</i>
Single Family Residential	412,685	140,248	2.94	1.0
Condominium/Townhouse	54,284	19,331	2.81	0.9
Multi-Family Residential	158,004	65,981	2.39	0.8

Source: 1990 Census, San Mateo County

The SFE factor for condominium, townhouse, and multi-family parcels is based on the ratio of average persons per household for the property type versus the average persons per household for a single family residential home. Multi-family units are assessed at 0.80 per unit up to a maximum of 4.0 SFE per parcel (maximum of 5 units multiplied by 0.80). Condominium and townhouse parcels are assessed at 0.90 per unit, up to a maximum of 4.5 SFEs per development (maximum of 5 units multiplied by 0.90).

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single-family residential property and the average commercial/industrial property. The average size of a parcel for a single-family home in the District is approximately 0.18 acres, and such single-family property has an SFE value of 1.0. Using the equivalence of benefit on a land area basis, improved commercial and industrial parcels of approximately 0.20 acres or less would also receive an SFE benefit factor of 1.0. Commercial and industrial parcels in excess of a fifth of an acre in size are assigned 1.0 SFE per 0.20 acre or portion thereof, and the maximum benefit factor for any commercial/industrial parcel is 5.0 SFE.

Vacant parcels are also benefited from the street tree improvement and maintenance program. An example of a benefit is enhancement of the visual appeal that will accrue to a



vacant parcel from the presence or proximity of the community's street trees based on its future potential use. Undeveloped property also benefits from the installation and maintenance of street trees, because if the property is developed during the year, the street trees will be available to the developed property. The relative benefit to vacant property is determined to be generally equal to the benefit to a single-family home property. Therefore, vacant property with street tree(s) are assessed 1 SFE.

#### **PROPERTIES WITHOUT STREET TREES**

The special benefit factors conferred on property can be defined by the benefits conferred to properties with and without street trees. The types of benefits conferred to all property in the community include protection of views, screening, and resource values and enhanced desirability of the property. A higher level of special benefits is conferred directly on parcels with street trees because these parcels obtain additional benefits from well-maintained, healthy trees fronting the property. The types of special benefits that are increased for properties with street trees include enhanced levels of safety, desirability, unique proximity, access and views of resources and facilities from healthy trees on the property. Therefore, individual properties without street trees but in close proximity to parcels with street trees receive a direct benefit from the street trees and should pay 50% of the rate for a similar property with street trees. Such properties are assigned an SFE benefit factor that is 50% of that for a similar property with street trees.

#### **ASSESSMENT APPORTIONMENT - SIDEWALK PROGRAM**

The benefits to property for sidewalks, curbs, gutters and parking strips are closely related to a parcel's proximity to these improvements and the parcel's proximity to street trees. Street trees are the most common cause of sidewalk problems. Therefore, the highest benefit from the proposed sidewalk improvements is to properties with street trees and sidewalks, curbs and gutters, or street trees and parking strips and gutters, because without the maintenance work, these improvements would degrade more quickly, which would affect the parcel's appearance and safety. It is estimated that 1/3 of the special benefits are conferred to property with street trees and sidewalks or parking strips. Another 1/3 of the special benefits are conferred to property with street trees and curbs and gutters. Special benefit factors are also conferred on property without street trees or adjoining sidewalk, curb, gutter and/or parking strip improvements that are in close proximity to these types of improvements. It is estimated that the remaining 1/3 of the special benefit factors from the Sidewalk Program are conferred to these parcels that are in close proximity to the improvements but that do not have improvements directly adjacent to their property.

Consequently, properties with street trees and sidewalks or parking strips and curbs and gutters or valley gutters are assigned a benefit factor of 1 SFE. Properties with street trees, curbs and gutters are assigned a benefit factor of 0.67 SFE. If there are street trees but no improvements along the frontage of a parcel, or no street trees on a parcel, its benefit is 1/3 or 0.33 SFE.

### **ASSESSMENT APPORTIONMENT - OTHER PROPERTIES**

Improved, publicly owned parcels that are used for residential, commercial or industrial purposes are assessed at the rates specified previously. Other improved public property; institutional property and properties used for educational purposes, typically generate employees on a less consistent basis than other non-residential parcels. Moreover, many of these parcels provide some degree of on-site amenities that serve to offset some of the benefits from the District. Therefore, these parcels, with or without street trees, receive minimal benefit and are assessed an SFE factor of 1 for street tree assessments and an SFE factor of 1 for sidewalks, curbs and gutter assessments.

All properties that are specially benefited have been assessed. Agricultural parcels without living units, public right-of-way parcels, well, reservoir or other water rights parcels, unimproved open space parcels, watershed parcels and common area parcels generally provide recreational, open space and/or scenic benefits to the community. As such, they tend to provide similar benefits as provided by the improvements in the District. Any benefits they would receive from the landscaping maintenance are generally offset by the equivalent benefits they provide. Moreover, these parcels typically do not generate employees, residents or customers. Such parcels are, therefore, not specially benefited and are not assessed.

### **APPEALS AND INTERPRETATION**

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Public Works Director of the City of Menlo Park or his or her designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Public Works Director or his or her designee will promptly review the appeal and any information provided by the property owner. If the Public Works Director or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County of San Mateo for collection, the Public Works Director or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Public Works Director or his or her designee shall be referred to the City Council of the City of Menlo Park and the decision of the City Council of the City of Menlo Park shall be final.



FIGURE 2 – TREE MAINTENANCE ASSESSMENTS

<i>Property Type</i>	<i>2018-19 Assessment Rates</i>	
<b>Parcels with Trees</b>		
Single Family	\$73.82	(per Parcel)
R-2 Zone, in use as single family	\$73.82	(per Parcel)
Condominium/Townhouse	\$66.44	(per Unit, \$332.19 max. per Project)
Other Multi-family	\$59.06	(per Unit, \$295.28 max. per Project)
Commercial	\$73.82	(per 1/5 acre, \$369.10 max. per Project)
Industrial	\$73.82	(per 1/5 acre, \$369.10 max. per Project)
Parks, Educational	\$73.82	(per Parcel)
Miscellaneous, Other	\$0.00	(per Parcel)
<b>Parcels without Trees</b>		
Single Family	\$36.91	(per Parcel)
R-2 Zone, in use as single family	\$36.91	(per Parcel)
Condominium/Townhouse	\$33.22	(per Unit, \$166.1 max. per Project)
Other Multi-family	\$29.53	(per Unit, \$147.64 max. per Project)
Commercial	\$36.91	(per 1/5 acre, \$184.55 max.)
Industrial	\$36.91	(per 1/5 acre, \$184.55 max.)
Parks, Educational	\$36.91	(per Parcel)
Miscellaneous, Other	\$0.00	(per Parcel)

FIGURE 3 – SIDEWALK, CURB, GUTTER, PARKING STRIP ASSESSMENTS

<i>Property Type</i>	<i>2018-19 Assessment Rates</i>	
<b>Parcels with Trees</b>		
Sidewalks, curbs, gutters	\$36.16	(per Parcel)
Parking strips and gutters	\$36.16	(per Parcel)
Curbs and/or gutters only	\$24.23	(per Parcel)
No improvements	\$11.93	(per Parcel)
Miscellaneous, Other	\$0.00	(per Parcel)
<b>Parcels without Trees</b>		
Parcels with or without improvements	\$11.93	(per Parcel)
Miscellaneous, Other	\$0.00	(per Parcel)

Note: All total combined tree and sidewalk assessment amounts are rounded to the lower even penny.

## ASSESSMENT

WHEREAS, on January 23, 2018 the City Council of the City of Menlo Park, County of San Mateo, California, pursuant to the provisions of the Landscaping and Lighting Act of 1972 and Article XIID of the California Constitution (collectively "the Act"), adopted its Resolution Initiating Proceedings for the Levy of Assessments within the Landscaping Assessment District;

WHEREAS, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the City Council of said City of Menlo Park, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto, to be paid by the Landscaping Assessment District for the fiscal year 2018-19 is generally as follows:

**FIGURE 4 – SUMMARY COST ESTIMATE**

	<i>F. Y. 2018-19 Budget</i>
Street Tree Program	\$752,273
Street Sweeping	\$268,602
Sidewalk Program	\$500,000
Incidental Expenses	\$135,500
<b>TOTAL BUDGET</b>	<b>\$1,656,375</b>
Plus:	
Projected Fund Balance	\$192,927
Less:	
City Contribution for General Benefits	(\$644,530)
Contribution from Carry-Over Fund Balances	(\$294,096)
<b>NET AMOUNT TO ASSESSMENTS</b>	<b>\$910,676</b>

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Landscaping Assessment District. The distinctive number of each parcel or lot of land in the said Landscaping Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incidental thereto, upon the parcels and lots of land within said Landscaping Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is made upon the parcels or lots of land within the Landscaping Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said improvements.

The assessment is subject to an annual adjustment tied to the Engineering News Record (ENR) Construction Cost Index for the San Francisco Bay Area, with a maximum annual adjustment not to exceed 3%. Any change in the ENR in excess of 3% shall be cumulatively reserved as the "Unused ENR" and shall be used to increase the maximum authorized assessment rate in years in which the ENR is less than 3%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of 1) 3% or 2) the change in the ENR plus any Unused ENR as described above. The initial, maximum assessment rate balloted and established in Fiscal Year 1998-99 was \$64.28 per single family equivalent benefit unit for tree maintenance, and \$28.70 per single family equivalent benefit unit for sidewalk maintenance.

Based on the preceding annual adjustments, the maximum assessment rate for Fiscal Year 2017-18 was \$107.59 for tree maintenance and \$48.04 for Sidewalk maintenance. The change in the ENR from December 2016 to December 2017 was 3.49%. Therefore, the maximum authorized assessment rate for Fiscal Year 2018-19 has been increased from \$107.59 to \$110.82 per single family equivalent benefit unit for tree maintenance, and from \$48.04 to \$49.48 per single family equivalent benefit unit for sidewalk maintenance. However, the estimate of cost and budget in this Engineer's Report proposes assessments for fiscal year 2018-19 at the rate of \$73.82 per single family equivalent benefit unit for tree maintenance, which is less than the maximum authorized assessment rate and is a 10.0% increase over the rate assessed in the previous fiscal year. The proposed assessment rate for fiscal year 2018-19 for sidewalk maintenance is \$36.16 per single family equivalent benefit unit, which is also less than the maximum authorized assessment rate and is a 20.0% increase over the rate assessed in the previous fiscal year.

Property owners in the Assessment District, in an assessment ballot proceeding, approved the initial fiscal year benefit assessment for special benefits to their property including the



ENR adjustment schedule. As a result, the assessment may continue to be levied annually and may be adjusted by up to the maximum annual ENR adjustment without any additional assessment ballot proceeding. In the event that in future years the assessments are levied at a rate less than the maximum authorized assessment rate, the assessment rate in a subsequent year may be increased up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Mateo for the fiscal year 2018-19. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2018-19 for each parcel or lot of land within the said Landscaping Assessment District.

May 17, 2018

Engineer of Work



By \_\_\_\_\_  
John W. Bliss, License No. C52091



**FIGURE 5 – ENGINEER'S COST ESTIMATE, FISCAL YEAR 2018-19**

**2018-19  
CITY OF MENLO PARK LANDSCAPING ASSESSMENT DISTRICT  
ENGINEER'S COST ESTIMATE**

<b>A. Tree Maintenance</b>		
Salaries & Benefits	\$398,673.00	
Operating Expense	\$28,600.00	
Fixed Assets & Capital Outlay	\$4,500.00	
Vehicle & Equipment Maintenance	\$15,000.00	
Professional Services (Tree Spraying, Tree Trimming, Misc.)	\$305,500.00	
Subtotal - Tree Maintenance		<u>\$752,273.00</u>
<b>B. Debris Removal</b>		
Salaries & Benefits	\$75,701.56	
Operating Expense	\$6,900.00	
Street Sweeping Contract	\$186,000.00	
Subtotal - Debris Removal		<u>\$268,601.56</u>
<b>C. Sidewalk, Curb, Gutter, Parking Strip Repair/Replacement</b>		
Construction Costs	\$500,000.00	
Design & Inspection	\$0.00	
Subtotal - S/W,C,G, & PS Repair/Replace		<u>\$500,000.00</u>
Subtotal Tree/Debris/Reforestation/Sidewalk		<u>\$1,520,874.56</u>
<b>D. Incidentals</b>		
Indirect Costs & Administration	\$120,500.00	
County Collection Fees	\$15,000.00	
Subtotal - Incidentals		<u>\$135,500.00</u>
<b>Total Cost</b>		<u><b>\$1,656,374.56</b></u>



**Engineer's Cost Estimate, Fiscal Year 2018-19 (continued)**

Projected Fund Balance	\$192,926.66
Tree Maintenance Ending Fund Balance	(\$236,065.00)
Less General Fund Contribution	(\$251,529.53)
Measure M	(\$143,000.00)
Sidewalk Fund Ending Balance	(\$58,031.00)
Less General Fund CIP Contribution to Sidewalk Fund	(\$250,000.00)
<b>Net to Assessment</b>	<b>\$910,675.69</b>

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Revenue

Single Family Equivalent Benefit Units - Trees	8,988.06									
Single Family Equivalent Benefit Units - Sidewalks	6,835.65									
	<table border="0"> <tr> <td></td> <td align="center"><u>2018/19</u></td> <td align="center"><u>2017/18</u></td> </tr> <tr> <td>Assessment Rate for Tree Fund/ SFE</td> <td align="center">\$73.82</td> <td align="center">\$67.11</td> </tr> <tr> <td>Assessment Rate for Sidewalk Fund/ SFE</td> <td align="center">\$36.16</td> <td align="center">\$30.13</td> </tr> </table>		<u>2018/19</u>	<u>2017/18</u>	Assessment Rate for Tree Fund/ SFE	\$73.82	\$67.11	Assessment Rate for Sidewalk Fund/ SFE	\$36.16	\$30.13
	<u>2018/19</u>	<u>2017/18</u>								
Assessment Rate for Tree Fund/ SFE	\$73.82	\$67.11								
Assessment Rate for Sidewalk Fund/ SFE	\$36.16	\$30.13								
Revenue for Tree Fund	\$663,498.59									
Revenue for Sidewalk Fund	\$247,177.10									
<b>Total Revenue *</b>	<b>\$910,675.69</b>									

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\* Total revenue is slightly less than SFEs times the assessment rate because all combined assessments are rounded down to the even penny.

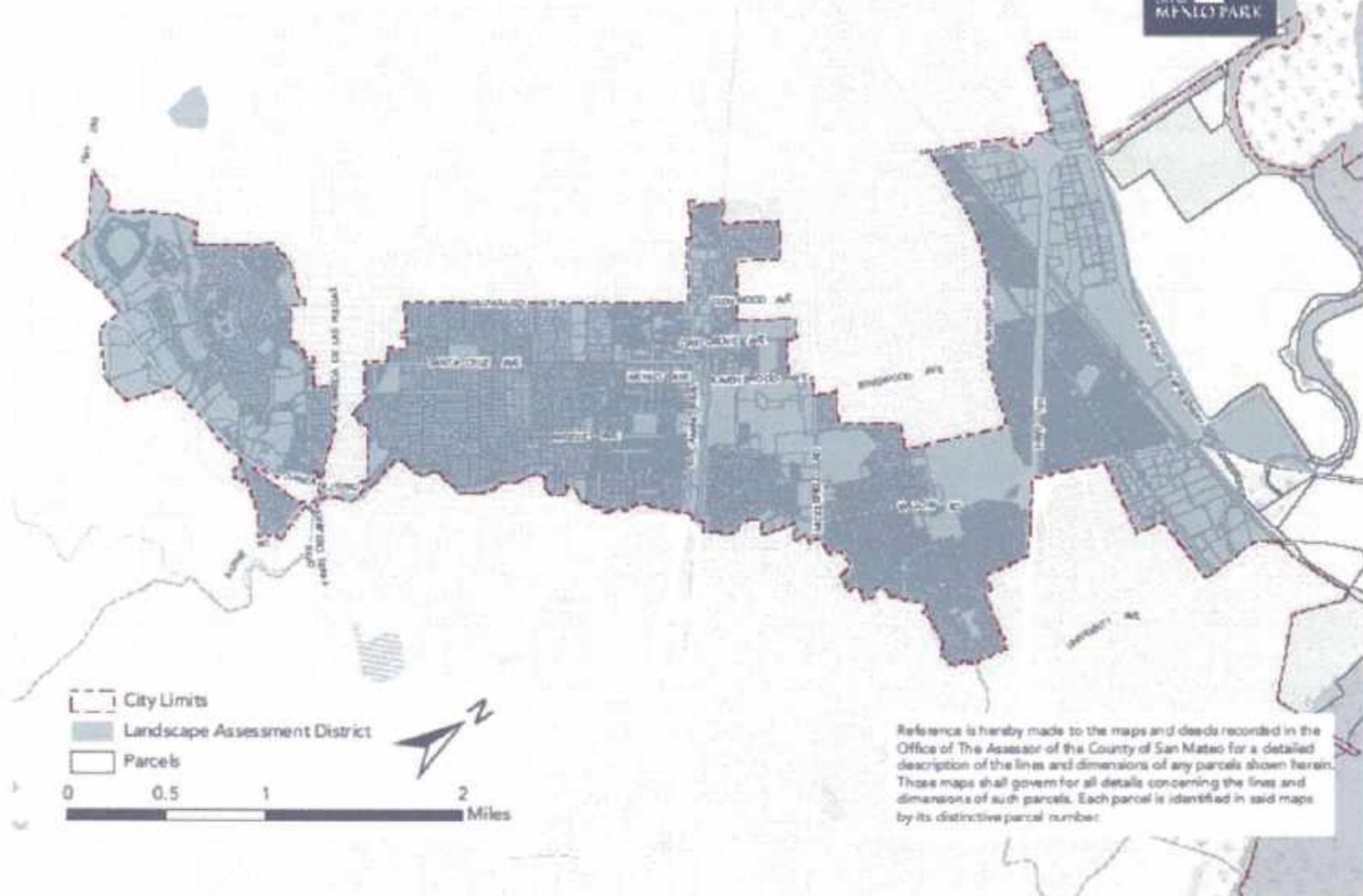
## **ASSESSMENT DIAGRAM**

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The Landscaping Assessment District includes all properties within the boundaries of the City of Menlo Park.

The boundaries of the Landscaping Assessment District are displayed on the following Assessment Diagram.

# Landscape Assessment District



**APPENDIX A – ASSESSMENT ROLL, FY 2018-19**

Reference is hereby made to the Assessment Roll in and for the assessment proceedings on file in the office of the City Clerk of the City of Menlo Park, as the Assessment Roll is too voluminous to be bound with this Engineer's Report.

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## STAFF REPORT

### City Council

Meeting Date:

6/19/2018

Staff Report Number:

18-131-CC

Public Hearing:

**Adopt Resolution No. 6444 to collect the regulatory fee at the existing rates to implement the City's Storm Water Management Program for fiscal year 2018-19**

### Recommendation

Staff recommends that the City Council adopt Resolution No. 6444 (Attachment A) to continue to collect the regulatory fee at the existing rates to implement the City's Storm Water Management Program for fiscal year 2018-19.

### Policy Issues

The funds collected through the regulatory fee are used for the Storm Water Management Program, which includes maintenance of storm drains and creeks and ensuring regulatory compliance. If the City Council does not adopt the resolution for the collection of fees, the lack of adequate funding would impact the level of services required to maintain the storm drain system and meet State requirements.

### Background

Two types of storm water related fees and charges are funded by Menlo Park property owners: a local regulatory fee, applicable to the city only, and a countywide fee, which is applicable to general program activities benefiting all agencies within San Mateo County. The countywide fee is collected directly by the San Mateo County Flood Control District, while the local fee is collected by the city. The following background information is specific to the local regulatory fee program.

In 1991, the San Francisco Bay Regional Water Quality Control Board notified San Mateo County and all incorporated cities within the county of the requirement to submit a municipal storm water national pollutant discharge elimination system permit application. As part of the permit process, all agencies were also required to implement a Storm Water Management Program with the intent of reducing the sources of pollution from storm water discharges that enter San Francisco Bay from urban and developing areas. The Water Board adopted the most current countywide national pollutant discharge elimination system permit in November 2015, which became effective January 1, 2016. The new countywide national pollutant discharge elimination system permit incorporates provisions, including goals, tasks, schedules and reporting requirements.

To comply with the national pollutant discharge elimination system permit requirements, the city must adopt, enforce, and implement all of the regulatory provisions. In July 1994, City Council adopted Ordinance No. 859 (Municipal Code Chapter 7.42), "Storm Water Management Program." Article V of the ordinance established a separate funding mechanism for the Storm Water Management Program, which requires the City to implement the regulatory fee. The funds collected are used to cover the expenses associated with the program, such as the cost for the annual cleanup of San Francisquito Creek and administrative and



professional services.

In fiscal year 2017-18, the budget for the Storm Water Management Program was \$411,611, with the regulatory fee providing \$353,455 in funds. The remaining expenses were covered by the carry-over in the program fund balance. The current annual regulatory fee collected by the city is based on a rate of \$5.25 per 1,000 square feet of impervious area for each property in the community. Fees therefore vary per property, depending on the amount of impervious area associated with the parcel and its size. For single family homes in the Belle Haven and Willows neighborhoods, where parcels are typically smaller than others in the city, the annual fee averages between \$16 and \$18 per property. In central Menlo Park and in the Sharon Heights neighborhood, the annual fee ranges between \$20 and \$26. The annual fee for a typical 5,000 square-foot downtown commercial property along Santa Cruz Avenue is \$26. Since the regulatory fee was established, there have been no increases. Increasing the fee would require the city to conduct a property-owner voting procedure in accordance with State Proposition 218.

**Analysis**

The budget for the Storm Water Management Program for fiscal year 2018-19 is presented in Table 1. As noted, the program tasks include administration of the national pollutant discharge elimination system permit requirements to ensure compliance and reporting needs.

<b>Table 1: Proposed Storm Water Management Program budget for fiscal year 2018-19</b>	
Staff administration and operating costs: City’s cost for personnel and operating expenses to implement the requirements of the national pollutant discharge elimination system permit, including reporting, participation in Technical Advisory Committee and subcommittees, storm drain management efforts and administration of the street sweeping program.	\$276,324
Storm water business inspections: Contract to perform business inspections per the national pollutant discharge elimination system permit (previously performed by the County).	\$77,625
Storm water permit: Annual national pollutant discharge elimination system permit fee paid to State Water Resources Control Board.	\$15,375
Watershed Council: City’s contribution to Grassroots Ecology for coordination of educational outreach, watershed planning and coastal cleanup day efforts.	\$12,000
General and administrative overhead: City’s obligation to the general fund for finance, information technology and administrative services.	\$72,500
Miscellaneous professional services: Stenciling of storm drains, updating the storm drain base map, geographic information services development, hazardous material permit, etc.	\$14,000
<b>Total</b>	<b>\$467,824</b>

As discussed earlier, the current annual regulatory fee collected by the city is based on a rate of \$5.25 per 1,000 square feet of impervious area for each property in the community. The current fee structure is expected to generate revenues of \$353,455 in fiscal year 2018-19. With an estimated \$624,044 carry-over from fiscal year 2017-18 (Table 2), sufficient funds will be available for the proposed fiscal year 2018-19 Storm Water Management Program expenditures. Therefore, staff proposes no change to the regulatory fee structure for fiscal year 2018-19 and recommends that City Council adopt a resolution allowing staff to continue to collect the storm water fee at the existing rates from all developed parcels within the City boundaries. Once authorized, the fee database will be forwarded directly to the County for preparation of the fiscal year 2018-19 tax bills.



Table 2: Storm Water Management Program revenues and expenses fiscal year 2018-19 budget	
Projected beginning fund balance	\$624,044
Estimated revenues (based on impervious area per parcel)	\$353,455
Estimated expenses	\$467,824
Projected ending fund balance	\$509,675

It is important to note that the regulatory fee for the Storm Water Management Program is subject to the requirements of Proposition 218 as a property-related fee, thus any increase would be subject to voter approval. Residual fund balance has made up the difference with respect to expenditures in recent years. As the fund balance is drawn down, funds will not be sufficient to meet new demands or unexpected expenses in future years. With increasing national pollutant discharge elimination system permit requirements, there may be a need to increase fees in the near future.

**Impact on City Resources**

Funding for the Storm Water Management Program consists of the carry-over of unspent funds from prior years and revenues collected through the regulatory fee. If the City Council does not order the continuation of the collection of fees, the impact on City resources would amount to \$467,824 (the total projected revenues from the regulatory fee).

**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 proposes an organizational structure change that 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. Resolution No. 6444

Report prepared by:  
Azalea Mitch, City Engineer

Reviewed by:  
Justin Murphy, Public Works Director



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**RESOLUTION NO. 6444****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK TO AUTHORIZE COLLECTION OF A REGULATORY FEE AT EXISTING RATES TO IMPLEMENT THE LOCAL CITY OF MENLO PARK STORM WATER MANAGEMENT PROGRAM FOR FISCAL YEAR 2018-19**

WHEREAS, Section 402(p) of the Clean Water Act (33 U.S.C. 1251 et seq.) as amended by the Water Quality Control Act of 1987, requires that all large and medium-sized incorporated municipalities must effectively prohibit non-storm water discharges into storm sewers; and further requires controls to reduce the discharge of pollutants from storm water systems to waters of the United States to the maximum extent practicable; and

WHEREAS, the City of Menlo Park, in conjunction with all of the incorporated cities in San Mateo County, has prepared the Storm Water Management Plan, which has a General Program to be administered and funded through the San Mateo County Flood Control District, and a specific program for each city, to be administered and funded by each city; and

WHEREAS, the Menlo Park specific program includes those efforts and programs required to be undertaken by the City of Menlo Park to support and address its responsibility to regulate and enforce local pollution control components under the Storm Water Management Plan; and

WHEREAS, the Menlo Park City Council is authorized and/or mandated by Chapter 7.42 Storm Water Management Program (Ordinance No. 859) of the municipal code adopted on July 12, 1994, and including the following federal and/or state statutes: the federal Clean Water Act as amended in 1987; the National Pollutant Discharge Elimination System Permit Application Regulations for Stormwater Discharges; the California Constitution, Article XI, Section 7 of the California Water Code Section 13002; and Part 3 of Division 5 of the California Health and Safety Code, to impose a regulatory fee to enforce the local storm water pollution control components of the San Mateo County Stormwater Management Plan upon the businesses, entities, residents, and unimproved properties of the City of Menlo Park; and

WHEREAS, that the City Council of the City of Menlo Park conducted a noticed public hearing to consider this resolution as part of an overall plan addressing, regulating, and reducing non-point source pollution discharges within the City of Menlo Park, and including regulatory fees necessary to ensure local compliance with the federal and/or state statutes.

NOW THEREFORE BE IT RESOLVED AND IS HEREBY FOUND, DETERMINED, AND ORDERED AS FOLLOWS:

1. That the City Engineering Services Manager/City Engineer for the City of Menlo Park is the authorized collection agent for the regulatory fees authorized and/or mandated by federal and/or state statutes, and is hereinafter empowered to collect, contract for collection, enforce, and/or institute other proceedings necessary for the collection of the regulatory fee.
2. That the City Engineering Services Manager/City Engineer is hereby directed to file, or cause to be filed, the amount of regulatory fees as described and shown on the attached Exhibit "A" including the diagram shown on the County Assessor's maps to be imposed and the parcels upon which such regulatory fees are imposed, with the County Auditor and/or the County Tax Collector of the County of San Mateo no later than early August of each applicable tax year. For each parcel upon which a regulatory fee has been imposed, the

regulatory fee shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for City purposes.

3. That the City Engineering Services Manager/City Engineer is authorized to enter into those agreements necessary to have the County of San Mateo perform the regulatory fee collection services required; and the City Council hereby authorizes the County of San Mateo to perform such services, and for the City to pay the County of San Mateo for the reasonable costs of those collection services so provided.

BE IT FURTHER RESOLVED that said Council authorized the establishment of a Regulatory Fee imposed to pay for costs to implement the Storm Water Management Program in accordance with Exhibit "A" attached hereto and incorporated herein by this reference.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a Public Hearing held by the City Council of the City of Menlo Park on the nineteenth day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk

**Exhibit A**

**Storm Water Management Program Regulatory Fee**

**Fiscal Year 2017-18**

**All Residential/Commercial/Industrial**

All residential/commercial/industrial properties and other non-residential properties shall pay \$.00525 per square foot of impervious area.

Exempt from fee: Federal, State, County, Flood Plain, and City Government parcels.



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## STAFF REPORT

**City Council**  
**Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-129-CC

**Public Hearing:** **Introduce an Ordinance updating the community amenities requirement for bonus level development in the residential mixed-use zoning district**

### Recommendation

Staff recommends that in light of the new State of California housing law, Assembly Bill (AB) 1505, which allows cities to apply inclusionary housing requirements to rental housing, the City Council introduce, based on the recommendation of the Housing Commission and the Planning Commission, an ordinance modifying the requirement for affordable housing as a community amenity for bonus level development in the Residential Mixed-Use (R-MU) zoning district.

### Policy Issues

Before AB 1505, the City could not impose inclusionary requirements on rental housing projects. At the time the ConnectMenlo general plan update was adopted, the only way to ensure development of affordable rental housing was to require it as a community amenity in exchange for bonus level development. Therefore, in the R-MU zoning district, where it was anticipated that rental housing would be developed, the City required that the community amenity provided be 15 percent of the total units as affordable. This requirement was in addition to the City's inclusionary housing requirement, which at the time applied only to for-sale housing.

After AB 1505 and the City Council's adoption of an implementing ordinance, inclusionary requirements apply to both for-sale and rental housing projects. Projects with 20 or more units must provide 15 percent of the total units as affordable. At the bonus level in the R-MU zoning district because the 15 percent affordable community amenity units are in addition to the 15 percent inclusionary units, the unanticipated consequence of AB 1505 is that projects at the bonus level would have to provide 30 percent of the total units as affordable. The goal of 15 percent of the total units as affordable in the R-MU zoning district can, after AB 1505, be achieved entirely through inclusionary zoning. Therefore, the R-MU zoning does not need to mandate affordable housing as the community amenity to be provided.

### Background

On September 29, 2017, Governor Brown signed 15 housing-related bills as part of a landmark housing package designed to respond to the State of California's housing crisis. The most significant bill, AB 1505, was adopted to legislatively override the Court's ruling in Palmer/Sixth Street Properties LP v. City of Los Angeles and allow cities to legally impose inclusionary housing requirements on rental units. Upon the recommendations of the Housing Commission and the Planning Commission, the City Council approved an update to the City's Below Market Rate (BMR) Housing Ordinance and BMR Housing Guidelines (collectively, BMR Program) to once again impose inclusionary requirements on rental housing throughout the city. As a result, both for-sale and rental residential developments of five or more units must include affordable units along with the market-rate units.

As part of the ConnectMenlo general plan update, the City Council adopted new three new zoning districts, Residential Mixed Use (R-MU), Office (O) and Life Sciences (LS). Each of these three new zoning districts identified a base level of development and a bonus level of development that allowed increased density, floor area ratio and/or height in exchange for the voluntary provision of community amenities in an amount equal to 50 percent of the fair market value of the additional gross floor area of the bonus level development.

In the R-MU zoning district, which generally includes the property in the area of Menlo Gateway between Constitution Drive and Independence and Jefferson Drives, and a portion of the proposed approximate 59-acre Willow Village along Willow Road near Hamilton Avenue, the City Council prioritized the provision of affordable housing as the primary community amenity. Specifically, in the R-MU zoning district community amenities are to be provide in the following order:

1. A minimum of 15 percent of the total units on-site for affordable housing.
2. Affordable housing units up to 20 percent of the bonus level development.
3. Another amenity from the City Council adopted community amenities list (Attachment B)

The requirement for affordable units as a community amenity was in addition to the City's below BMR Program requirements.

#### City Council Study Session

On March 13, 2018, the City Council held a study session regarding impact of AB 1505 on the City's BMR Program and the community amenity requirements for bonus level development in the R-MU zoning district. The City Council directed staff to consider eliminating the 15 percent affordable housing community amenity requirement in the R-MU zoning district. There was, however, interest in preserving a preference for additional affordable housing beyond the inclusionary requirement. The City Council directed staff to pay special attention to whether there were disparate impacts on smaller property owners from any changes to the community amenity language. The City Council also directed staff to adjust the appraisal process in response to the changes in the community amenity requirements.

AB 1505 requires the City to provide an alternative to the provision of on-site inclusionary units, including payment of an in-lieu fee. As the goal of both inclusionary housing and the requirement for affordable housing at the bonus level is to generate units on-site as part of the project, the City Council indicated a preference for requiring bonus level development applicants to build the inclusionary units on-site rather than paying a fee or utilizing an alternative means of compliance. Finally, the City Council directed that any update to the R-MU zoning should retain the preference for those who live in or have been recently displaced from the Belle Haven neighborhood.

#### Housing Commission

On April 11, 2018, the Housing Commission reviewed and unanimously recommended the proposed revisions to the R-MU zoning district. Per the City Council's direction, the Housing Commission paid special attention to smaller projects. The Housing Commission responded to five policy questions posed in the staff report regarding small projects (Attachment C.) Several Commissioners noted that small projects could be defined as 20 or 40 units, but in general, there was no consensus and the Commission did not provide any specific recommendation. Additionally, the Housing Commission indicated an interest in allowing affordable housing at all income levels, and not just moderate income. Relative to the question of whether developers providing more than 15 percent affordable units should be allowed to seek City Council approval for affordable units to be in a stand-alone building rather than included throughout the development, the Housing Commission expressed a preference for units to be incorporated into the development. Finally, the Housing Commission indicated a preference for affordable housing policies to be applicable citywide and not limited to one district.

### Planning Commission

On May 7, 2018, the Planning Commission also reviewed and unanimously recommended the proposed revisions to the R-MU zoning district. The Planning Commission also discussed the question of whether small projects should explicitly be allowed to provide moderate income units to satisfy the low-income inclusionary requirement. While several Commissioners indicated that moderate income may be reasonable, the Planning Commission made no recommendation on that issue or how a small project should be defined. One member of the public spoke about the specific issue and recommended that the small projects should be limited to projects on sites less than 1 acre and 100 units.

### **Analysis**

Staff recommends the following revisions to Section 16.45.060, Bonus Level Development, of the R-MU zoning chapter with additions shown in underline and deletions shown in strike out:

As described in Section 16.45.070, as a threshold requirement for utilizing bonus level development~~the community amenity provided~~ in the residential mixed use-bonus (R-MU-B) zoning district, the applicant must include the provision of construct the below market rate units required pursuant to Chapter 16.96 on-site rather than utilizing an alternative means of compliance per Section 16.96.070, unless otherwise approved by the City Council~~a minimum of fifteen (15) percent of the total units on-site for affordable housing units for moderate, low, and very low income households.~~ Any such units will be sold or rented with a preference for current or recently displaced Belle Haven residents, followed by the preferences provided in the City's Below Market Rate Housing Guidelines.~~, and commensurate with the city's regional housing need allocation distribution amongst the income categories at the time of a development application. Units for extremely low, very low, and low income may be substituted for any higher income categories requirement. This affordable unit requirement is in addition to the city's below market rate requirements per Chapter 16.96. If and when Chapter 16.96 becomes void or unenforceable, the community amenity provided must be a minimum of 15 percent of the total units on-site for affordable housing units in accordance with the City's Below Market Rate Housing Ordinance and Guidelines.~~

The edits to this section are intended to carry out the City Council's directions at the March 13, 2018, study session. Language has been added to indicate that the inclusionary units, which are required pursuant to the City's BMR Program, must be provided on-site, unless otherwise approved by the City Council, with a preference for current or recently displaced Belle Haven residents. Because the preference for Belle Haven residents is specific to the R-MU zoning district, it is appropriate to include it here, rather than adding it to the BMR Guidelines which govern the preferences applicable to housing developed throughout the city. The requirement that the community amenity must be 15 percent of the total units for affordable housing has been deleted; as has the language that the community amenity affordable unit requirement is in addition to the inclusionary units required by the City's BMR Program. The final sentence has been added such that in the event the City's BMR Program becomes unenforceable again, the requirement for 15 percent affordable as a community amenity is retained.

The affordability of inclusionary units is governed by the BMR Guidelines. The BMR Guidelines have historically required the affordable units be set aside for low or very low income households. The City Council recently adopted an update to the BMR Guidelines that created some flexibility, where appropriate, for other income categories commensurate with the City's Regional Housing Need Allocation. Given the update to the BMR Guidelines, there is no need for the specific language regarding of income level and distribution in the R-MU zoning language; it has been deleted.

In addition to modifications to Section 16.45.060, amendments are necessary to portions of Section 16.45.070, Community Amenities Required for Bonus Level Development. This report focuses only on those sub-sections where staff is recommending changes in response to the City Council's comments at the March 13, 2018 study session.

(3) Value of Amenity. The value of the community amenities to be provided shall equal fifty percent (50%) of the fair market value of the additional gross floor area of the bonus level development. The value shall be calculated as follows: The applicant shall provide, at their expense, an appraisal performed within ninety (90) days of the application date by a licensed appraisal firm that sets a fair market value in cash of the gross floor area of the bonus level of development ("total bonus"). The form and content of the appraisal, including any appraisal instructions, must be approved by the community development director. ~~The appraisal shall (A) first determine the total bonus without consideration of the community amenities requirement established under Section 16.45.070, and (B) second determine the change in total bonus with consideration of the fifteen percent (15%) affordable housing community amenity requirement ("affordable housing amenity value"). If the affordable housing amenity value is less than fifty percent (50%) of the total bonus value, the value of the community amenities to be provided in addition to the fifteen percent (15%) affordable housing is the difference between those two (2) numbers.~~

This subsection identifies how the value of the community amenities to be provided is calculated. The language has been simplified consistent with the appraisal process in the other two zoning districts (LS and O) in the Bayfront Area where there is no requirement that the community amenity be affordable housing. After AB 1505, the provision of 15 percent of the total units as affordable is a requirement. As it is no longer a community amenity, if the 15 percent affordable housing cost were netted out, the developer would be given credit for the inclusionary requirement and avoid being required to provide the appropriate level of community amenities but still get the benefit of the bonus level development. It should be noted that there could be a monetary impact as a result of the inclusionary requirement that the appraiser would factor into the analysis at the first step in the appraisal process. The suggested deletions remove the second and third steps in the appraisal process and ensure the city will receive the full value of community amenities.

The next edits reflect a change in the required form of the amenities.

(4) Form of Amenity. A community amenity shall be provided utilizing any one (1) of the following mechanisms:

(A) Include the community amenity as part of the project. As a threshold for utilizing bonus level development, any affordable housing required pursuant to Chapter 16.96 shall be ~~The community amenity~~ designed and constructed on-site as part of the project; the applicant shall not be allowed to utilize an alternative means of compliance, unless otherwise approved by the City Council. ~~shall first be the provision of a minimum of fifteen percent (15%) of total units on-site for affordable housing units (or with approval of the planning commission in another location) for moderate, low, and very low income households, with~~ These affordable housing units shall be sold or rented with a preference for current or recently displaced Belle Haven residents, followed by the preferences provided in the City's Below Market Rate Housing Guidelines, and commensurate with the city's regional housing need allocation distribution amongst the income categories at the time of a development application, and The community amenity provided as part of the project shall be from the list of community amenities adopted by city council resolution, with a preference for including ~~shall second be the provision of additional affordable housing units,~~ for example additional housing such that up to twenty

percent (20%) of the development is affordable (15 percent inclusionary plus five percent additional affordable units), or third the provision of another amenity from the list of community amenities adopted by city council resolution. Units for extremely low, very low and low income may be substituted for any higher income categories requirement. The value of the community amenity provided shall be at least equivalent to the value calculated pursuant to the formula identified in subsection (3) of this section. Once any one ~~(4)~~ of the community amenities on the list adopted by city council resolution has been provided, with the exception of affordable housing, it will no longer be an option available to other applicants. Prior to approval of final inspection for the building permit for any portion of the project, the applicant shall complete (or bond for) the construction and installation of the community amenities included in the project and shall provide documentation sufficient for the city manager or his/her designee to certify compliance with this section.

Like the language in Section 16.45.060, the edits to this subsection capture the threshold requirement to build the affordable units on-site as part of the project, unless otherwise approved by the City Council, with a preference for current or recently displaced Belle Haven residents. Flexibility relative to whether the units must be inclusionary or can be part of a stand-alone project when more than 15 percent of the total units are provided as affordable is addressed in City Council's recent update to the BMR Guidelines. The edits also state a preference for the community amenity to be additional affordable housing consistent with the original adopted language; however, it is a preference and is not mandatory. What remains mandatory is that the community amenity provided must be equivalent to the full community amenity value determined through the appraisal process.

One issue raised relative to the appraisal process is the potential for a disparate impact on smaller property owners. Staff consulted with BAE Urban Economics (BAE), the city's economic consultant, about providing proformas and calculations to show how the appraisal process would impact large landowners compared to smaller landowners to make sure there were no unintended consequences. BAE indicated that a complex financial analysis was unnecessary to address the City Council's concern. The appraisal process would address this concern in the way that comparable land sales are selected by the appraiser. For a small project on a small parcel, the appraiser would typically only select sales of like small properties to establish a base value and to value the bonus square footage. If there are any site-specific development constraints for the subject project that make it more expensive to develop in comparison with the sales comps, the appraiser would take that into consideration. In the end, small projects would generate a community amenity with a lower absolute dollar value. The concern may be that there is a higher fixed cost to undertaking and completing a small project compared to a large project and this would be true in most cases, whether or not there is a community amenity requirement. Bonus development, in fact, would enlarge the project allowing any fixed costs to be spread over a larger development envelope. Furthermore, the market would account for any project size effect in the pricing of small development parcels. Thus, based on staff's consultation with BAE, the concern about unintended consequences relative to smaller projects is best addressed through the appraisal process.

Notwithstanding the foregoing, the Housing Commission and the Planning Commission were asked to provide input regarding adding specific language to allow smaller projects to provide all of the affordable housing at the moderate income level rather than the low income level required by the BMR Guidelines. The recent update to the BMR Guidelines created flexibility by allowing the City Council to approve units from very low to moderate income levels as long as the mix is roughly equivalent to the provision of all of the low income units. Although not explicitly stated in regard to small projects, this change would allow any project, including a small project, to propose and obtain City Council approval to provide all moderate income units (e.g., by providing additional moderate units in lieu of providing low income units). Neither the Housing



Commission nor the Planning Commission provided a recommendation to add language specifically allowing small projects to provide all moderate income inclusionary units or made any recommendations regarding related issues such as the definition of a small project. As a result, staff has not proposed additional language in the ordinance updating the R-MU zoning.

### **Impact on City Resources**

Revisions to the R-MU zoning district are not anticipated to have any impact on City resources.

### **Environmental Review**

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines Section 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment. Furthermore, the City Council certified an Environmental Impact Report (EIR) for ConnectMenlo and related zoning ordinances, which included the R-MU zoning district. It is not anticipated that any changes in the zoning ordinance will fall outside the scope of the certified EIR. No further environmental review is necessary.

### **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. Ordinance No. 1047 of the City Council of the City Of Menlo Park amending Sections of Chapter 16.45 [R-MU Residential Mixed Use District] of Title 16 [Zoning] of the Menlo Park Municipal Code regarding community amenities required for bonus level development
- B. [www.menlopark.org/DocumentCenter/View/15009](http://www.menlopark.org/DocumentCenter/View/15009)
- C. [www.menlopark.org/DocumentCenter/View/17125](http://www.menlopark.org/DocumentCenter/View/17125)

Report prepared by:

Leigh F. Prince, Assistant City Attorney

**ORDINANCE NUMBER 1047****ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADDING CHAPTER 8.54 [TENANT ANTI-DISCRIMINATION] TO TITLE  
8 [PEACE SAFETY AND MORALS] OF THE MENLO PARK MUNICIPAL  
CODE**

The City Council of the City Menlo Park does hereby ordain as follows:

**SECTION 1. FINDINGS AND DETERMINATIONS.**

- A. The opportunity to seek, obtain and hold housing without discrimination is a civil right. The City of Menlo Park desires to eliminate discrimination in a person's ability to obtain housing based on a person's source of income for rental payments.
- B. The U.S. Department of Housing and Urban Development reports that some landlords avoid the administrative burden associated with voucher programs and other landlords resist renting to voucher recipients because they perceive this group to be undesirable tenants and/or they fear that other tenants would object to voucher recipients as neighbors. This type of discrimination based on the source of income prevents a voucher program from living up to its full potential.
- C. The San Mateo County Housing Authority reportedly assists approximately 4,300 low-income families in San Mateo County with Section 8 vouchers. The success of this program depends on the voluntary participation of landlords to rent to participant families, which include elderly persons, disabled persons, and working families who do not earn enough to keep pace with rising rental housing costs.
- D. Source of income anti-discrimination ordinances have the potential to increase the number of individuals and families who are able to successfully locate housing using a voucher.
- E. The City of Menlo Park Housing Element Program H1.G calls for the City to adopt and the City Council of the City of Menlo Park now wishes to adopt an anti-discrimination ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.

**SECTION 2. ADDITION OF CODE.** Chapter 8.54 [Tenant Anti-Discrimination] is hereby added to Title 8 [Peace Safety and Morals] of the Menlo Park Municipal Code to read as follows:

**Chapter: 8.54 TENANT ANTI-DISCRIMINATION**

- 8.54.010 Purpose and Findings**
- 8.54.020 Definitions**
- 8.54.030 Source of Income Protections**
- 8.54.040 Civil Liability**
- 8.54.050 Criminal Penalty**
- 8.54.060 City Liability**
  
- 8.54.010 Purpose and Findings**

- A. Equal housing opportunities should be available to all people. The City is opposed to

and desires to eliminate discrimination in a person's ability to obtain housing based on a person's source of income.

- B. The purpose of this chapter is to establish a right of tenants to be free from discrimination based on their use of a rental subsidy, including Section 8 and other rental programs.

**8.54.020 Definitions**

- A. For purposes of this chapter, "source of income" means all lawful sources of income or rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program.
- B. The word "person" as used in this chapter means any individual, firm, corporation or other organization or group of persons however organized.

**8.54.030 Source of Income Protections**

- A. It is unlawful for any person to do any of the following wholly or partially based on the source of income:
  - 1. To interrupt, terminate, fail or refuse to initiate or conduct any transaction in real property, including, but not limited to, the rental thereof;
  - 2. To require different terms for such transaction;
  - 3. To falsely represent that an interest in real property is not available for such transaction;
  - 4. To refuse or restrict facilities, services, repairs or improvements for any tenant or lessee;
  - 5. To make, print, publish, advertise or disseminate in any way, or cause to be made, printed or published, advertised or disseminated in any way, any notice, statement, or advertisement with respect to a transaction in real property or with respect to financing related to any such transaction, which unlawfully indicates preference, limitation or discrimination based on source of income.
- B. It is unlawful for any person to use a financial or income standard for the rental of housing that does either of the following:
  - 1. Fails to account for any rental payments or portions of rental payments that will be made by other individuals or organizations on the same basis as rental payments to be made directly by the tenant or prospective tenant;
  - 2. Fails to account for the aggregate income of persons residing together or proposing to reside together or an aggregate income of tenants or prospective tenants and their cosigners or proposed cosigners on the same basis as the aggregate income of married persons residing together or proposing to reside together.
- C. Exceptions.
  - 1. Nothing in this chapter shall be construed to apply to the rental or leasing of any housing unit in which the owner or any member of his/her family occupies one of the living units or the structure contains fewer than three dwelling units.
  - 2. Nothing in this chapter shall be deemed to permit any rental or occupancy of any dwelling unit or commercial space otherwise prohibited by law.

**8.54.040 Civil Liability**

- A. Any aggrieved person may enforce the provisions of this chapter by means of a civil action for damages and injunctive relief in any court of competent jurisdiction. The litigating complainant shall file a courtesy copy of the lawsuit with the City Attorney.
- B. Prior to filing a civil action, a person whose rights have allegedly been violated under this chapter shall first request to mediate the controversy. The complainant's obligations under this section shall be satisfied if the parties mediate in good faith or if the opposing part does not agree to mediation within 14 days of the request to mediate.

**8.54.050 Criminal Penalty**

Any person who violates any provision of this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than One Thousand Dollars (\$1,000) or by imprisonment in the county jail for a period not exceeding six months, or both.

**8.54.060 City Liability**

- A. The City shall not be liable for any damages, costs or expenses which are the result of any act or omission of or any decision made by any person (e.g. mediator, court) concerning an anti-discrimination claim or a complainant's assertions pertaining to rights granted or conferred by this chapter.
- B. Under no circumstances shall the City have any responsibility or liability to enforce this chapter or to seek legal redress.

SECTION 3. SEVERABILITY. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act ("CEQA") because the activity is not a project as defined by Section 15378 of the CEQA Guidelines. The ordinance has no potential for resulting in physical change to the environment either directly or indirectly.

SECTION 5. EFFECTIVE DATE AND PUBLISHING. This ordinance shall take effect 30 days after adoption. The City Clerk shall cause publication of the ordinance within 15 days after passage in a newspaper of general circulation published and circulated in the city or, if none, the posted in at least three public places in the city. Within 15 days after the adoption of the ordinance amendment, a summary of the amendment shall be published with the names of the council members voting for and against the amendment.

INTRODUCED on the nineteenth day of June, 2018.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the \_\_\_\_ day of \_\_\_\_\_, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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Peter I. Ohtaki, Mayor

ATTEST:

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Judi A. Herren, City Clerk



## STAFF REPORT

### City Council

Meeting Date: 6/19/2018  
Staff Report Number: 18-141-CC

Regular Business: Amend the fiscal year 2017-18 budget and authorize the City Manager to execute agreements with GameTime for the Park Playground Equipment Project

### Recommendation

Staff recommends that the City Council approve the following:

1. Increase transfer from the general fund to general capital fund by \$1.05 million in fiscal year 2017-18; \$0.50 million for the Downtown Parking Structure Project, and \$0.55 million for the Park Playground Equipment Project
2. Earmark \$1 million of the 2017-18 surplus to offset impacts of the 500 El Camino Real projects on the Menlo Park City School District (MPCSD)
3. Earmark \$1 million of the surplus to the Public Employees' Retirement System (PERS) contingency reserve. If the general fund surplus is insufficient to provide the full \$1 million addition to the PERS contingency reserve, the amount will be adjusted down as necessary through the year-end close process
4. Appropriate the Bayfront Landfill Collection and Leachate Systems Repair Project using available fund balance in the Bayfront Landfill Fund in the amount of \$3.5 million in fiscal year 2017-18
5. Authorize the city manager to execute an agreement with GameTime for the Park Playground Equipment Project up to the budgeted amount

### Policy Issues

The City Council is required to approve all changes in the budget that increase appropriations and move monies between funds.

### Background

As staff prepares the budget for the upcoming fiscal year, a key element in the process is generating estimates regarding current fiscal year actual revenue and expenditures. Based on activity through the end of April 2018, the city manager's proposed fiscal budget for fiscal year 2018-19 outlines an estimated general fund net revenue, or surplus, amounting to \$4.74 million. The general fund surplus is primarily the result of higher tax revenues, specifically property and sales taxes. In addition, due to higher than anticipated personnel costs savings resulting from staff vacancies, expenditures are expected to be lower than budget. While the surplus is an estimate and may differ once the fiscal year is fully closed, staff has every expectation that allocation of up to \$3.5 million in a year-end transfer is unlikely to result in a deficit for the fiscal year ended June 30, 2018, once the audit is final.



## Analysis

At their meeting June 5, 2018, the City Council held a public hearing on the city manager's proposed 2018-19 budget. The City's budget is a combination of both operating and capital in an effort to provide the City Council and community with the most complete view of the city's finances. Following extensive City Council discussion of the budget and five-year Capital Improvement Plan, the City Council directed staff to return June 19, 2018, with a fiscal year-end budget amendment for fiscal year 2017-18 to provide for the following:

1. Creation of a downtown parking structure fund

To assist in advancing the Downtown Parking Structure project, the City Council directed staff to return with a year-end budget adjustment for fiscal year 2017-18 to transfer \$500,000 from the general fund to a new fund for the project. While the City Council ultimately holds discretion over how many funds the city maintains, staff recommends against establishing funds for single projects. The creation of a new fund is generally reserved to account for monies that have an external source or restriction. In certain cases, funds are established to provide for accounting of complex matters that have a high volume of accounting activity. The most recent fund created was the Library System Improvements Fund which was established in anticipation of outside funding for the support of the system improvements. As an alternative to the creation of a new fund, staff recommends taking advantage of the city's project accounting capability to establish a new project in the general capital fund. The funds available in the project are reported as necessary and documented annually in the budget adoption process. The recommendation is to transfer \$500,000 from the general fund to the general capital fund for the Downtown Parking Structure Project. These funds will not be spent until a project plan is approved by the City Council. Alternatively, the City Council could transfer the funds to either the downtown parking permit fee fund or the Downtown/Station 1300 development agreement fund created as a result of restricted revenue generated by the development agreement for Station 1300. If the City Council transfers general fund monies to these funds, it may be more difficult to return the funds to the general fund or the general capital fund should another revenue source be generated and given that these funds have restricted revenue that can only be used for certain purposes. Also, if approved, this will increase the projected carry-over detailed in the 2018-19 budget by \$0.50 million.

2. \$1 million to offset impacts on the Menlo Park City School District resulting from Stanford University's development of 500 El Camino Real

In the City's approval of the 500 El Camino Real project, MPCSD officials maintained that Stanford University's project presented impacts to the school district that were not fully mitigated through the City's negotiation of a development agreement. Specifically MPCSD officials sought an additional \$1.0 million. When staff presented the midyear budget report for fiscal year 2017-18, the City Council was advised that the City's property tax revenues would exceed the adopted budget by an estimated \$1.1 million in large part due to the City's receipt of excess Education Revenue Augmentation Fund. At that time, Mayor Pro Tem Mueller raised the question of whether the city should use the higher than budgeted property tax monies offset MPCSD's request for additional funds from Stanford University. No action was taken at the midyear budget preparation.

During the public hearing on the city manager's proposed budget for fiscal year 2018-19, Mayor Pro Tem Mueller raised the question regarding use of City funds to offset MPCSD's request for additional funds from Stanford University for the 500 El Camino Real project. Mayor Pro Tem Mueller proposed reopening the development agreement negotiations with Stanford University to realign the University's contribution to various components of the agreement with no change in the University's overall financial commitment under the existing development agreement. Specifically, the Mayor Pro Tem proposed reducing the University's contribution to the Middle Avenue/Caltrain Crossing project in exchange for an offsetting increase in the University's payment to MPCSD to offset impacts resulting from the development. Given that the Middle Avenue/Caltrain Crossing project is not fully funded, a reduction in

the University's contribution to the project requires the city to seek additional grant funds or increase the use of City funds to offset the impact of a lower contribution to the project by the University.

After extensive discussion by the City Council and requests from other City Councilmembers for additional information on MPCSD's calculations as well as the technical mechanism on how to transfer the monies to MPCSD, the City Council reached consensus to direct staff to return with a proposal to earmark \$1.0 million of the fiscal year 2017-18 estimated surplus for future City Council determination of use on this topic.

3. Public Employees' Retirement System contingency reserve fund  
City Council policy 11-0002 provides that, at the end of each year, the city shall designate 25 percent of the audited general fund surplus to the PERS contingency reserve fund. While no action is required of the City Council, as anticipated surplus is transferred from the general fund to other funds such as the \$1.5 million outlined above, the general fund surplus decreases and subsequently the contribution to the PERS contingency reserve fund decreases. As a matter of policy, the City Council can direct that a certain dollar amount be designated for the PERS contingency reserve fund as of June 30, 2017. Staff recommends the designation at \$1 million. If the audited surplus is less than \$1 million, the actual designation will be adjusted downward to reflect the full amount of the actual surplus.

In addition to City Council direction above, staff recommends the following end-of year budget amendments which arose after the budget was compiled:

Funding the Bedwell Bayfront Park Collection and Leachate Systems Repair. The recommendation is to amend the fiscal year 2017-18 Bayfront Landfill Fund to fund the Bayfront Landfill Gas Collection and Leachate Systems Repair project. The recommended funding is \$3.5 million and has no impact on the general fund or general capital fund. If approved, this will increase the projected carry-over detailed in the 2018-19 budget by \$3.5 million. This project improves the existing methane gas collection and leachate systems serving the former landfill at Bedwell Bayfront Park. Replacement of the gas extraction wells and the installation of a new leachate pumping system will improve the operations by complying with best management practices. The upgrade will improve the safety of the operations, increase methane capture and reduce greenhouse gas emissions.

Increase funding for the Park Playground Equipment Project by \$550,000. The Park Playground Equipment Project would replace playground equipment at multiple parks on a schedule based on the age and condition of existing equipment. The playground equipment at Nealon Park would be replaced first with Burgess and Willow Oaks Parks scheduled for subsequent budget years. The original budget estimate was based on replacing the equipment while maintaining a comparable footprint. After releasing a request for qualifications, the City received three proposals from firms. During the proposal review process, it came to light that the playground footprint at Nealon Park could be increased in size within the existing fenced playground area. Presented with this opportunity, staff recommends transferring an additional \$550,000 from the general fund to the general capital fund in fiscal year 2017-18. If approved, the transfer will reduce the general fund surplus for fiscal year 2017-18. If approved, this will increase the projected carry-over detailed in the 2018-19 budget by \$0.55 million. In addition to appropriating funds, the recommendation is to authorize the city manager to execute agreements with GameTime for the design, purchase and installation of playground equipment provided for in the Parks Playground Equipment project as included in the Capital Improvement Plan. The GameTime proposal was the consensus choice of the review panel, comprised of staff from the Community Services and Public Works Departments and members of the Parks and Recreation Commission, for meeting the identified selection criteria.

Finally, if approved, the recommendation is that the City Council provide authority to staff to amend the final

City Council adopted budget to include the projected carry-over amounting to \$4.55 million across all funds.

### **Impact on City Resources**

The anticipated fund balance in the affected funds are sufficient to provide to the new appropriations totaling \$4.55 million. The funds earmarked for the PERS contingency reserve fund and to offset the impacts of 500 El Camino Real development on the MPCSD, \$2 million total, are not actual expenditures and do not require appropriation. If the City Council approves the recommendation, staff will record the \$2 million as designated fund balance for use at a future time.

### **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 proposes an organizational structure change that 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.

Report prepared by:

Brandon Cortez, Management Analyst I

Dan Jacobson, Finance and Budget Manager

Approved by:

Nick Pegueros, Administrative Services Director



**STAFF REPORT - AMENDED**

**City Council Meeting Date:**

**Staff Report Number:**

**6/19/2018**

**18-140-CC**

**Regular Business:**

**Approve resolutions: adopting the fiscal year 2018–19 budget and Capital Improvement Plan and appropriating funds; establishing the appropriations limit for fiscal year 2018–19; establishing a consecutive temporary tax percentage reduction in the Utility Users' Tax rates through September 30, 2019; and establishing Citywide salary schedule effective July 8, 2018**

**Recommendation**

Staff recommends that the City Council approve the following:

1. Adopt Resolution No. 6447 adopting the fiscal year 2018-19 budget and Capital Improvement Plan and appropriating funds;
2. Adopt Resolution No. 6448 establishing the appropriations limit for fiscal year 2018-19;
3. Adopt Resolution No. 6449 establishing a consecutive temporary tax percentage reduction in the utility users' tax rate through September 30, 2019;
4. Adopt Resolution No. 6450 adopting the City's salary schedule effective July 8, 2018

**Policy Issues**

The City Council is required to adopt a balanced budget, approve all enabling resolutions and appropriate funds before July 1 of each year.

**Background**

At their June 5, 2018, meeting, the City Council received a report from staff and held a public hearing regarding the city manager's proposed fiscal year 2018-19 budget and capital improvement plan. This hearing followed the city manager's budget workshop presentation to the community May 30, 2018, at which time the public was invited to receive an overview of the proposed fiscal year 2018-19 budget. There was no public comment on the proposed budget.

The operating budget was developed using guidance that the City Council provided at its January 29, 2018, goal setting workshop, and all of City Council's adopted work plan items have been proposed for funding in fiscal year 2018–19. In addition, May 14, 2018, and consistent with City Council policy, the Planning Commission found the proposed capital improvement plan to be consistent with the General Plan.

**Analysis**

The City's overall proposed budget, across 48 funds, is balanced with revenues exceeding \$144 million and expenditures exceeding \$143 million. This amount includes \$29.96 million of carry-over project funding

which represents City Council's approved capital improvement projects from the current and past fiscal years that remain incomplete. The surplus is lower than what was presented in the city manager's proposed budget for fiscal year 2018-19 as the result of direction from City Council at the June 5 public hearing to fund additional projects in fiscal year 2018-19.

### General fund

At their meeting June 5, 2018, the City Council received a report on the city manager's proposed budget for fiscal year 2018-19. Following staff's presentation, the Mayor opened the public hearing and no public comment was offered.

In their discussion of the proposed budget for fiscal year 2018-19, the City Council provided direction to return with a proposal by City Councilmember Keith regarding additional opportunities for the City to invest in the downtown. To aid in developing programs and initiatives, the City Council directed staff to return with an agenda item to create a subcommittee of the City Council to work with staff and the Chamber of Commerce. The subcommittee would develop recommendations for full City Council consideration. To support any programs or initiatives arising out of this effort, staff has updated the fiscal year 2018-19 budget to reflect an additional \$100,000 appropriation in the City Council's special projects budget. No funds will be expended from this appropriation without additional City Council action. The impact of this change reduces the city manager's proposed budget for fiscal year 2018-19 general fund budget surplus from \$0.42 million to \$0.32 million. The subcommittee's formation is a separate agenda item.

### Capital funds

The proposed budget for fiscal year 2018-19 included a total transfer from the general fund to the general capital fund of \$6.48 million. The total transfer is inclusive of the annual transfer established by City Council policy (\$2.98 million) and a one-time transfer of \$3.5 million to prefund anticipated capital needs in the five-year Capital Improvement Plan. At the public hearing, Mayor Ohtaki, Vice Mayor Mueller and Councilmember Keith identified projects that City Council may consider for funding in fiscal year 2018-19. The projects requested to be advanced for fiscal year 2018-19 funding were scheduled for funding in 2019-20 in the proposed Capital Improvement Plan and are described below.

1. Sharon Road sidewalk installation (\$935,000)

Vice Mayor Mueller proposed prefunding this project in fiscal year 2018-19. The project was scheduled to begin design in fiscal year 2019-20 and construction in 2020-21, subject to appropriation in future years. The original proposed budget did not include the project due to staff capacity. Following discussion and input from staff, a consensus emerged on the City Council to direct staff to include the Sharon Road Sidewalk Installation project in the fiscal year 2018-19 budget acknowledging that, while funded, the project would not likely be initiated in fiscal year 2018-19. The fiscal year 2018-19 General Capital Fund budget has been adjusted to reflect appropriation of \$935,000 for the Sharon Road Sidewalk Installation project. This change increases the City's overall appropriations by \$935,000.

2. Funding for the Belle Haven Branch Library (\$450,000)

The Mayor recommended funding of the Belle Haven branch library improvements in the fiscal year 2018-19 budget. In addition, the Mayor suggested the creation of a new fund to provide a mechanism to begin saving for the branch library replacement. The Library System Improvements Fund, as established in October 2017, contains distinct projects for the main and branch libraries. Each project is accounted for independently and can be used to save for the branch library replacement. The budget document has been updated to reflect the distinct projects and staff has proposed additional funding for the Library System Improvement: Belle Haven Branch Library project in fiscal year 2018-19 using available fund balance in the Library System Improvements Fund. This change increases the City's overall appropriations by \$450,000.



City Councilmember Keith proposed funding for the Willow Oaks Park Bicycle Connector. The City Council discussed the project and its relationship to the Safe Routes to School and other transportation division initiatives. After several reviews of the City Council discussion, there was uncertainty as to whether or not this project received sufficient Council support to include in the Proposed Budget. Due to lack of clarity during the City Council's discussion on this particular project, staff needs additional direction on whether to prefund this project. Prefunding in the fiscal year 2018-19 budget would increase the City's overall appropriations by \$500,000.

There is sufficient operating surplus to fund this project. However, similar to the Sharon Road Sidewalk project, the proposed budget had programmed this project for 2019-20 due to staff capacity and the need to assess and develop neighborhood consensus on the preferred Safe Routes to School as part of the Willows Complete Streets study. Similar to the Sharon Road Sidewalk, no work would likely be completed on this project until late 2019.

Finally, the aforementioned changes, in addition to any direction provided to staff with budget adoption, will be incorporated into the final published version of the City Council Adopted Budget and Capital Improvement Plan for fiscal year 2018-19. Alongside these changes and any other direction, staff will true-up estimated carry-over appropriations and correct any other minor clerical errors.

#### Annual salary schedule adoption

State law requires the City Council to adopt a salary schedule each time the City's salary schedule changes. The City has negotiated agreements with three of its organized labor units as well as an adopted compensation plan for unrepresented management which provide for salary range adjustments effective July 8, 2018. The salary range adjustments result in salary increases for most represented employees. However, salary range changes have no direct impact on salaries for unrepresented employees such as the city manager, department heads, or division managers except in cases where the incumbent's current salary would be surpassed by the new bottom of the range, in which case they are adjusted only to the new bottom of the range. The city manager's salary can only be adjusted by an amendment to his contract directed and approved by the City Council. The salaries for department heads and division managers can only be adjusted by the city manager based on annual performance evaluations of employees, except as previously noted.

In addition to the scheduled salary range adjustments provided for in the labor contracts and the compensation plan for unrepresented management, staff is recommending further implementation of the proposed Classification and Compensation Plan which consultants provided in summer 2016 to create career paths for employees in their discipline. As a recruitment and retention initiative, the City's ability to create career paths for employees has so far proven effective. The most recent implementation of this was the approval of the Project Manager I/II salary range. Other examples are the Accountant I/II and Senior Accountant. As part of recent classification analyses performed as required by our labor contracts for represented employees, staff recommends the creation of the new classification of Geographic Information Systems (GIS) Coordinator I/II. The City's reliance on GIS for the provision of services to the community has grown exponentially over the past several years. As new systems are implemented, such as land management, the role of certain employees requires increasing use and knowledge of the city's GIS platform. This classification does not result in new full-time equivalent employees but does result in the reclassification of a Senior Engineering Technician to a GIS Coordinator I or II in recognition of the individual's considerable GIS role. In addition to GIS Coordinator I/II, staff is also recommending the expansion of the Enterprise Applications Support Specialist (EASS) to EASS I/II. Similar to the GIS Coordinator, as the City continues to invest in its technology, staff anticipates the need for existing positions in departments to convert to EASS classifications to ensure the proper support of their department's



applications. Finally, staff recommends adding a Senior Information Technology Specialist to the Information Technology Specialist I/II series. This addition allows for continued progression in the Information Technology Specialist series and recognition that general information technology support will be necessary to complement the more specialized nature of the GIS Coordinator and EASS classifications. These proposed changes result in no automatic salary increase for existing personnel, except to conform to the terms of the City's negotiated agreements.

Enabling resolutions

To formally adopt the fiscal year 2018-19 budget, the City Council must take action on the following resolutions:

1. Resolution adopting the fiscal year 2018-19 budget and Capital Improvement Plan  
The City's total 2018-19 budget for all City operations and capital improvements is balanced with a revenue budget of approximately \$144.84 million and an expenditure budget of approximately \$143.86 million, which is inclusive of \$18.75 million of new money assigned for a variety of capital improvement projects. At the end of fiscal year 2018-19, the budget provides for a surplus of approximately \$0.98 million, to be posted to various fund balances if all assumptions come to bear. The attached resolution formally adopts the 2018-19 budget and authorizes appropriations as provided for in the budget document. The attached resolution also authorizes staff to adjust the City Council adopted budget to incorporate changes directed by the City Council at budget adoption, true-up of estimated carry-over appropriations, and other minor clerical errors.
2. Resolution establishing the fiscal year 2018-19 appropriations limit  
California Government Code requires that the City annually adopt an appropriations limit for the coming fiscal year. The appropriations limit, which was originally established in 1979 by Proposition 4, places a maximum limit on the appropriations of tax proceeds that can be made by the State, school districts and local governments in California. The appropriations limit is set on an annual basis and is revised each year based on population growth and cost of living factors. For fiscal year 2018-19, the appropriations limit is \$63.24 million, while the proceeds of taxes subject to the appropriations limit is \$44.86 million. The City is, therefore, approximately \$18.38 million below the appropriations limit for fiscal year 2018-19. City Council consideration and approval of the attached resolution is required in order for the City to be in compliance with State law.

In addition to the above resolutions, the City Council is asked to approve the following related resolutions:

1. Resolution continuing the temporary tax percentage reduction in the utility users' tax rate  
The fiscal year 2018-19 General Fund budget includes \$1.21 million in revenue from the temporarily reduced UUT rate of 1 percent adopted by the City Council as per Menlo Park Municipal Code Section 3.14.130. At the 1 percent rate, the City maintains a balanced budget therefore the reduced rate does not adversely affect the city's ability to meet its financial obligations. On June 20, 2017, the City Council adopted Resolution No. 6395 which extended the reduction through September 30, 2018. In order to continue the reduced UUT through September 30, 2019, the City Council must adopt the attached Resolution. If the City Council takes no action on the Resolution, the temporary reduction will expire and the UUT will return to the full rate as of October 1, 2018.
2. Resolution adopting the salary schedule  
Each year the City Council is required to adopt a salary schedule that lists the salary ranges for all positions employed by the City. Salary ranges are negotiated in good faith with bargaining units representing 91 percent of the City's 287.25 full-time equivalent personnel. The remaining 9 percent of full-time equivalent personnel are the City Council as well as the city manager and city attorney both of

whom serve at the pleasure of the City Council and whose salaries are set by contract. Additionally, the City's management staff which serves at the pleasure of the city manager are unrepresented employees. It is important to note the City successfully negotiated multiyear agreements in 2017 with three of the City's four bargaining units - Service Employees International Union, American Federation of State, County and Municipal Employees, and Police Sergeants' Association. Negotiations are ongoing with the Police Officers' Association for a successor agreement to the agreement expired June 30, 2017.

### **Impact on City Resources**

The City's budget is balanced and the detail of revenue and expenditures are included in the fiscal year 2018-19 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 proposes an organizational structure change that 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. Fiscal year 2018-19 budget – hyperlink: [menlopark.org/proposedbudget](http://menlopark.org/proposedbudget)
- B. Resolution No. 6447 adopting the fiscal year 2018-19 budget and Capital Improvement Plan and appropriating funds
- C. Resolution No. 6448 establishing the appropriations limit for fiscal year 2018-19
- D. Resolution No. 6449 establishing a consecutive temporary tax percentage reduction in the utility users' tax rates through September 30, 2019
- E. Resolution No. 6450 adopting the City's salary schedule effective July 8, 2018 - **AMENDED**

Report prepared by:

Brandon Cortez, Management Analyst I  
Dan Jacobson, Finance and Budget Manager

Approved by:

Nick Pegueros, Administrative Services Director

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**RESOLUTION NO. 6447**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADOPTING THE BUDGET FOR FISCAL YEAR 2018–19 AND ADOPTING THE  
CAPITAL IMPROVEMENT PLAN FOR THE FISCAL YEAR**

WHEREAS, the City of Menlo Park, acting by and through its City Council, having considered the proposed budget document dated June 5, 2018 and related written and oral information at the meeting held June 19, 2018, and the City Council having been fully advised in the matter and good cause appearing therefore.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt the budget for the fiscal year 2018–19 as set forth in the proposed budget presented to the City Council; and

BE IT FURTHER RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt the Capital Improvement Plan for the fiscal year as set forth in the draft budget presented to the City Council.

BE IT FURTHER RESOLVED that staff is authorized to adjust the City Council adopted budget to incorporate changes directed by the City Council at budget adoption, true-up of estimated carryover appropriations, and other minor clerical errors.

I, Judi Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on the nineteenth day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk

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**RESOLUTION NO. 6448**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018–19**

WHEREAS, Article XIII B of the Constitution of the State of California places various limitations on the City's powers of appropriation; and

WHEREAS, Division 9 (commencing with Section 7900) of the Government Code implements said Article XIII B and requires that each local jurisdiction shall, by resolution, establish its appropriations limit for the following year; and

WHEREAS, the City of Menlo Park population percentage change over the prior year is 1.32 percent and the growth in the State of California per capita personal income cost of living change is 3.67 percent, both factors in calculating the appropriations limit.

NOW THEREFORE, BE IT RESOLVED that the City Council of Menlo Park at its regular meeting of June 19, 2018 hereby establishes the appropriations limit as the amount of \$63,244,940 for Fiscal Year 2018–19, calculated in accordance with the provisions of Division 9 (commencing with Section 7900) of the California Government Code.

I, Judi Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the nineteenth day of June, 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk



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**RESOLUTION NO. 6449****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ESTABLISHING A TEMPORARY TAX PERCENTAGE REDUCTION IN THE  
UTILITY USERS' TAX PURSUANT TO SECTION 3.14.130 OF THE CITY OF  
MENLO PARK MUNICIPAL CODE**

WHEREAS, Ordinance 950 of the City Council of the City of Menlo Park Adopting a Utility Users' Tax became effective upon approval by a majority of voters at the General Election of November 7, 2006; and

WHEREAS, Ordinance 950 established Chapter 3.14 of the City of Menlo Park Municipal Code, this chapter known as the "Utility Users' Tax Ordinance"; and

WHEREAS, the Utility Users' Tax Ordinance Section 3.14.130 allows the City Council to enact a Temporary Tax Percentage Reduction for a period of no more than twelve (12) months; provided adequate written notice is given to all affected service suppliers; and

WHEREAS, the City Council established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2008–09, effective October 1, 2008; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2009–10, effective October 1, 2009; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2010–11, effective October 1, 2010; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2011–12, effective October 1, 2011; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2012–13, effective October 1, 2012; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2013–14, effective October 1, 2013; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2014–15, effective October 1, 2014; and

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2015–16, effective October 1, 2015;

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2016–17, effective October 1, 2016;

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2017–18, effective October 1, 2017;

WHEREAS, the City Council re-established a temporary tax reduction in consideration of the adopted budget for the fiscal year 2017–18, effective October 1, 2018;

WHEREAS, the City Council is not prohibited from adopting consecutive temporary tax percentage reductions as provided by Section 3.14.130 of the Utility Users' Tax Ordinance;

WHEREAS, the City Council now finds that a consecutive temporary tax reduction shall not adversely affect the City's ability to meet its financial obligations as contemplated in the budget for the fiscal year 2018–19, considered and adopted at its regular meeting of June 19, 2018.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park at its regular meeting of June 19, 2018 hereby establishes a temporary reduction in the Utility Users' Tax rate, maintaining the current reduced rate of one percent (1.0%) for taxes imposed by sections 3.14.040 through 3.14.070 for a period of no more than twelve (12) months, effective October 1, 2018. No other provisions of the Utility Users' Tax Ordinance are affected by this resolution. Nothing herein shall preclude the City Council from modifying the tax rate set herein during said twelve month period.

I, Judi Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on the nineteenth day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk

**RESOLUTION NO. 6450**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
AMENDING THE SALARY SCHEDULE**

WHEREAS, pursuant to the Personnel System Rules, the City Manager prepared a Compensation Plan; and

NOW, THEREFORE, BE IT RESOLVED that the following compensation provisions shall be established in accordance with the City's Personnel System rules.

BE IT FURTHER RESOLVED that any previous enacted compensation provisions contained in Resolution No. 6381 and subsequent amendments shall be superseded by this Resolution.

BE IT FURTHER RESOLVED that the changes contained herein shall be effective July 8, 2017. I, Judi Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the nineteenth day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park this nineteenth day of June, 2018.

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Judi A. Herren, City Clerk

Proposed City of Menlo Park  
Salary Schedule - Effective 7/8/2018

Classification Title	Annual Salaries based on 2080 hours per year				
	Minimum (Step A)	Step B	Step C	Step D	Maximum (Step E)
Accountant I	\$ 79,960	\$ 83,959	\$ 88,157	\$ 92,565	\$ 97,193
Accountant II	\$ 87,579	\$ 91,719	\$ 96,046	\$ 100,665	\$ 105,463
Accounting Assistant I	\$ 56,703	\$ 59,391	\$ 62,133	\$ 65,036	\$ 68,045
Accounting Assistant II	\$ 62,133	\$ 65,036	\$ 68,045	\$ 71,225	\$ 74,567
Administrative Assistant	\$ 62,319	\$ 65,231	\$ 68,249	\$ 71,439	\$ 74,791
Administrative Services Director	\$ 156,616		Open Range		\$ 221,889
Assistant City Manager	\$ 165,395		Open Range		\$ 244,078
Assistant Community Development Director	\$ 123,491		Open Range		\$ 177,511
Assistant Community Services Director	\$ 126,336		Open Range		\$ 177,511
Assistant Engineer	\$ 96,440	\$ 101,036	\$ 105,867	\$ 110,921	\$ 116,205
Assistant Library Services Director	\$ 126,336		Open Range		\$ 177,511
Assistant Planner	\$ 87,379	\$ 91,488	\$ 95,873	\$ 100,442	\$ 105,240
Assistant Public Works Director	\$ 137,220		Open Range		\$ 177,511
Assistant to the City Manager	\$ 118,864		Open Range		\$ 155,322
Associate Civil Engineer	\$ 108,214	\$ 113,394	\$ 118,799	\$ 124,539	\$ 130,572
Associate Engineer	\$ 102,262	\$ 107,157	\$ 112,266	\$ 117,690	\$ 123,390
Associate Planner	\$ 95,873	\$ 100,442	\$ 105,240	\$ 110,276	\$ 115,554
Associate Transportation Engineer	\$ 113,394	\$ 118,799	\$ 124,539	\$ 130,572	\$ 136,898
Building Custodian	\$ 56,646	\$ 59,332	\$ 62,071	\$ 64,970	\$ 67,977
Building Inspector	\$ 92,891	\$ 97,358	\$ 101,999	\$ 106,875	\$ 111,978
Business Manager	\$ 95,870	\$ 100,481	\$ 105,270	\$ 110,304	\$ 115,570
Child Care Teacher I	\$ 50,686	\$ 52,985	\$ 55,384	\$ 57,908	\$ 60,647
Child Care Teacher II	\$ 56,646	\$ 59,332	\$ 62,071	\$ 64,970	\$ 67,977
Child Care Teacher's Aide	\$ 38,029	\$ 39,749	\$ 41,548	\$ 43,408	\$ 45,325
City Attorney	n/a		Set by contract		\$ 120,000
City Clerk	\$ 118,864		Open Range		\$ 155,322
City Manager	n/a		Set by contract		\$ 232,890
Code Enforcement Officer	\$ 79,908	\$ 83,685	\$ 87,633	\$ 91,848	\$ 96,225
Communications and Records Manager	\$ 111,028	\$ 116,416	\$ 122,008	\$ 127,891	\$ 134,041
Communications Dispatcher	\$ 81,027	\$ 84,857	\$ 88,860	\$ 93,133	\$ 97,572
Communications Training Dispatcher	\$ 84,857	\$ 88,860	\$ 93,133	\$ 97,572	\$ 102,237
Community Development Director	\$ 156,406		Open Range		\$ 221,889
Community Development Technician	\$ 67,959	\$ 71,105	\$ 74,428	\$ 77,920	\$ 81,582
Community Service Officer	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,248	\$ 79,908
Community Services Director	\$ 158,545		Open Range		\$ 221,889
Construction Inspector	\$ 87,633	\$ 91,848	\$ 96,225	\$ 100,826	\$ 105,640
Contracts Specialist	\$ 70,168	\$ 73,467	\$ 76,869	\$ 80,518	\$ 84,383
Custodial Services Supervisor	\$ 65,180	\$ 68,197	\$ 71,384	\$ 74,733	\$ 78,245
Deputy City Clerk	\$ 72,785	\$ 76,248	\$ 79,908	\$ 83,685	\$ 87,633
Engineering Services Manager/City Engineer	\$ 137,220		Open Range		\$ 177,511
Engineering Technician I	\$ 73,049	\$ 76,432	\$ 80,060	\$ 83,903	\$ 87,869
Engineering Technician II	\$ 81,892	\$ 85,745	\$ 89,777	\$ 94,081	\$ 98,564
Enterprise Applications Support Specialist I	\$ 86,436	\$ 90,758	\$ 95,296	\$ 100,060	\$ 105,063
Enterprise Applications Support Specialist II	\$ 95,870	\$ 100,481	\$ 105,270	\$ 110,304	\$ 115,570
Equipment Mechanic	\$ 72,785	\$ 76,248	\$ 79,908	\$ 83,685	\$ 87,633
Executive Assistant	\$ 71,154	\$ 74,493	\$ 77,993	\$ 81,662	\$ 85,502
Executive Assistant to the City Mgr	\$ 75,802	\$ 81,980	\$ 88,662	\$ 95,888	\$ 102,137
Facilities Maintenance Technician I	\$ 60,647	\$ 63,440	\$ 66,447	\$ 69,571	\$ 72,793
Facilities Maintenance Technician II	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,248	\$ 79,908
Finance and Budget Manager	\$ 123,467		Open Range		\$ 166,417
GIS Coordinator I	\$ 83,887	\$ 88,082	\$ 92,486	\$ 97,111	\$ 101,966
GIS Coordinator II	\$ 95,870	\$ 100,481	\$ 105,270	\$ 110,304	\$ 115,570
Gymnastics Instructor	\$ 40,579	\$ 42,415	\$ 44,331	\$ 46,309	\$ 48,439
Housing & Economic Development Manager	\$ 118,864		Open Range		\$ 155,322
Human Resources Manager	\$ 123,467		Open Range		\$ 166,417
Human Resources Technician	\$ 65,841	\$ 68,956	\$ 72,035	\$ 75,550	\$ 79,103
Information Technology Manager	\$ 123,467		Open Range		\$ 166,417
Information Technology Specialist I	\$ 70,920	\$ 74,466	\$ 78,190	\$ 82,100	\$ 86,206
Information Technology Specialist II	\$ 78,799	\$ 82,501	\$ 86,382	\$ 90,444	\$ 94,781
Information Technology Supervisor	\$ 97,159	\$ 102,017	\$ 107,386	\$ 113,038	\$ 118,987
Junior Engineer	\$ 77,798	\$ 81,688	\$ 85,772	\$ 90,061	\$ 94,564
Librarian I	\$ 67,977	\$ 71,154	\$ 74,493	\$ 77,993	\$ 81,662
Librarian II	\$ 76,248	\$ 79,908	\$ 83,685	\$ 87,633	\$ 91,848
Library Assistant I	\$ 52,985	\$ 55,384	\$ 57,908	\$ 60,647	\$ 63,440
Library Assistant II	\$ 57,908	\$ 60,647	\$ 63,355	\$ 66,447	\$ 69,571
Library Assistant III	\$ 63,355	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,171
Library Clerk	\$ 37,143	\$ 38,822	\$ 40,579	\$ 42,415	\$ 44,331
Library Page	\$ 27,248	\$ 28,479	\$ 29,769	\$ 31,116	\$ 32,525
Library Services Director	\$ 152,535		Open Range		\$ 221,889
Literacy Program Manager	\$ 78,245	\$ 81,925	\$ 85,777	\$ 89,890	\$ 94,173
Maintenance Worker I	\$ 57,908	\$ 60,647	\$ 63,355	\$ 66,447	\$ 69,571
Maintenance Worker II	\$ 63,355	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,248
Management Analyst I	\$ 83,887	\$ 88,082	\$ 92,486	\$ 97,111	\$ 101,966
Management Analyst II	\$ 95,870	\$ 100,481	\$ 105,270	\$ 110,304	\$ 115,570
Office Assistant	\$ 52,038	\$ 54,411	\$ 56,873	\$ 59,568	\$ 62,319
Parking Enforcement Officer	\$ 57,908	\$ 60,647	\$ 63,355	\$ 66,447	\$ 69,571

Proposed City of Menlo Park  
Salary Schedule - Effective 7/8/2018

Classification Title	Annual Salaries based on 2080 hours per year				
	Minimum (Step A)	Step B	Step C	Step D	Maximum (Step E)
Permit Manager	\$ 109,052	\$ 114,270	\$ 119,740	\$ 125,447	\$ 131,508
Permit Technician	\$ 67,959	\$ 71,104	\$ 74,428	\$ 77,920	\$ 81,580
Plan Check Engineer	\$ 109,244	\$ 114,474	\$ 119,930	\$ 125,725	\$ 131,814
Planning Technician	\$ 77,920	\$ 81,580	\$ 85,419	\$ 89,436	\$ 93,724
Police Chief	\$ 168,993	Open Range			\$ 244,078
Police Commander	\$ 152,093	Open Range			\$ 221,889
Police Corporal (2080 hours)	\$ 99,412	\$ 104,383	\$ 109,602	\$ 115,082	\$ 120,836
Police Corporal (2184 hours)	\$ 104,383	\$ 109,602	\$ 115,082	\$ 120,836	\$ 126,878
Police Officer (2080 hours)	\$ 92,369	\$ 96,987	\$ 101,836	\$ 106,928	\$ 112,275
Police Officer (2184 hours)	\$ 96,988	\$ 101,836	\$ 106,928	\$ 112,274	\$ 117,889
Police Records Specialist	\$ 63,355	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,248
Police Recruit	n/a	Hourly Rate			\$ 74,819
Police Sergeant (2080 hours)	\$ 118,175	\$ 124,083	\$ 130,287	\$ 136,802	\$ 143,642
Police Sergeant (2184 hours)	\$ 124,083	\$ 130,287	\$ 136,802	\$ 143,642	\$ 150,824
Principal Planner	\$ 115,765	\$ 123,012	\$ 128,900	\$ 135,044	\$ 139,601
Program Aide/Driver	\$ 36,382	\$ 38,029	\$ 39,749	\$ 41,548	\$ 43,408
Program Assistant	\$ 51,831	\$ 54,194	\$ 56,646	\$ 59,332	\$ 62,071
Project Manager	\$ 105,330	\$ 110,372	\$ 115,634	\$ 121,220	\$ 127,092
Property and Court Specialist	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,248	\$ 79,908
Public Works Director	\$ 160,654	Open Range			\$ 221,889
Public Works Superintendent	\$ 121,318	Open Range			\$ 166,417
Public Works Supervisor - City Arborist	\$ 96,414	\$ 101,037	\$ 105,851	\$ 110,908	\$ 116,214
Public Works Supervisor - Facilities	\$ 97,100	\$ 101,755	\$ 106,604	\$ 111,697	\$ 117,041
Public Works Supervisor - Fleet	\$ 98,645	\$ 103,374	\$ 108,299	\$ 113,473	\$ 118,902
Public Works Supervisor - Park	\$ 91,783	\$ 96,182	\$ 100,766	\$ 105,580	\$ 110,631
Public Works Supervisor - Streets	\$ 91,783	\$ 96,182	\$ 100,766	\$ 105,580	\$ 110,631
Recreation Aide	\$ 34,808	\$ 36,382	\$ 38,029	\$ 39,749	\$ 41,548
Recreation Coordinator	\$ 68,197	\$ 71,384	\$ 74,733	\$ 78,245	\$ 81,925
Recreation Leader	\$ 27,248	\$ 28,479	\$ 29,769	\$ 31,116	\$ 32,525
Recreation Supervisor	\$ 83,955	\$ 87,916	\$ 92,144	\$ 96,534	\$ 101,150
Red Light Photo Enforcement Specialist	\$ 74,493	\$ 77,993	\$ 81,662	\$ 85,502	\$ 89,602
Revenue and Claims Manager	\$ 95,870	\$ 100,481	\$ 105,270	\$ 110,304	\$ 115,570
Senior Accountant	\$ 100,716	\$ 105,478	\$ 110,454	\$ 115,766	\$ 121,282
Senior Accounting Assistant	\$ 70,396	\$ 73,686	\$ 77,095	\$ 80,698	\$ 84,485
Senior Building Inspector	\$ 104,257	\$ 109,244	\$ 114,474	\$ 119,930	\$ 125,725
Senior Civil Engineer	\$ 119,182	\$ 124,939	\$ 130,993	\$ 137,340	\$ 144,031
Senior Communications Dispatcher	\$ 88,860	\$ 93,133	\$ 97,572	\$ 102,237	\$ 107,118
Senior Engineering Technician	\$ 87,869	\$ 92,015	\$ 96,440	\$ 101,036	\$ 105,867
Senior Equipment Mechanic	\$ 80,082	\$ 83,989	\$ 87,939	\$ 92,012	\$ 96,378
Senior Facilities Maintenance Technician	\$ 72,785	\$ 76,248	\$ 79,908	\$ 83,685	\$ 87,633
Senior Information Technology Specialist	\$ 85,774	\$ 90,063	\$ 94,566	\$ 99,294	\$ 104,259
Senior Librarian	\$ 87,916	\$ 92,144	\$ 96,534	\$ 101,150	\$ 105,980
Senior Library Assistant	\$ 71,781	\$ 75,284	\$ 78,824	\$ 82,475	\$ 86,302
Senior Maintenance Worker	\$ 72,785	\$ 76,248	\$ 79,908	\$ 83,685	\$ 87,633
Senior Management Analyst	\$ 107,854	\$ 116,366	\$ 125,550	\$ 135,524	\$ 144,016
Senior Office Assistant	\$ 56,873	\$ 59,568	\$ 62,319	\$ 65,231	\$ 68,249
Senior Planner	\$ 105,240	\$ 110,276	\$ 115,554	\$ 121,062	\$ 126,910
Senior Police Records Specialist	\$ 66,447	\$ 69,571	\$ 72,793	\$ 76,248	\$ 79,908
Senior Program Assistant	\$ 62,946	\$ 65,887	\$ 68,980	\$ 72,220	\$ 75,618
Senior Project Manager	\$ 119,339	\$ 125,052	\$ 131,013	\$ 137,343	\$ 143,995
Senior Recreation Leader	\$ 32,525	\$ 33,996	\$ 35,535	\$ 37,143	\$ 38,822
Senior Sustainability Specialist	\$ 78,939	\$ 82,715	\$ 86,674	\$ 90,806	\$ 95,192
Senior Transportation Engineer	\$ 119,182	\$ 124,939	\$ 130,993	\$ 137,340	\$ 144,031
Senior Water System Operator	\$ 74,683	\$ 78,140	\$ 81,792	\$ 85,630	\$ 89,652
Sustainability Manager	\$ 118,864	Open Range			\$ 155,322
Sustainability Specialist	\$ 67,977	\$ 71,154	\$ 74,493	\$ 77,993	\$ 81,662
Transportation Demand Management Coordinator	\$ 89,602	\$ 93,870	\$ 98,355	\$ 103,061	\$ 107,994
Water Quality Specialist	\$ 77,993	\$ 81,662	\$ 85,502	\$ 89,602	\$ 93,870
Water System Operator I	\$ 62,056	\$ 64,837	\$ 67,713	\$ 71,058	\$ 74,365
Water System Operator II	\$ 67,894	\$ 71,037	\$ 74,356	\$ 77,845	\$ 81,502
Water System Supervisor	\$ 92,946	\$ 97,375	\$ 102,028	\$ 106,909	\$ 112,026

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**STAFF REPORT**

**City Council**  
**Meeting Date:** 6/19/2018  
**Staff Report Number:** 18-139-CC

**Regular Business:** **Approve a total project budget of \$1.6 million and authorize the City Manager to execute agreements to implement a New Land Management System**

**Recommendation**

Staff recommends that the City Council approve the following:

1. Authorize the city manager to execute agreements for implementation of a new land management system with
  - a. Accela, Inc. – a fixed-fee 5-year Software as a Service (SaaS) service contract of \$141,912 per year and a time and materials professional services agreement for implementation support not to exceed \$25,000 for a grand total not to exceed \$809,154 over five years;
  - b. TruePoint Solutions, Inc. – a time and materials agreement for data and application migration project implementation services not to exceed \$365,900;
  - c. Synergetic Consulting, Inc. – a time and materials agreement for data and application migration project implementation services not to exceed \$113,305;
2. Approve a total project budget of \$1,613,780 inclusive of the following:
  - a. \$1,288,359 for the above detailed contract and professional services;
  - b. \$250,000 for temporary and contract staff to maintain public services when City staff are required to support a successful project implementation; and
  - c. \$75,421 for project contingency.

**Policy Issues**

Replacement of the City’s Land Management System was identified as a top priority of the Information Technology Master Plan (ITMP). The City Council received the ITMP and approved implementation measures May 2, 2017.

**Background**

On June 5, 2017, staff presented City Council with an informational staff report providing an update to the land management system replacement ITMP priority initiative. The report includes a summary of the land management system product selection process, product implementation firm selection process, product hosting options, and a staffing backfill resource requirements assessment. This report completes the new land management system product selection and product implementation firm selections as well as outlines overall project costs and details.

**Analysis**

Product selection

In choosing a new land management system, an internal staff committee (“the Committee”) considered

several key product features and functionality which the legacy Tidemark land management system currently does not provide:

- ADA (Americans with Disabilities Act) compliant web portal for citizen access allowing online services for building permit application submittal, permit and code enforcement case status/updates, inspection scheduling and payment processing;
- Electronic plan review which allows applicants to submit plans electronically therefore streamlining the plan review process and reducing paper use and storage;
- Robust and configurable business workflows which increase staff productivity and efficiency;
- Mobile inspection scheduling and management for field building inspectors ;
- An intuitive and informative dashboard which organizes and delivers information more effectively to the end user; and
- Reporting tools that are easily customizable by the end user.

Additionally, product selection considerations included overall application user experience reviews, technical implementation complexity, the quality of the vendor's product support services, project implementation costs, ease of conversion from the current Tidemark system, and the total cost of product ownership. After evaluation of both Accela Automation and another vendor, Superior ONESolution Public Administration software platforms, the Committee concluded that the Accela Automation solution would best meet the overall land management system needs of the City.

#### Product hosting selection

In an effort to determine which hosting model would best fit the City's staffing resource and budgetary needs, the Committee performed a total cost of ownership (TCO) analysis on the SaaS model versus a city-hosted (on-premises) model. The annual SaaS service licensing cost for 60 users totals \$141,912 with an annual increase of 5 percent during a 5 year subscription term. The City-hosted model initial software licensing cost totals \$381,364 with an annual maintenance cost of \$75,273 which also increase annually by 5 percent. Outside of initial software licensing costs, the SaaS model requires a one-time implementation services cost whereas the city-hosted model requires an initial and periodic (5 year) capital cost which includes hardware, software and information technology staffing resource. The result of the cost analysis shows that the SaaS model for the Accela platform would provide the best overall value to the city over a 10 year time period. The TCO analysis for the Accela platform is included as an attachment to this report.

It is important to note the main advantages and disadvantages of the SaaS model:

#### Main SaaS advantages

- Requires less information technology staff resources for initial and ongoing support and maintenance
- Reduces project implementation timeframe
- Software platform is always on current release version offering newest features and functionality
- Scalable subscription services for users
- Budget predictability (operating expenditure)

#### Main SaaS disadvantages

- Minimal customer control of data and system security as well as compliance
- Application performance risk due to service provider controlled updates/patches to system in addition to the environment being accessed over the internet
- Custom application integrations may be limited

After evaluating the TCO cost analysis, SaaS versus on-premises product analysis, and Accela’s cloud hosting data center production environment, the Committee has decided that the SaaS hosting model would be the best overall hosting solution for the City.

Product implementation firm selection and internal project staffing resources

In order to ensure the success of this land management system replacement project, both external vendor and dedicated internal staffing resources will be required for the duration of the project.

As described in the June 5 informational item staff report, the Committee interviewed the product vendor, Accela, along with several third party implementation firms for product implementation services. The Committee ultimately decided that a combination of implementation services from both TruePoint Solutions, Inc. and Accela would be the optimal project implementation scenario. TruePoint Solutions would provide the majority of the project implementation services and Accela would provide an overlay to these services. The overlay of services will allow Accela to ensure a successful data migration from the legacy Tidemark platform, the application of product configuration best practices, and the knowledge transfer to Accela support services staff for ongoing vendor support.

In order to address internal staffing resource requirements for this project, the Committee has decided to budget for backfill staffing resources in addition to utilizing the services of our current Tidemark support vendor Synergetic Consulting. Internal backfill staffing resources will consist of temporary contract staff used to supplement existing business operations as key Community Development and Public Works Department staff members are allocated for the project. The services of Synergetic Consulting will be used as an internal resource for project management, business process re-engineering and technical implementation support.

Project implementation timeline

The project implementation will require approximately 12 months to complete and is scheduled to begin in September 2018.

Project budgetary and financial information

The project costs below represents a SaaS platform subscription for five (5) years, professional implementation services from three different vendors, a project cost contingency of 10 percent and backfill staffing contractor services for both the Community Development and Public Works Departments.

Table 1: Project costs	
Project resource item	Cost estimate
TruePoint, Inc. Professional Services – data and application migration	\$365,900
Accela, Inc. Professional Services - data and application migration	\$25,000
Synergetic Consulting, Inc. Professional Services - data and application migration	\$113,305
Accela, Inc. SaaS Service Subs 5 year term with 5% annual increase	\$784,154
Staffing Backfill – temporary and contract staff	\$250,000
Project Contingency - 10% of total implementation costs	\$75,421
<b>Project total</b>	<b>\$1,613,780</b>

### **Impact on City Resources**

Sufficient funds are available in the ITMP budget to provide for this project's implementation costs. The annual SaaS costs will be incorporated into operating budgets of the departments using the product once implemented.

The significance of this project and the impact it will have on City resources cannot be underestimated. With regard to implementation costs, this recommendation requires approximately \$754,205 to ensure the successful implementation of the new system over the next several years. These costs rely heavily on contract and professional services to perform critical tasks related to the implementation. In addition to the direct implementation costs, the project will have an impact on delivery of services to the community primarily in the area of building, planning and land development. The recommendation to implement SaaS results in annual maintenance fees operations costs that will be partially offset by the Technology Surcharge on land development services.

### **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 proposes an organizational structure change that 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. Accela SaaS Cost of Ownership Analysis
- B. Accela Civic Platform SaaS subscription quote
- C. Accela implementation overlay proposal
- D. TruePoint Solutions implementation proposal
- E. Synergetic Consulting implementation proposal
- F. June 5, 2017, Staff Report # 18-121-CC – hyperlink:  
<https://www.menlopark.org/DocumentCenter/View/17750/J1---Land-Management-System>

Report prepared by:  
Gene Garces, Information Technology Manager  
Thomas Rogers, Principal Planner



Results of Analysis

Total Cost of Ownership

1 Year TCO	On-Premises	Accela SaaS	Difference	% Savings
Accela Software, Maintenance, and Implementation	\$1,210,842	91% \$896,117	100% \$314,725	
Infrastructure Software and Maintenance	\$47,000	4% \$0	0% \$47,000	
Hardware (including facilities)	\$48,500	4% \$0	0% \$48,500	
Resources (personnel)	\$9,750	1% \$0	0% \$9,750	
Upgrades/refresh	\$15,000	1% \$0	0% \$15,000	
<b>Total 1 Year TCO</b>	<b>\$1,331,092</b>	<b>\$896,117</b>	<b>\$434,975</b>	<b>32.68%</b>

5 Year TCO	On-Premises	Accela SaaS	Difference	% Savings
Accela Software, Maintenance, and Implementation	\$1,568,533	85% \$1,538,358	100% \$30,174	
Infrastructure Software and Maintenance	\$75,000	4% \$0	0% \$75,000	
Hardware (including facilities)	\$62,500	3% \$0	0% \$62,500	
Resources (personnel)	\$48,750	3% \$0	0% \$48,750	
Upgrades/refresh	\$80,500	4% \$0	0% \$80,500	
<b>Total 5 Year TCO</b>	<b>\$1,835,283</b>	<b>\$1,538,358</b>	<b>\$296,924</b>	<b>16.18%</b>

10 Year TCO	On-Premises	Accela SaaS	Difference	% Savings
Accela Software, Maintenance, and Implementation	\$2,125,920	83% \$2,539,159	100% -\$413,239	
Infrastructure Software and Maintenance	\$103,000	4% \$0	0% \$103,000	
Hardware (including facilities)	\$80,000	3% \$0	0% \$80,000	
Resources (personnel)	\$97,500	4% \$0	0% \$97,500	
Upgrades/refresh	\$155,500	6% \$0	0% \$155,500	
<b>Total 10 Year TCO</b>	<b>\$2,561,920</b>	<b>\$2,539,159</b>	<b>\$22,761</b>	<b>0.89%</b>

New Customer

Accela Software License (1st year)	\$381,364
Accela Software Implementation (1st year)	\$754,205
Accela Software Maintenance (per year)	\$75,273
Infrastructure Software License (1st year)	\$15,000
Infrastructure Implementation (1st year)	\$25,000
Infrastructure Maintenance (per year)	\$7,000
Accela Upgrades/refresh (per year)	\$15,000
Resources - Personnel (per year)	\$9,750
Hardware (1st year)	\$45,000
Hardware (per year)	\$3,500
Hardware+Software refresh (at 5th year)	\$5,500

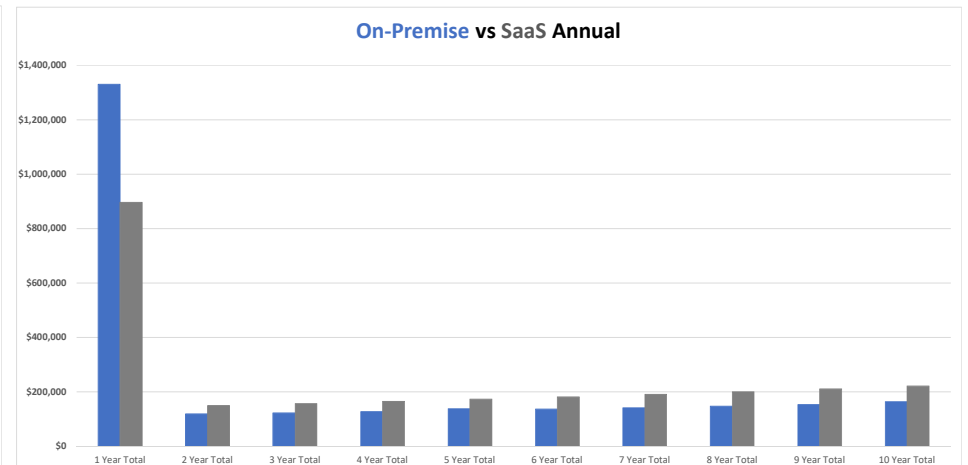
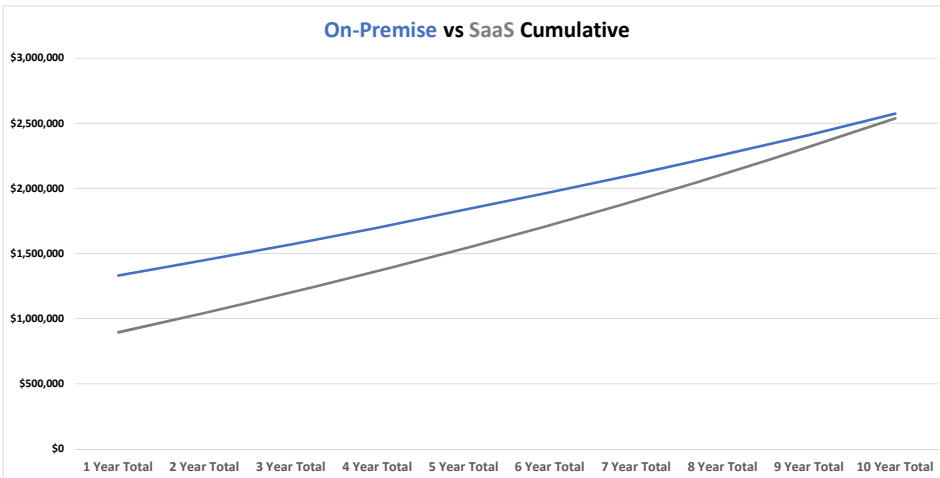
On-Premise

Accela Software License (1st year)	\$381,364
Accela Software Implementation (1st year)	\$754,205
Accela Software Maintenance (per year)	\$75,273
Infrastructure Software License (1st year)	\$15,000
Infrastructure Implementation (1st year)	\$25,000
Infrastructure Maintenance (per year)	\$7,000
Accela Upgrades/refresh (per year)	\$15,000
Resources - Personnel (per year)	\$9,750
Hardware (1st year)	\$45,000
Hardware (per year)	\$3,500
Hardware+Software refresh (at 5th year)	\$5,500

SaaS

N/A	AA License	\$	211,128
\$754,205	ACA License	\$	16,594
\$141,912	Mobile License	\$	112,770
N/A	GIS License	\$	40,872
			\$381,364

	On-Premises Total Cost	SaaS Total Cost	On-Premises Annual Cost	SaaS Annual Cost
1 1 Year Total	\$1,331,092	\$896,117	\$1,331,092	\$896,117
2 2 Year Total	\$1,449,330	\$1,045,125	\$118,238	\$149,008
3 3 Year Total	\$1,571,718	\$1,201,583	\$122,388	\$156,458
4 4 Year Total	\$1,698,463	\$1,365,863	\$126,745	\$164,281
5 5 Year Total	\$1,835,283	\$1,538,358	\$136,820	\$172,495
6 6 Year Total	\$1,971,406	\$1,719,478	\$136,123	\$181,120
7 7 Year Total	\$2,112,572	\$1,909,654	\$141,167	\$190,176
8 8 Year Total	\$2,259,035	\$2,109,338	\$146,463	\$199,684
9 9 Year Total	\$2,411,058	\$2,319,007	\$152,023	\$209,669
10 10 Year Total	\$2,574,420	\$2,539,159	\$163,362	\$220,152



Added Value with SaaS Solution

- Much shorter *time-to-value* with hosted infrastructure. Provide services and benefits faster.
- Always on the most current release. No confusion or concern about having newest capabilities and enhancements.
- High degrees of security and redundancy. Always protected with security best practices and technologies.
- Reduced staffing and resourcing with expensive and hard to find IT talent.
- Moving from cap-ex to op-ex adds predictability and consistency to IT spend. No more budgetary surprises.
- Absolute flexibility with capacity. Grows or shrinks automatically with your needs.

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February 6, 2018

Gene Garces  
Menlo Park, CA  
701 Laurel St.  
Menlo Park California United States  
94025

RE: Quote Number: **Q-13958-2**

**Menlo Park, CA - TM to Civic Platform**

Accela Land Management Subscription SaaS  
Attached please find a quote for the products and services you requested.

Please refer to the Notes section for detailed information regarding this quote. It includes information on submitting a purchase order, payment terms, costs for on-site assistance, hardware, or other equipment, and requirements for developing a final Statement of Work.

If you have any questions regarding this estimate, please feel free to contact me at or via e-mail at [ksawtelle@accela.com](mailto:ksawtelle@accela.com).

Regards,

Ken Sawtelle  
Director, Sales (West)  
[ksawtelle@accela.com](mailto:ksawtelle@accela.com)  
Accela, Inc.





Quote Number: Q-13958-2, Date: May 31, 2017, Valid Until: June 29, 2018, Menlo Park, CA

Citizen Access

PART #	PRODUCT NAME	QTY	UNIT PRICE	EXTENDED	DISCOUNT	NET PRICE
SS10AACAPOP5001	Accela Citizen Access - Subscription Population Population Under 50K	33,309	USD 0.0000	USD 0.00	0.000	USD 0.00
	Subtotal					USD 0.00

Civic Platform

PART #	PRODUCT NAME	QTY	UNIT PRICE	EXTENDED	DISCOUNT	NET PRICE
SS10APFMSLVR001	Accela Civic Platform Silver - Subscription User	60	USD 2,628.0000	USD 157,680.00	10.000	USD 141,912.00
	Subtotal					USD 141,912.00

<b>TOTAL:</b> USD 141,912.00
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### Subscription Summary

Product	Quantity	Net Price
Accela Civic Platform Silver - Subscription User	60	USD 141,912.00
Accela Citizen Access - Subscription Population Population Under 50K	33,309	USD 0.00
Subtotal		USD 141,912.00
<b>TOTAL:</b>		USD 141,912.00



NOTES: Software as a Service

This quote is valid until June 29, 2018. After this date, all prices are subject to change. This quote supersedes any previous written or verbal estimate for Subscription Services. In order to procure the above-mentioned Services, please sign below and submit a purchase order with the following information:

1. Signature of authorized personnel (if there is a signature line on the purchase order)
2. Estimate Number
3. Date

In order to expedite the processing of this Quote, please submit authorization via e-mail to [contractsadmin@accela.com](mailto:contractsadmin@accela.com) and also fax to the Attn. of Contracts Administration at (925) 407-2722. Please note that if faxing a purchase order, submit both front and back and send the original purchase order in the mail to Attn: Contracts Administration, Accela, Inc. 2633 Camino Ramon, Suite 500, Bishop Ranch 3, San Ramon, CA 94583.

Payment Terms: The initial Annual Subscription fees are due upon Accela's receipt of purchase order or signed agreement, whichever is earlier.

Professional Services fees are billable based upon mutually agreed terms and condition of the Statement of Work (SOW). Travel time and expenses will be billed as incurred. Travel time will be billed at the rate stated in the SOW. Billing terms for professional services, travel time and expenses are Net 30, unless otherwise agreed upon in the SOW.

Payment obligations hereunder are non-cancelable and any sums when paid shall be non-refundable. Agency will be responsible for payment or reimbursement to Accela, Inc. any and all federal, state, provincial and local taxes and duties that are applicable, except those based on Accela's net income.

If the Agency requires additional on-site assistance, a separate estimate and Statement of Work will be provided.

Annual Subscription fees do not include hardware or equipment. Please contact your selected hardware vendor for additional hardware or software costs.

Alternate Terms Disclaimed: The parties expressly disclaim any alternate terms and conditions accompanying drafts and/or purchase orders issued by Customer.



## Statement of Work

### Menlo Park, CA Migration Overlay

05/31/2018

Version 1.0

Accela, Inc.  
2633 Camino Ramon  
Suite 120  
San Ramon, CA 94583  
Tel: 925-659-3200  
Fax: 925-659-3201

Quote expires on 6/28/2018



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## DOCUMENT CONTROL

Date	Author	Version	Change Reference
5/31/2018	E. Strang	1.0	Initial SOW creation



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## OVERVIEW

The following Statement of Work explains how Accela will provide you with Professional Services consulting. This Statement of Work (SOW), dated 5/31/2018, defines the scope of the consulting and professional services project work (collectively known as "Services") that Accela ("Accela") will provide to Menlo Park, CA ("Agency").

## WORK DESCRIPTION

Accela will provide 100 hours of support to the Agency in its migration from Tidemark to Accela Civic Platform. Tasks may include but are not limited to:

- Migration Assistance from Tidemark to Accela Civic Platform
  - Assistance with configuration design
  - Question and Answers to support agency project management

Upon a specific task request by the Agency Project Manager, Accela will provide an estimated Level of Effort and schedule to complete the task. The Agency Project Manager will review the estimated Level of Effort and issue a notice to proceed on the task. Upon approval, Accela hours will be allocated by the Accela Project Manager to the required personnel.

The Level of Effort for a task request is inclusive of

- Time spent on analysis for purposes on estimation of the task,
- Project management time required to support estimation, planning, and delivery of the task, and
- Project team time associated with task dependencies to other project work streams or impacts to the overall schedule.

### Accela Responsibilities:

- Within 2 business days of receiving a written task request from the Agency Project Manager, provide an estimate of LOE and schedule for the task.
- Provide prompt notification, and seek approval, for any task that is expected to exceed the original estimate by more than 20%.
- Report progress and hours used by Task to Agency on a weekly basis during the weekly Status meeting.
- Provide services in a remote/off-site model.

### Agency Responsibilities:

- Provide sufficient task request details to enable Accela to estimate and plan the work.
- Provide approval to proceed with specific tasks
- Provide direction on tasks exceeding 20% of the original estimate.

## PROJECT SCHEDULE

This engagement is estimated to take place over a 4 month period. The start of the 4 month period will be mutually agreed upon during project kickoff. If an Agency-based delay puts the project on hold for more than one (1) month, Accela reserves the right to terminate the contract and negotiate new terms. If an Agency-based delay puts the project on hold past the termination period, Accela reserves the right to terminate the contract at the time of the delay.





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Upon completion of the work defined above, this contract will be closed and remaining hours will no longer be available unless a Change Order is negotiated.

## PAYMENT TERMS

### PAYMENT SCHEDULE

Accela will perform the Services on an hourly payment basis at a rate of \$250.00 per hour, billed monthly. Accela has allocated 100 hours to this effort which will be billed as incurred for a total of \$25,000 exclusive of taxes and expenses. Accela shall not exceed the total estimate amount without the prior approval of Agency and shall not continue to provide services, after the total estimate has been reached, without the prior authorization of Agency. Invoices will be sent for hours worked every month.

Any hours remaining on the project when Accela has completed the scope of this project will not be used for other work without a Change Order delineating the scope. Any hours remaining will expire 4 months after execution date.

### EXPENSES

Although no travel is expected, actual amounts of any reasonable and customary travel expenses incurred during the performance of services under this SOW will be billed to Agency, according to Accela's expense policy. Accela will bill Agency for actual expenses incurred for travel and lodging/living, as well as other approved out-of-pocket expenses (such as mileage, parking, tolls and telecommunications charges, etc.). Accela will work with Agency to manage and control its expenses in accordance with Accela's global travel policy guidelines and will not incur expenses in excess of the initial contracted budget below without Agency's prior written consent. Expense receipts will be made available as requested by Agency. The travel expense budget estimate is \$0 since no travel is expected.

### CONTRACT SUM

*The total amount payable under this Agreement is \$25,000.*

### GENERAL ASSUMPTIONS

- The scope of work is to provide assistances as needed with upgrade activities.
- Accela will assign a Project Coordinator to all active contracts. They are responsible for ensuring that resources are secured to complete the work defined in this Statement of Work, as well as setting up the project in our Project Tracking System, generating invoices and assisting with any issues that arise. Their time is billable and will be included as a line item on invoices.
- **The Agency and Accela will review their responsibilities before work begins, to ensure that Services can be satisfactorily completed in the appropriate timeframe**
- The Agency will commit, and provide access to, all necessary stakeholders and SMEs
- Any additional hours requested, over the hours or scope stated in the SOW, will require a Change Order negotiated and agreed to by Accela and the Agency.
- Accela is not responsible for impacts to the timeline that are created by a dependency on Agency third party consultants. Timeline changes may result in a Change Order for the extension of Accela project resources caused by the actions of Agency third party consultants (including availability) that result in additional time or scope



- Invoices are due net 30 days of the invoice date
- Unless otherwise stated, custom deliverables are provided As-Is



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## ACCEPTANCE

Accepted By:

Accela, Inc.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name - Type or Print

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Accepted By:

Menlo Park, CA

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name - Type or Print

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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**City of Menlo Park, CA**

**Proposal for Accela Civic Platform Implementation Services  
for a Tidemark Upgrade**

*Submitted by:*

**TruePoint**  
Solutions

*3262 Penryn Rd.  
Suite 100-B  
Loomis, CA 95650*

*Submittal Date  
May 6, 2018*

May 6th, 2018

Gene Garces  
Information Technology Manager  
City Hall - 2nd Floor  
701 Laurel St.  
Menlo Park, CA

**RE: Request to Bid**

Dear Mr. Garces:

TruePoint is pleased to submit our bid for Accela Software Implementation Services. This letter is intended to state TruePoint's interest in working with the City and to re-introduce our company. In the pages that follow, we will demonstrate our extensive history, understanding, and capability with the Accela suite of products and its implementation and migration at agencies much like Menlo Park.

TruePoint is a privately held software and solutions company. Established in late 2004, TruePoint formally commenced operations and became an Accela certified implementation partner in early 2005 and has enjoyed unparalleled success in implementing the Accela product suite across the country. TruePoint is a **Business Plus** level implementation services partner with Accela and has been engaged on well over 100 Accela Automation projects.

Systems Integrators such as ourselves can bring far more industry and product specific experience to an implementation of this nature, providing a valuable, substantial, and rewarding experience to the client. As our customer references will attest, our numerous successes in this area have made TruePoint Solutions the premier partner at implementing the Accela Civic Platform product. We have also worked with many City and State Agencies to make the Accela Civic Platform a success; In some of those cases it was after a less than successful original implementation. This speaks volumes about what TruePoint can bring to the City of Menlo Park project.

We would like to take this time to thank you for your consideration in allowing us to demonstrate TruePoint's successful strategy to implement a business-critical solution for the City. We look forward to working with you and to the prospect of continuing a long-term relationship.

Regards,



Kent Johnson - CEO

**COMPANY OVERVIEW**

- TruePoint Solutions

**Incorporated:**

- 2004
- 51 employees

**Professional Services:**

- Business Analysis
- Configuration
- Data Conversion
- Report Development
- Event Scripting
- Interface Development
- Consulting
- Training

**Industry:**

- State and Local Government

**Industry Focus:**

- Land Management and Permitting
- Business and Trade Licensing
- Code Enforcement
- Asset Management
- Electronic Document Review
- Utility Billing
- IT Consulting

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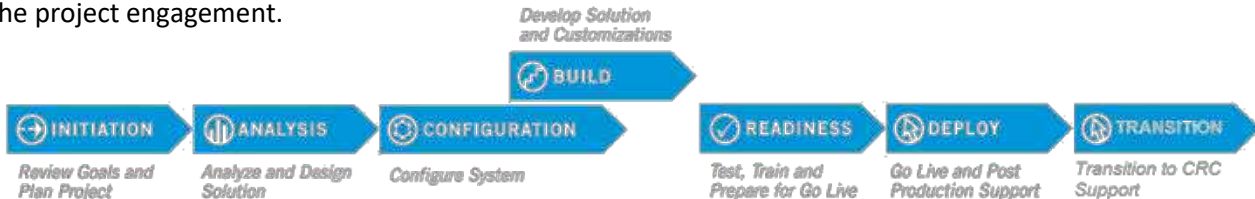


## Project Approach

TruePoint would like to propose the following implementation approach. We will prototype the configuration solution during the Analysis so the City will see actual configuration samples early in the project.

### Implementation Life Cycle

Thorough execution of these six stages ensures that customers receive high-quality services throughout the project engagement.



As illustrated in the figure above, the stages of project delivery flow in linear direction, although many tasks run in parallel as appropriate to avoid unnecessary project delays. Each stage has pre-defined objectives, tasks and associated deliverables.

#### Initiation

Initiation represents the first stage in the lifecycle. During the Initiation stage, project contracts and the SOW are finalized, project scope and objectives are reviewed, and project planning activities and deliverables expectations are completed.

#### Analysis

Analysis is the second stage in the lifecycle. During the Analysis stage, TruePoint reviews existing agency documentation, interviews agency staff, and conducts workshops to understand the “To-Be” vision of the Agency that can be executed with the aid of the Accela Civic Platform. It is during this Phase that TruePoint gains a deeper understanding of Agency processes and business rules; simultaneously, the Agency begins to gain a deeper understanding of the methodology and Accela Automation capabilities. A key output of this Phase is the To-Be Analysis Document(s) which serve as the ‘foundation’ for configuration of Accela Automation to support germane elements of the Agency “To-Be” vision. Supplementing the To-Be Analysis Document(s) are all other configuration specifications documents related to data conversion, interfaces, reports, and event scripts.

#### Solution Foundation

Solution Foundation is the third stage in the lifecycle. It begins upon completion of Stage 2 and should be completed prior to the next stage, Build. During the Solution Foundation stage, the Accela Civic Platform will be built to match the to-be processes agreed to in the Analysis stage. Essential to this effort is the configuration of the Record (Case, Application, Permit, etc.) types that were agreed to during the Analysis phase.

#### Build

Build serves as the fourth stage in the lifecycle, and execution of this stage overlaps Configuration, but ends after Configuration is complete. During the Build stage, all defined elements during the Analysis stage beyond the Solution Foundation will be implemented. This includes conversions, event scripts, interfaces and reports.

**Readiness**

Readiness is the fifth stage in the lifecycle. During the Readiness stage Accela Automation is fully tested, errors are identified, documented and corrected. Additionally, the solution is prepared for deployment. In addition, system administrators and end users are trained so that all appropriate agency staff members are prepared to use and maintain the software once the move to production occurs.

**Deploy**

Deploy is the sixth and final stage in the lifecycle. During the Deploy stage the applications are moved to production; all requisite pre-production activities are identified, tracked and completed, and post-production analysis and review is completed. TruePoint staff will be site during go-live and continue to provide the City with post production support.

## Project Team and Experience

### TruePoint Resources

TruePoint has the most experienced and successful team of certified Accela implementation consultants with offices in Tucson AZ, Incline Village, NV, and Sacramento CA that have a proven track record of successful Accela implementation across the US. The table below represents a list of team members and areas of experience.



			Proj. Manager	Business Analysis	Accela Automation	Citizen Access	Mobile Office	Accela GIS	EDR	Ad-hoc	Crystal Reports	SSRS	Event Scripts	Interfaces	Conversion	End User Training
Consultant	Primary Role	Public Sector														
Keith Hobday	Implementation Consultant	28 yrs.	•				•		•	•			•	•		•
Paula Montoya	Implementation Consultant	20 yrs.	•	•	•	•	•	•	•	•			•	•	•	•
Terry Dunn	Implementation Consultant	20 yrs.	•	•	•	•	•	•	•	•			•			•
Cory Probasco	Implementation Consultant	23 yrs.	•	•	•	•	•	•	•	•			•			•
David Brown	Implementation Consultant	17 yrs.	•	•	•	•	•	•	•	•			•			•
Thomas Hornick	Technical Consultant	21 yrs.		•	•	•	•			•	•	•	•		•	
Joe Cipriano	Technical Consultant	22 yrs.								•	•	•	•	•	•	
Caleb Harshbarger	Technical Consultant	12 yrs.								•	•	•	•	•	•	
Richard Holland	Technical Consultant	12 yrs.								•	•	•		•	•	
Michele Niccore	Implementation Consultant	12 yrs.	•	•	•	•	•			•			•	•		•
Shauna Minor	Implementation Consultant	8 yrs.		•	•	•	•		•				•			•
McKenzie Helvick	Implementation Consultant	7 yrs.		•	•	•	•		•	•			•			•
Mike Cox	Technical Consultant	12 yrs.								•	•	•		•	•	
Nick Graf	Technical Consultant	15 yrs.		•	•	•	•			•	•	•	•		•	
Suzy Santo	Implementation Consultant	22 yrs.	•	•	•	•	•		•	•			•			•
Deborah Herman	Implementation Consultant	22 yrs.	•	•	•	•	•			•	•	•	•			•
Johnny Guest	Implementation Consultant	14 yrs.		•	•											
Erin Griffith	Technical Consultant	14 yrs.								•	•	•				
Maureen McAleer	Implementation Consultant	30 yrs.		•	•	•				•	•		•			•
Jackie Ramirez	Implementation Consultant	10 yrs.		•	•	•	•			•			•		•	•
Tyler Suarez	Implementation Consultant	5 yrs.		•	•	•				•	•	•		•		•
Ray Schug	Implementation Consultant	26 yrs.	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Erica Rodriguez	Implementation Consultant	14 yrs.		•	•	•				•	•	•		•		•
Greg Lamy	Implementation Consultant	3 yrs.		•	•	•				•	•	•		•		•
Michael Becker	Implementation Consultant	3 yrs.								•	•	•	•	•	•	

## TruePoint Clients

TruePoint Solutions is an Accela “Business Plus” partner with offices in Tucson AZ and Sacramento CA. Business Plus is the highest-level partner certification level with Accela.

We have been an Accela Implementation partner for over 12 years and have an extensive list of over 100 Agencies with whom we've provided implementation services. On the following page, we have provided a list of these agencies; They include implementations involving conversions from legacy Accela products like Permits Plus, Tidemark, KIVA, HTE, MUNIS, Hansen and many home grown systems. We have also been the go-to services provider for an increasing number of clients looking for post-implementation system enhancement and expansion efforts. Our clients look to us to help them further leverage their existing investments in the Accela product line.

## Civic Platform Projects/Clients

- Alameda, CA
- Albany, OR
- Atlanta, GA
- Asheville, NC
- Benicia, CA
- Berkeley, CA
- Boise, ID
- Ceres, CA
- Clearwater, FL
- Cleveland, OH
- Concord, CA
- Corvallis, OR
- Elk Grove, IL
- El Paso, TX
- Fremont, CA
- Fort Collins, CO
- Grand Rapids, MI
- Grass Valley, CA
- Hesperia, CA
- Indianapolis, IN
- Livermore, CA
- Madison, WI
- Martinez, CA
- Maryland Heights, MO
- McAllen, TX
- Missoula, MT
- Moreno Valley, CA
- New York City, NY
- Oakland, CA
- Omaha, NE
- Oklahoma City, OK
- Ontario, CA
- Palo Alto, CA
- Peoria, AZ
- Pleasanton, CA
- Pleasant Hill, CA
- Reno, NV
- Rochester, MN
- Roseville, CA
- Sacramento, CA
- San Leandro, CA
- Santa Monica, CA
- Salt Lake, UT
- San Antonio, TX
- Spokane, WA
- Stockton, CA
- Tacoma, WA
- Tigard, OR
- Virginia Beach, VA
- Visalia, CA
- Walnut Creek, CA
- Watertown, WI
- West Sacramento, CA
- Whistler, BC
- Yuba City, CA
- Adams County, CO
- Arapahoe County, CO
- Bexar County, TX
- Boulder County, CO
- Buncombe County, NC
- Clackamas County, OR
- Carroll County, MD
- Cobb County, GA
- Contra Costa County, CA
- Douglas County, NV
- Guilford County, NC
- Gwinnett County, GA
- Hillsborough County, FL
- Jackson County, OR
- King County, WA
- Lake County, CA
- Leon County, FL
- Maricopa County, AZ
- Marion County, IN
- Monterey County, CA
- Montgomery County, OH
- Napa County, CA
- Nevada County, CA
- Pasco County, FL
- Pima County, AZ
- Placer County, CA
- Sacramento County, CA
- San Diego County, CA
- San Mateo County, CA
- Stanislaus County, CA
- Santa Clara County, CA
- Washoe County, NV
- Yakima County, WA
- City and County of Denver
- Oakland Fire
- Placer Air Pollution Control Dist.
- Town of Los Gatos, CA
- Town of Paradise, CA
- Town of Queen Creek, AZ
- Town of Sahuarita, AZ
- CA Dept. of Water Resources (DWR)
- CA Office of Statewide Health & Planning (OSHPD)
- CA State Lands Commission Resources (CSLC)
- DC - Office of State Superintendent of Education
- State of Montana
- Tahoe Regional Planning Authority
- University of Minnesota

## Local Accela References

We have included a few project references in your area. We would be glad to provide references for any other TruePoint implementation on request.

<b>City of Palo Alto, CA</b>	Rosemary Morse Development Services Manager (650) 329-2191 <a href="mailto:rosemary.morse@cityofpaloalto.org">rosemary.morse@cityofpaloalto.org</a>  285 Hamilton Ave, Palo Alto, CA 94301	Accela Automation implementation and on-going support services for Building, Planning, Public Works, Code Enforcement and the Fire Department.  Long time customer
<b>Santa Clara County, CA</b>	Kirk Girard Director 408-299-6741 <a href="mailto:kirk.girard@pln.sccgov.org">kirk.girard@pln.sccgov.org</a> 70 West Hedding Street San Jose, CA 95110	Current on-going implementation of the Civic Platform that will go live at end of the summer.
<b>City of Alameda, CA</b>	Erin Garcia, (510) 747-6816, Accela System Administrator, <a href="mailto:egarcia@ci.alameda.ca.us">egarcia@ci.alameda.ca.us</a> 2263 Santa Clara Ave, Alameda, CA 94501	Accela Automation implementation and on-going support services for Building, Planning, Public Works, Code Enforcement and the Fire Department.  Long term support client.
<b>City of Pleasanton, CA</b>	Dennis Corbett Chief Building Official 925-931-5303 <a href="mailto:dcorbett@cityofpleasantonca.gov">dcorbett@cityofpleasantonca.gov</a> 200 Old Bernal Avenue Pleasanton, CA 94566	Implementation, project management, configuration and on-going support services for configuration changes, new processes, reports and a recent Green Halo integration.
<b>Stanislaus County, CA</b>	Denny Ferreira <a href="mailto:ferreirad@stancounty.com">ferreirad@stancounty.com</a> (209) 652-0471 1021 I St #101, Modesto, CA 95354	Tidemark upgrade to the Accela Civic Platform including Accela Citizen Access, Accela GIS, Accela Mobile Office, Selectron IVR.  On-going support for daily needs, rolling out additional web permits, reports and expanding the use of the Civic platform to other departments.

## Cost Proposal

The cost proposal below is based on meeting with the City last year and feed back from our call this week.

<b>Estimate based on 12-month project timeline</b>				
<b>Full Implementation</b>	<b>Hours</b>	<b>Rate</b>	<b>Cost</b>	<b>Comments</b>
Project Initiation	32	\$150	\$4,800	Kickoff and Project Plan
Installation (On Premise)	56	\$150	\$8,400	PROD and DEV environments (If Hosted only 16 to setup environment)
Project Management	180	\$150	\$27,000	Project Management for the duration of the project
Configuration Analysis and Prototypes	280	\$150	\$42,000	Building (Master Permit) ,Planning (Entitlement) , Engineering, Code, Heritage Trees
System Configuration	320	\$150	\$48,000	Configuration of all components of the software to meet specific business needs
Event Scripting	120	\$150	\$18,000	Custom business rule scripting and automation
Electronic Document Review Integration	150	\$150	\$22,500	Integration with DigEplan or Adobe or other possible 3rd party review tools. City is responsible for 3rd party hardware and software costs
<b>Interface Development</b>				
XAPO integration to GIS	32	\$150	\$4,800	Address, Parcel and Owner integration with GIS
CSLB Interface and Hdl	24	\$150	\$3,600	Real Time Integration to Contractor State License Board, Integration to Hdl for valid License check
Financial Export	48	\$150	\$7,200	Nightly Export
Data Conversion (Tidemark)	360	\$150	\$54,000	Legacy Data Conversion and Document Conversion
Report Creation (Hours for report creation)	160	\$150	\$24,000	T&M Hours for report creation (Go Live Critical)
Citizen Portal Configuration	120	\$150	\$18,000	Ability to check status, schedule inspections, pay fees, upload documents and apply for permits on-line
Mobile Device Setup and Testing	48	\$150	\$7,200	Mobile APP Configuration for Inspectors
Accela GIS Configuration (XAPO)	48	\$150	\$7,200	Integration to ArcGIS and XAPO
Training	148	\$150	\$22,200	Admin and End User
User Acceptance Testing and Go-Live prep	100	\$150	\$15,000	Final testing of the integrated solution with County
Go Live Support	80	\$150	\$12,000	Go Live and post go-live support
<b>Totals</b>	<b>2,326</b>		<b>\$ 345,900</b>	

<b>Travel Time and Travel Expenses Estimate</b>			<b>\$20,000</b>	
		with expenses	<b>\$365,900</b>	

<b>Travel and Expense Estimate Breakdown</b>			
Transportation Expenses per Trip	12	\$300	\$3,600
Travel Time Expenses per Trip	12	\$600	\$7,200
Estimate Per day on site for Meals, Lodging, and other Misc. travel expenses	40	\$230	\$9,200

**\$20,000**

**Note: Travel time estimate calculated at \$100 per hour. Travel time will be limited to 3 hours each way per trip.**





**Synergetic Consulting**

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Bringing Technology, Process, and People Together

# **Menlo Park City, CA Accela Automation Implementation**

## **Project Management and Support Services Proposal**

### **Implementation by**

**Synergetic Consulting**

PO Box 12154

Reno, NV 89510

775-284-3400

<http://www.e-syncon.com>

### **Project Manager**

**Edward Rought, PhD, MBA**

[erought@e-syncon.com](mailto:erought@e-syncon.com)

May 24, 2018

Gene Garces  
Information Technology Manager  
650-330-6657  
ggarces@menlopark.org  
City Hall - 2nd Floor  
701 Laurel St.  
Menlo Park, CA

## Project Summary

Synergetic Consulting thanks the City of Menlo Park in requesting our assistance in its upcoming conversion to the Accela Automation system. With Synergetic Consulting's 17 years of experience in working with the City's staff and Tidemark implementation we are uniquely qualified to provide the insight into the details of the Tidemark implementation and the City's needs within the permitting operations.

The following summary includes the hours and travel costs to provide the project management, process and procedure analysis, data cleaning for conversion, report and current system analysis for the new vendor, training documentation, on-site go-live assistance, and other services used to ensure a successful conversion to the new application.

Task Description	Est. Hours	Est .Cost
Work with City staff to define functional requirements	48	\$5,520
Review requirements with vendor and coordinate discussions to match staff requirements to application capabilities	40	\$4,600
Write up staff functional desires for submission to vendor and provide discussion with staff on actual implementation operations	24	\$2,760
Define integration details for other City systems	28	\$3,220
Regular meetings with vendor and staff to discuss project status and issues	128	\$14,720
Review of procedures with City staff and creation/review of procedures to be implemented by vendor	52	\$5,980
Data cleanup of people, addresses, licensing, and other tables	128	\$14,720
Review of vendor deliverables before submission to City staff for final approval	54	\$6,210
Testing plan development	88	\$10,120
Testing of application as implemented	120	\$13,800
Assist staff in final testing to verify functionality	84	\$9,660
Create City specific documentation for staff training and procedural operations	16	\$1,840
Develop maintenance plans and procedures documentation to be used by City staff after go-live	24	\$2,760
Review active reports with staff	48	\$5,520
On-Site Go-Live Assistance	40	\$4,600
Total of estimated hours and cost:	874	\$106,030

<b>Estimated Travel Expenses</b>			
Estimated Travel Expenses per trip (flight, lodging, lodging, and meals)	3	\$1,975	\$5,925
Travel Time Cost per trip	3	\$450	\$1,350
<b>Total Estimated Project Costs</b>			<b>\$113,305</b>

**Notes:**

The hours listed in this proposal are estimates and only the actual hours needed to complete the project will be billed. The estimated hours are a not-to-exceed amount based on our decades of experience in similar projects.

The actual travel costs available at the time of travel will be billed as charged by the respective service providers. Travel time is based on 3 hours each way from our Reno offices at \$75 per hour.

The project is expected to include three one week trips to the City offices to consult with staff, provide training, and support services.

**General Terms and Conditions**

The following sections define Synergetic Consulting’s standard terms and conditions for the products and services in this proposal.

**Payment Terms**

- **Project Billing**

The payment terms for this project are monthly billing of hours and travel expenses incurred during each calendar month.

- **Travel Expenses**

For any on-site work, out of the Reno-Sparks, Nevada area, or if specialists are required to travel to the Reno/Sparks area for this project, the Client will be billed for the applicable actual airfare, ground transportation, lodging costs, and \$65 per-diem per day for each Synergetic Consulting staff member required on-site. Traveling time is normally charged at \$75 per hour, for each Synergetic Consulting staff member required on-site.

- **General Conditions**

Other than payments due upon start of a project, our normal terms have all invoices due and payable within 30-days from the date of the invoice. If the account exceeds the 30-day term on undisputed amounts and the Client is unable to commit to payment within a reasonable period of time, an interest of 1.5% per month shall be applied to the outstanding delinquent amount and the project or services may be placed on hold until the account is brought current.

The client is responsible for payment of all federal, state (or provincial), and local taxes and duties (except those based on the income of Synergetic Consulting). If you are exempt from certain taxes,

you need to provide Synergetic Consulting with a certificate of exemption issued by the applicable taxing authority.

### **Standard Work Day, Off-Site**

Our standard eight-hour work days are Monday through Friday, between 8 am and 5 pm Pacific time, and are charged at \$115.00 per hour. Evening, weekend, and holiday hours are billed at \$150.00 per hour. Time is billed at quarter hour increments.

### **On-Site Visits**

The on-site visits will be scheduled with your jurisdiction and it is your responsibility to insure that all needed personnel are available for the on-site visit. Time is billed at quarter hour increments after the initial three days. If you need to change the schedule for on-site visits, 14 days advance notice must be provided to Synergetic Consulting. Travel costs are separate.

### **Scope Changes**

As part of Synergetic Consulting's Project Management methodology, when the scope of a project changes in any measurable way, the assigned Project Manager will complete a Scope Change document. The document will outline the nature and impact of the proposed scope change on the overall project. Before any work towards the Scope Change is started, an authorized Client Representative must sign off on the Project Change Order, acknowledging the potential time and/or cost impact on the project caused by the Scope Change.

### **Cancellation Policy**

If your jurisdiction cancels the project after work specifically for your project has been started, your jurisdiction will be billed for all consultative hours already used in connection with the project (prior to receipt of notice of termination) at our current standard single hour rate for the type of services performed. All expenses incurred (prior to receipt of notice of termination) specifically for the project will also be due and payable, these include: travel, purchase of products to be delivered to your jurisdiction, or any other specifically listed expenses. Upon receipt of notice of termination, Synergetic Consulting shall immediately cease all work on the terminated project. City shall not be obligated for any fees, costs, charges or expenses incurred by Synergetic following the receipt of the notice of termination. An authorized Client Representative (listed on last page) must issue the notice of termination or reinstatement of a project.

### **Proposal Acceptance Period**

The estimates, rates, terms, and conditions of this proposal are effective for ninety (90) days from the date of this proposal. Should the decision to move forward with the project exceed that timeframe, Synergetic Consulting's estimates, costs, and availability may change.

## **Appendix A – Project Management Worksheet**

The following worksheet details the anticipated hours needed for a successful implementation of the Accela Automation platform.

Task Details	Qty	Hours	Total			
<b>Work with City staff to define functional requirements</b>			<b>0</b>			
Kickoff meeting with City staff and vendor	1	8	8	on-site		
Review of current screens and define needed changes	1	16	16	on-site		
Review current procedures and desired changes to processes	1	16	16	on-site		
Define wish list of operational functionality for discussion with vendor	1	8	8	48	\$	5,520
<b>Write up staff functional desires for submission to vendor and provide discussion with staff on actual implementation operations</b>						
Create functional specifications based on staff discussions	1	16	16			
Review specifications with staff before discussions with vendor	1	8	8			
Cover specifications with vendor	1	8	8			
Review vendor response to specifications with City staff	1	8	8	40	\$	4,600
<b>Review requirements with vendor and coordinate discussions to match staff requirements to application capabilities</b>						
Initial discussion with vendor on desired functionality	1	4	4			
Review best practices functionality and match to desired processes	1	4	4			
Work with vendor to make possible changes to best practices	1	8	8			
Review final specifications and how they match desired processes	1	8	8	24	\$	2,760
<b>Define integration details for other City systems</b>						
Discuss systems the City needs to integrate with Accela	1	4	4			
Outline the specifications for each integration	1	8	8			
Review integrations with vendor	1	4	4			
Modify integration details based on vendor feedback	1	4	4			
Create testing plan for each integration	1	8	8	28	\$	3,220
<b>Regular meetings with vendor and staff to discuss project status and issues</b>						
Weekly meetings with vendor on progress and implementation issues	52	1.5	78			
Bi-weekly discussion with staff on project status and options	26	1	26			
Monthly written report on project status	12	2	24	128	\$	14,720
<b>Review of procedures with City staff and creation/review of procedures to be implemented by vendor</b>						
Document the current City procedures to be implemented	1	24	24	on-site		
Review procedures with staff and create a change document	1	8	8	on-site		

Review procedures with vendor and define any potential issues	1	8	8			
Discuss any implications of changes to desired procedures with staff	1	8	8			
Define final procedures and review with vendor	1	4	4	52	\$	5,980
<b>Data cleanup of people, addresses, licensing, and other tables</b>						
Create utility to assist in removing duplications	1	24	24			
Work with staff on duplicate people records and case linkages	1	16	16			
Validating license records against CSLB and HDL	1	32	32			
Validate parcel data	1	16	16			
Validate owner data	1	16	16			
Validate site address data	1	16	16			
Define parcel import process for vendor implementation	1	8	8	128	\$	14,720
<b>Review of vendor deliverables before submission to City staff for final approval</b>						
Examine defined deliverable materials and validate system aspects	18	2	36			
Deliver documents and status results to City staff for acceptance	18	1	18	54	\$	6,210
<b>Testing plan development</b>						
Create Building testing plan	1	24	24			
Create Planning testing plan	1	16	16			
Create Heritage Tree testing plan	1	8	8			
Create Code testing plan	1	16	16			
Create mobile testing plan	1	8	8			
Create ACA testing plan	1	16	16	88	\$	10,120
<b>Testing of application as implemented</b>						
Building testing	1	24	24			
Planning testing	1	24	24			
Heritage Tree testing	1	16	16			
Code testing	1	16	16			
Mobile testing	1	16	16			
ACA testing	1	24	24	120	\$	13,800
<b>Assist staff in final testing to verify functionality</b>						



Summarize results of testing plans	6	4	24			
Review key components of testing with staff	6	2	12			
Walk staff thru the live testing	6	8	48	84	\$	9,660
<b>Create City specific documentation for staff training and procedural operations</b>						
Create procedure documentation to augment vendor trainings	1	16	16	16	\$	1,840
<b>Develop maintenance plans and procedures documentation to be used by City staff after go-live</b>						
Define and document daily procedures for frontline staff	1	16	16			
Develop procedures for maintenance and support actions	1	8	8	24	\$	2,760
<b>Review active reports with staff</b>						
Work with City staff to identify reports actually used	1	8	8			
Review complex reports with vendor to ensure proper conversion	1	16	16			
Test converted reports to ensure accurate results	1	24	24	48	\$	5,520
<b>On-Site Go-Live Assistance</b>	1	40	40	40 on-site	\$	4,600



## STAFF REPORT

**City Council**  
**Meeting Date:** 6/5/2018  
**Staff Report Number:** 18-120-CC

**Regular Business:** Adoption of resolution calling election to place charter measure on ballot, approval of final proposed charter language and recommendation from ad hoc committee on inclusion of term limits in charter and charter committee formation

### Recommendation

Staff recommends that the City Council:

1. Hear recommendation from ad hoc committee on term limits and charter committee formation;
2. Consider adopting resolution calling election to place charter measure on November 2018 ballot (Attachments A and C);
3. Select city council members to sign ballot arguments in support of charter measure;
4. Discuss formation of Charter Review Committee; and
5. Find actions exempt under California Environmental Quality Act (CEQA.)

### Policy Issues

Becoming a charter city would permit Menlo Park to exert control over municipal affairs in the interests of the community. Given the State's increased incursion into areas of municipal affairs in recent years, transitioning to a charter city would put Menlo Park in a better position to protect local control. Members of the public have expressed concerns that becoming a charter city would grant the City Council more authority than it currently has and would make it more difficult for the community to oppose local legislation or policy it disagreed with.

### Background

In an effort to explore alternatives to district elections and voting methods currently available only to charter cities, the City Council has been exploring becoming a charter city. On January 16, the City Council discussed the process for adopting a charter utilizing the traditional process of a charter commission or committee. On February 13 and March 27, the City Council discussed adopting a simple enabling charter. Under this approach, the charter would reserve municipal affairs power in specified areas (such as voting methods). The City would then have a framework in place to authorize a different election method if it so desired. At the March 27 meeting, several members of the public spoke against a broad enabling charter expressing concern that it would grant the City Council or staff too much power, make it more difficult to oppose local legislation and be confusing to the voters. Following public testimony, the City Council directed staff to consider the public's comments and return with a range of charter options.

On May 8, the city attorney presented four different options for the City Council and public's consideration. These options included a narrow placeholder charter focusing on the City's new by district election process, a limited charter asserting municipal affairs authority over discreet areas of elections, taxation and public contracting and a broad charter asserting municipal affairs authority overall municipal affairs, with a carve

out for prevailing wages. At the May 8 hearing, some public members expressed interest in a broad charter, while other public members continued to express reservations about a broad, enabling charter that gave City Council and staff additional authority. The City Council expressed a desire to proceed cautiously and voted 3-2 to move forward with a limited charter asserting municipal affairs authority in the area of elections only. In addition, the City Council appointed a subcommittee to look at incorporating term limits into the charter and to make a recommendation for appointment of a charter review committee to explore future charter amendments. The City Council directed the city attorney to work with the subcommittee on updated charter language and to return to the full City Council with a resolution to put the charter on the ballot.

## **Analysis**

### Term limits

On May 8, 2018, the city clerk prepared an informational item regarding term limits. (Attachment D.) Based on the research conducted by staff, there are only three San Mateo cities which currently have term limits: Millbrae, Pacifica and San Mateo. Since 2000, in Menlo Park the average length of time served has been 6.25 years.

Under State law, term limits must be approved by the voters and may only apply prospectively.<sup>1</sup> Term limits may be adopted through a charter or by voter approved ordinance.

The subcommittee met to discuss the pros and cons of term limits. The subcommittee noted, on the one hand, excessive terms do not appear to be a major issue in Menlo Park. They also noted there is a learning curve to being a city council member and that regional board appointments typically go to more seasoned city council members. On the other hand, limiting incumbency could promote more candidates, especially as we transition to districts. On balance, the subcommittee thought three consecutive terms would be appropriate. The Committee did not believe a lifetime cap was necessary and that if a termed out city council member sat out a term, he/she should be able to run again. The subcommittee also recommended that partial terms of two years or more count toward a full term and that city council members should not be able to move from district to district to evade term limits. In implementing term limits, the subcommittee recommended that the current incumbents' terms be counted toward term limits and to comply with State law, each incumbent should be given an opportunity for one more term. The term limit language recommended by the Committee is:

*Section 204. Term Limits.* No person may serve more than three consecutive terms of office as a City Council Member. These limitations on the number of terms of office shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than one-half of the full term of office. Terms of office commenced before the effective date of this charter shall be counted when determining eligibility under this provision. The three term limitation applies regardless of the district(s) represented.

(This language is incorporated into the Draft Charter contained in Attachment A.)

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<sup>1</sup> California Government Code Section 36502 (b) provides that “[a]ny proposal to limit the number of terms a member of the city council may serve on the city council, or the number of terms an elected mayor may serve, shall apply prospectively only and shall not become operative unless it is submitted to the electors of the city at a regularly scheduled election and a majority of the votes cast on the question favor the adoption of the proposal.”

### Final charter language

In addition to the term limit language, the subcommittee also recommended removing “compensation of elected officials” from the list of enumerated election powers. While many charters include City Council compensation, the subcommittee expressed concern that the provision could lead voters to think the City Council would arbitrarily increase its own salary. The subcommittee also reasoned that State law regarding City Council compensation have historically been sufficient, especially given the part time nature of the position. The disadvantage of not including this provision is that future city councils may want to increase compensation beyond the State law maximum in order to attract more economically diverse candidates. However, if this becomes an issue, compensation could be increased through a voter initiative.

A draft charter incorporating the City Council’s earlier direction as well as the subcommittee’s recommendation on term limits is contained in Attachment A.

### Additional optional provision

The subcommittee discussed adding a provision codifying the City’s current five-district election process and clarifying that any change to the election method would require a vote of the people. Currently, the City’s district process is codified in the Municipal Code. The Committee expressed a preference for retaining this provision in the Municipal Code, rather than the charter, as it could be more easily modified if circumstances changed. Including the provision in the charter would require a charter amendment any time the method of elections changed.

An alternative draft charter including an optional districting provision is contained in Attachment B.

### Charter Review Committee

Once a charter is adopted, it is common to form a committee to periodically review its terms, and if appropriate, recommend amendments or updates. Any charter amendment must be approved by a majority of the voters. There are two different types of charter review committees: (1) elected and (2) appointed. To form an elected commission<sup>2</sup>, the City Council must place a two-part question of the ballot. The first question asks the voters “Shall a charter commission be elected to propose a new charter?” The second part asks the voters to select 15 candidates for the commission. If the first question does not pass with a majority of the voters, the commission is not constituted. If the first question passes with a majority of the voters, the 15 candidates receiving the highest number of votes are elected (a majority vote for each member is not required). The charter candidates are nominated through a process similar to city council members (e.g., to qualify for the ballot, commission candidates must collect the signatures of 3 percent of the registered voters.) Commissioners must be Menlo Park residents.

A charter review commission can be elected at any established election date. An elected commission has two years to complete its work and thereafter automatically disbands. To become effective, the language proposed by the charter review commission is submitted to a vote. If the charter receives a majority vote, it passes.

The advantages of an elected charter review commission are that it has independence and is theoretically representative of a broad swath of the community. The disadvantages of an elected charter commission are that it takes significant resources to staff, its jurisdiction is unlimited and therefore may not align with City Council priorities, may not be representative of the overall community and can be difficult for smaller communities to recruit 15 dedicated people. Accordingly, this process is more typically used in larger cities.<sup>3</sup>

<sup>2</sup> An elected charter commission is governed by Government Code Section 34454.

<sup>3</sup> In 1997, the City of Los Angeles elected a charter commission to review its charter. In 2012, the City of Sacramento voters turned down a measure to establish an elected charter commission.

The other type of charter review committee is an advisory body. An advisory body is appointed by the City Council. The City Council may develop selection criteria to ensure broad representation. Committee members may be appointed by individual city council members or voted on by the entire City Council. The City Council can provide direction to the Committee on which issues to examine or may leave it open-ended. The Committee’s recommendations are advisory and must be approved by the City Council before they are placed on the ballot. Like charter revisions proposed by an elected commission, charter provisions proposed by an advisory committee are also subject to voter approval.

At the subcommittee’s suggestion, city staff surveyed recent Bay area charter review committees to determine how they were appointed and their purview (Attachment E.)

The subcommittee discussed these options and was inclined to support a subcommittee of 11 members, consisting of two people from each district and one at large. The committee members should have experience serving the city in some capacity.

Adoption of election resolution and selection of City Council Members to write ballot argument

A charter must be voted on at a General Municipal Election (e.g., November of even numbered years) and prior to placing a proposed charter on the ballot the City Council must conduct two public hearings. The City Council complied with the hearing requirements by conducting hearings March 27 and May 8, 2018. The final step in placing the measure on the ballot is to adopt a ballot resolution.

Attachment C is a draft resolution to submit the approval of the charter to the voters for approval at the regular municipal election to be held November 6, 2018. The resolution must specify the wording of the question to be submitted to the voters. The following is a form of the ballot question for consideration by the City Council:

Shall the charter be adopted making the City of Menlo Park a charter city so that the laws of the City of Menlo Park shall prevail over state law only with respect to two municipal affairs: elections and term limits?	YES
	NO

To the extent the City Council would like to suggest alternative wording, the City Council may modify the ballot question, provided, however, it may not exceed a total of 75 words. For purposes of calculating the number of words, names of places such as “City of Menlo Park” each count as one word.

Elections Code section 9280 allows the City Council to direct the city attorney to prepare an Impartial Analysis of the measure showing the effect of the measure on the existing law and on the operation of the measure. The Impartial Analysis would be printed preceding the arguments for and against the measure in the voter pamphlet and shall not exceed 500 words in length. The filing deadline for the impartial analysis is the same as the date for filing primary arguments.

In addition, Elections Code section 9282 provides for the submission of written arguments in favor of, and in opposition to, the measure. The City Council may authorize one or more of its members to submit an argument in favor of the ballot measure. Any voter or bona fide group of voters may also submit an argument in favor of or against the ballot measure. If more than one argument for or against any measure is submitted, the elections official shall select one of the arguments using specific criteria as outlined in Elections Code section 9287. The members authorized by the City Council to submit an argument in favor of the ballot measure have priority over any other argument in favor of the measure. The authors of the

argument in favor of the ballot measure are entitled to write a rebuttal to the argument against the measure, or to authorize someone else to write the rebuttal. If the City Council wants to submit an argument in favor of the ballot measure, the City Council should decide which members would be authorized to write the argument by the City Council. If a majority of the City Council are authorized to sign the argument, to avoid a Brown Act violation the City Council could appoint a subcommittee of the City Council to write the ballot argument and then bring the draft to the City Council as a consent agenda item for approval.

The attached resolution calls for an election and places the measure on the ballot. Further, it calls for the preparation of an Impartial Analysis and sets the dates for the filing of primary and rebuttal arguments related to the measure and specifies who is authorized to submit an argument in favor of the measure on behalf of the City Council. Finally, the resolution orders the measure be placed on the November 6, 2018 ballot

Attachment F contains a schedule for placing the charter on the November 6, 2018 ballot.

### **Impact on City Resources**

The estimated cost of putting a charter measure on the ballot is approximately \$19,900-\$23,800 according to the San Mateo County clerk.

### **Environmental Review**

This action is not a project within the meaning of the CEQA Guidelines §§ 15378 and 15061(b)(3) as it proposes an organizational structure change that 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. Draft City of Menlo Park Charter (subcommittee recommendation)
- B. Draft City of Menlo Park Charter (with optional district provision)
- C. Resolution placing charter measure on ballot
- D. May 8, 2018, informational staff report on City Council term limits
- E. Survey of recent Charter Review Committees
- F. Charter timeline

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

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**Subcommittee Recommendation (Term Limits Included)****CITY OF MENLO PARK****Charter of the City of Menlo Park, California 2018****PREAMBLE**

**WE THE PEOPLE** of the City of Menlo Park declare our intent to restore to our community the historic principles of self-governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed, and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all the citizens of this City, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of Menlo Park.

**ARTICLE 1. MUNICIPAL AFFAIRS****Section 101. Municipal Affairs Powers of City.**

The City shall have full power and authority to adopt, make, exercise and enforce all legislation, laws and regulations and to take all actions relating to the municipal affairs set forth in this Charter, without limitation, which may be lawfully adopted, made, exercised, taken or enforced under the Constitution of the State of California.

**Section 102. Areas Where General Laws Govern.**

Except as expressly set forth in this charter, the general law set forth in the Constitution of the State of California and the laws of the State of California shall govern the operations of the City of Menlo Park.

In the event of any conflict between the provisions of this Charter and the provisions of the general laws of the State of California, the provisions of this Charter shall control.

**ARTICLE 2. CITY COUNCIL AND ELECTIONS****Section 201. Governing Body.**

The governing body of the City is a Council of five (5) members.

**Section 202. Terms of Office.**

The term of the office of Council Member is four (4) years.

**Section 203. Method of Election.**

The City shall have the power to adopt ordinances establishing procedures, rules or regulations concerning the City of Menlo Park elections and public officials, including

but not limited to, the qualifications of elected officials, the method, time and requirements to hold elections, to fill vacant offices and for voting by mail. Unless in conflict with this Charter or ordinances adopted by the City, state law regarding elections shall apply.

**Section 204. Term Limits.** No person may serve more than three consecutive terms of office as a City Council Member. These limitations on the number of terms of office shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than one-half of the full term of office. Terms of office commenced before the effective date of this charter shall be counted when determining eligibility under this provision. The three term limitation applies regardless of the district(s) represented. **[This reflects subcommittee's recommendation.]**

### **ARTICLE 3. INTERPRETATION**

#### **Section 301. Construction and Interpretation.**

The language contained in this Charter is intended to be permissive rather than exclusive or limiting and shall be liberally and broadly construed in favor of the exercise by the City of its power to govern with respect to any matter that is a municipal affair.

#### **Section 302. Severability.**

If any provision of this Charter should be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.

**PASSED, APPROVED and ADOPTED** by the voters at the general municipal election of November 6, 2018.

**Alternative Draft (District Provision Added)****CITY OF MENLO PARK****Charter of the City of Menlo Park, California 2018****PREAMBLE**

**WE THE PEOPLE** of the City of Menlo Park declare our intent to restore to our community the historic principles of self-governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed, and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all the citizens of this City, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of Menlo Park.

**ARTICLE 1. MUNICIPAL AFFAIRS****Section 101. Municipal Affairs Powers of City.**

The City shall have full power and authority to adopt, make, exercise and enforce all legislation, laws and regulations and to take all actions relating to the municipal affairs set forth in this Charter, without limitation, which may be lawfully adopted, made, exercised, taken or enforced under the Constitution of the State of California.

**Section 102. Areas Where General Laws Govern.**

Except as expressly set forth in this charter, the general law set forth in the Constitution of the State of California and the laws of the State of California shall govern the operations of the City of Menlo Park.

In the event of any conflict between the provisions of this Charter and the provisions of the general laws of the State of California, the provisions of this Charter shall control.

**ARTICLE 2. CITY COUNCIL AND ELECTIONS****Section 201. Governing Body.**

The governing body of the City is a Council of five (5) members.

**Section 202. Terms of Office.**

The term of the office of Council Member is four (4) years.

**Section 203. Method of Election.**

The City shall have the power to adopt ordinances establishing procedures, rules or regulations concerning the City of Menlo Park elections and public officials, including

but not limited to, the qualifications of elected officials, the method, time and requirements to hold elections, to fill vacant offices and for voting by mail. Unless in conflict with this Charter or ordinances adopted by the City, state law regarding elections shall apply.

**Section 204. Term Limits.** No person may serve more than three consecutive terms of office as a City Council Member. These limitations on the number of terms of office shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than one-half of the full term of office. Terms of office commenced before the effective date of this charter shall be counted when determining eligibility under this provision. The three term limitation applies regardless of the district(s) represented. **[This reflects sub-committee's recommendation.]**

**Section 205. Districts.**

The City Council shall be elected by district, with three members elected at the same time as the statewide general election in 2020 and every four (4) years thereafter, and two (2) members elected at the same time as the statewide general election in 2022 and every four (4) years thereafter. Notwithstanding Section 203 of this Charter, any change to a different election method shall be subject to approval by a majority of the voters. **[Optional provision memorializing current district election process and providing that voter approval is required for substantive change in election method.]**

**ARTICLE 3. INTERPRETATION**

**Section 301. Construction and Interpretation.**

The language contained in this Charter is intended to be permissive rather than exclusive or limiting and shall be liberally and broadly construed in favor of the exercise by the City of its power to govern with respect to any matter that is a municipal affair.

**Section 302. Severability.**

If any provision of this Charter should be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.

**PASSED, APPROVED and ADOPTED** by the voters at the general municipal election of November 6, 2018.

**RESOLUTION NO. 6451**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 6, 2018 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE CITY OF MENLO PARK A BALLOT MEASURE PROPOSING THE ADOPTION OF A CHARTER**

WHEREAS, the City Council of the City of Menlo Park held two noticed public hearings on draft charter language on March 27, 2018 and May 8, 2018 and conducted a third public meeting to review the final charter language on June 19, 2018;

WHEREAS, the City of Menlo Park is calling a General Municipal Election to be held on Tuesday, November 6, 2018, to submit to the voters the proposal for the adoption of a charter asserting municipal affairs authority over elections and term limits; and

WHEREAS, the General Municipal Election is to be consolidated with the Statewide General Election to be held on the same date and that the City precincts, polling places and election officers of the two elections be the same, and that the San Mateo County Assessor-County Clerk-Recorder canvass the returns of the General Municipal Elections and that the election be held in all respects as if there were only one election.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Menlo Park orders as follows:

1. The City Council of the City of Menlo Park, pursuant to Government Code Section 34458, does order submitted to the voters at the General Municipal Election the following question:

Shall the charter be adopted making the City of Menlo Park a charter city so that the laws of the City of Menlo Park shall prevail over state law only with respect to two municipal affairs: elections and term limits?	YES
	NO

2. The full text of the proposed charter to be submitted to the voters is attached hereto as Exhibit A and shall appear in the Voter Information Pamphlet. The City Clerk of the City of Menlo Park shall cause the attached charter to be printed and shall make a copy of the charter for any voter upon request. The measure requires a simple majority to pass.

3. Pursuant to Elections Code Section 10400, the General Municipal Election is hereby ordered consolidated with the Statewide General Election conducted by the

County of San Mateo, which will be held on November 6, 2018. The elections hereby consolidated shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

4. The City Council of Menlo Park is hereby consenting and agreeing to the consolidation of a General Municipal Election with the Statewide General Election to be held on November 6, 2018. Pursuant to Elections Code Sections 10002 and 10403, the City Council hereby requests the Board of Supervisors of the County of San Mateo to make available the services of the Registrar of Voters for the purpose of providing the usual services necessary to conduct a consolidated municipal election, including the provision of elections supplies and voter pamphlets. The City Council recognizes that additional costs may be incurred by the County by reason of these services and agrees to reimburse the County for these costs.

5. The election on this measure shall be held, voting precincts, polling places, voting booths and elections officials in each of the precincts in which this election shall be held shall be the same as provided for the Statewide General Election on said date, as prescribed by the ordinance, order, resolution or notice of the Board of Supervisors of San Mateo County calling, providing for or giving notice of such other election and which sets forth such precincts, voting booths, polling places and elections officials.

6. The San Mateo Assessor-County Clerk Recorder is hereby authorized to canvas the returns of the General Municipal Election, and that the election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

7. The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies and equipment that may be necessary in order to properly and lawfully conduct the election.

8. The City Council authorizes a subcommittee of the City Council to file a written argument in favor of the measure and a rebuttal argument to be signed by the Mayor on behalf of the City Council and to add additional signatories to the written argument selected by the subcommittee. Any individual voter who is eligible to vote on the measure or bona fide association of citizens or combination of voters and associations may also submit a written argument for or against the measure. Such argument, whether in favor or against, shall not exceed 300 words and be accompanied by the printed name(s) and signature(s) of the person(s) submitting it, or if submitted on behalf of an organization the name of the organization, and the printed name and signature of at least one of its principal officers in accordance with the Elections Code. Rebuttal arguments must be submitted to the City Clerk and shall not exceed 250 words. The City Clerk shall set the dates of the Primary arguments in favor or against the measure and the rebuttal arguments.

9. The City Council directs the City Clerk to transmit a copy of the measure to the City Attorney, and directs the City Attorney to prepare an impartial analysis of the measure showing the effect of the measure on existing law and the operation of the measure. The analysis shall be printed preceding the arguments in favor and against

the measure. The analysis shall not exceed 500 words in length. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting of said Council on the 19<sup>th</sup> day of June 2018, by the following votes:

AYES:

NOES:

0ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this 19<sup>th</sup> day of June 2018.

Judy A. Herren  
City Clerk



EXHIBIT A

[INSERT CHARTER TEXT HERE]



**STAFF REPORT - AMENDED**

**City Council**  
**Meeting Date:** 5/8/2018  
**Staff Report Number:** 18-101-CC  
**Informational Item:** City Council term limits

**Recommendation**

This is an informational item and does not require City Council action.

**Policy Issues**

The City Council requested information regarding term limits for City Council seats.

**Background**

California Government Code Section 36502 (b) provides that “Any proposal to limit the number of terms a member of the city council may serve on the city council, or the number of terms an elected mayor may serve, shall apply prospectively only and shall not become operative unless it is submitted to the electors of the city at a regularly scheduled election and a majority of the votes cast on the question favor the adoption of the proposal.” The next regularly scheduled election where the City may elect to place a term limit item on the ballot is November 6, 2018. If such proposal is placed on the ballot and receives a majority vote, it would be effective for the November 2020 election.

**Analysis**

Staff obtained a copy of the 2011 State of California Council Member Term Limits Survey; Attachment A. Table 1 illustrates City Council term limits for cities within San Mateo County.

Table 1: San Mateo County cities with term limits		
Cities	General law or charter city	Term limits if applicable
Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Portola Valley, San Bruno, San Carlos, South San Francisco, and Woodside	General law	n/a
Millbrae	General law	two (2) consecutive four (4)-year terms; two (2) year break
Pacifica	General law	two (2) consecutive four (4)-year terms
Redwood City	Charter	n/a
San Mateo	Charter	three (3) consecutive four (4)-year terms

Over the last nine election cycles there have been 46 candidates for City Council. During this time, incumbents sought re-elections. A breakdown of the number of candidates from each election since 2000 is included in table 2.

Table 2: Menlo Park City Council election history					
Election year	City Council candidates	Seats to be filled	Results	Notes	
2000	5	2	Two Incumbents re-elected	Two incumbents filed	
2002	8	3	Two incumbents re-elected One new elected	Two incumbents filed	
2004	4	2	Two new elected	No incumbents filed	
2006	6	3	Three new elected	Two incumbents filed	
2008	3	2	Two Incumbents re-elected	Two incumbents filed	
2010	6	3	Two new elected One incumbent re-elected	Two incumbents filed	
2012	5	2	Two new elected	One incumbent filed	
2014	6	3	Three incumbents re-elected	Three incumbents filed	
2016	3	2	Two incumbents re-elected	Two incumbents filed	

From the year 2000 to date:

- The city has had 16 City Council Members
- The average length of time served has been 6.25 years

**Impact on City Resources**

During the last City Council election (2016), the City's election cost was \$30,682.54 for a two-seat City Council race.

According to the estimates from the San Mateo County Elections Office, the City's anticipated cost for the 2018 election is \$19,600 - \$23,520 and the addition of a Term Limits Initiative to the November 6, 2018 election could increase the costs by as much as \$23,880, which would bring the estimated cost of the 2018 election to \$43,480-\$47,400. Additionally, in 2018, the City Council is considering a charter measure on the ballot. Each additional initiative adds approximately \$19,900 - \$23,880 to the city's cost for the election, according to the San Mateo County Elections Office. To include an initiative on the November 6, 2018 ballot, the deadline for the city to submit the measure with San Mateo County clerk is August 10, 2018.

**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 proposes an organizational structure change that 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. 2011 State of California Council Member Term Limits Survey

Report prepared by:  
Judi A. Herren, City Clerk

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## Examples of Recent Charter Review Committees

City/County	Formation Date	Number of Committee Members	Selected Method	Mission Statement	Other Notes
Albany	Rolling	5	Each council member appoints one member; committee member serve until next municipal election	Advises the City Council on proposed changes to the City Charter. These proposed changes may be generated by the City Council or by the Charter Review Committee.	
El Cerrito	November 7, 2017	7	The Committee consists of two members of the City Council, a member of the Financial Advisory Board, an active participant in the El Cerrito real estate community, a representative of local labor groups, and two members of the public.	The Charter Review Committee will work with City staff to help develop a Charter that would include language that would give the City the power to adopt local rules in all matters of municipal affairs, require the City to follow California law regarding the payment of prevailing wages for public works projects and collective bargaining with represented employee groups, authorize the City Council to consider the use of all available tools for generating revenue, including but not limited to a Real Property Transfer Tax, and that does not alter the current City Municipal Code. The Committee will recommend the draft Charter to the City Council in April. The City Council would then hold public hearings on	Charter Review Committee has submitted a draft charter to the Council for review. The charter focuses on the Real Property Transfer Tax. The first public hearing was conducted on May 1 and the second hearing is scheduled for June 18, 2018.



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				the Charter, and would then consider putting the Charter on the ballot in November 2018.	
County of San Mateo	January 9 and 23, 2018	19	Nineteen members selected as follows: (1) each member of the Board shall appoint two residents from his or her Supervisorial District; (2) one person shall be designated by each of the following six organizations for appointment to the Committee by the Board of Supervisors: the County School Boards Association, the Council of Cities, the League of Women Voters, SamCEDA, the San Mateo County Central Labor Council, and the Youth Commission; and (3) one person shall be designated by the Board to represent each of the following interests of communities of concern, large businesses, and senior citizens	The Charter Review Committee shall submit to the Board, no later than June 30, 2018, such recommendations, consistent with the State Constitution and other provisions of State law, which in its opinion are appropriate. In its review of the Charter, the Committee should specifically address: (a) the consolidation of the offices of controller and treasurer-tax collector into a single appointed Director of Finance position such as that in Marin County and Santa Clara County, or, in the alternative, whether the separate offices of controller and treasurer-tax collector should be changed from elected offices to appointed offices; (b) technical and administrative clean-up items concerning matters such as the 00011 appointment process for the County Manager and the consolidation of the elections function with the Office of the Assessor-Clerk-Recorder; and	San Mateo County Charter section 801 provides that the Board of Supervisors shall convene a Charter review committee within eight years of the last complete Charter review and that said committee shall review the Charter and, after public hearings, make appropriate recommendations for amendment or revision to the Board.



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				(c) such other matters as the committee deems appropriate.	
City of Santa Clara	April 11, 2017	9	Mayor and Council members each selected one member and two at-large members selected by Council. The two at-large members were selected from a pool of candidates who responded to a call for interest.	Review the manner of electing City Council Members, including district based elections. The Council may also include other areas of interest as part of defining the Charter Review Committee work plan.	
Sunnyvale (2018 charter reform)	December 12, 2017	11	City invited interested applicants to apply. 15 members applied. Council waived interviews and appointed based on resumes.	The City Council has created a Charter Review Committee (CRC) to analyze and propose alternatives for amending City Charter Section 604 (Filling Vacancies in Council Seats). The Charter Review Committee will meet as needed, from January through April 2018. The CRC is expected to complete its task and make recommendations to the City Council by May 2018. The City Council will consider the recommendations of the CRC tentatively in June 2018 and will provide direction at that time to make preparations for a ballot measure to submit a Charter Amendment to City voters in the Nov. 6, 2018 General Municipal Election.	

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Sunnyvale (2010 charter reform)	January 25, 2011	11	City invited interested applicants to apply. Deadline extended when insufficient applicants received. Only 11 applied and Council appointed all applicants	Formed to review two issues -- directly elected mayor and council compensation.	
Sunnyvale (2006 reform)	July 18, 2006	15	Each Councilmember appointed two Committee members, with the last member appointed by the Mayor and confirmed by Council. A minimum of twelve must be registered Sunnyvale voters. The additional three members may be either Sunnyvale registered voters or Sunnyvale residents not registered to vote. Current Councilmember's family members within the second degree (parents, grandparents, children sisters or brothers, nieces and nephews, uncles and aunts, and members of their household) are excluded from nomination to the Charter Review Committee.	Council identified seven Charter issues as priorities for the Committee to review and make a recommendation on. Additionally, the City Council authorized the Committee to identify other Charter issues for review and recommendation and to provide the opportunity for public input on changes to the Charter.	

**CITY OF MENLO PARK  
CHARTER ADOPTION SCHEDULE\*  
NOVEMBER 6, 2018 ELECTION**

<b>Action</b>	<b>Date</b>	<b>Status</b>
City Council directs City Attorney to prepare Enabling Charter	February 13, 2018	Completed
Provide 21 days notice of first hearing	Publishing begins on March 2, 2018	Completed
First public hearing on Draft Charter language; Council directed City Attorney to prepare range of charter options	March 27, 2018	Completed
Provide 21 days notice of second hearing	Publishing begins on April 13, 2018	Completed
Second public hearing on Draft Charter language (must be at least 30 days after first public hearing)	May 8, 2018	Completed
21 day hold until City Council can take action to submit charter to voters	(May 9-29, 2018)	Completed
Subcommittee discussion of term limits and charter review committee	May 14, 2018	Completed
Third public meeting to call election on charter measure	June 19, 2018	Pending
Last day to deliver Ballot Measure to County Clerk	August 10, 2018	
Election (must be at General Municipal Election)	November 6, 2018	

\*Charter adoption hearing process governed by Government Code Section 34458.

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## STAFF REPORT

### City Council

Meeting Date:

6/19/2018

Staff Report Number:

18-128-CC

### Regular Business:

**Appoint a City Council ad hoc subcommittee to work with the Chamber of Commerce regarding downtown beautification, business incentives and homeless issues**

### Recommendation

Staff recommends that the City Council create and appoint two of its members to an ad hoc subcommittee to work with the Chamber of Commerce regarding downtown beautification, business incentives and homeless issues.

### Policy Issues

The proposed action to create a City Council subcommittee conforms to the current practice related to City Council ad hoc committees.

### Background

During the public hearing on the proposed fiscal year 2018-19 Budget and Capital Improvement Plan, City Council reached a consensus that an ad hoc subcommittee be created to work with the Chamber of Commerce to concentrate on improvements to the downtown area.

### Analysis

The ad hoc subcommittee would focus on issues necessary for the improvement of the downtown area. The ad hoc subcommittee would work with the Chamber of Commerce to develop ideas and enhancement strategies, including public amenities identified in the El Camino Real/Downtown Specific Plan such as street trees, street lamps, benches, bike racks, kiosks, news racks, mailboxes, transit shelters, public art, plantings, utility poles and utility boxes. Additional expansion or modification of existing policies may be considered to improve maintenance and attractiveness of public spaces, increase vibrancy and make downtown a retail and dining destination.

### Impact on City Resources

There is no fiscal impact to creation of an ad hoc subcommittee.

### 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 proposes an organizational structure change that 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.

Report prepared by:

Judi A. Herren, City Clerk



## STAFF REPORT

### City Council

Meeting Date:

6/19/2018

Staff Report Number:

18-125-CC

Informational Item:

**Update on Employee Engagement and  
Organizational Development Project**

### Recommendation

This is an informational item and does not require City Council action.

### Policy Issues

The Menlo Park City Council has approved an ambitious workplan in response to a highly engaged community with expectations of excellence. A skilled, engaged and fully staffed workforce enjoying a positive workplace culture is needed to attract and retain the best talent available to meet community expectations and achieve City Council goals. City Council approved employee engagement as a City Council workplan priority in February 2018.

### Background

City management has taken the pulse of the City organization through an internally managed annual employee survey for the last 10 years. Recent surveys, as well as an increasing vacancy rate (recently as high as 13 percent of the authorized workforce), indicated a growing sense of disconnect between line level employees, the organizational mission and upper management as well as feelings of “burn out” and other symptoms of low employee engagement. Additionally, even though new positions have been added, on-going vacancies were straining staff resources. The robust local economy continues to drive intense competition for qualified staff and contractors up and down the Peninsula.

Following the 2017 employee survey, the city manager directed the City’s management analysts interview staff from across the organization. These interviews further highlighted growing concerns about organizational culture and climate. Given the pressures of numerous projects and high community expectations, it was determined that a more focused employee engagement effort was needed. The pending retirement of the community services director allowed creation of an organizational development project manager to support the exploration of innovative opportunities for staff development, engagement and organizational communication. This effort, which also includes engaging staff in creating an organizational development plan, has been called Menlo PERK (Plan, Engage, Recognize, Konnect.)

The effort began in November 2017 with an assessment of our current level of engagement, which was developed by a well-known expert in employee engagement and director of the Institute for Public Sector Employee Engagement, a unit of CPS HR Consulting (CPS), Robert Lavigna. Sixty-one percent (202) of Menlo Park permanent and temporary employees responded to this engagement baseline survey.

Results indicated that 29 percent of Menlo Park employees were “fully engaged,” which is below the federal government, State government and local government benchmarks. The 49 percent of Menlo Park



employees who are “somewhat engaged” is higher than all benchmarks, suggesting significant potential to improve the fully engaged percentage.

Table 1: Overall engagement			
Agency	Fully engaged	Somewhat engaged	Not engaged
Private sector	44%	35%	21%
Local government	44%	37%	19%
Menlo Park	29%	49%	22%

CPS performed statistical analysis to determine the extent to which each factor measured in the survey influenced the overall Menlo Park engagement score, to reveal the overall workplace areas most likely to have the biggest impact on engagement if maintained or improved. This analysis indicated improvements were needed in employee understanding of and connection to the organizations:

- Mission
- Leadership
- The workplace culture supporting a “good work-life balance”
- “My opinions count at work”
- “I believe I would be supported if I try a new idea, even if it may not work”

Following the release of the survey results, focus groups were conducted by CPS in February 2018 to dig more deeply into staff suggestions for strategies that could improve the issue areas identified in the survey. The final step in the planning process was a series of departmental Action Workshops April 10 - 12 where departmental teams refined the strategies. These strategies have now been assembled into a draft PERK Action Plan that was available for all staff to review in May. The final plan was released to all staff June 15 and implementation of several high priority items has already begun.

**Analysis**

All staff had the opportunity to participate in a series of six action workshops held in April 2018. A group of representatives from each department during March generated over 1,000 strategy ideas to address the top five goal areas from the surveys and focus groups that had been prioritized. The five key goal areas addressed in the workshops were:

1. Increase opportunities for input on my work
2. More effective communication
3. Increase recognition/appreciation and performance management
4. Implement more effective change management
5. Improve workload management/work-life balance

The 1,000 strategy ideas were consolidated into 23 larger themes that were then prioritized by a group of department representatives and placed into time frames for the final Action Plan. The time frames included:

- Start now
- Start summer 2018
- Start fall 2018

Strategies that did not fall into any of these time frames were still included in the Action Plan, but are designated as future implementation.

The Action Plan (Attachment A) includes strategies for the following five goals:

1. Improve the efficiency and effectiveness of internal communication through increased employee-supervisor/manager interactions, opportunities for input, manager visibility and information sharing.
2. Provide training and development to boost performance, improve communication and enhance career development opportunities.
3. Implement a recognition and appreciation program to improve morale and retention.
4. Enhance our change management capabilities.
5. Promote work-life balance.

High priority strategies in the “begin now” time frame include:

- Ensuring all “teams” (departments will define teams) have “regular” (also to be defined) meetings
- Ensuring all staff have “regular” one-on-one meetings with their immediate supervisor
- The city manager and executive team will offer more regular informational meeting and other forms of ongoing communication
- The city manager and executive team will regularly visit work sites (schedule to be developed)

Intermediate term strategies to begin in the fall, include:

- Development of an on-site training calendar in response to an internal needs assessment
- Development of a job shadowing program
- Development of internal, departments specific peer-to-peer and supervisor-to-subordinate appreciation methods

Longer-term strategies to begin this winter include:

- Broader use of a project planning tool now in pilot phase
- Process improvements for high impact organization wide processes
- Development of a management team feedback tool
- Update of the telecommute policy
- Clarification of the flexible schedule guidelines

The annual employee survey is anticipated to be conducted again in the late fall and success of the PERK process and initial strategies will be evaluated at that time.

### **Public Notice**

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 24 hours prior to the meeting.

### **Attachments**

A. Menlo PERK Action Plan

Report prepared by:

Cherise Brandell, Organizational Development Project Manager

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## Menlo PERK Action Plan

June, 2018

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## CITY MANAGER'S MESSAGE

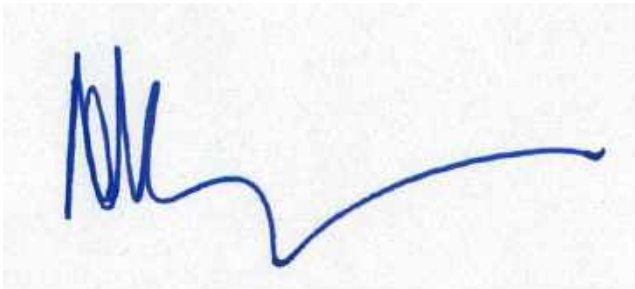
I am proud to share with you the culmination of almost a year's worth of investment by the employees of Menlo Park's in redefining our culture. This, our organization's strategic plan, will provide an important pathway shifting our culture toward placing a greater emphasis on employee engagement and worker satisfaction.

This effort was initiated last summer when, despite our booming local economy, I began to sense a shift in employee mood. While we struggled to keep pace with hiring quality staff, I failed to realize the impact our vacancies were having on our morale. It was time to act. The Menlo Park Management team, with support of the city council, created Menlo PERK -- Plan, Engage, Recognize and Konnect. The following PERK Action Plan is the result of that effort.

We've tried to make participating in the Menlo PERK planning process fun and easy and I truly appreciate everyone's engagement and candor throughout this effort. I am completely committed to implementing the strategies you have suggested that now appear in this PERK Action Plan. I am looking forward to the management team engaging you in implementing these solutions.

The PERK Action Plan will only be successful if everyone continues to participate. There is no room for bystanders, armchair quarterbacks or backseat drivers in this effort. I am counting on the commitment we have for one another and the dedication we have to the public good we work together to provide to ensure enthusiastic engagement as we implement this Action Plan.

Thank you for all your hard work. The Plan is just the beginning. Now the work begins. I hope I can rely on each of you to embrace and support its implementation

A handwritten signature in blue ink, consisting of a stylized initial 'M' followed by a long, sweeping horizontal line that ends in a small hook.

## MENLO PERK ACTION PLAN BACKGROUND

### OVERVIEW

**MENLO PERK** is the City of Menlo Park's effort to improve employee connections to the organization, our work, and our commitment to one another and the community. It includes four components:

**PLAN.** Develop an organizational plan to guide us in maximizing our talent, happiness, and overall work efforts focused on achieving our mission and embodying our values.

**ENGAGE.** Using our employee survey results and other engagement tools, establish traditions and programs that will help every employee see how their work fits into the big picture of the organization and start to identify the kind of organizational behaviors needed to create a satisfying and productive work environment.

**RECOGNIZE.** Find innovative ways to recognize the hard work taking place on a daily basis in the organization, such as development opportunities, social activities, and ways to balance work and life interests.

**KONNECT.** Find opportunities to work, understand, and communicate more effectively on all levels and across departments.

### PROBLEM STATEMENT

City Management has taken the pulse of the City organization through an internally managed annual Employee Survey for the last 10 years. Recent surveys, as well as an increasing vacancy rate (the City currently has 37 vacancies or 13% of the authorized workforce), indicated a growing sense of disconnect between line level employees, the organizational mission and upper management as well as feelings of "burn out" and other symptoms of low employee engagement. Additionally, even though new positions have been added, on-going vacancies are straining remaining staff resources. The robust local economy has introduced intense competition for qualified staff and contractors up and down the Peninsula.

Following the 2017 survey, the City Manager directed the City's team of Management Analysts to conduct a series of representative staff interviews which further highlighted growing concerns about organizational culture and climate. In September 2018, the City's 22-member Management Team met for an intensive two-day facilitated retreat to strengthen the team and discuss challenges and opportunities facing the organization. From that meeting, a priority was placed on exploring the direct impacts of the current robust economy as well as the unprecedented number of projects, both City-run and private, impacting our work culture. Given the pressures of numerous projects and high community expectations, it was determined that a more focused employee survey, done by a consultant skilled in addressing these issues, would be used to provide baseline information and suggest strategies that could be utilized in an employee engagement effort.



## PROCESS OVERVIEW

Public sector employee engagement is important. Research by the International Public Management Association for Human Resources has revealed that engaged public sector employees are:

- four times more likely to stay in their current jobs
- five times more likely to recommend their workplaces to others
- five times more likely to be very satisfied with their employer and their work

Research also reveals that engagement is linked to outcomes that are important in the public sector, like achieving strategic goals, stimulating innovation, delivering more responsive customer service, retaining employees, building employee pride, reducing absences, and keeping workplaces safe.

In order to assess the current level of engagement of City of Menlo Park employees, City Manager Alex McIntyre hired Bob Lavigna, a well-known expert in employee engagement and director of the Institute for Public Sector Employee Engagement, a unit of CPS HR Consulting (CPS), to conduct the annual employee survey. In November 2018, all permanent and temporary staff were provided with a personalized link to the survey. The survey included 104 questions in 11 categories, plus 13 demographic questions, including one question asking if the employee plans to stay or leave during the next year. Sixty one percent (202) of Menlo Park permanent and temporary employees responded to the survey.

Results indicated that 29 percent of Menlo Park employees are “fully engaged”, which is below Federal, State and Local government benchmarks. The 49 percent of Menlo Park employees who are “somewhat engaged” is higher than all benchmarks, suggesting significant potential to improve the fully engaged percentage. Results also show more than 30 percent of all employees are considering leaving the organization in the next year -- similar to the national benchmark.

CPS performed statistical analysis to determine the extent to which each factor measured in the survey influenced the overall Menlo Park engagement score to reveal the overall workplace areas likely to have the biggest impact on engagement if maintained or improved. This analysis indicated areas to maintain and improve included:

- Employee understanding of and connection to the organization’s Mission
- Leadership
- The workplace culture supporting a “good work-life balance”
- “My opinions count at work”
- “I believe I would be supported if I try a new idea, even if it may not work.”

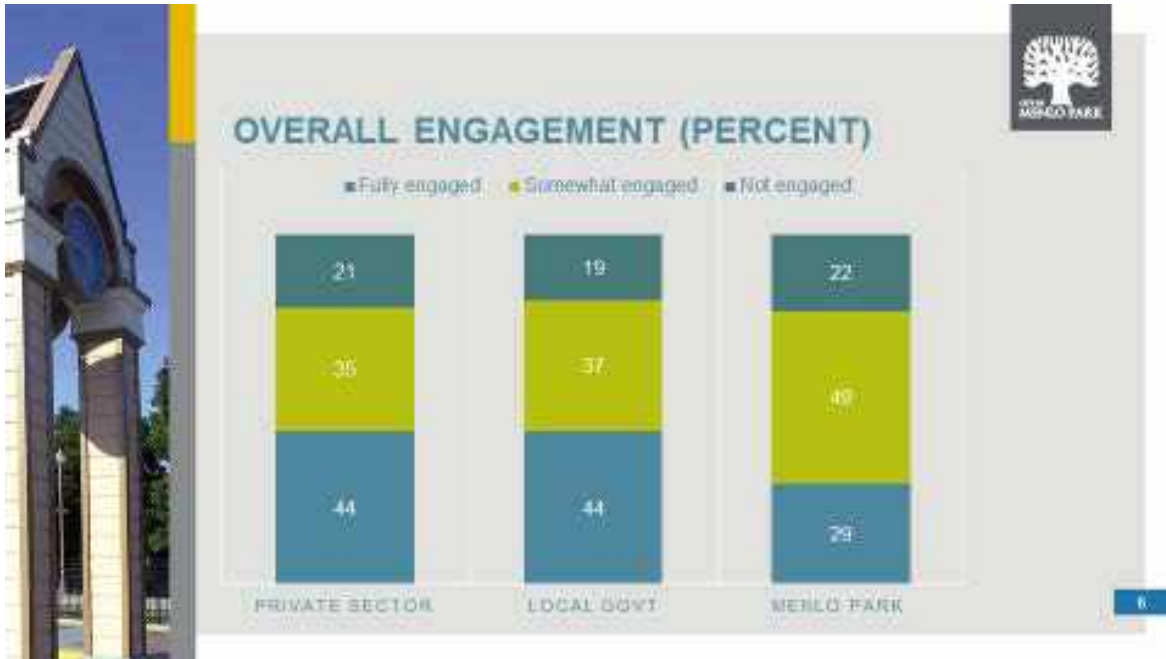
Following introduction of the survey, 125 employees participated in small group discussions about what could be done to improve engagement in the organization. Management staff utilized a coffee cart to follow up on that event and have small employee gatherings to encourage survey participation and discussion.

In January 2018, staff were invited to share their ideas about the organization’s mission statement and values through input stations in all City buildings. In February, the results of the Survey were presented at an all staff meeting. Summary survey results appear below.

Survey results were processed more fully through focus groups at the end of February (focus group results are also summarized below). The final step in the planning process was Action Workshops held in April where departmental teams met to develop strategies to address the highest priority engagement issues. These strategies make up the key components of this (DRAFT) Action Plan, which will be available for all staff to review in May. The final Plan will be published in June with implementation to begin in July. With roughly six months of implementation time before the next employee survey, we anticipate improvements in engagement scores, although CPS will also be conducting interim “spot polls” to check progress in late summer.

## SURVEY RESULTS SUMMARY

Over 200 City Employees took the November, 2017 Employee Survey administered by CPS consulting. Each employee received a confidential link that recorded their unique responses to the 104 questions. Menlo Park's overall engagement scores are:



The 104 questions measured 11 different engagement factors. The factor results are:




These factors were used to determine the highest impact action areas, which included:



### DETERMINES HIGHEST IMPACT ACTIONS


- Questions with high impact (key driver) and low score

Category	Question	% positive	Weight
City Leaders	City as a whole is managed well	47	19
Dept Leaders	My dept as a whole is managed well	67	22
City Change	Change is managed well in the City	29	18
Dept Change	Change is managed well in my dept	54	24
City Change	Changes in the City are for the better	36	17
Dept Change	Changes in my dept are for the better	53	17
City Change	Management Team is sufficiently visible	42	20
Org Culture	Culture supports a good work-life balance	55	15



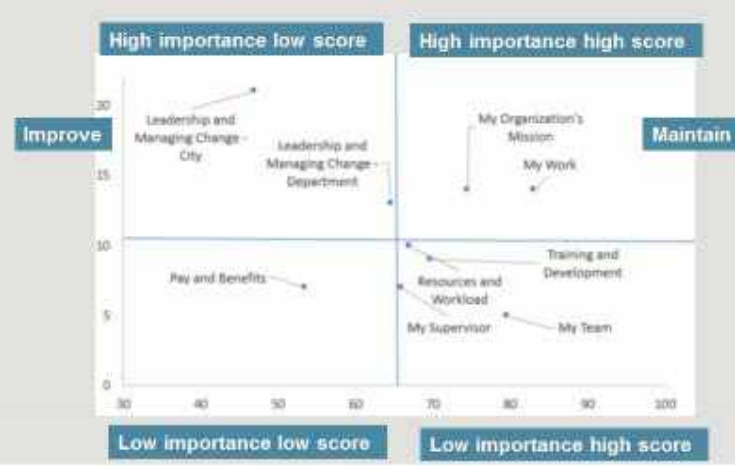

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CPS also constructed a matrix illustrating important areas to maintain and improve to increase engagement:



### CPS RECOMMENDED FOCUS AREAS

- Areas that, if maintained or improved, are likely to have biggest impact on engagement scores.

4

Survey results were presented at an all-employee meeting on February 5, 2018. At a luncheon following that meeting employees had an opportunity to rank the high impact areas. The highest priorities were:

1. My workplace culture supports a good work-life balance
2. I have opportunities for input on decisions affecting my work
3. I know how my work relates to our goals and priorities
4. I believe the management team is sufficiently visible
5. I feel that change is managed well in the City
6. When changes are made they are usually for the better

These priorities drove the content of four focus groups which followed.

## FOCUS GROUP RESULTS SUMMARY

The purpose of the focus groups was to gain additional specific and actionable activities that could be implemented as part of the Employee Engagement effort. Given the time limits on the sessions, emphasis was on areas for improvement rather than capturing what's working. Accordingly, this summary is centered on potential improvements and is not intended to downplay the good work being done across the organization on a daily basis.

Based on the four focus groups conducted in March, the most common suggestions and highest priority issues identified by participants (regardless of the specific topic under consideration) are the need for more:

- Information sharing and opportunities for input (communication)
- Clear expectations and priorities (leadership)
- Appreciation
- Respect for the workload (work-life balance) and expertise of employees (appreciation / being valued)
- Resources - vacancies filled with high quality performers
- Managerial visibility and accessibility (Managers)
- Proactive coaching and feedback (training and development)
- Process improvements and system updates (change management)

Topic-specific recommendations from the Focus Groups included:

1. **Communication**
  - A. Develop a communication plan that covers all stakeholders
  - B. Have more frequent meetings to share information, discuss priorities, and explain rationale for changes (fewer, more targeted emails) (includes team, department and all-hands meetings)
  - C. Encourage two-way communication to increase buy-in and leverage expertise
2. **Leadership**
  - A. Clarify and reinforce the roles and responsibilities of the Council, City Manager, Executive Team, and Subject Matter Experts
  - B. Consider resource and workload before accepting new work
  - C. Be more transparent regarding communications and changing priorities (also had to do with timeliness and depth of communication)
  - D. Be more respectful and supportive of the employees and their expertise
  - E. Place a higher value on employee retention

3. **Appreciation / being valued**
  - A. More frequent appreciation (thank you's, luncheons, MPTV profiles, newsletter, stipends, bonuses)
  - B. Demonstrate more trust - give employees autonomy and a voice in proposed changes
  - C. Be aware of the impact of language and how it is interpreted by the audience
4. **Managers**
  - A. Be more accessible and visible - make time to interact with employees (say hello, walk and talk, huddles; respond to requests for meetings; block time on calendar for employee meetings; attend team meetings and other events; make site visits to see progress)
  - B. Take a proactive approach to coaching - clear expectations and priorities, leverage strengths, joint problem solving rather than blaming (more frequent one-on-ones to build relationships and address issues in a timely manner)
  - C. Empower staff through trust, delegation, and autonomy (get input before making decisions and agreeing to new work; involve employees in planning processes to develop their skills)
  - D. Recognize time constraints
5. **Work-Life Balance**
  - A. Beware of mixed messages: "Don't work late" followed by "make sure the work is done on time"
  - B. Fill the vacancies with qualified candidates to absorb the workload
  - C. Provide more flexibility in scheduling (update telecommute policy and flex schedule guidelines)
    1. No more "voluntary lunch" meetings / some allowance for attending after hours meetings
  - D. Provide more clarity regarding competing priorities
6. **Change Management**
  - A. Set realistic expectations - we are not a large, private entity with limitless resources
  - B. Use our mission as the criteria for accepting new work
  - C. Do a thorough stakeholder analysis to understand all impacted parties and get them involved from the beginning (Friday Morning Bites is helping with this)
  - D. Recognize mistakes as learning opportunities; use project debriefs to improve processes
7. **Training and development**
  - A. Make training an expected part of the job and set aside time and money to support those efforts (clarify career development paths; hold people accountable for ongoing training)
  - B. Encourage cross-training and shadowing to broaden skills and support institutional expertise
  - C. Provide managerial training on appreciation, communication, feedback, coaching, and delegation
  - D. Provide training for everyone on time management, planning, process improvement
8. **Resources**
  - A. Staffing - need vacancies filled to absorb workload (not just temporary employees; Don't assume "over-qualified" candidates are not viable)
  - B. Technology - need upgraded systems and buy-in from end users
  - C. Time - need realistic deadlines to meet the highest priority needs of our citizens
9. **Engagement**
  - A. Fill vacancies faster and more effectively (to avoid turnover and unnecessary disruptions associated with temporary employees)
  - B. More accurate and consistent information from Human Resources
  - C. Streamline and accelerate the training approval process

## ACTION WORKSHOP RESULTS

All staff had the opportunity to participate in a series of six action workshops held in April, 2018. Over 1000 strategy ideas were generated to address the top five goal areas from the surveys and focus groups that had been prioritized by a group of representatives from each department during March. The five key goal areas addressed in the workshops were:

1. Increase opportunities for input on my work
2. More effective communication
3. Increase recognition/appreciation and performance management
4. Implement more effective change management
5. Improve workload management/work-life balance

Several departments also selected department-specific priority areas based on their department's survey results:

### Administrative Services:

- I receive sufficient support and help from other departments
- I can complete my work in a regular work day
- I achieve my desired work-life balance

### Community Development

- I get the training I need to do my job well

### Community Services

- I receive sufficient support and help from other departments
- City processes need improvement

### Library

- People on my team cooperate to get the job done
- I believe my department's management team is sufficiently visible
- I feel that my department as a whole is managed well

The 1000+ strategy ideas were consolidated into 23 larger themes. The following chart summarizes the 23 themes and includes the number of mentions for each theme by the goal area for which that solution was suggested.

STRATEGY	1. Input	2. Comm	3. Rec / App	4. Change	5. Balance	Total
Regular "team" meetings	29	30	3	5	3	70
Use multiple communication methods w/ consistent messages	6	18	3	32	1	60
Develop a standard project planning process	3	4	0	47	1	55
Regular One-on-Ones with Supervisor	28	10	7	0	2	47
Management by "walking around" /face-to-face communication	0	16	15	0	0	31
"Ruthless" prioritization	0	1	0	3	27	31
Implement Supervisory/Managerial performance feedback tool to solicit input from employees	11	1	16	0	1	29
All employees have work plans with realistic goals	13	0	9	0	5	27
Fill vacancies/hire more people	0	0	0	0	22	22
Clarify flexible schedule guidelines	0	0	4	0	17	21
Update Telecommute Policy	0	0	0	0	20	20
Implement job shadowing	6	6	2	4	2	20
Implement robust on-site training programs (incl. cross-training)	5	4	3	5	3	20
Increase all-hands informational meetings	4	8	5	3	0	20
Implement performance incentive program	0	0	12	0	6	18
Streamline processes	0	3	0	1	6	10
Improve technology	0	3	0	0	5	8
Increase team (trust) building opportunities	1	4	2	0	1	8
Clearly define promotional pathways	0	0	7	0	0	7
Suggestion box	3	3	0	0	0	6
Recognition/conversation boards	3	3	0	0	0	6
Activity-based social groups	0	0	0	0	2	2
Wellness program	0	0	0	0	1	1

1. Increase opportunities for input on my work
2. More effective communication
3. Increase recognition / appreciation and performance management
4. Implement more effective change management
5. Improve workload management / work-life balance

Keeping in mind the "ruthless prioritization" strategy idea and knowing the organization's limited capacity to work on all 23 items at once, these strategy ideas were then prioritized by the team of departmental representatives who originally chose the five goal areas from the survey and focus group results. Using the same criteria (breadth of organizational impact, opportunity to engage all staff in solution development, measurability of results and degree of organizational control) the department reps grouped the above strategies into three categories:

- Start now
- Start summer 2018
- Start fall 2018

Strategies that did not fall into any of these time frames are still included in the Action Plan, but are designated as Future Implementation.



## MISSION / VALUES

### MISSION

A Mission Statement, designed specifically for staff, was developed with employee input during the PERK process:

**We ensure the public good.**

### VALUES

Our values, as determined by staff, are expressed in the way we work:

- We are optimistic
- We build trust
- We are resourceful
- We help one another succeed
- We innovate
- We strive to grow professionally and personally

## PERK ACTION PLAN

The PERK Action Plan will only be as successful as people's commitment to taking responsibility for supporting implementation. ALL employees have a role to play in the Plan's success, beyond those listed as Champions for each strategy below.

This Action Plan is arranged by time frames prioritized by a team of representatives from each department (see page 19 for list) and approved by the Executive Team and City Manager.

Each of the prioritized strategies appears in the Plan in the context of its goal area, in order to help link that solution back to the original problem it is designed to address.

- **Goals** - are based on the original "problem" areas identified in the survey and focus groups and define the specific ways in which the City or department will improve employee engagement.
- **Strategies** - are based on the ideas generated in the Action Workshops and reflect "how" the goal will be accomplished over time.
- **Objectives** - are the specific steps that must be accomplished in order to implement or realize the strategies with timelines for completion. Objectives are reviewed regularly and updated quarterly or annually.
- **Stakeholders** - are the individuals and groups that need to be included in refining the strategies or at least need a check in to review the solutions before implementation.
- **Champions** - are the individuals responsible for driving the implementation of each objective.

## GOAL SUMMARY

1. Improve the efficiency and effectiveness of internal communication through increased employee-supervisor/manager interactions, opportunities for input, manager visibility and information sharing.
2. Provide training and development to boost performance, improve communication and enhance career development opportunities.
3. Implement a recognition and appreciation program to improve morale and retention.
4. Enhance our change management capabilities.
5. Promote work-life balance.

**Goal: Improve the efficiency and effectiveness of internal communication through increased employee-supervisor/manager interactions, opportunities for input, manager visibility and information sharing.**

**Strategy: Increase managerial/supervisory visibility and accessibility**

**Objective 1: Supervisors and Managers commit to a Department Meeting Plan to ensure regular interactions**

**Next step:** Department work groups will meet to determine: which teams will meet, the purpose of the meetings and what "regular" means to them. This becomes the Department's Meeting Plan. All participants will be included in providing feedback on the final meeting plan. By September, 2018

**Future step:** Supervisors and Managers will be encouraged to participate in effective meeting training

**Stakeholders:** All Staff

**Champions:** Department Heads

**Employee engagement:** Participate fully in team meetings, provide input and share information

**Objective 2: Supervisors hold "regular" one-on-one meetings**

**Next step:** Department supervisory staff will determine: the purpose of the one-on-ones (ongoing coaching and development should be a high priority), what "regular" means to them and the best way to schedule these meetings. Include with the Department's Meeting Plan (above). All participants will be included in providing feedback on the final meeting plan. By September, 2018

**Stakeholders:** All Staff

**Champions:** Department Heads

**Employee engagement:** Participate fully in one-on-one meetings; ask for a meeting when you need one; provide input and share information

**Objective 3: City Manager and Executive Team will offer more regular informational meeting and other forms of ongoing communication**

**Next step:** City Manager will attend department meetings on a rotating basis and will schedule a series of lunch and other open invitation meetings to share information about new projects, change efforts, recognition, etc. with Staff and to solicit input from Staff. The initial, rolling schedule for these ongoing meetings will be published by September, 2018

**Future step:** Implement internal communication plan to provide clear and consistent messaging in formats that work for Staff (included with scope for existing communication consultant). Due June, 2018

**Stakeholders:** All Staff

**Champions:** City Manager/Department Heads

**Employee engagement:** Participate fully in informational meetings; suggest meetings and topics to the City Manager's Office when needed; provide input and share information

**Objective 4: Supervisors and Managers will set aside time each week to visit public-facing Staff, especially those working outside City Hall**

**Next step:** Department Supervisors will develop a tentative schedule of at least once-weekly visits by September, 2018

<b>Stakeholders:</b> All Staff
<b>Champions:</b> Department Heads
<b>Employee engagement:</b> Receive management visits enthusiastically; ask for visits when needed; provide feedback on what you'd like to see accomplished as a result of work site visits

BEGIN FALL, 2018

**Goal: Provide training and development to boost performance, improve communication and enhance career development opportunities.**

**Strategy:** Create and publish a training calendar of onsite opportunities emphasizing transferrable skills such as conflict management, meeting management, effective communication, change management and time management.

**Objective 1: Formalize and communicate an annual training program and calendar**

**Next step:** HR will conduct a needs analysis including skill and knowledge gaps identified in the PERK process and by departments to determine the highest priority on-site training needs. Needs analysis should include preferred venues, schedule and formats. By October 1.

**Future step:** Review the list with stakeholders then publish a training calendar (option to include CPS training topics, other available training sources) and provide training. Training to begin January, 2019.

**Stakeholders:** HR Staff, all Staff

**Champions:** HR Staff

**Employee engagement:** Participate fully in trainings, provide feedback and suggest additional topics

**Objective 2: Formalize a city-wide job shadowing program**

**Next step:** Continue informal pilots already occurring in some departments (PW, Admin Services). Determine best practices programs in use by other cities and adopt, with input, a Menlo Park program similar to the successful Mentoring Program. Begin implementation by January, 2019

**Stakeholders:** Analysts, all Staff

**Champions:** Management Analyst Team

**Employee engagement:** Participate fully in the program when available, provide feedback for improvement

**Goal: Implement a recognition and appreciation program to improve morale and retention**

**Strategy:** Implement authentic and easy to use recognition and appreciation systems

**Objective 1: Develop a recognition system that works best for each department/division/work team**

**Next step:** Department teams will meet to determine: what system works best for each division or work group, how to implement, manage and maintain (CPS to provide "best practices"). Suggestions include establishing departmental appreciation boards (or other system - physical or virtual) for co-workers and supervisors to note awesome work by employees. Departments with existing programs (CSD "rock stars") should evaluate effectiveness and tweak as needed. All participants will be included in providing feedback on the final recognition and appreciation plan. Implement by January, 2019

**Future step:** City Manager and Executive Team to evaluate City-wide employee recognition program and identify ways to enhance and publicly acknowledge program. By January, 2019

**Stakeholders:** All Staff

**Champions:** Department Heads assign departmental champions and teams

**Employee engagement:** Participate fully in Departmental teams to design program; actively utilize the program when available; provide feedback for improvement

BEGIN WINTER, 2019

**Goal: Improve the change management skills of the organization so that new processes and initiatives are rolled out more effectively and efficiently**

**Strategy:** Adopt a standardized project planning process ("tool") to streamline processes and improve communication and efficiency

**Objective 1:** Continue the pilot process currently in use by Sustainability, Transportation and other divisions

**Next step:** Carefully choose additional change processes and use the project planning tools where appropriate. Evaluate all current uses

**Future step:** Adopt the process formally and institutionalize use of the tool - including providing training in change management and use of the tool by July 1, 2019

**Stakeholders:** All Staff

**Champions:** Sustainability Staff

**Employee engagement:** Provide feedback on pilot process tool and help make improvements

**Objective 2:** Identify process improvements that will have broad organizational benefit and use the standardized process planning tool (above) to change the process

**Next step:** Work with CPS to develop criteria for process section and ways to identify bottlenecks and opportunities for streamlining. Work with CPS to select a process. By January 1.

**Future step:** Work through the tool to improve the selected process, document changes, pilot the improvement and revise as needed, communicate the change and provide training. By July 1, 2019

**Stakeholders:** All Staff

**Champions:** Department Heads chose the process with support from CPS. Appropriate department then becomes the champion for implementation

**Employee engagement:** Suggest processes for improvement; Participate fully process changes when they occur, provide input and share information

**Goal: Provide training and development to boost performance, improve communication and enhance career development opportunities.**

**Strategy:** Implement Supervisory/Managerial performance feedback tool to solicit input from employees

**Objective 1:** Pilot performance feedback tool (adapt CPS best-practice model) with Management Team

**Next step:** CPS will meet with management team to review tool and gather feedback to develop a model for Menlo Park to pilot beginning January 1, 2019 for use in August 2019 evaluations.

**Future step:** Meet and confer with AFSCME to gauge interest and path forward if desired.

<b>Stakeholders:</b> HR staff, Management staff
<b>Champions:</b> City Manager, HR staff
<b>Employee engagement:</b> Provide thoughtful and constructive feedback to management staff

<b>Goal: Promote work-life balance</b>
<b>Strategy:</b> Update and formalize policies and processes that allow greater flexibility of scheduling to address issues related to commute distance and local housing costs
<b>Objective 1:</b> Update the Telecommute Policy
<b>Next step:</b> Interested departments (Planning, Engineering and Transportation) will work with HR to review existing policy. By January, 2019
<b>Future step:</b> Review suggested update with stakeholders and refine. Communicate change and provide training as needed. By July 1, 2019
<b>Stakeholders:</b> HR staff, Management staff, Staff from other impacted departments
<b>Champions:</b> CD and PW Department Heads to assign staff to joint jump team
<b>Employee engagement:</b> Participate fully in meetings to improve policy, provide input and share information
<b>Objective 2:</b> Document, clarify and communicate the Flexible Schedule Guidelines
<b>Next step:</b> Interested departments work with HR to review existing approach and guidelines (CPS to facilitate with current best practice examples and other research). By January, 2019
<b>Future step:</b> Review suggested clarification with stakeholders and refine. Communicate change and provide training as needed. By July 1, 2019
<b>Stakeholders:</b> HR staff, Management staff, Staff from other impacted departments
<b>Champions:</b> Department Heads with qualifying staff to assign staff to joint jump team
<b>Employee engagement:</b> Participate fully in meetings to improve policy, provide input and share information

## FUTURE IMPLEMENTATION

**Goal: Enhance our change management capabilities**

**Strategy: Ruthless Prioritization**

**Current Status:** The City Manager works with the Council to narrow the focus for each fiscal year during annual goal setting in January and limits new projects Council members might suggest during the year.

**Goal: Provide training and development to boost performance, improve communication and enhance career development opportunities.**

**Strategy: All employees have work plans with realistic goals (and regular performance evaluations)**

**Current Status:** Some departments may move forward with this strategy. Employees who desire a work plan or an evaluation should develop suggested goals and speak with their supervisor about scheduling.

**Strategy: Clearly define promotional pathways**

**Current Status:** Cohort 9 of the Leadership Academy selected this as their capstone project. The completed pathways will be available to all supervisors for use during developmental conversations.

**Goal: Improve the efficiency and effectiveness of internal communication through increased employee-supervisor/manager interactions, opportunities for input, manager visibility and information sharing.**

**Strategy: Suggestion box**

**Current status:** Employees with suggestions should feel free to share their input and ideas with supervisors.

**Strategy: Increase team (trust) building opportunities**

**Current status:** Departments will be encouraged to use their "regular meeting" opportunities identified above to increase team building activities.

**Goal: Implement a recognition and appreciation program to improve morale and retention**

**Strategy: Implement a performance incentive program**

**Current status:** This item is subject to collective bargaining agreements and would need to be considered during contract negotiations.

**Goal: Enhance our change management capabilities to promote communication, improve work-life balance and create a more responsive and nimble organization**

**Strategy: Improve technology**

**Current status:** The City's Information Technology Master Plan has been approved by the City Council and is currently budgeted for \$8M and will be implemented to improve technology over the next 3 years.

Other ideas mentioned: Activity-based social groups; Wellness program



## PARTICIPANTS

Thanks to everyone who participated in the PERK planning process! And, especially thanks to:

The 202 employees who participated in the **Annual Employee Survey** from November 15 to December 6, 2017. Your participation helped identify the issues that were limiting Employee Engagement that this Plan would address.

Four **Focus Groups** were then held March 5-6, 2018 to learn more about the issues identified in the survey. Thanks to these participants for sharing their ideas and thoughts:

Lucinda Abbott	Peter Ibrahim	Mark Muenzer	Sally Salman
Marlon Aumentado	Dimitri Katsaros	Eva Munoz	Neetu Salwan
Theresa Avedian	Marika Kopp	Angela Obeso	Kira Storms
Angelina Banda	Rebecca Lucky	Gary Olson	Ivan Toews
Natalie Bonham	Whitney Loy	Ori Paz	Hugo Torres
Allen Bruce	Katie Meador	Sandy Pimentel	Linda Wacha
Deanna Chow	Nancy Melgar	Jason Poirier	Ashley Walker
Brandon Cortez	Kristen Middleton	Matthew Pruter	Don Weber
Lenka Diaz	Matt Milde	Meghan Revolinsky	Jennifer Wilkins
Aaron Dixon	Arianna Milton	Thomas Rogers	Todd Zeo
Michael Fu	Michelle Morris	Ken Salvail	

A team of **Department Representatives** then met on April 2, 2018 to prioritize the issues identified in the survey and focus groups that would receive strategies at the Action Workshops. Thanks to these participants for representing their departments and working hard to narrow the focus of our Plan:

Lucinda Abbott, Angelina Banda, Melody Chau, Deanna Chow, Matt Milde, Angela Obeso, Gabriel Ortiz, MJ Salinas-Acker, Sokny Sy, Josh Russell

**Six Action Workshops** were held April 10 - 12 and April 21. Thanks to staff from ALL Departments who participated.

The entire PERK process was guided by a group of volunteers from the City's Management Team called the **Percolators** that included: Tony Dixon, Brian Henry, Rebecca Lucky, Justin Murphy, Mark Muenzer, Nikki Nagaya, Nick Pegueros and Derek Schweigart. PERK would not have worked without them.

AND, the guidance and oversight of the **Executive Team**, including: Dave Bertini, Jim Cogan, Clay Curtin, Arlinda Heineck, Susan Holmer, Mark Muenzer, Justin Murphy, Nick Pegueros and Derek Schweigart was vital in ensuring a quality process and product that would work for the diverse departments and employees of Menlo Park.

Finally, thanks to City Manager **Alex McIntyre**, whose instincts that something was amiss in the organization and belief that, together, we could find solutions to the issues challenging our engagement, are what made PERK possible.

# SUMMARY TIMELINE

Plan

Implement

	July 2018	Aug	Sept	Oct	Nov	Dec	Jan 2019	Feb	Mar	Apr	May	June
<b>Strategies</b>												
Regular team meetings												
One-on-ones												
Informational meetings with CM and Dept Heads												
Supervisors and Managers visit work sites												
In-house training (with published calendar)												
Job shadowing program												
Departmental recognition systems												
Project planning tool (refine pilot and implement)												
Process improvements												
Manager performance feedback tool												
Update telecommute policy												
Clarify flex schedule guidelines												



**STAFF REPORT - AMENDED**

**City Council**

**Meeting Date: 6/19/2018**

**Staff Report Number: 18-132-CC**

**Informational Item: Update on the Transportation Master Plan status**

**Recommendation**

This is an informational item and does not require City Council action.

**Policy Issues**

The development of a Transportation Master Plan is included as one of the top six priority projects in the City Council's adopted 2018 work plan and is also one of the highest priority implementation programs in the 2016 general plan circulation element.

**Background**

The Transportation Master Plan and Transportation Impact Fee Program is the highest priority program following the adoption of the ConnectMenlo general plan land use and circulation elements in November 2016.

A summary of the project history is provided in Attachment A. On March 27, 2018, staff provided an informational update on the status of the plan after which the City Council asked that staff bring the item back as a regular business item. On April 24, 2018, staff presented an update on the master plan, and the City Council provided direction to modify the scope of work and to refine the potential scope of improvements for Bayfront Expressway.

On May 22, 2018, the City Council authorized a scope amendment and appropriations request to add four additional Outreach and Oversight Committee meetings, two Complete Street Commission meetings, and one community meeting as contingency.

Staff conducted the first of the additional four Outreach and Oversight Committee meetings May 30, 2018, and the first Complete Streets Commission meeting May 9, 2018.

**Analysis**

Staff is providing the informational report June 19, 2018, to inform the City Council of the next steps in the development of the Transportation Master Plan. Staff has confirmed the next series of three meeting dates after polling the Outreach and Oversight Committee members for their availability between June and August. A project schedule is provided below.

The purpose of the next three meetings will be to review the draft recommendations by geographic area. The Committee members will be asked to provide feedback on the draft recommendations, with an emphasis on the following questions:

- Are there projects that were omitted and should be included?
- Are there issues that are not being fully addressed by the recommendations?
- Are the recommendations meeting the goals of the Transportation Master Plan, as determined from the first round of community engagement in summer and fall 2017?

Table 1: Project Schedule	
Project schedule	Schedule
Release citywide improvement recommendations	Monday, July 16, 2018
Outreach and Oversight Committee #4: Review recommendations for south area of city	Monday, July 23, 2018 6:30-9 p.m.
Outreach and Oversight Committee #5: Review recommendations for central area of city	Tuesday, July 24, 2018 6:30-9 p.m.
Outreach and Oversight Committee #6: Review recommendations for north area of city	Thursday, August 30, 2018 6:30-9 p.m.
Complete Streets Commission #2: Review bicycle and pedestrian network recommendations	August 2018
Community workshop and online open house	Fall 2018
Release draft master plan	Early 2019
OOO #7: Review draft Master Plan	Spring 2019
Complete Streets Commission review and recommendation to the City Council on the draft Master Plan	Spring 2019
City Council review and adoption of Master Plan	Summer 2019
Develop Fee Program update (including OOC #8)	Summer/Fall 2019

The Complete Streets Commission meeting, currently targeted for August 2018, will focus on the citywide bicycle and pedestrian network recommendations and not on individual spot locations. This focus is based on the Commission feedback gathered at the May 9, 2018, Complete Streets Commission meeting.

Major project milestone progress and deliverables will continue to be posted on the city project website (Attachment B).

**Impact on City Resources**

On May 22, 2018, the City Council authorized an amendment the consultant contract for this project and appropriated additional funds. No additional staff or financial resources are requested at this time to complete the approved scope of work.

**Environmental Review**

The City Council’s authorization to amend the agreement for the Transportation Master Plan and Transportation Impact Fee Program is not a project under the California Environmental Quality Act (CEQA) Guidelines. Future project actions will comply with environmental review requirements under the CEQA.



**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. Project history
- B. City project website <https://www.menlopark.org/TMP>

Report prepared by:  
Nicole H. Nagaya, Assistant Public Works Director

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Project History Summary	Schedule
Consultant selection	January – May 2017
Award consultant contract to team led by W-Trans, including Alta Planning & Design; Dyett & Bhatia; Enviroissues; BKF Engineers; Iteris	May 23, 2017
Project initiation	June 2017
Council appoints 11-member Outreach & Oversight Committee to: <ul style="list-style-type: none"> <li>• Provide advisory input and recommendations to the consultant and staff regarding the outreach process and draft Master Plan materials and submittals</li> <li>• Guide and keep the project process on track to meet the key milestones</li> <li>• Reach out to community members to share content and encourage participation at community engagement activities such as workshops/meetings and other planning activities</li> </ul>	August 29, 2017
Community Engagement on the Plan vision and key areas of concern: <ul style="list-style-type: none"> <li>• Downtown Block Party, Summer Concert series, 3 walkshops, online open house; totaling approx. 1000 participants.</li> <li>• Top priorities: <ul style="list-style-type: none"> <li>• Safer bike and pedestrian crossings</li> <li>• Reducing delays and travel time</li> <li>• Safe and convenient bicycle connectivity</li> <li>• Minimizing cut-through traffic on residential streets</li> </ul> </li> </ul>	August – October 2017
Outreach & Oversight Committee Meeting #1: Review performance measures and prioritization criteria	October 30, 2017
Staff and consultants: <ul style="list-style-type: none"> <li>• Refine and finalize performance measures and prioritization criteria</li> <li>• Review existing traffic data, collision history</li> <li>• Review community-identified concerns from fall 2017 engagement</li> </ul> <p>Analysis shows 4 key corridors as areas of focus: Bayfront Expressway, Willow Road, El Camino Real, and Sand Hill Road</p>	November 2017 – February 2018
City Council informational status update	March 14, 2018
Outreach & Oversight Committee Meeting #2: Review recommendations for Bayfront Expressway and Willow Road	March 20, 2018
City Council informational update, requested staff return with regular business item to review policy direction and scope of work	March 27, 2018
City Council Regular Business item, direction to staff to: <ul style="list-style-type: none"> <li>• Assign Councilmembers Carlton and Keith to serve as co-chairs for the Outreach &amp; Oversight Committee</li> <li>• Modify the scope of work to add four OOC meetings, two Complete Street Commission meetings, and budget for one community workshop at the draft plan development stage (as contingency)</li> <li>• Focus improvement options on Bayfront Expressway</li> </ul>	April 17 & 24, 2018
Staff and consultants: <ul style="list-style-type: none"> <li>• Continue developing Citywide recommendations</li> <li>• Revise scope of work and schedule</li> </ul>	March 2018 – ongoing (anticipated June 2018)
Complete Streets Commission #1: Review City Council-adopted scope, goals, prioritization criteria	May 9, 2018
City Council approval of revised scope of work	May 22, 2018
Outreach and Oversight Committee #3: Review City Council-adopted scope, goals, prioritization criteria and role of OOC	May 30, 2018



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