

**CITY OF BELMONT
CITY COUNCIL AND BELMONT FIRE
PROTECTION DISTRICT BOARD OF
DIRECTORS**



www.belmont.gov

CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, July 25, 2023

7:00 PM

City Council Chambers

City Hall, One Twin Pines Lane, Belmont, California

The meeting will be broadcast live to Belmont residents on Comcast Cable Channel 27, streamed live via the City's website at www.Belmont.gov. The public may also attend the meeting in the Chambers and address the Council from the Chambers.

PUBLIC COMMENT:

To maximize time for live public comment, we encourage members of the public to provide comments by joining the Committee meeting via Zoom : For web, visit <https://belmont-gov.zoom.us/> select "Join" and enter **Meeting ID: 95745673035**. Use the Raise Hand feature to request to speak. You may rename your profile if you wish to remain anonymous.

For dial- in comments, call *67 1-(669) 900-6833 (your phone number will appear on the live broadcast if *67 is not dialed prior to the phone number), enter **Meeting ID: 95745673035**, and press *9 to request to speak. All public comments are subject to a 3-minute time limit unless otherwise determined by the Committee Chair.

If you wish to submit written public comment, you may send an email to cclerk@belmont.gov before the council considers the item. Please indicate the agenda item topic or agenda item number you wish to comment on in your email's subject line. Any public comment regarding agenda items that are received from the publication of the agenda through the meeting date will be made part of the meeting record but will not be read during the Council meeting.

- 1. ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. REPORT FROM CLOSED SESSION**
- 4. SPECIAL PRESENTATIONS**
 - A. Check Presentation For Funding of Upgrade of the City's 911 Communications System**
 - B. Silicon Valley Clean Water (SVCW) Update Presentation**

C. San Mateo Consolidated Fire Update

5. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

This portion of the meeting is reserved for persons wishing to address the Body on any City matter not on the agenda. The period for public comment at this point in the agenda is limited to 15 minutes, with a maximum of 3 minutes per speaker. Speakers who requested but did not receive an opportunity to speak during this comment period will be given an opportunity to address the Body later in the meeting. State law prohibits the Body from acting on non-agenda items.

6. COUNCILMEMBER ANNOUNCEMENTS

7. CONSENT BUSINESS

Consent business items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion on these items unless a member or staff request specific items to be removed for separate action. The City Attorney will read the title of ordinances to be adopted.

A. Approval of Minutes

Recommendation: Consider modifications and approve minutes

Attachment(s):

[City Council Meeting July 11, 2023](#)

[BFPD Meeting July 11, 2023](#)

B. Monthly Financial Reports - May

Recommendation: Motion to Approve Monthly Financial Reports

Attachment(s):

[Monthly Financial Reports - May.pdf](#)

C. Amendment to Service Agreement with Eye P Solutions, Inc

Recommendation: Adopt a resolution authorizing the City Manager to execute an amended service agreement with Eye P Solutions, Inc. to provide installation, configuration, and troubleshooting of outdoor and indoor WIFI access points at the Sports Complex, Corporation Yard, Quanset Hut, and Barrett Community Center in the amount of \$71,000, for a total not-to-exceed amount for this service agreement up to \$321,765.98

Attachment(s):

[Resolution.pdf](#)

[Staff Report.pdf](#)

[Scope of Work EyeP Network Upgrade.pdf](#)

D. Extension of Service Agreement for Building Inspection Services

Recommendation: Adopt a resolution authorizing the City Manager to amend a services agreement with 4 Leaf, Inc. to provide building inspection services on an as-needed bases

Attachment(s):

[Staff Report](#)

[Resolution](#)

[Service Rates](#)

[Task Order](#)

E. Procurement of Legal Services from Shute Mihaly & Weinberger LLP

Recommendation: Adopt a resolution authorizing the City Attorney to procure legal services from Shute Mihaly & Weinberger LLP

Attachment(s):

[Staff Report](#)
[Resolution](#)

F. Senate Bill 1383 and Updated City Purchasing Policy

Recommendation: Adopt a resolution amending the City of Belmont Financial Policies Pertaining to Practices of the Purchasing Control System to meet current Senate Bill (SB) 1383 requirements and authorize city staff to make ministerial changes to the policy to keep pace with program requirements

Attachment(s):

[Staff Report](#)
[Resolution](#)
[Draft-2023 Procurement Purchasing Policy](#)

8. PUBLIC HEARINGS (*none*)

9. GENERAL BUSINESS

General Business items are considered separately, typically in the order listed. The chair will call for public comment on each item when the body considers the item.

A. Response to Grand Jury Report on Accessory Dwelling Units (ADU's)

Recommendation: Approve the City of Belmont's response letter to the San Mateo County Civil Grand Jury Report dated June 12, 2023 entitled, "Accessory Dwelling Units: Affordable Housing's Panacea or Prevarication"

Attachment(s):

[Staff Report](#)
[Grand Jury Report Response](#)
[ADU Report](#)

10. BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF

A. Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments

B. Verbal report from City Manager

11. MATTERS OF INTEREST/CLARIFICATION

Items in this category are for discussion and direction to staff only. However, Council/Board may take final action on an item if there is no need for additional staff analysis.

12. ADJOURNMENT

If you need assistance to participate in this meeting, please contact the City Clerk at (650) 595-7413. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Meeting information can also be accessed via the internet at: www.belmont.gov. All staff reports will be posted to the web in advance of the meeting, and any writings or documents provided to a majority of the City Council/District Board or Commission regarding any item on this agenda will be made available for public inspection in the City Clerk's Office, One Twin Pines Lane, during normal business hours and at the Council Chambers at City Hall, Second Floor, during the meeting.

MEETING MINUTES OF CITY OF BELMONT CITY COUNCIL AND BELMONT FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING

City Council Chambers, City Hall, One Twin Pines Lane, Belmont, California

TUESDAY, JULY 11, 2023

CALL TO ORDER: 7:00 PM

ROLL CALL

COUNCILMEMBERS PRESENT: Latimerlo, Pang-Maganaris, McCune, Mates

COUNCILMEMBERS ABSENT: Hurt

PLEDGE OF ALLEGIANCE

Led by Mayor Mates

REPORT FROM CLOSED SESSION

No closed session on the agenda.

SPECIAL PRESENTATIONS

SamTrans/Transit Authority Update

Jessica Epstein, SamTrans Government & Community Affairs Manager provided the annual report on programs offered by SamTrans and Transit Authority. Updates included transit routes, financial standing, regional collaboration and employment opportunities. She highlighted upcoming multimodal transit projects.

At this time being 7:20 pm Councilmember McCune joined the meeting.

National Night Out 2023

Police Captain Armando provided an overview of the upcoming August 1, 2023 National Night Out events planned throughout the City.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Email correspondence received from Giuliano Carlini regarding bicycle safety in the City.

Carmen Lazo commented on labor standards in San Mateo County.

Mary Morrissey Parden commented on National Night Out events in the Belmont Central Neighborhood.

COUNCILMEMBER ANNOUNCEMENTS

Councilmembers and Mayor Mates commented on upcoming community events and meetings.

CONSENT BUSINESS

Approval of Meeting Minutes of June 27, 2023, Special and Regular Meeting BFPD June 27, 2023
Resolution 2023-059 Authorizing The City Manager To Execute Amendment No. 2 To The Service Agreement With Diana R. Elrod Consulting To Provide Housing Compliance Services

ACTION: By motion made by Councilmember Latimerlo and seconded by Councilmember McCune the Consent Business was unanimously approved by a roll call vote (4-1, Hurt absent).

PUBLIC HEARINGS

None

GENERAL BUSINESS

Belmont Harbor Industrial Area (HIA) Specific Plan Project Update

Community Development Director de Melo introduced the item.

City Consultant Carol Johnson, Good City Company provided a project overview of the Belmont Harbor Area Specific Plan. She explained that the project objectives include strategic planning for the economic vitality of the district to guide new development and construction and address environmental needs, including flooding from storms and Belmont Creek. She noted that the project will explore the extent and location of residential uses. She explained that the City is collaborating with San Mateo County on annexation of the area to Belmont. She provided the project timeline noting that stakeholder meetings have begun and that the anticipated plan adoption is fall to winter 2024.

Council provided comments on the update and concurred that continued community outreach is necessary. Council concluded the discussion no action was required on the item.

Belmont Sewer System Update and Status of the New State Water Resources Control Board General Order

Public Works Director Brown provided the update to Council. He noted that staff is preparing to update the Belmont Ordinance related to fats, oils and grease (FOG) program, sewer lateral point of sale program and commercial enclosure requirements. He explained that the updates will address deficiencies in the private sewer laterals at low cost and over time, reduce inflow and infiltration and the FOG program reduces potential for a backup in the sewer overflow.

He reviewed the State Water Resources Control Board General Order and its requirements. He noted most of the 2023 requirements are completed.

Council received the report, no action was required.

BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF

Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments

Councilmembers reported on their assignments.

Verbal report from City Manager

City Manager Oskoui commented on the open space trails that remain closed due to damage from the winter storms.

MATTERS OF INTEREST/CLARIFICATION

None

ADJOURNMENT at this time being 8:30 p.m.

**Jozi Plut
City Clerk**

DRAFT

MEETING MINUTES OF CITY OF BELMONT CITY COUNCIL AND BELMONT FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING

City Council Chambers, City Hall, One Twin Pines Lane, Belmont, California

TUESDAY, JULY 11, 2023

CALL TO ORDER: 7:00 PM

ROLL CALL

COUNCILMEMBERS PRESENT: Latimerlo, Pang-Maganaris, McCune, Mates

COUNCILMEMBERS ABSENT: Hurt

CONSENT BUSINESS

Meeting Minutes of BFPD June 27, 2023

ACTION: By motion made by Councilmember Latimerlo and seconded by Councilmember McCune the Consent Business was unanimously approved by a roll call vote (4-1, Hurt absent).

ADJOURNMENT at this time being 8:30 pm.

**Jozi Plut
District Secretary**

DRAFT



HIGHLIGHTS

PERFORMANCE AT A GLANCE REPORT

- General Fund balance increased compared to prior YTD
- Some funds experiencing cyclical deficits

BUDGET VARIANCE REPORT

- Management Discussion & Analysis
- Tax Trends

FUND RECAP AT A GLANCE REPORT

Notable Fund Balance Increase compared to prior YTD:

- General Fund
- Belmont Fire Protection District
- Affordable Housing Successor
 - Planned Park
- Sewer Collection System
 - Sewer Treatment
- Liability Insurance

Notable Fund Balance Decrease compared to prior YTD:

- Infrastructure

CASH DISBURSEMENTS & PURCHASE ORDER ACTIVITY REPORT

This report contains financial information which has not been reviewed or audited by an independent auditor, does not reflect the application of generally accepted accounting principles in all instances and is subject to future revision. This report has not been prepared with a view to informing an investment decision in any of the City's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in this report are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the City's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the City on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and website, maintained on the World Wide Web at <https://emma.msrb.org/>

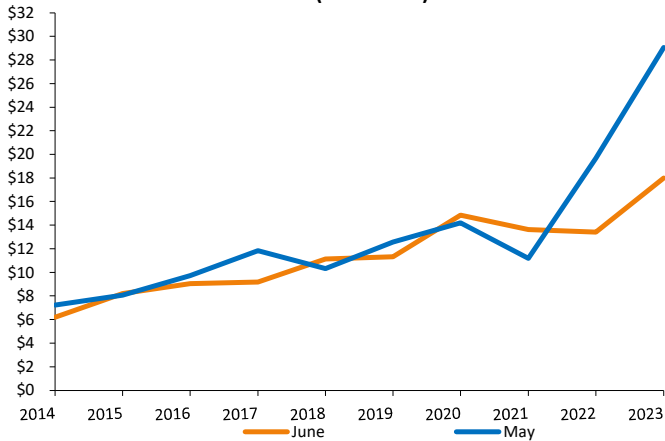
These financial reports are designed to provide a general overview of the City of Belmont's interim finances. Questions concerning any information provided in these reports should be addressed to financedept@belmont.gov or for additional information regarding the City's financial activities, including past award winning audited financial statements, transparency efforts and best practices please visit the City at www.belmont.gov.



City of Belmont
Performance at a Glance
Results for the Period Ended May 31, 2023
 (000's)



General Fund Balance Trend
 (in millions)

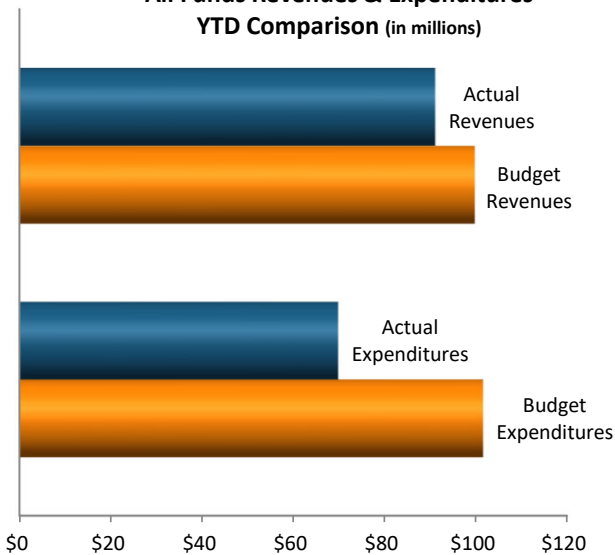


General Fund Balance Trends*

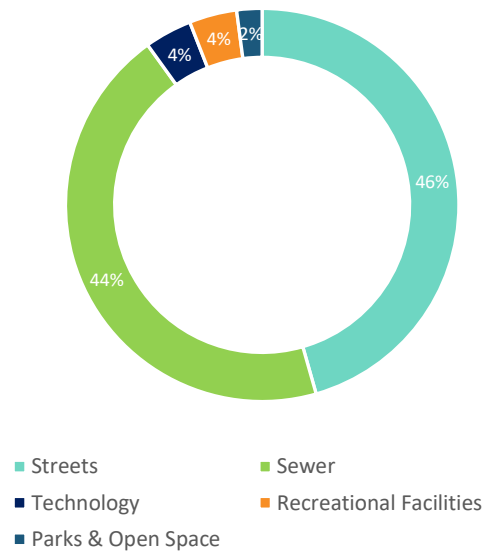
6/30/2013	\$6,200	Audited
6/30/2014	\$8,204	Audited
6/30/2015	\$9,049	Audited
6/30/2016	\$9,177	Audited
6/30/2017	\$11,128	Audited
6/30/2018	\$11,325	Audited
6/30/2019	\$14,846	Audited
6/30/2020	\$13,637	Audited
6/30/2021	\$13,398	Audited
6/30/2022	\$18,013	Audited
5/31/2023	\$29,063	Unaudited

* excludes Measure I

All Funds Revenues & Expenditures
YTD Comparison (in millions)



Capital Improvement Plan



General Fund

The General Fund balance is \$29.1 million, a \$11.1 million increase compared to amount at the prior fiscal year end. The increase compared to the 6/30/22 balance was primarily due to the receipt of the second and last tranche of one-time \$3.2 million in ARPA Federal Coronavirus State and Local Fiscal Recovery Funds, a \$1.5 million VLF reimbursement due to the shortfall from two years prior, transient occupancy tax recovering from the prior year, as well as the timing of property tax collections received in April. Additionally, a \$4.4 million budgeted operating transfers from the General Fund to support other funds will not be recorded until the end of the fiscal year based on actual results.

Fund Balance - YTD Fund Deficits

As shown on the Fund Recap at a Glance (page 3) the Recreation Fund, Street Maintenance, and Facilities Management Fund have deficits and are expected to be eliminated in a future period.

City of Belmont
Fund Recap at a Glance
Results for the Period Ended May 31, 2023
(000's)



Fund	Fund Name	Audited Fund Balance 06/30/22 (1)	Revenues					Expenditures					Unaudited Fund Balance 05/31/23 (1)+(2)-(3)	PY YTD Fund Balance 05/31/22	
			YTD Budget	YTD Actual (2)	Variance (Under) Over	%	PY YTD Actual	YTD Budget	YTD Actual (3)	Variance Under (Over)	%	PY YTD Actual			
GENERAL FUND															
101 General		\$18,013	\$31,845	\$30,972	(\$873)	97%	\$24,962	\$26,043	\$19,922	\$6,121	76%	\$18,702	\$ 29,063	19,673	
102 Measure I		2,938	2,081	1,869	(212)	90%	1,740	7,538	839	6,699	11%	2,451	3,968	3,039	
SPECIAL REVENUE FUNDS															
205 Recreation		(0)	3,577	2,185	(1,392)	61%	1,847	3,152	2,737	415	87%	2,469	(552)	(602)	
206 Library Maintenance & Operation		836	279	292	13	105%	273	660	318	342	48%	366	810	868	
207 Athletic Field Maintenance		376	83	114	31	137%	87	248	144	104	58%	86	346	378	
208 City Tree		297	10	13	3	130%	8	67	34	33	51%	35	276	300	
209 Senior Services Donation		90	4	2	(2)	50%	3	0	0	0	N/A	0	92	89	
210 Development Services		1,084	5,067	4,018	(1,049)	79%	4,588	5,663	4,735	928	84%	4,126	367	879	
212 General Plan Maintenance		1,305	459	545	86	119%	519	1,669	116	1,553	7%	8	1,734	1,249	
223 Belmont Fire Protection District		16,217	14,890	15,161	271	102%	10,764	11,299	11,899	(600)	105%	11,378	19,479	14,794	
225 Police Grants and Donations		33	0	0	0	N/A	0	5	3	2	60%	2	30	33	
227 Supplemental Law Enforcement		-	172	166	(6)	97%	160	164	161	3	98%	213	5	(54)	
231 Street Maintenance		-	2,209	1,067	(1,142)	48%	919	2,304	1,962	342	85%	1,757	(895)	(116)	
232 RMRA Street Project		-	555	511	(44)	92%	437	706	11	695	2%	629	500	131	
233 Measure W		1,457	809	505	(304)	62%	1,071	597	0	597	0%	0	1,962	970	
234 Street Improvements		905	1,866	1,454	(412)	78%	1,759	2,824	925	1,899	33%	2,686	1,434	1,585	
237 Traffic Impact		200	746	10	(736)	1%	200	106	0	106	0%	0	210	200	
239 Public Art		396	2	6	4	300%	395	0	0	0	N/A	0	402	395	
275 Affordable Housing Successor		6,468	3,017	3,059	42	101%	82	454	379	75	83%	402	9,148	3,368	
277 Inclusionary Housing		2,452	3	56	53	1867%	0	0	0	0	N/A	0	2,508	2,385	
Total Special Revenue		32,117	33,748	29,164	(4,584)	86%	23,112	29,918	23,424	6,494	78%	24,157	37,857	26,854	
CAPITAL PROJECT FUNDS															
308 General Facilities		725	34	10	(24)	29%	0	340	7	333	2%	104	728	724	
310 Infrastructure		2,810	1,321	725	(596)	55%	1,462	2,506	1,081	1,425	43%	254	2,454	3,510	
312 Comcast PEG Program		396	0	6	6	N/A	33	110	0	110	0%	0	402	395	
341 Planned Park		1,989	1,283	437	(846)	34%	0	688	735	(47)	107%	826	1,691	(469)	
342 Park Impact		327	260	287	27	110%	1,549	1,221	171	1,050	14%	0	443	2,946	
343 Open Space		164	8	5	(3)	63%	0	161	75	86	47%	51	94	156	
704 Special Assessment Districts		308	0	4	4	N/A	0	0	0	0	N/A	0	312	308	
Total Capital Projects		6,719	2,906	1,474	(1,432)	51%	3,044	5,026	2,069	2,957	41%	1,235	6,124	7,570	
DEBT SERVICE & OTHER FUNDS															
406 Library Bond Debt Service		270	618	625	7	101%	607	628	674	(46)	107%	670	221	203	
501-505 Sewer Collection System		25,616	14,466	14,545	79	101%	14,942	15,577	9,632	5,945	62%	8,963	30,529	19,915	
507 Sewer Treatment		25,992	2,890	2,896	6	100%	2,824	3,918	3,065	853	78%	4,489	25,823	22,636	
525 Storm Drainage Enterprise		2,588	2,021	1,120	(901)	55%	928	2,682	1,631	1,051	61%	1,728	2,077	2,785	
530 Solid Waste Management		1,766	502	505	3	101%	453	510	462	48	91%	387	1,809	1,648	
570 Worker's Compensation		1,537	640	728	88	114%	666	671	684	(13)	102%	559	1,581	1,445	
571 Liability Insurance		3,386	644	201	(443)	31%	(1,218)	978	762	216	78%	578	2,825	1,578	
572 Self Funded Vision		-	3	2	(1)	67%	10	4	(5)	9	-125%	(3)	7	13	
573 Fleet & Equipment Management		7,438	4,083	4,169	86	102%	4,675	4,487	3,306	1,181	74%	3,098	8,301	7,410	
574 Facilities Management		0	2,026	1,629	(397)	80%	1,567	2,341	2,236	105	96%	1,861	(607)	(252)	
575 Benefit Prefunding		1,082	1,350	1,239	(111)	92%	1,215	1,312	1,200	112	91%	1,532	1,121	1,120	
775 Successor Agency Trust Fund ¹		0	0	0	0	N/A	3,924	-	-	-	N/A	568	0	(74)	
Total Debt & Other		69,676	29,243	27,659	(1,584)	95%	30,593	33,108	23,647	9,461	71%	24,430	73,688	64,810	
Total All Funds		\$129,464	\$99,823	\$91,138	(\$8,685)	91%	\$83,451	\$101,633	\$69,901	\$31,732	69%	\$70,975	\$150,700	\$121,947	

Fund Types:

General Fund - Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital Projects Funds - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service & Other Funds - Includes funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest; funds used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis; and funds to account for operations financed and operated in a manner similar to a private business enterprise with the intent that the cost of providing goods and services is primarily financed through user charges; and funds used to account for assets held by the City as an agent.

City of Belmont
Budget Variance Report
General Fund / All Other Funds
Results for the Period Ended May 31, 2023
(000's)



	General Fund					All Other Funds						
	Budget	Year to Date (YTD)		%	Annual	PY YTD	Budget	Year to Date (YTD)		%	Annual	PY YTD
		Actual	Variance		Budget	Actual		Actual	Variance		Budget	Actual
REVENUES												
Taxes	\$21,853	\$20,400	(\$1,453)	93% a	\$23,839	\$15,956	\$18,760	\$18,298	(\$462)	98% a	\$20,466	\$18,180
<i>Property Taxes</i>	6,582	6,385	(197)	97%	7,180	5,129	14,635	14,492	(143)	91%	15,965	14,597
<i>Sales Taxes</i>	3,975	3,313	(662)	83%	4,336	3,361	3,229	2,900	(329)	71%	3,523	2,672
<i>Other Taxes</i>	11,296	10,702	(594)	95%	12,323	7,465	895	906	11	99%	977	912
Licenses and permits	1,076	922	(154)	86% b	1,174	757	1,703	2,068	365	121%	1,858	2,035
Intergovernmental	3,253	3,659	406	112%	3,549	3,473	4,426	2,831	(1,595)	64% e	4,828	3,105
Charge for services	4,120	3,920	(200)	95% c	4,494	3,652	33,231	31,685	(1,546)	95% f	36,253	34,855
Fines and forfeits	151	105	(46)	70%	165	131	-	-	-	N/A	-	-
Use of money and property	1,061	1,938	877	183% d	1,157	914	649	2,277	1,628	351%	709	336
Miscellaneous	332	28	(304)	8% d	362	80	181	53	(128)	29% g	198	(1,426)
Other financing sources	-	-	-	N/A	-	-	2,668	2,951	283	111% h	2,910	17
Operating transfers in	-	-	-	N/A	-	-	6,359	-	(6,359)	-	6,938	1,386
Total Revenues	31,846	30,972	(874)	97%	34,740	24,962	67,976	60,163	(7,813)	89%	74,159	58,489
EXPENDITURES												
General government	6,507	5,026	(1,481)	77%	7,098	4,907	7,610	5,988	(1,622)	79%	8,302	5,805
Public safety	13,455	13,108	(347)	97%	14,678	12,106	11,460	12,064	604	105% i	12,502	11,594
Streets and utilities	-	-	-	N/A	-	-	34,653	16,720	(17,933)	48%	37,803	19,762
Culture and recreation	2,030	1,788	(242)	88%	2,214	1,688	7,534	5,971	(1,563)	79%	8,219	5,271
Urban redevelopment	-	-	-	N/A	-	-	5,984	3,767	(2,217)	63%	6,528	3,914
Debt service	-	-	-	N/A	-	-	6,040	5,469	(571)	91%	6,589	4,543
Operating transfer out	4,052	-	(4,052)	-	4,420	-	2,307	-	(2,307)	-	2,518	1,386
Total Expenditures	26,044	19,922	(6,122)	76%	28,410	18,701	75,588	49,979	(25,609)	66%	82,461	52,275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$5,802	\$11,050	(\$6,996)		\$6,330	\$6,261	(\$7,612)	\$10,184	(\$33,422)		(\$8,302)	\$6,214

Management Discussion and Analysis

(Items with unfavorable budget variance more than \$0.1 million)

General Fund:

Revenues

- a) **Taxes** - May Sales Taxes, May Transient Occupancy Taxes (TOT) and Property Taxes 2nd period remittances were received in June and will be reported in that period.
- b) **Licenses and permits** - May Business license revenue will be received in June and will be reported in that period.
- c) **Charges for Services** - The 4th quarter Public Safety and Wildland Fire Prevention revenues will occur in a future period.
- d) **Miscellaneous** - The budget variance is primarily due to the timing of the annual Crystal Springs Uplands School (CSUS) Public Service Fee, which will be received in a future reporting period.

Other Funds

Revenues

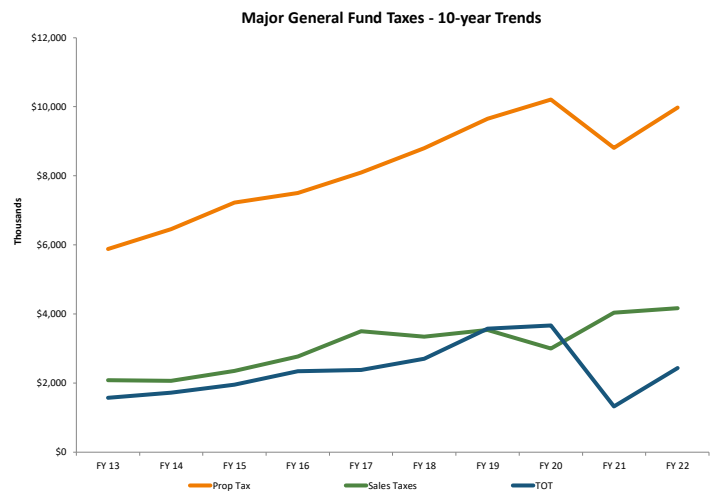
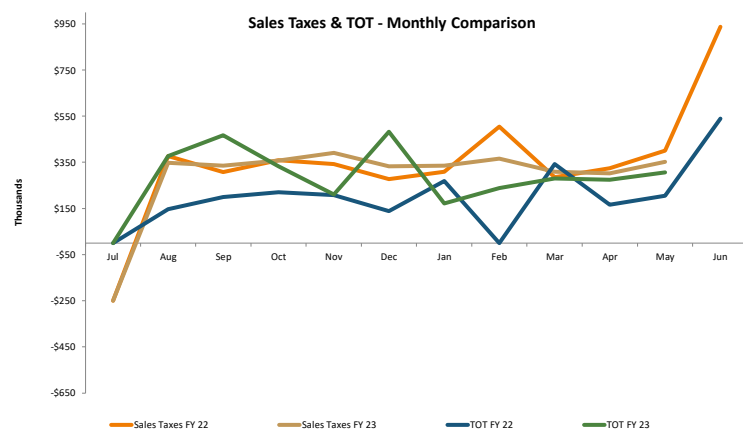
- e) **Intergovernmental** - The revenue will be received in a future reporting period and includes activities related to the prior fiscal year, which are subject to accounting adjustment.
- f) **Charges for Services** - Sewer Use Fee (Collection & Treatment) is included as part of City's property tax bill. The 2nd period remittance was received in June and will be reported in that period.
- g) **Miscellaneous** - This revenue is subject to an accounting adjustment during the fiscal year closing process related to claims liability.
- h) **Operating Transfers In** - Budgeted operating transfers will be recorded at the end of the fiscal year based on actual results.

Other Funds

Expenditures

- i) **Public Safety** - The 4th quarter payment of \$2.1M to San Mateo Consolidated Fire Department was paid in May.

Trends



** July TOT revenues received were for June activities and accrued to the previous FY. July revenues will be received in August.

City of Belmont
Disbursements & Purchase Order Activity Report
Results for the Period Ended May 31, 2023



Disbursements Amounts Equal to \$50,000 and Above

Vendor	Description	Date	No.	Amount
ADP	PAYROLL 05/05/2023 TAXES	5/5/23	DAJ000008160	91,947.96
ADP	PAYROLL 05/19/2023 TAXES	5/19/23	DAJ000008164	99,113.45
BENEFIT COORDINATORS CORP	EIA00111 - MAY 2023	5/26/23	EFT00032025	55,874.06
CALPERS	PERS CONTRIBUTION PPE 04/01/23	5/1/23	DAJ000008190	114,282.08
CALPERS	HEALTH PREMIUM-MAY 2023	5/9/23	DAJ000008200	175,148.31
CALPERS	PERS CONTRIBUTIONS PPE 04/15/23	5/15/23	DAJ000008205	115,589.99
CALPERS	PERS CONTRIBUTIONS PPE 04/29/23	5/31/23	DAJ000008224	115,252.00
CITY OF BELMONT EMPLOYEES	PAYROLL 05/05/2023	5/5/23	DAJ000008161	411,049.49
CITY OF BELMONT EMPLOYEES	PAYROLL 05/19/2023	5/19/23	DAJ000008165	427,974.59
CITY OF SAN MATEO	FY 2022-23 SEWER CHARGE	5/26/23	1203751	231,576.72
CRAFTWATER ENGINEERING INC	TWIN PINES STORM WATER CAPTURE PROJECT	5/19/23	EFT00031903	50,155.52
INFRASTRUCTURE ENGINEERING CORP	SEWER SYSTEM CAPACITY STUDY	5/26/23	EFT00032023	58,268.19
SAN MATEO CONSOLIDATED FIRE DEPARTMENT	CONTRACTED SERVICES	5/19/23	EFT00031888	2,188,935.75
SILICON VALLEY CLEAN WATER	JUNE CONTRIBUTION	5/5/23	EFT00031760	303,292.00
Total Disbursements in Excess of \$50,000				\$ 4,438,460.11
Total Count				14

Purchase Order Amounts Equal to \$50,000 and Above

Vendor	Description	Date	No.	Amount
PLACEWORKS	PROFESSIONAL SERVICES ON DEVELOPMENT PLAN	5/16/23	23 00050	367,750.00
PARAMETRIX INC	COB VILLAGE BIKE & PEDESTRIAN PROJECT	5/16/23	23 00051	115,320.00
GOOD CITY COMPANY	HARBOR INDUSTRIAL AREA SPECIFIC PLAN	5/18/23	23 00053	1,117,119.00
MERCOZA	DAVEY GLEN ADA UPGRADE PROJECT	5/31/23	23 00055	268,452.00
Total Purchase Orders Issued in Excess of \$50,000				\$ 1,868,641.00
Total Count				4

CITY OF BELMONT TREASURER'S REPORT May-23



Agency Receipts and Disbursements Summary

	Beginning Balance			Ending Balance				
	April 30, 2023		Receipts	Disbursements	May 31, 2023			
City of Belmont	\$	114,634,472.60	\$	2,639,767.34	\$	(3,529,394.25)	\$	113,744,845.69
Belmont Fire Protection District		21,666,849.65		15,655.58		(2,209,408.78)		19,473,096.45
Total	\$	136,301,322.25	\$	2,655,422.92	\$	(5,738,803.03)	\$	133,217,942.14

Balance Summary

	Deposit		Investments		Pool Total	
City of Belmont & Belmont Fire Protection District	\$	1,238,717.82	\$	131,979,224.32	\$	133,217,942.14

I certify that this report accurately reflects all investments of City of Belmont and Belmont Fire Protection District, and is in conformance with the adopted Investment Policy mandated by Government Code 53646. Furthermore, I certify to the best of my knowledge, sufficient investment liquidity and anticipated revenues are available to meet the Agency's budgeted expenditure requirement for the next six months.

Respectfully Submitted,

s/b Grace Castaneda
Grace Castaneda
City Treasurer

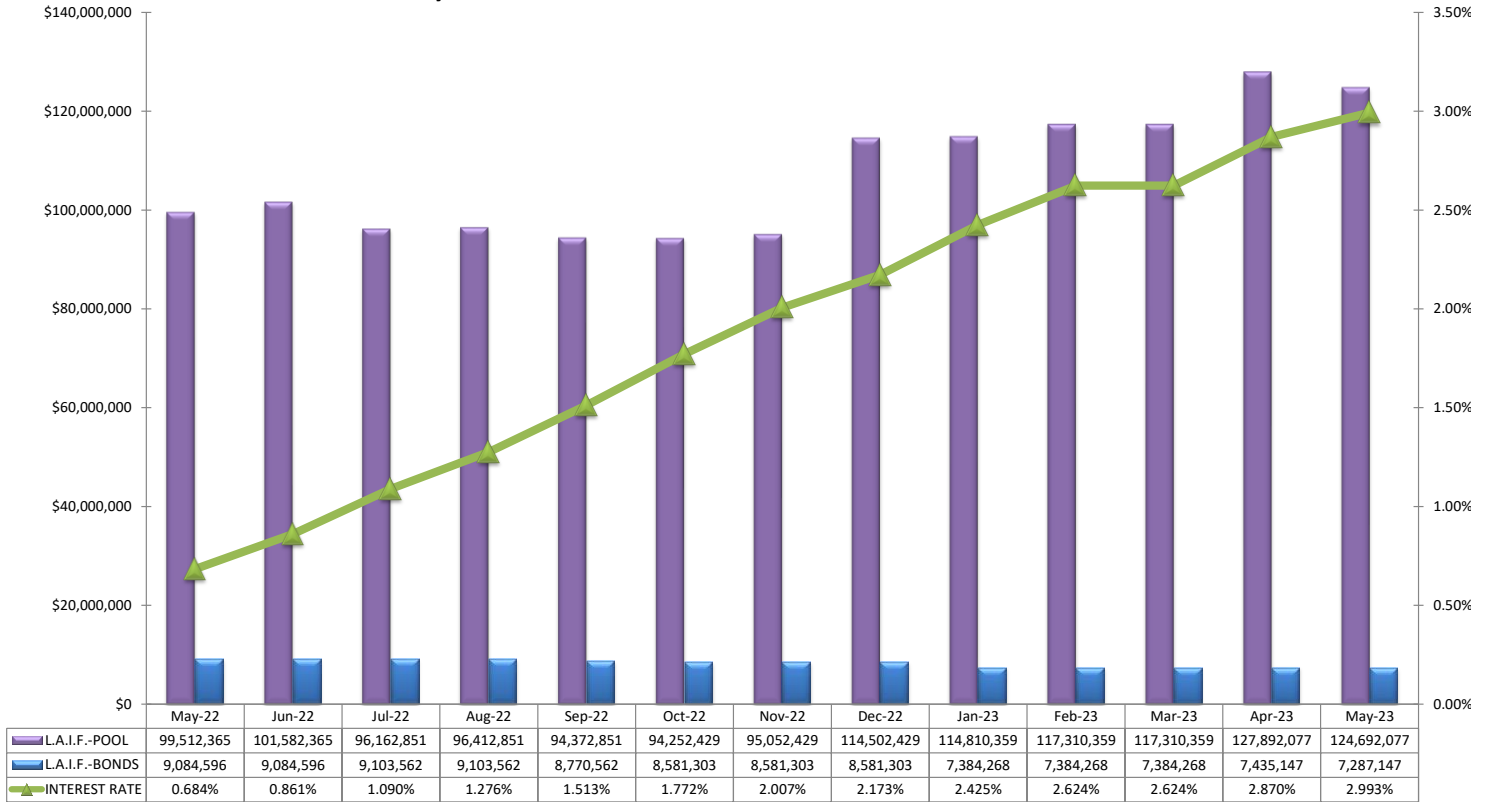
**CITY OF BELMONT
TREASURER'S REPORT
May-23**



Investment Detail

Investment Type	Issuer	Maturity Date	Par Amount	Current Market Value	Interest	Total	Investment Period	Rate	Pricing Source	Manager
Deposit										
General Account	Wells Fargo		\$ 1,238,717.82	\$ 1,238,717.82					Bank	Bank
Investments:										
L.A.I.F.-POOL	State of California	Daily	124,692,076.85	123,010,021.76	311,002.82		90 days	2.993%	LAIF	LAIF
L.A.I.F.-BONDS	State of California	Daily	7,287,147.47	7,188,846.25	18,175.36		90 days	2.993%	LAIF	LAIF
Total			\$ 133,217,942.14	\$ 131,437,585.83	\$ 329,178.18					

City of Belmont Investment Portfolio Trends



RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED SERVICE AGREEMENT WITH EYE P SOLUTIONS, INC. TO PROVIDE INSTALLATION, CONFIGURATION, AND TROUBLESHOOTING OF OUTDOOR AND INDOOR WIFI ACCESS POINTS AT THE SPORTS COMPLEX, CORPORATION YARD, QUANSET HUT, AND BARRETT COMMUNITY CENTER IN AN AMOUNT OF \$71,000, FOR A TOTAL NOT-TO-EXCEED AMOUNT FOR THIS SERVICE AGREEMENT UP TO \$321,765.98.

WHEREAS, the improvement and enhancement of indoor and outdoor WIFI services is a key project in the implementation of the City's adopted Information Technology Strategic Plan; and,

WHEREAS, the City has completed upgrades to the network infrastructure and installed new WIFI access points at the Twin Pines campus; and,

WHEREAS, the satellite locations in the City can support new WIFI access points and Eye P Solutions has submitted a proposal for the installation, configuration and troubleshooting of the new equipment.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Manager is authorized to negotiate and execute an amendment to the agreement with Eye P Solutions for installation, configuration, and troubleshooting of WIFI access points at City satellite locations in an amount of \$71,000, for a total not-to-exceed amount for this service agreement up to \$321,765.98.

* * *

ADOPTED July 25, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



STAFF REPORT

Meeting Date: July 25, 2023
Agency: City of Belmont
Staff Contact: Ann Ritzma, Interim Administrative Services Director 650-637-2988
aritzma@belmont.gov
Agenda Title: Amendment to Service Agreement with Eye P Solutions, Inc.
Agenda Action: Resolution

Recommendation

Approve a resolution authorizing the City Manager to execute an amended service agreement with Eye P Solutions, Inc. to provide installation, configuration, and troubleshooting of outdoor and indoor WIFI access points at the Sports Complex, Corporation Yard, Quanset Hut, and Barrett Community Center in the amount of \$71,000, for a total not-to-exceed amount for this service agreement up to \$321,765.98.

Strategic Focus Area

Infrastructure and Mobility

Background

On September 28, 2021, City Council adopted resolution 2021-081 to authorize the City Manager to execute an agreement with Eye P Solutions for network infrastructure equipment, deployment, 3-year annual maintenance, and associated technical services. Eye P has completed the initial projects, replacing the core router, all switches and the wireless network controllers through-out the City's facilities.

In June 2022, the City Council recommended the implementation of the Information Technology Strategic Plan. One of the key projects identified in the Plan was to enhance and improve indoor and outdoor WIFI services at City facilities. New WIFI access points were the first phase of the WIFI enhancements which included new access points for the Twin Pines campus. These were recently completed as part of the three-year contract with Eye P Solutions.

Analysis

The network infrastructure upgrades at the Sports Complex, Corporation Yard, Quanset Hut, and Barrett Community Center are complete. These satellite locations are ready for the installation and configuration of new WIFI access points. Eye P Solutions has provided a proposal for upgrading the indoor and outdoor WIFI access points at these locations in an amount not to exceed \$71,000. The completion of the WIFI access points at all locations will enhance WIFI services to the community in and around the facilities as well as users in the buildings.

Alternatives

1. Request revisions to the scope of work
2. Take no action



Attachments

- A. Resolution
- B. Proposal

Fiscal Impact

☐ No Fiscal Impact

573-1-302-2150-9040

☒ Funding Source Confirmed: Sufficient funding has been budgeted in Project# 2150:
Network Update in the FY 2023-24 Budget.

Source:

Council

Purpose:

Council Vision/Priority

Public Outreach:

Posting of Agenda



Prepared for

City of Belmont

**Core Refresh & Wireless with 3 Yr
Support**

Quote #005261-R0

Prepared by

Heather Young

530-665-8084

heather.young@eyep-solutions.com

EyeP Solutions

3450 Palmer Drive Suite 4-191

Cameron Park, CA 95682

October 13, 2021

Your IT Solutions Partner

Heather Young
Director of Business Operations
heather.young@eyep-solutions.com
Direct: 530-665-8084

Terms: Net 45

This Quotation Was Prepared Exclusively For Buyer:

Ship to:

City of Belmont

Attn: John Jones
650-637-2970
jjones@belmont.gov
One Twin Pines Lane Suite 365
Belmont, CA 94002

City of Belmont

Attn: John Jones
650-637-2970
jjones@belmont.gov
One Twin Pines Lane Suite 365
Belmont, CA 94002

CORE REPLACEMENT

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
VSP7400-48Y-8C-AC-F	VSP 7400, 48 x 10/25Gbps SFP28 ports, 8 x 100Gbps QSFP28 ports, 8-core CPU, 16GB RAM, 128GB SSD, Single 750W AC PSU, six fans, 4-post rack mount kit, Front to Back Airflow	2	11,927.12	\$23,854.24T
97004-H35313	Extreme Works - Product Covered VSP7400-48Y-8C-AC-F	2	1,612.74	\$3,225.48
VSP-PRMR-LIC-P	VSP 7400 Premier Feature License Includes Insight License - VOUCHER	2	3,438.88	\$6,877.76
XN-ACPWR-750W-F	750W AC PSU Front to Back Airflow	2	685.94	\$1,371.88T
10061	PWR CORD NA 10A NEMA 5-15P IEC320 C13 11	4	8.26	\$33.04T
10410	100Gb QSFP28-QSFP28 Direct Attach Passive Copper Cable 0.5m	2	140.86	\$281.72T

3RD FLOOR IDF

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-48W	5520 Universal Switch with 48 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	4	3,989.47	\$15,957.88T
97004-5520-48W	Extreme Works - Product Covered 5520-48W	4	494.12	\$1,976.48
10941	1100 Watt AC PoE Power Supply Module for	8	591.88	\$4,735.04T

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	8	13.31	\$106.48T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	4	594.18	\$2,376.72T
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	4	88.24	\$352.96
16531	X440-G2-12P-10GBE EXTREME NETWORKS EXTR	1	1,229.19	\$1,229.19T
97004-16531	Extreme Works - Product Covered - X440-G2-12p-10GE4	1	125.49	\$125.49
16542	Dual 10GbE Upgrade License	1	356.51	\$356.51
10061	PWR CORD NA 10A NEMA 5-15P IEC320 C13 11	1	8.26	\$8.26T
10311	0.5M QSFP-PASSIVE COP CBL	3	139.94	\$419.82T
10312	1M QSFP- PASS COP CBL	1	182.15	\$182.15T

PARKS AND REC

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-24W	5520 Universal Switch with 24 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	1	2,567.12	\$2,567.12T
97004-5520-24W	Extreme Works - Product Covered 5520-24W	1	411.76	\$411.76
10951	SUMMIT 715W AC PSU FB 715W AC P.S MOD	2	501.04	\$1,002.08T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	2	13.31	\$26.62T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	1	594.18	\$594.18T
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	1	88.24	\$88.24

SPORTS COMPLEX

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
16531	X440-G2-12P-10GBE EXTREME NETWORKS EXTR	1	1,229.19	\$1,229.19T

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
97004-16531	Extreme Works - Product Covered - X440-G2-12p-10GE4	1	125.49	\$125.49
16542	Dual 10GbE Upgrade License	1	356.51	\$356.51
10061	PWR CORD NA 10A NEMA 5-15P IEC320 C13 11	1	8.26	\$8.26T

SENIOR CENTER

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	1	594.18	\$594.18T
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	1	88.24	\$88.24
5520-24W	5520 Universal Switch with 24 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	1	2,567.12	\$2,567.12T
97004-5520-24W	Extreme Works - Product Covered 5520-24W	1	411.76	\$411.76
10951	SUMMIT 715W AC PSU FB 715W AC P.S MOD	2	501.04	\$1,002.08T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	2	13.31	\$26.62T

BARRETT

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-24W	5520 Universal Switch with 24 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	1	2,567.12	\$2,567.12T
97004-5520-24W	Extreme Works - Product Covered 5520-24W	1	411.76	\$411.76
10951	SUMMIT 715W AC PSU FB 715W AC P.S MOD	2	501.04	\$1,002.08T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	2	13.31	\$26.62T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	1	594.18	\$594.18T

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	1	88.24	\$88.24

MANOR

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
16531	X440-G2-12P-10GBE EXTREME NETWORKS EXTR	1	1,229.19	\$1,229.19T
97004-16531	Extreme Works - Product Covered - X440-G2-12p-10GE4	1	125.49	\$125.49
16542	Dual 10GbE Upgrade License	1	356.51	\$356.51
10061	PWR CORD NA 10A NEMA 5-15P IEC320 C13 11	1	8.26	\$8.26T

CORP YARD

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	1	88.24	\$88.24
5520-48W	5520 Universal Switch with 48 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	1	3,989.47	\$3,989.47T
97004-5520-48W	Extreme Works - Product Covered 5520-48W	1	494.12	\$494.12
10941	1100 Watt AC PoE Power Supply Module for	2	591.88	\$1,183.76T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	2	13.31	\$26.62T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	1	594.18	\$594.18T

CORP YARD QUONSET HUT

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
16542	Dual 10GbE Upgrade License	1	356.51	\$356.51

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
10061	PWR CORD NA 10A NEMA 5-15P IEC320 C13 11	1	8.26	\$8.26T
16531	X440-G2-12P-10GBE EXTREME NETWORKS EXTR	1	1,229.19	\$1,229.19T
97004-16531	Extreme Works - Product Covered - X440-G2-12p-10GE4	1	125.49	\$125.49

LODGE

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
97004-16531	Extreme Works - Product Covered - X440-G2-12p-10GE4	1	125.49	\$125.49
16542	Dual 10GbE Upgrade License	1	356.51	\$356.51
10061	PWR CORD NA 10A NEMA 5-15P IEC320 C13 11	1	8.26	\$8.26T
16531	X440-G2-12P-10GBE EXTREME NETWORKS EXTR	1	1,229.19	\$1,229.19T

2ND FLOOR AV ROOM

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-24W	5520 Universal Switch with 24 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	1	2,567.65	\$2,567.65T
97004-5520-24W	Extreme Works - Product Covered 5520-24W	1	411.76	\$411.76
10951	SUMMIT 715W AC PSU FB 715W AC P.S MOD	2	501.04	\$1,002.08T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	2	13.31	\$26.62T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	1	594.18	\$594.18T
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	1	88.24	\$88.24

PD

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
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ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-48W	5520 Universal Switch with 48 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	3	3,989.47	\$11,968.41T
97004-5520-48W	Extreme Works - Product Covered 5520-48W	3	494.12	\$1,482.36
10941	1100 Watt AC PoE Power Supply Module for	6	591.88	\$3,551.28T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	6	13.31	\$79.86T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	3	594.71	\$1,784.13T
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	3	88.24	\$264.72
10311	0.5M QSFP-PASSIVE COP CBL	3	139.94	\$419.82T

PD STAIRWELL

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
5520-24W	5520 Universal Switch with 24 x 10/100/1000BASE-T full/half duplex 802.3bt 90W PoE MACsec-capable ports, includes 2 x stacking/QSFP28 ports, 3 fan modules, 1 VIM slot, 2 unpopulated modular PSU slots, Base software license	1	2,567.65	\$2,567.65T
97004-5520-24W	Extreme Works - Product Covered 5520-24W	1	411.76	\$411.76
10951	SUMMIT 715W AC PSU FB 715W AC P.S MOD	2	501.04	\$1,002.08T
10099	PWR CORD 13A USA NEMA 5-15 IEC320-C15	2	13.31	\$26.62T
5520-VIM-4X	5520 Versatile Interface Module with 4 x 10Gb SFP+ Ports	1	594.71	\$594.71T
97004-5520-VIM-4X	Extreme Works - Product Covered 95520-VIM- 4X	1	88.24	\$88.24

WIRELESS INDOOR

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
AP410C-FCC	Aerohive - ExtremeCloud IQ: Indoor Tri Radio WiFi6 AP	20	552.92	\$11,058.40T

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
	2.4 GHz 5GHz & Multirate Port Integrated Light & Sensor 2/Dual 5GHz & Multirate Port Integrated Light Power Sensors BLE/Zigbee I/ML Green Mode INT Antennas T-Bar Incl Mt			
97000- AP410CFCC	Extreme Works - Product Covered AP410C-FCC	20	68.39	\$1,367.80
XIQ-PIL-S-C- EW	Aerohive - ExtremeCloud IQ Pilot SaaS Subscription Aerohive - XIQ Pilot SaaS EW SaaS Support - ExtremeCloud IQ Pilot SaaS Subscription and EW SaaS Support for One (1) Device	30	110.29	\$3,308.70

WIRELESS OUTDOOR

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
AP460S12C- FCC	Aerohive - ExtremeCloud IQ: Tri-Radio Outdoor WiFi6 AP (4x4 5 GHz 2x2 Dual Band & 1x1 Sensor) Dual 5GHz 2.5 GbE & 1 GbE Port Integrated Light/Power Sensors & BLE/Zigbee AI/ML Green Mode Internal	10	664.09	\$6,640.90T
97000- AP460S12C- FCC	Extreme Works - Product Covered AP460S12C-FCC	10	68.39	\$683.90
ACC-MBO-KT- AX	Adaptor Bracket for Outdoor AP460xxxC for Tilting (MBO-ART02 KT-147407-02 KT-150173-01) or VMM (3221	10	54.35	\$543.50T

TRAINING / DEPLOYMENT

ITEM	DESCRIPTION	QTY	YOUR PRICE	TOTAL
TR-EDU-1	Extreme Training Unit	4	550.00	\$2,200.00
PS-ESU-1	Integration Services - Configuration - Support	20	1,886.00	\$37,720.00
CAB- MATERIALS	Cabling Materials	1	7,500.00	\$7,500.00T
PS-ESU-CAB	Services - Cabling & Electrical Service	1	46,000.00	\$46,000.00

This Quotation is in effect for 30 day(s).
Delivery Date: TBD from Buyer's placement of order.

Subtotal: \$236,750.66

Freight 1,750.00

Tax: 12,265.32

Total: \$250,765.98

Comments:

WSCA Contract# 7-14-70-12 SMB#1751196
CA SB#1751196
CLSB#684520

Confidentiality of Quote:

Neither party shall disclose the terms and conditions of this Quote or the pricing contained therein to any third party except as required by applicable law, rule, or regulation. Provided, however, that either party may disclose such terms, conditions or pricing to legal, accounting and professional advisors bound by formal ethical or fiduciary duties requiring such advisors to treat, hold and maintain such information in accordance with the terms and conditions of this Agreement.

Prices and Payment

"Terms and Conditions of sale which appear on purchaser's document (including purchase orders) and which are inconsistent with these terms shall be voided. EyeP Solutions may ship partial orders. Orders canceled after shipment are subject to a 20% restocking fee. All products and services provided after order receipt shall be invoiced for payment in full including but not limited to; design and planning, layouts, 3rd party meeting and coordination, equipment extraction, etc. Delays in delivery at the customer request may result in storage fees. Prices are good for 30 days. Payment terms are subject to EyeP Solutions credit approval."

Signature: _____

Date: _____



STAFF REPORT

Meeting Date: July 25, 2023
Agency: City of Belmont
Staff Contact: Carlos de Melo, Community Development Director, (650) 595-7440
cdemelo@belmont.gov
Agenda Title: Extension of Service Agreement for Building Inspection Services
Agenda Action: Resolution

Recommendation

Adopt a resolution authorizing the City Manager to amend a services agreement with 4 Leaf, Inc. to provide building inspection services on an as-needed bases.

Strategic Focus Area

Economic Development and Housing

Background

From time to time the City uses third-party building inspection staff for services related to large-scale, complex development project review, and all inspection disciplines. These projects/services require skilled building staff with expertise which may not be readily available inhouse, and/or manage one time peak workload demands.

Analysis

Staff requests that the City Council authorize the extension of building inspection services related to development projects, and City-wide building inspections on an as needed basis, from 4 Leaf, Inc. (4 Leaf) at the rates set forth in Attachment B in an amount of \$100,000 for Fiscal Year (FY) 2023-24 as outlined in Attachment C, for a total not-to-exceed amount \$249,865. These provisions are enumerated in the proposed resolution accompanying this report, contingent upon the availability of existing funds and with the expectation that service costs will be recouped from fees collected from building plan check/inspection applicants.

City staff believes use of third-party building inspection services (as necessary) is reasonable and appropriate. Due to significant development activity occurring throughout the city (in multiple forms), there is an anticipated increase in complex development review applications and associated building construction inspections. Use of such services via third-party assistance will free up staff resources to expedite plan review, reduce wait times for inspection requests, and will assist in managing the Permit Center project load in a timely manner. Use of such third-party services is also a reasonable alternative to hiring permanent staff to address this peak demand related to development/construction activity.



The consultant 4 Leaf currently provides recurring building inspection services to Belmont on an individual development project management basis. They employ building staff with various skill sets that can meet both short- and long-term staffing needs for public jurisdictions.

As noted earlier, for FY 2023-24, 4 Leaf has set a not-to-exceed amount of \$100,000 for their services. Building inspection services related to complex development projects are typically funded by the applicant, and therefore is not expected to have a direct financial impact on the City. For other matters, the authorization for procurement of planning services requested is limited to the amount of available funds appropriated within the fiscal year budget for that purpose.

The services sought with this agreement will be performed by 4 Leaf or under its supervision. 4 Leaf will determine the means, methods, and details of performing the services subject to the requirements of the Service Agreement. Belmont has retained 4 Leaf on an independent contractor basis and not as an employee. The consultant is responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

Alternatives

1. Deny the request.
2. Continue the item for further discussion.

Attachments

- A. Resolution
- B. 4 Leaf Inc. Service Rates – FY 2023-24
- C. 4 Leaf, Inc. Task Order – Building Inspection Services – FY 2023-24

Fiscal Impact

☐ No Fiscal Impact

☒ Funding Source Confirmed: Use of Building Inspection Services will be typically funded by the applicant as part of Project Development Review/Inspection Services fees and not expected to have a direct financial impact to the City.

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING THE EXTENSION OF SERVICE AGREEMENT WITH 4 LEAF, INC. AT SPECIFIED RATES

WHEREAS, the City has need from time to time of building inspection services related to larger scale, complex development projects and multi-disciplinary inspections that require skilled building staff/project managers with particular expertise; and,

WHEREAS, the City has previously established a Service Agreement with 4 Leaf, Inc. and has demonstrated expertise in the building inspection field; and,

WHEREAS, building inspection services related to complex development applications are typically funded by the applicant, and therefore is not expected to have a direct financial impact on the City; and,

WHEREAS, for other matters, the authorization granted herein for procurement of building inspection services is limited to the amount of available funds appropriated within a fiscal year budget for that purpose; and,

WHEREAS, the services sought with this agreement shall be performed by 4 Leaf, Inc. or under its supervision. 4 Leaf, Inc. will determine the means, methods, and details of performing the services subject to the requirements of the Service Agreement. Belmont will retain 4 Leaf on an independent contractor basis and not as an employee. Any additional personnel performing the services under this contract on behalf of 4 Leaf, Inc. shall also not be employees of Belmont and shall at all times be under 4 Leaf, Inc. exclusive direction and control. 4 Leaf, Inc. shall pay all wages, salaries, benefits, and other amounts due such personnel in connection with their performance of services under this contract and as required by law. 4 Leaf, Inc. shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Manager is authorized to amend the agreement with 4 Leaf, Inc. to provide building inspection services related to development applications at the rates set forth in Attachment B in an amount of \$100,000 for Fiscal Year (FY) 2023-24 as outlined in Attachment C, for a total not-to-exceed amount up to \$249,865. This authorization is limited to the amount of available funds appropriated within a fiscal year budget for that purpose.

* * *

ADOPTED July 25, 2023 by the City of Belmont City Council by the following vote:

Ayes:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



COST PROPOSAL

FY2023-2024 FEE SCHEDULE & BASIS OF CHARGES

FOR THE CITY OF BELMONT

All Rates are Subject to Basis of Charges

PLAN REVIEW COST STRUCTURE	NOTES
Plan Review Percentage: 65% <i>(Inclusive of all disciplines except Fire and Civil which are billed on an hourly basis)</i> Hourly Plan Review: \$140 Non-Structural Review \$160 Structural Review	Fee includes: ➤ Initial review and two (2) rechecks. Hourly charges apply after three (3) or more rechecks. ➤ Shipping, courier, and electronic service.

Building

Chief Building Official.....	\$175/hour
Structural Plan Review Engineer	\$160/hour
Non-Structural Plans Examiner	\$140/hour
Certified Access Specialist (CAsp) Inspector	\$165/hour
Certified Access Specialist (CAsp) Plans Examiner	\$165/hour
Senior Combination Building Inspector (Building Inspector III)	\$138/hour
Commercial Building Inspector (Building Inspector II)	\$125/hour
Residential Building Inspector (Building Inspector I)	\$108/hour
Permit Manager.....	\$110/hour
Senior Permit Technician	\$95/hour
Permit Technician	\$85/hour
Clerk/Administrator	\$72/hour
Supervising Inspector of Record.....	\$169/hour
Inspector of Record	\$149/hour
DSA Class 1 / OSHPD A Inspector	\$175/hour
DSA Class 2 / OSHPD B Inspector	\$145/hour
DSA Class 3 / OSHPD C Inspector.....	\$103/hour

Code Enforcement

Code Enforcement Director.....	\$170/hour
Code Enforcement Manager	\$148/hour
Senior Code Enforcement Officer	\$130/hour
Code Enforcement Officer II	\$120/hour
Code Enforcement Officer I	\$108/hour
Code Enforcement Technician	\$85/hour
Housing Inspector	\$95/hour
Hearing Officer.....	\$150/hour



Principal-in-Charge	\$250/hour
Hourly overtime charge per inspector.....	1.5 x hourly rate
Mileage (for inspections performed within the City)	IRS Rate + 20%

Fire

Fire Protection Engineer (FPE)	\$210/hour
Fire Prevention Officer	\$145/hour
Fire Plans Examiner.....	\$155/hour
Fire Inspector II.....	\$141/hour
Fire Inspector I.....	\$115/hour

Planning

Housing Policy Director.....	\$225/hour
Planning Director	\$205/hour
Principal/Planning Manager.....	\$175/hour
Senior Planner	\$160/hour
Associate Planner	\$140/hour
Assistant Planner	\$115/hour
Planning Technician	\$100/hour

Project Management

Project Manager	\$190/hour
Principal-in-Charge	\$280/hour

Engineering, Public Works Inspection, & Construction Management (Prevailing Wage)

Civil Plan Review (Grading, Improvement Plans)	\$175/hour
Traffic Engineer	\$230/hour
Construction Manager.....	\$162/hour
Certified Access Specialist (CAsp) Inspector (Regular time)	\$165/hour
Certified Access Specialist (CAsp) Inspector (Nighttime)	\$186/hour
Certified Access Specialist (CAsp) Inspector (Overtime).....	\$223/hour
Certified Access Specialist (CAsp) Plans Examiner.....	\$165/hour
Public Works Inspector (Regular Time)	\$153/hour
Public Works Inspector (Nighttime).....	\$172/hour
Public Works Inspector (Overtime)	\$207/hour
Public Works Inspector Apprentice.....	\$99/hour
Public Works Plans Examiner.....	\$145/hour

BASIS OF CHARGES

Rates are inclusive of “tools of the trade” such as forms, telephones, and consumables.

- All invoicing will be submitted monthly.
- Staff Augmentation work (excluding plan review) is subject to 4-hour minimum charges unless stated otherwise. Services billed in 4-hour increments.



- Most plan reviews will be done in 10 business days or less and 5 business days or less for re-checks. This is not inclusive of holidays or the day of the pick-up of plans.
- Expedited reviews will be billed at 1.5x the plan review fee listed in the fee schedule. Return time will be within seven (7) days of receipt of the plans from the City.
- Plan review of deferred submittals & revisions will be billed at the hourly rates listed.
- All plan review services will be subject to a \$250.00 minimum fee if percentage-based fee or 2-hour minimum charge if hourly rates apply.
- Larger complex plan reviews can be negotiated to achieve the best possible pricing.
- All plan review services will be subject to 2-hour minimum fee.
- All plan review services are billed on a percentage basis and includes the initial review and 2 rechecks.
 - Plan reviews will be billed on an hourly basis only after the initial review and 2 rechecks unless otherwise agreed upon on a case-by-case basis.
 - Fire and Civil Reviews are billed on an hourly basis and are not included in our plan review percentage.
- These above rates reflect the FY2023-2024 contract period.
- Overtime and Premium time will be charged as follows:

- Regular time (work begun after 5AM or before 4PM)	1 x hourly rate
- Nighttime (work begun after 4PM or before 5AM)	1.125 x hourly rate
- Overtime (over 8-hour M-F or Saturdays)	1.5 x hourly rate
- Overtime (over 8 hours Sat or 1 st 8-hour Sun)	2 x hourly rate
- Overtime (over 8 hours Sun or Holidays)	3 x hourly rate
- Overtime will only be billed with prior authorization of the Director or other designated City personnel.
- All work with less than 8 hours rest between shifts will be charged the appropriate overtime rate.
- Mileage driven during the course of Inspections will be charged at cost plus 20%.
- Payment due on receipt. All payments over 30 days will be assessed a 1.5% interest charge.
- Client shall pay attorneys' fees, or other costs incurred in collecting delinquent amounts.
- Client agrees that 4LEAF's liability will be limited to the value of services provided.
- In accordance with California's Meal Break and Rest Break Law requirements, Client will be billed one (1) additional hour per day at the regular rate for each missed meal or rest break due to Client-directed tasks or requirements. Client should allow 4LEAF's non-exempt, hourly employees the opportunity to take their entitled rest and meal breaks during each work shift.

BASIS OF CHARGES – PREVAILING WAGE

- Rates shown assume the projects will require compliance with California Prevailing Wage rate requirements and assumes the Client will be filing a PWC-100 Form to the California Department of Industrial Relations (DIR) for the projects.
- Rates for prevailing wage categories are subject to annual escalations in accordance with the bi-annual wage determinations from the California DIR.
- Per the new requirements being enforced under SB 854 and because it is assumed that a PWC-100 Form will be filed by the Client to the CA DIR for each project, 4LEAF is required to notify an authorized Apprenticeship Committee through submittal of a DAS-140 form. We are then required to make an official request to an authorized Apprenticeship Committee for an apprentice by submitting a DAS-142



form. We are not assured the apprenticeship committee will be able to provide a suitable / qualified apprentice for the project. Per the apprenticeship requirements, the hours worked by the apprentice must be in a ratio of 1:5 for apprentice to journeyman hours. 4LEAF will not know the labor classification of the Public Works Apprentice until an Apprentice is dispatched to the site; therefore, the rates for the five Periods listed under the California DIR's Wage determination for Building Construction Inspector were used to determine the range of hourly rates for Public Works Inspector Apprentice.

- Pre-approved Overtime and Premium hours for labor categories subject to Prevailing Wage requirements will be charged per the following:
 - *Nighttime (work begun after 4PM or before 5AM)* *1.125 x hourly rate*
 - *Overtime (over 8 hour M-F or Saturdays)* *1.35 x hourly rate*
 - *Overtime (over 8 hours Sat or 1st 8 hour Sun)* *1.85 x hourly rate*
 - *Overtime (over 8 hours Sun or Holidays)* *2.35 x hourly rate*
- All invoicing will be submitted monthly.
- All work with less than 8 hours rest between shifts will be charged the appropriate overtime rate.
- Project-related mileage for inspections will be billed at the allowable IRS Rate.
- Payment due on receipt. All payments over 30 days will be assessed a 1.5% interest charge.
- Client shall pay attorneys' fees, or other costs incurred in collecting delinquent amounts.
- Client agrees that 4LEAF's liability will be limited to the value of services provided.
- In accordance with California's Meal Break and Rest Break Law requirements, Client will be billed one (1) additional hour per day at the regular rate for each missed meal or rest break due to Client-directed tasks or requirements. Client should allow 4LEAF's non-exempt, hourly employees the opportunity to take their entitled rest and meal breaks during each work shift.

**Task Order: Building Inspection Services**

DATE: 07/13/23
PROPOSAL No.: P5412
CLIENT: City of Belmont
PROJECT: Building Inspection Services
LOCATION: 1 Twin Pines Lane
Belmont CA 94002

ITEM: I	4LEAF Personnel	ESTIMATED HOURS	UNIT PRICE	ESTIMATED TOTAL
Building Inspection Services				
Building Inspection Services	Mark Sherwood	800	\$125	\$100,000
Preliminary Sub-Total of Services provided by 4LEAF				\$100,000

Preliminary Estimated Fees	\$100,000
Project Management & Administration N/A	\$0
Total Preliminary Estimated Fees	\$100,000

Estimate is for 4LEAF to provide Building Inspection Services to the City of Belmont. **This estimate is not to exceed \$100,000.**

Scope of Work: 4LEAF will provide a qualified building inspector to perform building inspection services for the City.

This assignment is for two to three days per week (16-24 hours per week). The City may extend these services as-needed.

This is a time and materials estimate for these services and will be in accordance of the terms and conditions of 4LEAF's on-call Agreement.

4LEAF will bill the rate of \$125/hour for these services. All work will be billed at 4 hour minimums and billed in 4 hour increments.

This cost estimate is for 7/1/23 - 6/30/24. Personnel may be subject to change.



STAFF REPORT

Meeting Date: July 25, 2023
Agency: City of Belmont
Staff Contact: Scott Rennie, City Attorney
Agenda Title: Procurement of Legal Services from Shute Mihaly & Weinberger LLP
Agenda Action: Resolution

Recommendation

Adopt a resolution authorizing the City Attorney to procure legal services from Shute Mihaly & Weinberger LLP.

Strategic Focus Area

Not Applicable

Background

From time to time the City has need of legal services related to municipal law issues, and in particular related to government, ballot measures, environment, and litigation that are highly technical and require the services of legal practitioners with particular expertise. Staff requests that the City Council authorize the procurement of such legal services on an as-needed basis from the law firm of Shute, Mihaly & Weinberger LLP at the rates set forth in Attachment 1 to the proposed resolution accompanying this report, and contingent upon the availability of existing funds.

Analysis

The sources of funds that may be used for payment of legal services will vary dependent on the matter at issue. This request for authorization for procurement of legal services is limited to the amount of available funds appropriated within the budget for litigation, or in the case of advice, the particular subject matter.

Alternatives

1. Deny the requested authority.
2. Continue the item for further discussion.

Attachments

- A. Resolution



Fiscal Impact

☐ No Fiscal Impact

☒ Funding Source Confirmed: Funds for legal services have been budgeted for in FY 2023-24 Budget in the General Fund and Liability Insurance Fund. Authorization for procurement of legal services is limited to the amount of available funds appropriated within the budget for litigation, or in the case of advice, the particular subject matter.

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
AUTHORIZING PROCUREMENT OF LEGAL SERVICES FROM SHUTE MIHALY
& WEINBERGER LLP**

WHEREAS, from time to time the City has need of legal services related to municipal law issues, and in particular related to government, ballot measures, environment, and litigation that are highly technical and require the services of legal practitioners with particular expertise; and,

WHEREAS, the law firm of Shute, Mihaly & Weinberger LLP have demonstrated expertise in these fields; and,

WHEREAS, the authorization granted herein for procurement of legal services is limited to the amount of available funds appropriated within a fiscal year budget for that purpose.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Attorney is authorized to retain the law firm of Shute, Mihaly & Weinberger LLP to provide legal services at the rates set forth in Attachment 1 plus expenses as negotiated. This authorization is limited to the amount of available funds appropriated within a fiscal year budget for that purpose.

* * *

ADOPTED July 25, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

Attachment 1
Resolution No. 2023-_____
Billing Rates for Shute Mihaly & Weinberger

For Consultant's team authorized to perform legal services, the corresponding hourly billing rate for each are:

Partners:	\$400
Of Counsel:	\$400
Associates III:	\$370
Associates II:	\$355
Associates I:	\$335
Planner	\$335
Paralegals:	\$255
Law Clerks:	\$155

The Consultant may revise the billing rates above set not earlier than January 1 of each year and not more than once per calendar year thereafter. The amount of any such increase may not exceed the lesser of: (a) 3%, or (b) the annual percentage increase in the Consumer Price Index (October over October time period) for All Urban Consumers (not seasonally adjusted) San Francisco-Oakland-Hayward area (1982-1984 = 100) as published by the Bureau of Labor Statistics, U.S. Department of Labor, rounded to the nearest whole \$1.

Billing will be provided in increments not greater than 1/10th of an hour.



STAFF REPORT

Meeting Date: July 25, 2023
Agency: City of Belmont
Staff Contact: Janice Svendsen, Public Works, (650) 595-7467, jsvendsen@belmont.gov
Agenda Title: Senate Bill 1383 and Updated City Purchasing Policy
Agenda Action: Resolution

Recommendation

Adopt a resolution amending the City of Belmont Financial Policies Pertaining to Practices of the Purchasing Control System to meet current Senate Bill (SB) 1383 requirements and authorize city staff to make ministerial changes to the policy to keep pace with program requirements.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

Assembly Bill (AB) 1826, adopted in 2014, required businesses to compost their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. In September 2016, The State set methane emissions reduction targets for California in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP). The targets needed to reduce organic waste disposal 50 percent by 2020 and 75 percent by 2025 and rescue at least 20 percent of currently disposed surplus food for people to eat by 2025.

Senate Bill (SB) 1383 is the more recent and comprehensive version of the bill. Building upon this foundation, SB 1383 was passed to further expand the reduction of organic waste headed to landfills. SB 1383 is intended to address the disposal of organic materials in California by requiring organics waste recycling in every jurisdiction. The measure ultimately requires a 75 percent reduction of the level of statewide disposal of organic waste by 2025, based on levels from 2014. By 2022, SB 1383 required every jurisdiction (city, county, or special district) to adopt an implementing ordinance for the program and to provide organic waste collection services to all residents and businesses. Jurisdictions are mandated to educate all residents and businesses about collection requirements, including what materials to put in curbside bins. Belmont meets all current program requirements. Accordingly, in 2021, Belmont's City Council approved an ordinance, in compliance with SB 1383 requirements, adopting mandatory organic waste disposal reduction regulations as required by state law.

SB1383 is comprised of several programs: 1) outreach to multifamily residence owners and managers, 2) mandates to ensure commercial edible food generators work with food recovery services and 3) education and enforcement within the community for required organic waste collection.



The owners and property managers of multifamily residences (5 units or more) must annually educate employees and tenants on how to properly sort organic waste into the correct bins and provide information to new tenants within 14 days of occupation of the premises. The Public Works Department is assisting all local businesses and residents by utilizing SB 1383 grant funds awarded in 2022 with a short-term, part-time employee who will make on-site visits to residences, meet mandated record keeping and reporting requirements, and provide educational information on required organic waste diversion.

The Edible Food Recovery Program means collecting edible food that would otherwise go to waste and redistributing it to feed people in need. This program is led by San Mateo County, with Belmont being one of the partnering agencies contributing to and benefiting from the program's services. Californians send 11.2 billion pounds of food to landfills each year. SB 1383 requires that by 2025 California will recover 20 percent of edible food that would otherwise be sent to landfills, to feed people in need.

Through existing programs and services, partnerships and MOUs with Rethink Waste, Recology and CalRecycle, the City of Belmont meets all SB 1383 mandates. Education to residents and businesses is ongoing through outreach events such as Earth Day and Public Works week, National Night Out and social media campaigns.

Climate Action Plan

On November 14, 2017, the city adopted the 2035 General Plan which is the City's primary guide for development, housing, transportation, environmental quality, public services, and parks and open spaces.

In the conservation element (section 5) of the 2035 General Plan, goals are defined that promote the consideration of recycled products in city purchases and encourages composting in an effort to protect water quality and reduce the amount of waste that goes to landfills.

GOAL 5.5 Preserve water quality by promoting the protection of Belmont's creeks and other natural water bodies from pollution.

Policy 5.5-2 Encourage residents and businesses to use best management practices (BMPs) to reduce water pollutant loads that result from daily activities, such as using landscaping chemicals and fertilizers and repairing and washing cars outdoors.

GOAL 5.7 Provide adequate wastewater collection, treatment, recycling and disposal facilities in a timely fashion to serve existing and future needs.

GOAL 5.8 Provide adequate solid waste facilities and services for the collection, transfer, recycling, and disposal of refuse.

Policy 5.8-1 Promote solid waste reduction, recycling, and composting to Belmont residents and businesses as an important way to conserve limited natural resources and reduce greenhouse gas emissions.

Policy 5.8-2 Solicit the use of recycled products in City procurement documents.

Adopted concurrently with the 2035 General Plan is the City's Climate Action Plan (CAP) that highlights Belmont's goals to demonstrate environmental leadership, promote sustainable development in new construction, reduce greenhouse gas (GHG) emissions, and curtail waste deposited into landfills. The adopted CAP supports the city's efforts to promote the SB 1383 provisions directed at organic waste diversion methods through composting, with the establishment of an edible food recovery program, and



by providing guidelines on the purchase of recycled paper products. As such, Belmont's Procurement Policy has been updated to include the principles and parameters identified in SB 1383. Through these plans, goals and initiatives, the city demonstrates its adherence to the ideals that protect the environment, limit GHG emissions, and contribute to sustainable city, residential and business operations.

The procurement policy presented today is an updated addition to the 2003 policy. On July 8, 2003, the city council adopted a resolution no. 9444 which presented a comprehensive set of financial policies intended to provide staff guidelines for making purchases.

Analysis

Building upon the 2035 General Plan and the Climate Action Plan, the City of Belmont achieves its goal of meeting the SB 1383 state mandated ordinance parameters to which all jurisdictions in California must adhere.

SB 1383 entails various methods of diverting organic waste from landfills through outreach to single family residences and multifamily complexes, edible food recovery, and composting programs. The proposed amendments to the City Council's purchasing policies will add a Policy 15 "Incorporating Environmentally Responsible Practices (CIP and Operations)" to capture SB 1383 purchasing guidelines and mandates, such as:

- Office supplies, printing and writing paper shall consist of at least 40% postconsumer recycled content.
- Toilet paper shall consist of at least 45% postconsumer recycled content.
- Toilet seat covers shall consist of at least 20% postconsumer recycled content.
- Facial tissue shall consist of at least 10% postconsumer recycled content.
- Paper towels shall consist of at least 40% postconsumer recycled content.
- Food service ware, including, but not limited to napkins, plates, bowls, food trays, takeout boxes, placemats, etc. shall consist of at least 40% postconsumer recycled content.
- Products must be recyclable or compostable.

Updating the procurement policy is consistent with 2035 General Plan and Climate Action Plan Goals, Policies, and Actions, and meets AB 1826 and SB 1383 objectives and goals.

Alternatives

1. Take no action.
2. Refer back to staff for more information.

Attachments

- A. Resolution
- B. Updated Purchasing Policy



Fiscal Impact

☐ No Fiscal Impact

☒ Funding Source Confirmed

SB 1383 grant funds were awarded in 2022 which the City will utilize towards a short-term, part-time employee who will make on-site visits to residences, meet mandated record keeping and reporting requirements, and provide educational information on required organic waste diversion.

Source:

Staff

Purpose:

Statutory/Contractual Requirement

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ADOPTING AMENDMENTS TO THE CITY PROCUREMENT POLICIES

WHEREAS, the current city procurement policy was approved on November 17, 2011 and must be updated to include the required provisions from California Senate Bill 1383 (SB 1383) and Climate Action Goals; and,

WHEREAS, SB 1383 focuses on organic waste diversion from landfills it also mandates purchasing office paper and janitorial supplies of a certain percentage of postconsumer paper product; and,

WHEREAS, the City recognizes the procurement of recycled paper products for office use and janitorial supplies is not cost prohibitive but is commensurate with similar product costs; and,

WHEREAS, the City Council has concluded that the revised policy and staff report are consistent with the City of Belmont 2035 General Plan and Climate Action Plan; and,

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The Council finds these amendments to the Procurement Policies will guide City staff when purchasing paper products and janitorial supplies meeting a specific postconsumer recycled paper content, and meets current provisions of SB 1383.

SECTION 2. The 2023 Procurement Policy, which meets current provisions of SB 1383, and which may be ministerially updated by staff to meet any new program requirements that are mandated over time.

* * *

ADOPTED July 25, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



Procurement/Purchasing Policy Incorporating Environmentally Responsible Practices (CIP & Operations)

<i>Department</i>		<i>Date Developed</i>	<i>November 2003</i>		
<i>Division</i>		<i>Date Updated</i>	<i>July 25, 2023</i>		
<i>Prepared By</i>	<i>Janice Svendsen</i>	<i>Date Updated</i>		<i>Pages</i>	<i>6</i>

Background

A Purchasing policy is required when using public funds for procurement: purchasing supplies, materials, equipment, construction, and professional services for the City. The purpose of this policy is to maximize the purchasing value of public funds, to ensure compliance and commitment to sustainability and state law requirements, and to provide safeguards for maintaining a procurement system of quality and integrity.

The following Purchasing Policy provides guidelines for meeting the City's purchasing requirements as set forth in Article V: Purchasing Control System of the Belmont Municipal Code.

Included in this policy are environmentally responsible practices that consider the newest updates and changes in transport and utility systems, the latest standards for building construction, electric vehicle charging, the acquisition of energy-efficient equipment and the purchase of office supplies for city facilities including recycled material content and SB 1383 provisions.

Capital improvement activity that is environmentally responsible is recognized in several different forms. A common practice is the use of environmentally friendly materials and procedures when undertaking capital projects. Currently, the U.S. Green Building Council (USGBC) is a leader in offering standards for environmentally sustainable construction. Through the Leadership in Energy and Environmental Design Program, vertical building projects can now be accredited for their efforts in promoting environmentally sustainable construction.

Policy

Belmont evaluates both the financial and non-financial impacts of a project including environmentally responsible measures that impact the City in the long-term as well as the local, regional, and global environment, changes to resource use and efficiency, and other areas that impact quality of life for the public. To accomplish this goal and develop a sustainable capital program, Belmont will incorporate the following best practices into its capital planning, operations, and policy setting processes.

Belmont considers environmentally responsible principles that include the following:

- Identifying total economic costs and benefits of capital improvement plans.
- Green Building-Construction and Renovations such as CALgreen that mandate developers follow the 65% recycling requirement in the Green Code.
- Use of water-saving products, such as MWELO (Model Water Efficient Landscaping Ordinance).
- Considering stewardship principles for new or upgraded assets to accommodate community goals and needs.
- Examining environmentally responsible projects for consistency within broader policy goals.

- Considering the use of an environmental factor when scoring/prioritizing capital needs.
- Continuing the implementation of all aspects of the 2017 Belmont Climate Action Plan and GHG emission reductions.
- Complying with all new state laws including SB 1383.

Financing. To recognize and promote the non-financial benefits of economically sustainable, environmentally responsible capital improvements, Belmont will use a number of financial instruments and methods to realize a benefit for green projects. These will include state and federal grants, low interest loans, property leases, and certificates of participation.

Where possible, Belmont may undertake green-based projects in partnership with private development, which can qualify for significant tax benefits and offer additional funding tools. Internally, Belmont will use funds that have been set aside in the capital programs to support environmentally responsible efforts. For example, a revolving fund for alternative energy projects places recurring savings back into the program.

Analysis. Environmental stewardship analysis often measures the “triple bottom line” which refers to the effects on people, planet, and profit. To promote environmentally responsible management decisions, Belmont takes a multi-faceted evaluation approach to examine the full impact of the program. This evaluation quantifies expected results, and considers the long-term environmental benefits of these decisions, so the evaluation will look at the following:

- Financial Impact: Belmont will facilitate a financial impact analysis on environmentally responsible projects or activities that takes a long-term perspective. Using environmentally responsible practices and materials can help reduce costs over the life of the asset. Belmont uses financial analysis tools to identify the entire “lifecycle” cost of the decision. More sophisticated approaches such as a “return-on-investment” will recognize future cost efficiencies, as well as currently unmeasured impacts (avoidance of landfill fees, future cost of fossil fuels, expected costs associated with electric car charging stations etc.).
- Total Economic Value. Actions to address climate change, water conservation and energy consumption, among others, promote long-term cost efficiencies that are often difficult to quantify. Economists have applied a tool identifying the Total Economic Value of an improvement. Such tools often recognize the marginal benefit an improvement has on pollution emissions.

Operations. The purpose of this policy section is to support the purchase of recycled and environmentally responsible products in order to minimize environmental impacts relating to the City’s work, and to conserve natural resources. The City of Belmont recognizes that its employees can make a difference in favor of environmental quality. Belmont strives to purchase environmentally responsible products based on the understanding that they perform satisfactorily and are available at a reasonably competitive price.

Consistent with State law, such as the requirements of AB 939, AB1826, and SB1383 requiring a reduction of material going to landfills, and the economics of effectively managing costs for solid waste disposal, the City of Belmont strives to:

1. Encourage waste prevention, recycling, market development and use of recycled/recyclable materials through lease agreements, contractual relationships and purchasing practices with vendors, contractors, businesses, and other governmental agencies.

2. Adopt as a city policy waste prevention, recycling and use of recycled supplies/materials as a City priority.
3. Eliminate or reduce toxics that create hazards to employees, the community, and the environment.
4. Generate less waste material by considering life cycle costs of supplies, materials, and equipment, including how they are purchased, packaged, delivered, used, and disposed.
5. Serve as a model for the San Mateo County region to influence waste prevention, recycling, and procurement efforts.
6. Encourage employees to practice waste reduction through recycling and organic waste collection in city provided bins in city facilities.
7. Educate city administrative purchasing staff on state mandated programs in organic waste diversion, composting and recycling.
8. Implement all provisions of SB 1383, mandatory organic material composting for all residents and businesses, the Edible Food Recovery Program and compost purchasing.

Definitions

“Recycling” means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become solid waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

“Waste Prevention” means any action undertaken by an individual or organization to eliminate or reduce the amount or toxicity of materials before they enter the municipal solid waste stream. This action is intended to conserve resources and promote efficiency pollution.

“Environmentally Preferable Products” means products that have a lesser impact on climate change, or human health and the environment when compared with competing products. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation and/or disposal of the product.

“Recycled Products” are products manufactured with waste materials that has been recovered or diverted from waste stream. Recycled material may be derived from post- consumer waste (material that has served its intended end-use and has been discarded by a final consumer), industrial scrap, manufacturing waste and/or other waste that otherwise would not have been utilized.

“Practical” means sufficient in performance and reasonably available at a reasonably competitive cost.

1. City of Belmont personnel will specify and procure recycled and environmentally preferable products.
2. The City of Belmont will solicit the use of recycled and other environmentally preferable products in its procurement documents as appropriate. City of Belmont departments/divisions will practice waste prevention.

A. Procurement Practices

In cooperation with its customers and residents, the City of Belmont will evaluate, but not be limited to, the following environmentally preferable product categories and purchase them whenever practical:

1. Remanufactured and recycled products, such as laser toner cartridges, tires, motor oil, furniture, equipment, and automotive parts whenever practicable, but without reducing safety, quality, or effectiveness.
2. Office supplies, printing and writing papers, including imprinted letterhead paper, envelopes, copy paper and business cards. These supplies will contain a minimum of 30% post-consumer recycled content.
3. Paper products, including janitorial supplies, shop towels, hand towels, corrugated boxes, file boxes, hanging file folders and other products comprised largely of paper.
 - a. Toilet paper shall consist of at least 45% postconsumer recycled content.
 - b. Toilet seat covers shall consist of at least 20% postconsumer recycled content.
 - c. Facial tissue shall consist of at least 10% postconsumer recycled content.
 - d. Paper towels shall consist of at least 40% postconsumer recycled content.
4. Recycled plastic outdoor-wood substitutes, including plastic lumber, benches, fencing, signs, and posts.
5. Recycled content construction, building and maintenance products, including plastic, lumber, carpet, tiles, and insulation.
6. Fuel efficient and decreased emission alternatives for vehicle purchases and/or replacements, as they meet the City's work needs.
7. Re-crushed cement concrete aggregate and asphalt.
8. Cement and asphalt concrete containing tire rubber, glass cullet, recycled fiber, plastic, fly ash or other alternative products.
9. Re-treaded tires and products made from recycled tire rubber including rubberized asphalt, playground surfaces and fatigue mats.
10. Compost, mulch, and other organics including recycled bio-solid products.
11. Re-manufactured paint.
12. Food service ware, including napkins, plates, takeout boxes shall consist of at least 40% postconsumer recycled content.
13. Other products that may be designated by general operations.

B. Waste Prevention Practices

City of Belmont staff will reduce their consumption of resources and incorporates the following practices into their daily activities. Accomplishing these activities will be through appropriate staff and resources.

1. Consider durability and reparability of products prior to purchase.
2. Conduct routine maintenance on products/equipment to increase the useful life.
3. Use duplex features on laser printers and copiers. Specify duplex on print jobs.
4. Create electronic letterhead for use by all City staff.
5. Send and store information electronically when possible. This includes e-mail, website, and electronic fax.
6. Review record retention policies and implement document imaging systems.
7. Other waste prevention practices that further the goals of this policy.

C. Energy Savings

1. Energy-efficient equipment will be purchased with the most up-to-date, economically feasible, and proven energy efficiency functions.
2. The City will replace inefficient lighting with energy-efficient equipment.
3. The City will choose to meet Energy Star certification or choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.
4. As of April 2016, all county residents and businesses were enrolled in ECOplus offered by the Peninsula Clean Energy Program. This program offers customers a 5% discount compared to PG&E Rates. Peninsula Clean Energy is a community choice energy (CCE) program, also known as Community Choice Aggregation. CCE programs allow local governments to pool the electricity demands of their communities, purchasing power with higher renewable content and reinvesting in local infrastructure. The City of Belmont is on the ECO 100 program, wherever possible.

Each City department will be responsible for the implementation of this policy and does the following:

1. Practice waste prevention and composting.
2. Continue to utilize recycling programs and expand them where possible.
3. Procure recycled products whenever possible.
4. Develop, evaluate and maintain information about environmentally preferable and/or recycled products containing the maximum practical amount of recycled materials. Cross-feed information to other Departments when potential use of a product exists.
5. Develop specifications used in public bidding aimed at eliminating barriers to recycled-content products, such as outdated or overly stringent product specifications and specifications not related to product performance.
6. Ensure that procurement documents issued by Departments require environmentally preferred alternatives whenever practical.
7. Educate and promote this policy through appropriate staff. This may include documentation of successes, pitfalls, changes, reporting on compliance, etc.

City departments will:

1. Inform vendors of the City's Environmental Purchasing Policy.
2. Structure applicable contracts to offer and/or feature recycled-content products whenever possible, (e.g., office supplies, lubricating oils and janitorial supplies).
3. Requests for proposals may encourage vendors to offer recycled products whenever practical.

Communication. Belmont considers the annual budget one method of communication. A second method of communication with the Belmont residents and city staff is use of weekly newsletters and social media channels. To be an effective steward, Belmont city policies will reflect the same mandates the community is asked to comply with. Belmont city staff in all city facilities must meet minimum standards for organic waste collection and recycling.

Exemption. Nothing contained in this policy should be construed as requiring a department, purchaser, or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.

References

- *SB1383: CalRecycle-Content Paper Procurement*
- *SB1383: City of Belmont, Study Session, June 22, 2021*
- *City of Belmont 2017 Climate Action Plan*
- GFOA Best Practice, *Sustainability*, 2002.
- GFOA Best Practice, *Capital Project Monitoring and Reporting*, 2007.
- GFOA Best Practice, *Public Participation in Planning, Budgeting, and Performance Management*, 2009.
- Environmental Protection Agency, *Environmental Stewardship*, <http://www.epa.gov/stewardship>.

DRAFT



STAFF REPORT

Meeting Date: July 25, 2023
Agency: City of Belmont
Staff Contact: Carlos de Melo, Community Development Director, (650) 595-7440
cdemelo@belmont.gov
Agenda Title: Response to Grand Jury Report on Accessory Dwelling Units (ADU's)
Agenda Action: Motion

Recommendation

Approve the City of Belmont's response letter to the San Mateo County Civil Grand Jury Report dated June 12, 2023 entitled, "Accessory Dwelling Units: Affordable Housing's Panacea or Prevarication".

Strategic Focus Area

Economic Development and Housing

Background

On June 12, 2023, the 2022-2023 San Mateo County Civil Grand Jury issued a report titled "Accessory Dwelling Units: Affordable Housing's Panacea or Prevarication" – see Attachment A. The City of Belmont is required to submit comments on the findings and recommendations pertaining to the matters over which it has some decision-making authority within 90 days. Response letters must be approved by the governing body of each jurisdiction at a public meeting. Belmont's response to the report is due to the Grand Jury no later than September 11, 2023; this response is included as Attachment B to this staff report.

Analysis

The Grand Jury made seven (7) findings and six (6) recommendations in its report which require a response. City staff has collaborated with the 21 Elements group on a response. 21 Elements is a multi-year, multi-phase collaboration of all twenty-one San Mateo County jurisdictions, along with partner agencies and stakeholder organizations.

The 21 Elements effort allows the 21 jurisdictions to come together on a regular basis to collectively address the region's housing needs through shared learning, collaboration and coordinated action. The effort is staffed by the planning firm of Baird + Driskell and paid for through contributions made by each jurisdiction based on jurisdiction size. 21 Elements has been underway for over 12 years and has been recognized statewide as a best practice for housing planning and policy.

Staff has reviewed the findings and recommendations and has prepared a response letter for Council approval attached to this report (see Attachment B). In summary, staff agrees with certain Grand Jury findings and recommendations, although in some cases data is lacking to confirm or refute assertions.



Alternatives

1. Refer back to staff for further information.
2. The City of Belmont is required to respond to the Grand Jury Report.

Attachments

- A. Grand Jury Report – June 2023
- B. Grand Jury Report Response Letter

Fiscal Impact

- ☒ No Fiscal Impact
- ☐ Funding Source Confirmed:

Source:

Staff

Purpose:

Statutory/Contractual Requirement

Public Outreach:

Posting of Agenda



One Twin Pines Lane
Belmont, CA 94002

Wednesday, July 19, 2023

Honorable Nancy L. Fineman
Judge of the Superior Court
c/o Bianca Fasuescu
Hall of Justice
400 County Center; 2nd Floor
Redwood City, CA 94063-1655

Subject: Response of the City of Belmont to the San Mateo County Civil Grand Jury Report
“Accessory Dwelling Units: Affordable Housing’s Panacea or Prevarication?”

Honorable Judge Fineman:

The City of Belmont appreciates the opportunity to review and provide comments on the above referenced Grand Jury Report filed on June 12, 2023. The City of Belmont's response to both the findings and recommendations are outlined below.

Response to Grand Jury Findings:

Finding 1: Due to recent changes in California ADU-related laws, local governments cannot condition ADU permits in San Mateo County on complying with affordability monitoring and verification.

Response: The City of Belmont agrees with this finding.

Finding 2: San Mateo County and most of its municipalities rely on ADUs to meet their affordable housing commitments in their RHNA-6 plans.

Response: The City of Belmont disagrees with this finding. If the finding indicated that “San Mateo County and most of its municipalities include ADUs to meet their affordable housing commitments in their RHNA-6 plans,” then the City of Belmont would agree with the finding. Belmont is required to plan for a housing allocation of 1,785 units. The City of Belmont’s anticipated (to be adopted) Housing Element plans for 2,472 units. The portion of the City’s housing allocation that consists of ADUs is 80. If circumstances result in no ADUs being built in the planning period, the City could still meet its required housing allocation.



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Finding 3: Atherton, Hillsborough, Portola Valley, and Woodside rely on ADUs to meet as much as 80 percent of their affordable housing commitments in their RHNA-6 plans.

Response: Not applicable: Belmont is not named in this finding and therefore has no comment.

Finding 4: HCD has instructed San Mateo County jurisdictions to monitor and verify future ADU production and affordability every two years but has yet to specify how to verify whether very low-, low- or moderate-income households are occupying the ADUs as planned.

Response: The City of Belmont partially agrees with this finding. Belmont does not expect HCD to specify how to verify the income levels of ADU occupants. Additionally, HCD is only asking for verification at the initial time of occupancy. Belmont is planning on supporting a regional ADU monitoring effort through ABAG or 21 Elements, a long-standing collaboration among the 21 jurisdictions of San Mateo County.

Finding 5: Other than Brisbane and Redwood City, San Mateo County and its jurisdictions have yet to articulate how they will monitor and verify ADU production or affordability.

Response: The City of Belmont agrees with this finding. San Mateo County jurisdictions met in June 2023 to discuss potential strategies for monitoring ADU affordability levels. Belmont is planning to support a regional ADU monitoring effort through ABAG or 21 Elements. We expect this monitoring effort to begin no later than two years after the Housing Element was due (early 2025).

Finding 6: Without effective ADU monitoring and verification, it will be impossible to evaluate whether the jurisdictions are meeting their RHNA-6 obligations for low-, very-low, and moderate-income housing units.

Response: The City of Belmont disagrees with this finding. As noted previously, Belmont included 80 ADUs as part of a total 2,472 unit plan that fulfills the required 1,785 unit allocation. Theoretically, the City of Belmont can still fully meet its RHNA obligations for every affordability category without a low-income ADU being provided. In addition, and as stated above, Belmont is planning to support a regional approach to monitoring ADU affordability.



Finding 7: ADU affordability and occupancy could be monitored by agencies such as HIP Housing which has proven systems and processes to verify occupancy of deed-restricted rental properties in San Mateo County.

Response: The City of Belmont agrees with this Finding. For a cost, ADU affordability and occupancy could be monitored. The question facing jurisdictions that do not have a high proportion of ADUs in their housing allocations is how much of the limited public funds available should go toward monitoring of a small number of units, or toward efforts that can have a greater impact for more lower-income households. As a resource for the level of effort needed, HIP is one potential partner agency.

Response to Recommendations:

R1. San Mateo County and each City should immediately stop using ADUs to meet their State-mandated very low-, low-, and moderate-income housing targets in their Housing Element submissions until they have also proposed an effective monitoring system that verifies how newly developed ADU's will be used.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable. While Belmont shares the Civil Grand Jury's goal to increase ADU affordability monitoring, it is not feasible to revise our Housing Element to eliminate the use of ADUs to meet affordable housing goals. The Housing Element was developed through a rigorous process of multiple years of public input and revisions. Belmont will be forwarding a final submission to HCD in September 2023. It is not feasible for Belmont to make a major change to our housing policy this late in the process. However, Belmont is committed to following state housing law and to supporting the development of an effective regional ADU monitoring program which will be operated by 21 Elements or ABAG. Belmont is also supporting the development of a new ADU nonprofit that will have programs to incentivize the production of affordable ADUs in San Mateo County. Belmont will have this monitoring program in place for future Housing Element cycles.

R2. By February 1, 2024, San Mateo County and each City should develop, adopt, and implement a verification system capable of monitoring and verifying how newly developed ADU's are being used.

Response: Part of the recommendation has yet to be implemented but will be implemented in the future. However, part of the recommendation is not warranted. Belmont agrees that it is important to have high quality information about who is living in ADUs. Belmont will participate in the ABAG or 21 Elements ADU monitoring system. The monitoring is projected to launch in January 2025 and will likely survey people about their plans for their ADU at the time permits are issued. Due to homeowner privacy concerns and the cost of engaging with thousands of



homeowners every year, it would not be practical to have an ongoing verification system that checks the income of every resident of every ADU in the county.

R3. By February 1, 2024, San Mateo County and each City should develop and adopt incentives for ADU owners which could be offered in exchange for deed restrictions that would include requirements for ADU tenants to participate in independent monitoring.

Response: This recommendation has yet to be implemented but will be implemented in the future. Belmont agrees with the goal of adopting an affordable ADU program. Belmont is actively involved in the creation of an ADU nonprofit to serve San Mateo County jurisdictions and 21 Elements, working on behalf of the city, have been researching best practices. The draft work plan for the nonprofit calls for program offerings to incentivize the production of affordable ADUs and support homeowners in constructing ADUs in exchange for agreeing to rent at affordable levels. The nonprofit is projected to launch in July 2024 and will be financially supported by San Mateo County jurisdictions as well as private philanthropy if possible.

R4. By February 1, 2024, San Mateo County and each City should track the intended use of ADUs – rented or non-rented – during the permitting process and offer incentives in exchange for deed restrictions that require ADUs to be used as rentals.

Response: The recommendation requires further analysis. Belmont is committed to furthering affordable housing. Since ADUs are a relatively small portion of Belmont's allocation, and since there are finite resources available to put towards housing, the City reserves the right to focus resources on efforts that will have the greatest impact, within the law. Belmont will continue to work with the 21 Elements group regarding potential monitoring programs. However, the City will focus its efforts on working with HCD to receive certification of its Housing Element, including how to monitor and incentivize all housing types, including but not limited to ADUs, in a manner and timeline that satisfies HCD.

R5. By April 1, 2024, San Mateo County and each City should develop and adopt a new ADU affordability distribution formula specific to each jurisdiction to the extent they are used for meeting the very low-, low-, and moderate-income housing requirements in their RHNA housing elements.

Response: The recommendation will not be implemented because it is not warranted or is not reasonable. While Belmont agrees with the importance of an accurate distribution formula, given the relative small size of our city, a more meaningful distribution formula can be attained by collecting data on ADUs constructed across all San Mateo County jurisdictions. Belmont is supporting the creation of an ADU monitoring program through 21 Elements or ABAG which will collect data that can be used to revise the distribution formula based on actual observed income levels.



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The ABAG assumptions are based on a UC Berkeley study that surveyed thousands of homeowners statewide with repeat mailing; the data was aggregated to reduce the margin of errors. The margin of error would be too large if only a dozen or couple of dozen households are surveyed. There is also no evidence in the data to suggest significant variation from city to city. The recommendations for an affordability distribution of 30/30/30/10 (very low, low, moderate, above-moderate) had a significant cushion built in to ensure cities did not accidentally underproduce the amount of housing needed.

Moreover, since ADUs are a relatively small portion of the Belmont's allocation, and since there are finite resources available to put towards housing, the City reserves the right to focus resources on efforts that will have the greatest impact, within the law.

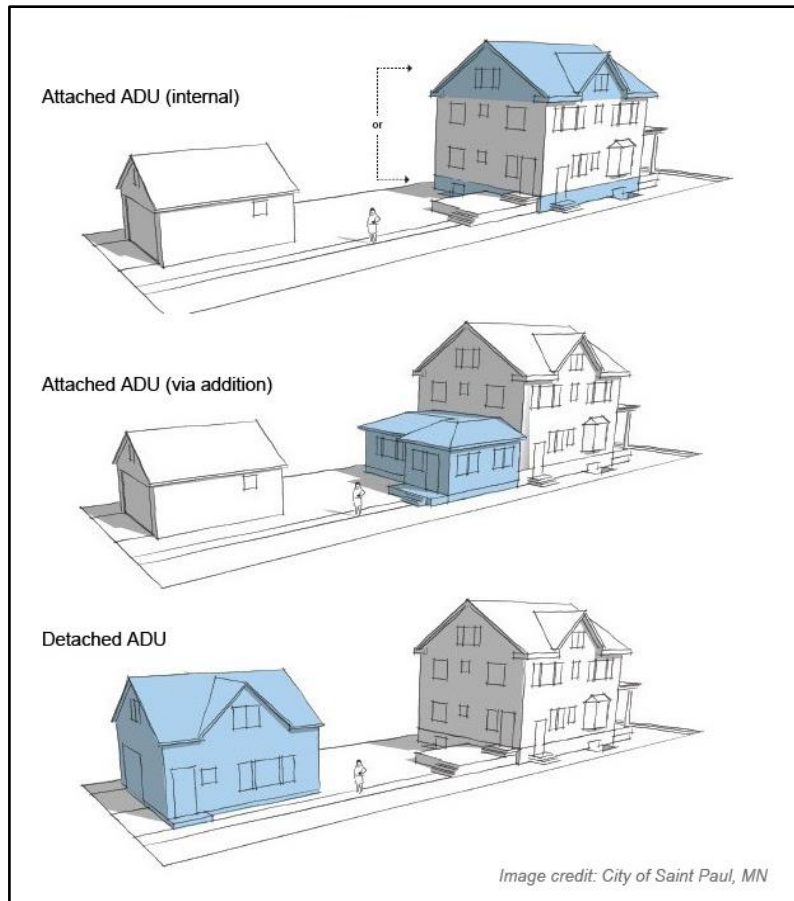
R6. San Mateo County and each City should consider working together to address Recommendations 2 and 3.

Response: The recommendation requires further analysis. San Mateo County jurisdictions work collaboratively through 21 Elements to develop, adopt, and implement a range of policies and programs in the county. San Mateo County jurisdictions are already working together to address recommendations 2 and 3. Belmont will also work with HCD to ensure compliance with housing laws and will continue to work with 21 Elements on potential collaborative efforts to address housing issues such as those raised by the Grand Jury report.

This response was approved by the Belmont City Council at a public meeting on July 25, 2023.

Sincerely,

Afshin Oskoui
City Manager



Accessory Dwelling Units:

Affordable Housing's Panacea or Prevarication?

Release Date: June 12, 2023
2022-2023 San Mateo County Grand Jury

“You can always count on Americans to do the right thing – after they’ve tried everything else.” Winston Churchill

“Every man must decide whether he will walk in the light of creative altruism or in the darkness of destructive selfishness.” Martin Luther King, Jr.

ISSUE

Are some San Mateo County communities misusing Accessory Dwelling Units (ADUs) to avoid the construction of multifamily low-income housing over the next eight years?

SUMMARY

Anointed the “epicenter of America’s housing dysfunction” by Harvard Business Review this year, the San Francisco Bay Area has faced an acute housing shortage at all levels for decades, especially for those who have the least.

And it is no longer news that many of the workers that San Mateo County communities depend upon daily – first responders, teachers, nurses, city employees, gardeners, and housekeepers, to name just a few – cannot afford a decent place to live and raise their families close to their jobs.

To address the issue, the State Legislature in 1969 passed the Housing Element Law, which says all California cities, towns, and counties, every eight years, must plan for the housing needs of all their residents regardless of income, which effectively requires development of affordable housing. Many changes and additions have been made to the law over the years, most recently eliminating zoning restrictions governing ADUs – small homes or apartments that share a single-family lot of a larger primary residence – and allowing communities to count them as affordable housing in their Regional Housing Needs Allocation (RHNA) plans.

At issue:

- Although their intentions have been good, the State has neglected to include any form of regulation to ensure low-income tenants ultimately use these ADUs as planned.
- Because owners often rent their ADUs to family and friends, they can exacerbate patterns of segregation and exclusion.¹
- And perhaps most importantly – counting ADUs as affordable housing will likely result in cities issuing permits for fewer deed-restricted low-, very low-, and moderate-income apartments and homes.

Without accountability through oversight and regulations, low-, very low-, and moderate-income housing now planned in some San Mateo County jurisdictions may end up existing solely on paper and never in operation.

This problem is most acute in Atherton, Hillsborough, Portola Valley, and Woodside, where some residents are up in arms over the State-mandated housing requirements, and the city governments, trying to appease them, are proposing counting on ADUs to meet as much as 80 percent of their affordable housing targets.

¹ Association of Bay Area Governments, “Final Regional Housing Needs Allocation (RHNA) Plan, San Francisco Bay Area, 2023-2031”, accessed May 27, 2023, https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf

Assembly Bill 72 (2017) gives the California Department of Housing and Community Development (HCD) enforcement capability on local government's land use, planning, and zoning requirements. In the current RHNA-6 (2023-2031) planning cycle, HCD demands that San Mateo County jurisdictions monitor and verify ADU affordability every two years. However, HCD has not specified how to prove the ADUs are rented to very low-, low- or moderate-income households, leaving it to the communities to find a solution.

So far, jurisdictions have yet to do so, even though local independent agencies such as HIP Housing have systems and services in place, which they use to verify affordability of deed-restricted affordable housing, and that could be adapted Countywide to monitor and verify ADUs' affordability and occupancy in a manner that adheres to fair housing guidelines.

California needs to build 2.5 million homes by 2030 to meet current housing demands, according to the HCD. But the State averages only about 125,000 new homes annually – a shortfall by nearly two-thirds.

ADUs can, indeed, provide affordable housing. And to many citizens of affluent communities, they are an appealing alternative to multi-family, deed-restricted affordable housing projects. However, just because the law makes it possible to count ADUs as affordable housing, it does not exempt cities and towns from credibly planning for badly needed affordable housing.

BACKGROUND

One of the State's long-standing priorities has been to increase the availability of affordable housing for all economic segments.

HCD – the California Department of Housing and Community Development – focuses on making this happen by working with local jurisdictions to create rental and homeownership opportunities for all Californians, including individuals and families who are experiencing homelessness.

Beginning in 1969, the State mandated that all California cities, towns, and counties must plan for the housing needs of all Californians, regardless of income. They meet this mandate by developing and updating a Housing Element, part of a local jurisdiction's General Plan, which shows where they will allow new housing and describes the policies and strategies necessary to support building new housing.

The process of updating the Housing Element involves HCD working with various Councils of Governments (COG) to develop a RHNA plan that includes the Regional Housing Needs Determination (RHND), which assigns the number of housing units that each county and city are expected to facilitate being built in the subsequent eight years to accommodate projected growth.

In the case of the Bay Area, this Council of Governments is the Association of Bay Area Governments (ABAG), which represents all nine Bay Area counties, including San Mateo County and its 20 cities and towns. Components that ABAG considers in determining each Bay Area county's and city's allocation of housing units include population, employment potential, proximity to transportation centers, open space, inclusivity, and diversification, all of which are becoming increasingly important to the State, according to ABAG reports.

Multiple bills in both houses of the State Legislature have been proposed over the years to change the process and increase the amount of State control over housing development. Particularly significant changes occurred during the 2017 legislative session when senators and assembly members proposed approximately 150 housing bills. That year the Governor ultimately signed a package of 15 bills related to funding for housing, streamlining development approvals, and increasing accountability for meeting the requirements of the Housing Element Law. These included bills that significantly changed the RHNA process, requiring additional outreach and reporting, modifying how to calculate the RHND to reflect unmet housing needs better, increasing the number of topics to be considered in the allocation methodology, and giving HCD, on behalf of the State, the ability to sue individual counties or cities for not meeting requirements.

Updating the Housing Element every eight years is an iterative process involving HCD, the regional COGs, the State Department of Finance (DOF), and local jurisdictions. (See Appendix D.) But the ultimate authority for approval of the RHNA, the RHND, and the associated Housing Elements resides with HCD.

The current approved RHNA plan developed by ABAG is known as RHNA-6, which spans 2023 to 2031.

HCD requires each jurisdiction to submit its completed Housing Element for review and approval by a specific date. For RHNA-6, the due date for San Mateo County and its cities was January 31, 2023. Before the due date, the jurisdictions were able to send their draft Housing Elements to HCD for preliminary review and comments and make necessary modifications that HCD highlights. Any jurisdiction which fails to meet the deadline for submission of their completed Housing Element is subject to a potential “builders remedy” action that forces a city to allow building projects regardless of whether they meet most of the local zoning restrictions.

Once Housing Elements are approved, HCD monitors the progress of approved RHNA plans by requiring each jurisdiction to report its building permit activities annually. If progress is below expectations, the jurisdiction must develop alternative strategies for review and approval by HCD.

During the RHNA-5 (2015-2023) progress reviews submissions, cities began including ADUs as part of the overall housing inventory in their annual reports because State legislation (Government Code section 65852.150) that became effective in January 2017 stated that ADUs are a valuable form of housing in California, which also “provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods.”

Numerous Senate and Assembly bills were enacted in 2018 and 2020, requiring local jurisdictions to streamline and allow for ease of ADU production to increase housing for all income categories. With these encouragements, ADUs being deemed a viable housing option, and facing stringent RHNA-6 requirements of approximately three times more housing units than in the RHNA-5 cycle, a few affluent San Mateo cities have proposed using ADUs to satisfy most of their plans to meet the required number of housing units in the various income categories.

“ADUs are not a panacea, but they’re a good tool in the toolbox,” said a planning consultant working for a San Mateo County city. “Most land on The Peninsula is single-family homes. ADUs are opening land that was not open before. But higher density housing near transit is better.”

Added a city manager: “I think they (ADUs) are a piece of the solution, but not all of it. I think ADUs are an important way to provide opportunities for other things – where people want multigenerational living on-site, for caretakers, or other folks – they can reside in an ADU even if they’re not paying rent.”

DISCUSSION

While HCD-approved RHNA Housing Elements do not require the cities and counties to build affordable housing, the jurisdictions must adjust zoning ordinances, issue permits to allow construction of affordable housing, and initiate programs that incentivize such construction.

However, as shown in Chart 1 below, significant portions of San Mateo County's affordable housing in RHNA-5 (2015-2023) plans did not materialize – most likely due to a lack of permit applications.

With RHNA-5's significantly lower targets, the less-than-expected performance during the RHNA-5 cycle foreshadows the enormous challenge the County's cities and towns now face in meeting the RHNA-6 goals for the next eight years, which are approximately three times larger, as shown in Chart 2 below.

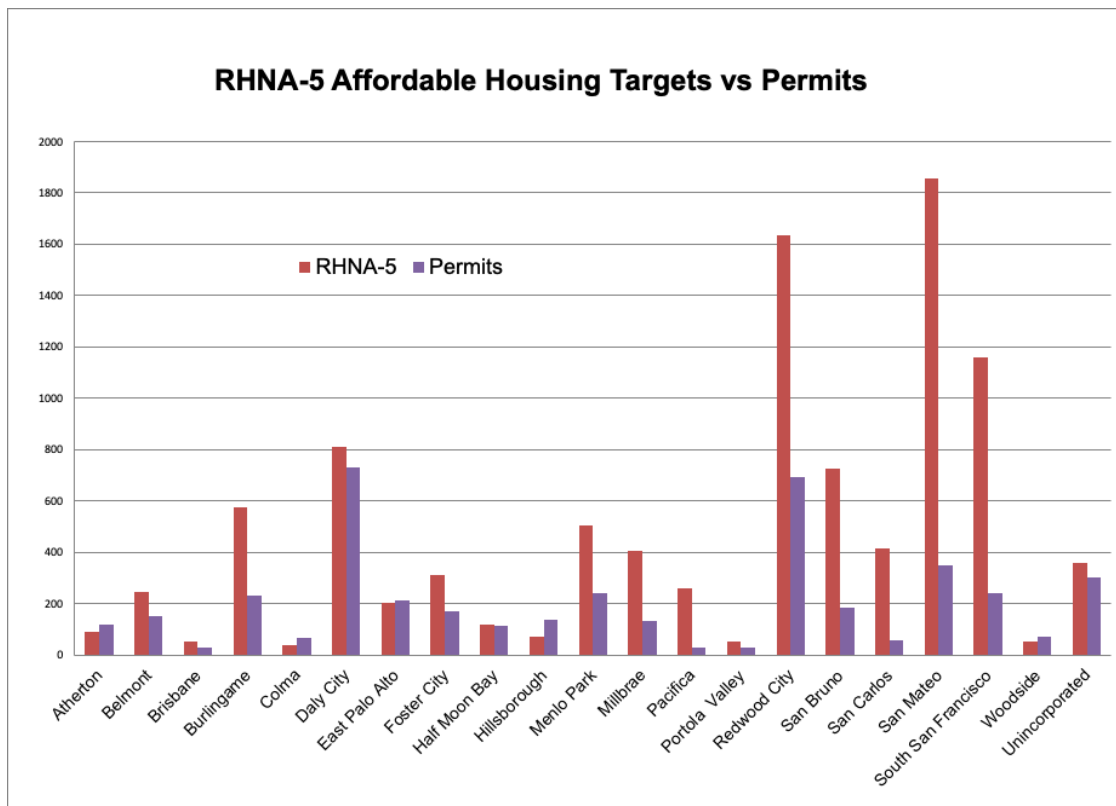


Chart 1: RHNA-5 Affordable Housing Required vs. Permitted

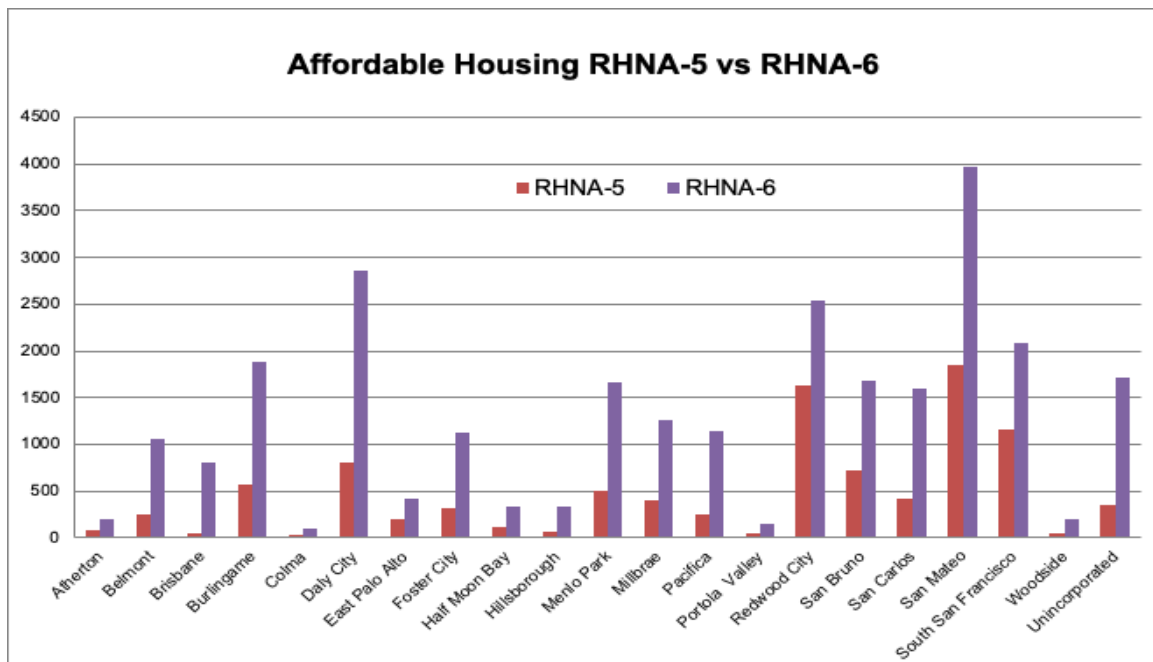


Chart 2: RHNA-5 Affordable Housing Allocations vs RHNA-6

Besides increasing affordable housing targets by nearly 300 percent, the State has made other significant changes in the ADU laws to address the current housing crunch.

Law	Year	Impact
AB671	2019	Through Housing Elements, HCD to promote ADUs for affordable rent
AB670	2019	Any local covenants and restrictions on new housing are void
AB587	2019	Deed-restricted sale of ADU is allowed separately from the main house
AB 68	2019	Removes local restrictions on minimum size, requirement of owner occupancy, parking requirements for garage conversion, and any impact fee.
AB 3182	2020	Permitting process within 60 days
SB9	2021	Facilitates lot split and allows more than 1 ADU per property
AB 345	2021	Allows owners to sell ADUs separately
AB 2221	2023	Pre-specific time permit frame for approval of ADU applications
SB 897	2023	Increases the ADU height limit to 18' and allows retro permitting of previous unauthorized ADUs.

The net effect of these changes was to minimize municipal-level regulations on ADUs – such as parking requirements, property line setbacks, height limits, or the number of ADUs on one property – and make

ADUs an acceptable means to meet affordable housing obligations. Given these changes, namely high mandatory targets for affordable housing, enthusiastic support by the State of ADUs as affordable housing, and requiring zero land use rezoning for ADUs, nearly all San Mateo County cities and towns include ADUs in their RHNA-6 Housing Elements.

The issue, however, is that for every ADU included in a Housing Element – regardless of whether the ADU is built and rented to very low-, low-, or moderate-income tenants – one verifiable, deed-restricted affordable housing unit will not be built in that jurisdiction by a developer.

So, How Did We Get Here?

California cities and counties can now use ADUs to help satisfy their RHNA requirements. But calculating how many ADUs to put into a Housing Element and how to distribute them into each income category, differ from other housing options.

ABAG instructs San Mateo County jurisdictions that the standard method is first to estimate the number of ADUs that homeowners will build in a planning period, which is 2023 through 2031 for RHNA-6.

In its technical memo “Using ADUs to Satisfy RHNA,” ABAG advises members that the estimate should be based on the average number of ADU building permits issued each year, multiplied by eight, because there are eight years in a housing element cycle.

“Most cities base their determination of annual ADU permits by averaging the building permits approved each year since 2019 when State law made it easier to construct the units,” the technical memo explains:

“There is a small amount of flexibility in the calculations,” the memo continues. “If numbers were low in 2019 but were high in 2020, 2021, and 2022, a jurisdiction could potentially use 2020-2022 as the baseline. This rationale would be bolstered if there was a logical explanation for the change, e.g., the jurisdiction further loosened regulations in 2020. Projecting a higher number of ADUs than what has been demonstrated through permit approvals in recent years may be possible, but more challenging. A slightly larger number may be warranted if a robust, funded, and clear plan to increase production has been put in place. However, you are strongly encouraged to coordinate with HCD before deviating from the standard methodology.”

Once cities complete their estimate, they must distribute those units into each income category.

To help its members, ABAG analyzed ADU affordability. Using data from a 2020 statewide survey of homeowners who had constructed ADUs in 2018 or 2019, ABAG concluded that the assumptions in the chart below are generally applicable in most jurisdictions. Many Bay Area jurisdictions chose to use these numbers instead of conducting their own affordability analysis.

Percent	Income Category
30%	Very Low Income
30%	Low Income
30%	Moderate Income
10%	Above Moderate

“UC Berkeley Turner Center did a statewide survey of ADU affordability, and they worked with ABAG to adjust it for the Bay Area specifically,” said a San Mateo County planner. “So those (numbers) are based on surveys and data analysis of actual ADUs that have been produced, and the rents that are being offered to tenants. We are just accepting their analysis as is.”

San Mateo County jurisdictions have almost unanimously adopted ABAG’s 30-30-30-10 formula.

However, a 2021 report and recommendations for RHNA-6 prepared by ABAG’s Housing Technical Assistance Team, titled “DRAFT Affordability of Accessory Dwelling Units,” says that although ADUs are often affordable, jurisdictions should be cautious about relying on them too heavily because of fair housing concerns:

“Many ADUs are affordable to lower and moderate-income households because they are rented to family and friends of the homeowners,” the report states. “If minorities are underrepresented among homeowners, the families and potentially friends of the homeowners will be primarily white. Therefore, relying too heavily on ADUs could inadvertently exacerbate patterns of segregation and exclusion.”

The report also acknowledges that ADUs often do not serve large families, another critical fair housing concern.

And while ADUs accomplish an essential fair housing goal by adding new homes in parts of the municipality that are more likely to be areas of opportunity, the report recommends that jurisdictions with fair housing concerns “may want to use more conservative assumptions based on open market rentals, excluding units made available to family and friends,” as summarized below:

Percent	Income Category
5%	Very Low Income
30%	Low Income
50%	Moderate Income
15%	Above Moderate

So far, 16 San Mateo County cities have chosen the 30-30-30-10 formula, implying there are no fair housing concerns in their jurisdictions.

Only two cities – San Carlos and San Mateo – use ABAG’s more conservative formula of 5-30-50-15 in their plans. One city – Belmont – used its own judgment.² And one – Colma – does not use ADUs in their plans at all to meet State requirements.

But in all cases, these statistical estimates may not reflect the actual usage of constructed ADUs. Determining that would require actual verification by each local jurisdiction.

² City of Belmont, “General Housing Element Draft 2023-2031”, p. 25, accessed May 27, 2023, <https://www.belmont.gov/home/showpublisheddocument/21721/637968613354630000>

ADUs planned in RHNA-6
(May 11, 2023)

City	Very Low	Low	Moderate	Above Moderate	Total ADUs	Total RHNA-6 Requirement
Atherton	56	56	56	112	280	348
Belmont	0	0	80	0	80	1785
Brisbane	12	12	12	4	40	1588
Burlingame	50	50	50	17	167	3257
Colma	-	-	-	-	0	202
Daly City	151	151	151	50	503	4838
East Palo Alto	35	34	34	12	115	829
Foster City	7	7	7	3	24	1896
Hillsborough	84	84	84	28	280	554
Menlo Park	26	25	26	8	85	2946
Millbrae	34	34	33	11	112	2199
Pacifica	56	56	56	19	187	1892
Portola Valley	28	28	28	8	92	253
Redwood City	152	152	152	50	506	4588
San Bruno	72	72	72	24	240	3165
San Carlos	10	61	102	30	203	2735
San Mateo	22	132	220	66	440	7015
South San Francisco	113	113	113	38	377	3956
Unincorporated San Mateo	107	107	107	36	357	2833
Woodside	36	36	36	12	120	328

(This table includes all San Mateo County jurisdictions that have submitted Housing Element plans to HCD for review. As of June 1, 2023, Half Moon Bay and Daly City have not submitted RHNA-6 plans for HCD review.)

Accordingly, if HCD approves cities and towns' current Housing Elements, San Mateo County may end up with many affordable housing units that exist only on paper because they are counted as affordable units by the State but never made available or occupied by people who need affordable housing:

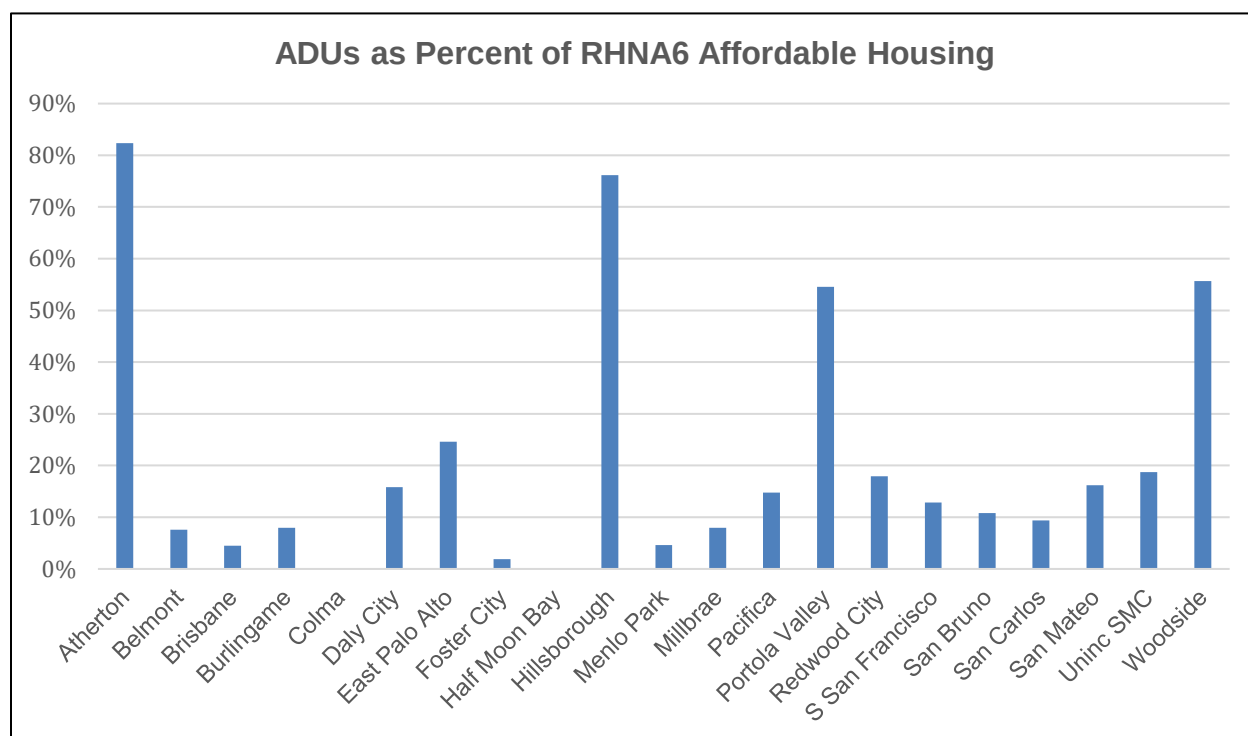
“BMR (below market rate) unit displacement is a legitimate issue,” said a city planning consultant. “RHNA looks at (the number of) units, not the number of people being housed. For the State, they’re all counted the same – an ADU or three-bedroom apartment, five vs. one or two people. In the eyes of the State, they’re all the same.”

Finally, the cities and towns relying primarily on ADUs to meet their RHNA-6 housing targets do not meet the overall objectives required by HCD and RHNA of:

- Increasing the housing supply and mix of housing types, tenure, and affordability
- Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns
- Promoting an improved intraregional relationship between jobs and housing
- Balancing disproportionate household income distributions
- Affirmatively furthering fair housing

Housing and Community Development Pushes Back

Four San Mateo County municipalities – Atherton, Hillsborough, Portola Valley, and Woodside – rely heavily on ADUs to meet low-income housing requirements in their RHNA-6 Housing Elements.



May 17, 2023

While HCD does not single out those four cities for their heavy reliance on ADUs to meet their affordable housing needs, throughout the process of submission and review of draft RHNA-6 plans, HCD consistently instructed San Mateo County cities and towns that they must monitor and verify ADU production and affordability at least every two years but has not specified an acceptable process for verifying the affordability level of ADUs as planned.

Should San Mateo County and its cities seek outside help on this issue, there are a handful of independent non-profit agencies and for-profit real estate management companies operating today in the Bay Area that have established systems and processes for monitoring and verifying rented occupied housing for continued affordability and adherence to fair housing guidelines while maintaining tenant and owner privacy – which was an issue continually raised by City Managers and other officials during Grand Jury interviews.

ADU Affordability Monitoring Emphasized in HCD Review Letters to Jurisdictions

Atherton (4-4-23)

Program 3.812 (New Construction of Affordable Accessory Dwelling Units): While the element was revised to include timing of each action, it is unclear how affordability will be established. The program should be revised to clarify actions to establish and track affordability.

East Palo Alto (4-25-23)

Accessory Dwelling Units (ADU): As noted in the prior review, the element should include a program that commits to frequent monitoring (every other year) for production and affordability, and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., six months) as needed.

Foster City (4-24-23)

Program H-D-4-h (ADU Monitoring): While the program commits to evaluating alternative actions by the end of 2026, it must commit to specific alternative actions and monitor production and affordability of ADUs more than once in the planning period (e.g., every two years).

Hillsborough (1-10-23)

This analysis should specifically address whether the ADU strategy to accommodate lower-income households contributes to continued exclusion and disparities in access to opportunity and how the strategy promotes housing choice for a variety of households including lower-income households, and large families.

To support assumptions for ADUs in the planning period, the element should reduce the number of ADUs assumed per year and reconcile trends with HCD records, including additional information such as more recent permitted units and inquiries, resources and incentives, other relevant factors, and modify policies and programs as appropriate. Further, programs should commit to additional incentives and strategies, frequent monitoring (every other year), and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., six months) if ADU production assumptions are not being achieved.

Millbrae (1-24-23)

Accessory Dwelling Units (ADU): To support assumptions for ADUs in the planning period, programs should commit to additional incentives and strategies, frequent monitoring (every other year) of production and affordability and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., 6 months) if needed.

Depending on the analysis, the element must commit to monitor ADU production and affordability throughout the planning period and implement additional actions if not meeting target numbers within a specified time period (e.g., within six months).

Redwood City (7-8-22)

Programs must be expanded to include incentives to promote the creation and affordability of Accessory Dwelling Units (ADUs). Examples include exploring and pursuing funding, modifying development standards and reducing fees beyond State law, increasing awareness, pre-approved plans and homeowner/applicant assistance tools. In addition, given the city's assumptions for ADUs, the element should include a program to monitor permitted ADUs and affordability every other year and take appropriate action such as adjusting assumptions or rezoning within a specified time period (e.g., 6 months).

San Bruno (3-29-23)

Accessory Dwelling Units (ADU): While the element revised the ADU assumptions, Program 4-P must be revised to commit to additional incentives and strategies, frequent monitoring (every other year) and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., 6 months) if needed. The element must also address affordability assumptions for ADU projections.

San Mateo (3-27-23)

Accessory Dwelling Units (ADU): Program 1.4 must commit to also monitoring affordability of the ADU units that are permitted as well as provide additional incentives or identify additional sites if production and affordability assumptions are not met.

County of San Mateo (4-20-23)

Accessory Dwelling Units (ADU): Further, programs should commit to additional incentives and strategies, frequent monitoring for production and affordability (every other year) and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., 6 months) if needed. The element must also address affordability assumptions for ADU projections, by clarifying what ABAG assumptions are utilized.

South San Francisco (3-30-23)

The element should include a commitment to reconcile trends with reported units within the Cities submitted annual progress report. Further, as Stated in the previous review, programs should commit to additional incentives and strategies, frequent monitoring (every other year) and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., six months) if number and affordability assumptions are not met.

Woodside (10-14-22)

Depending on the analysis, the element must commit to monitor ADU production and affordability throughout the planning period and implement additional actions if not meeting target numbers within a specified time period (e.g., within six months).

In their HCD approved housing plans, Brisbane and Redwood City aren't definitive about how they will monitor ADU affordability but imply they will use surveys to comply with HCD instructions.

Redwood City plans to collect ADU rental data during its permitting process. And Brisbane says, if available, it will participate in a regional forgivable ADU construction loan program in exchange for limiting rentals of the ADUs to extremely low-income households for 15 years. Brisbane said it is also exploring a possible city forgivable loan program if the regional program doesn't materialize.

"We can't force people to report to us or to be honest with us," said one jurisdiction's planner.

Another city's chief planner concluded that a deed restriction – any limitation on a property that affects the ability of the property owner to utilize the property as they wish, such as a requirement to verify a tenant's income and rent charged – "is the best way to (enforce) affordability." Alternatively, one city planning official suggested the formation of a Countywide nonprofit to income-qualify and match renters to available ADUs, thereby monitoring and enforcing affordability because the smaller towns and cities don't have the resources to perform that function on their own.

Finally, a fourth city planner offered an alternative view: "We're not a city hiding behind ADUs. ABAG gave us a formula. We plopped it in. If the State said you can't count ADUs at all, that would be fine."

A Long, Long Way to Go

The Superior Court of California requires all San Mateo County Civil Grand Jury investigation reports to be completed and published by June 30 annually.

And although the law required San Mateo County cities and towns to submit their housing plans by January 31, 2023, as of June 1, Daly City has yet to adopt and submit a draft plan to HCD for review and approval.

Meanwhile, plans from Foster City, Half Moon Bay, Millbrae and Pacifica are now under HCD review.

So far, HCD has reviewed and rejected plans from 14 jurisdictions: Atherton, Belmont, Burlingame, Colma, East Palo Alto, Hillsborough, Menlo Park, Portola Valley, San Bruno, San Carlos, San Mateo, South San Francisco, Woodside, and San Mateo County, which is responsible for unincorporated areas.

As of the publication of this report, only Redwood City and Brisbane had completed the process and received the green light from HCD to proceed.

One reason cited for the delay is most San Mateo County cities and towns don't have a large enough staff to manage the workload that RHNA planning represents, so they outsource. And many could not find timely help because the consultants were busy preparing RHNA-6 plans for Southern California cities, which were due before San Mateo County municipalities. That caused many communities here to fall behind and are now out of compliance with the timing of their Housing Element submissions.

These delays, coupled with citizen objections to multifamily housing in their communities, almost guarantee RHNA-6 disputes will end up in the courts and remain unresolved for many years to come and postpone the building of sorely needed affordable housing indefinitely.

FINDINGS

- F1. Due to recent changes in California ADU-related laws, local governments cannot condition ADU permits in San Mateo County on complying with affordability monitoring and verification.
- F2. San Mateo County and most of its municipalities rely on ADUs to meet their affordable housing commitments in their RHNA-6 plans.
- F3. Atherton, Hillsborough, Portola Valley, and Woodside rely on ADUs to meet as much as 80 percent of their affordable housing commitments in their RHNA-6 plans.
- F4. HCD has instructed San Mateo County jurisdictions to monitor and verify future ADU production and affordability every two years but has yet to specify how to verify whether very low-, low- or moderate-income households are occupying the ADUs as planned.
- F5. Other than Brisbane and Redwood City, San Mateo County and its jurisdictions have yet to articulate how they will monitor and verify ADU production or affordability.
- F6. Without effective ADU monitoring and verification, it will be impossible to evaluate whether the jurisdictions are meeting their RHNA-6 obligations for low-, very-low, and moderate-income housing units.
- F7. ADU affordability and occupancy could be monitored by agencies such as HIP Housing which has proven systems and processes to verify occupancy of deed-restricted rental properties in San Mateo County.

RECOMMENDATIONS

- R1. San Mateo County and each City should immediately stop using ADUs to meet their State-mandated very low-, low-, and moderate-income housing targets in their Housing Element submissions until they have also proposed an effective monitoring system that verifies how newly developed ADU's will be used.
- R2. By February 1, 2024, San Mateo County and each City should develop, adopt, and implement a verification system capable of monitoring and verifying how newly developed ADU's are being used.
- R3. By February 1, 2024, San Mateo County and each City should develop and adopt incentives for ADU owners which could be offered in exchange for deed restrictions that would include requirements for ADU tenants to participate in independent monitoring.
- R4. By February 1, 2024, San Mateo County and each City should track the intended use of ADUs – rented or non-rented – during the permitting process and offer incentives in exchange for deed restrictions that require ADUs to be used as rentals.
- R5. By April 1, 2024, San Mateo County and each City should develop and adopt a new ADU affordability distribution formula specific to each jurisdiction to the extent they are used for meeting the very low-, low-, and moderate-income housing requirements in their RHNA housing elements.
- R6. San Mateo County and each City should consider working together to address Recommendations 2 and 3.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Civil Grand Jury requests responses from San Mateo County and all 20 cities' governing bodies for each and every Finding and Recommendation.

The governing bodies should be aware that their comments or responses must be conducted subject to the Brown Act's notice, agenda, and open meeting requirements.

RESPONSE REQUIREMENTS

California Penal Code Section 933.05 provides: For purposes of subdivision of Section 933, as to each Grand Jury finding, the responding person or entity shall report one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding; in which case the response shall specify the portion of the disputed finding and shall include an explanation of the reasons.

For purposes of subdivision of Section 933, as to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has yet to be implemented but will be implemented in the future, with a timeframe for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall be at most six months from the Grand Jury report's publication date.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

METHODOLOGY

The San Mateo County Civil Grand Jury used numerous approaches to develop this report.

- **Preliminary Research**

The Grand Jury studied RHNA-5 historical information and RHNA-6 Housing Elements submitted to HCD by the cities and towns in San Mateo County as they became available.

Before conducting in-depth research, the Grand Jury studied ABAG's reports on RHNA-6 housing allocations, introducing numerous issues and a means to understand how jurisdictions establish housing allocations. Additionally, the Grand Jury reviewed a 2021 ABAG report on ADU affordability for RHNA-6 and RHNA-5 annual progress reports to understand history.

The Grand Jury also reviewed a report on ADUs titled “A Solution on the Ground: Assessing the Feasibility of Second Units in Unincorporated San Mateo County, Implementing the Backyard Revolution: Perspectives of California’s ADU Owners,” April 22, 2021, Karen Chapple, Dori Ganetsos, Emmanuel Lopez, UC Berkeley Center for Community Innovation.

An additional resource for Preliminary Research has been the press. Particularly following the January 31, 2023 deadline for RHNA-6 submissions, nearly 60 articles provided insights and analysis the Grand Jury could not find elsewhere.

For a complete list of sources, see the Bibliography below.

- **Survey**

After conducting its Preliminary Research, the Grand Jury sent an eight-question survey in October 2022 to the city managers of the 20 San Mateo County cities and towns and the San Mateo County planning and building department responsible for the County’s unincorporated areas.

See Appendix A for survey results.

- **Interviews**

Much of the time spent by the Grand Jury on this investigation was in more than 30 interviews with 21 city managers and planning managers, five heads of nonprofit housing entities in San Mateo County, and executives at ABAG, HCD, and several other government bodies.

- **Continued Research**

Because RHNA-6 submissions and HCD replies are ongoing, the Grand Jury has continued to monitor the status of RHNA-6 submissions and HCD responses.

This report reflects submissions received prior to the report’s due date of June 30, 2023.

GLOSSARY

Accessory Dwelling Units (ADUs)

An accessory dwelling unit (ADU) is a legal and regulatory term for a secondary house or apartment that shares the building lot of a larger primary home. The unit is often used to provide additional income through rent or to house a family member. For example, an elderly parent could live in a small unit and avoid having to move to an assisted living facility. (Source: [Investopedia](#))

Affordable Housing: Very Low Income; Low Income; Moderate Income; Above Moderate Income

Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities. (Source: www.hud.gov)

Income Category Definitions	
Acutely Low	0 – 15% of area median income
Extremely Low	15% - 30% of area median income
Very Low	30%-50% of area median income
Lower ²	50%-80% of area median income
Moderate	80%-120% of area median income
Above Moderate	Above 120% of area median income

San Mateo County Annual Income Limits (2021)					
Income Category	Number of Persons Per Household (Maximum Income)				
	1	2	3	4	5
Extremely Low	\$38,400	\$43,850	\$49,350	\$54,800	\$59,200
Very Low	\$63,950	\$73,100	\$82,250	\$91,350	\$98,700
Low Income	\$102,450	\$117,100	\$131,750	\$146,350	\$158,100
Median Income	\$104,700	\$119,700	\$134,650	\$149,600	\$161,550
Moderate Income	\$125,650	\$143,600	\$161,550	\$179,500	\$193,850

Association of Bay Area Governments (ABAG)

The Association of Bay Area Governments (ABAG) is the Council of Governments (COG) for the nine-county Bay Area. One of California's earliest COGs, ABAG was founded to protect regional assets from State control. ABAG continues to serve the Bay Area by providing a regional venue for collaboration and problem-solving. ABAG's work program includes management over key regional assets, such as the San Francisco Estuary and the Bay Trail Project. It also offers a variety of cost-effective member services programs such as Pooled Liability Assurance Network (PLAN) Corporation (offering affordable liability, property insurance, claims management, risk management, and bond coverage to 30 municipalities) and financial services (offering tax-exempt capital financing for the acquisition, construction, and rehabilitation of affordable multifamily housing, health care facilities, schools, and other community facilities). ABAG POWER Natural Gas Pool conducts pooled purchasing of natural gas on behalf of 38 local governments and special districts. ABAG is also the COG that allocates the regional housing needs assessment (RHNA). (Source: [CALCOG](#))

Below Market Rate (BMR)

A BMR unit is a housing unit that is priced to be affordable to households that are of moderate income or below. These housing units are often built by local government, nonprofits, or as a requirement of the developer (Inclusionary Affordable Housing Ordinance). As a result, these homes have certain deed restrictions recorded on the property, ensuring the home remains affordable for future generations. (Source: [County of San Mateo](#))

California Department of Finance (DOF)

The California Department of Finance is a state cabinet-level agency within the government of California. The Department of Finance is responsible for preparing, explaining, and administering the state's annual financial plan, which the Governor of California is required under the California Constitution to present by January 10 of each year to the public. The Department of Finance's other duties include analyzing the budgets of proposed laws in the California State Legislature, creating, and monitoring current and future economic forecasts of the state, estimating population demographics and enrollment projections, and maintaining the state's accounting and financial reporting systems.

California Department of Housing and Community Development (HCD)

The California Department of Housing and Community Development (HCD) develops housing policy and building codes (i.e., the California Building Standards Code), regulates manufactured homes and mobile home parks, and administers housing finance, economic development, and community development programs. (Source: <https://www.hcd.ca.gov/about-hcd>)

Council of Governments (COG)

Councils of Governments (COGs) are voluntary associations representing member local governments, mainly cities, and counties, that seek to provide cooperative planning, coordination, and technical assistance on issues of mutual concern that cross jurisdictional lines. (Source: [WRCOG](#))

Deed Restrictions

A deed restriction is a term widely used in real estate to refer to any limitation on a property that limits the ability of the property owner to utilize the property as they wish. (Source: [CA Realty Training](#))

General Plan

State law requires every city and county in California to prepare a General Plan for its future growth and development. A General Plan covers land use, transportation, housing, open space, natural resources, and public services. Local General Plans have been mandatory in California since the 1950s. State law also requires the cities and counties to periodically update their General Plans in response to changing conditions. Each General Plan includes maps expressing the community's vision of how and where it will grow and change. The General Plan typically has a time horizon of about 20 years. Once a General Plan is adopted, it is used by the City Council, local commissions, and City Staff as they make day-to-day decisions about the community's future. (Source: [City of San Rafael](#))

Housing Element

Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. California's local governments meet this requirement by adopting housing plans as part of their General Plan (also required by the State). General Plans serve as the local government's blueprint for how the city or county will grow and develop and include eight elements: land use, transportation, conservation, noise, open space, safety, environmental justice, and housing. California's Housing Element Law acknowledges that, for the private market to address Californians' housing needs and demand, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain) housing development. As a result, housing policy in California rests mainly on the effective implementation of local General Plans and, in particular, local Housing Elements. (Source: [California Department of Housing and Community Development](#))

Jurisdiction (city, town, or county)

- 1: the power, right, or authority to interpret and apply the law; a matter that falls within the court's jurisdiction
- 2: a: the authority of a sovereign power to govern or legislate
b: the power or right to exercise authority: CONTROL
- 3: the limits or territory within which authority may be exercised (Source: [Merriam-Webster](#))

Regional Housing Needs Allocation (RHNA)

Every eight years, ABAG develops the Regional Housing Needs Allocation (RHNA) plan approved by HCD and used to assign each city and county in the Bay Area their fair share of new housing units to build. These housing units are intended to accommodate existing needs and projected growth in the region. The RHNA process is critical because it requires all cities and counties to plan for the region's housing needs, regardless of income, to prepare for future growth and ease the California's acute housing crisis. (Source: [ABAG](#))

Regional Housing Needs Determination (RHND)

The California Department of Housing and Community Development (HCD) identifies the total number of homes each region in California must plan to meet the housing needs of people at all income levels. They base the number on population projections produced by the California Department of Finance and adjustments incorporating the region's current housing needs. The jurisdictions separate the total number of housing units from HCD into four income categories that cover everything from housing for very low-income households to market-rate housing. ABAG is responsible for developing a methodology to allocate a portion of this housing need to every local government in the Bay Area. (Source: [ABAG](#))

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APPENDICES

- **A: Survey Results**
- **B: Timeline of Important Legislative Events**
- **C: ADUs: An American Tradition**
- **D: Housing Elements Are an Iterative Process**

APPENDIX A Survey Results

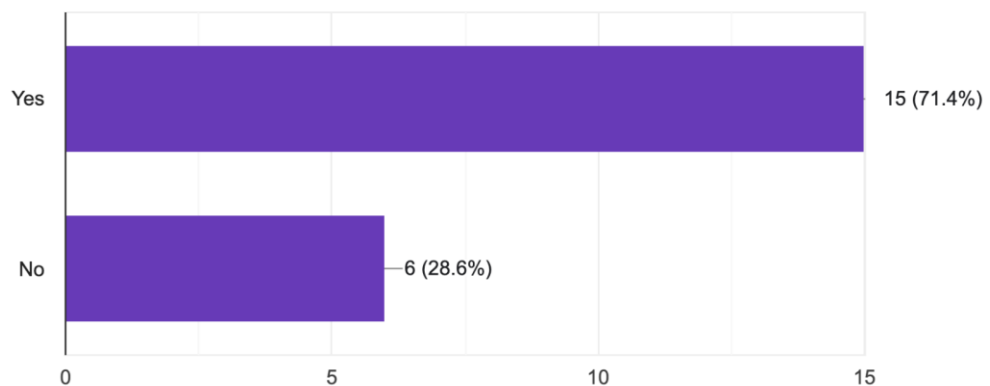
Who responded to the survey



Survey responses

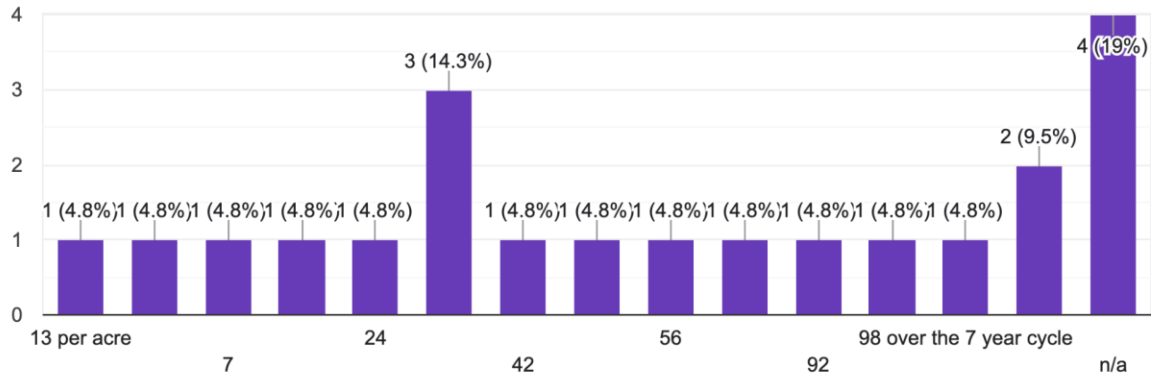
1. Did your city/town include ADUs in its Regional Housing Needs Allocation 5 (RHNA5) Housing Element plan?

21 responses



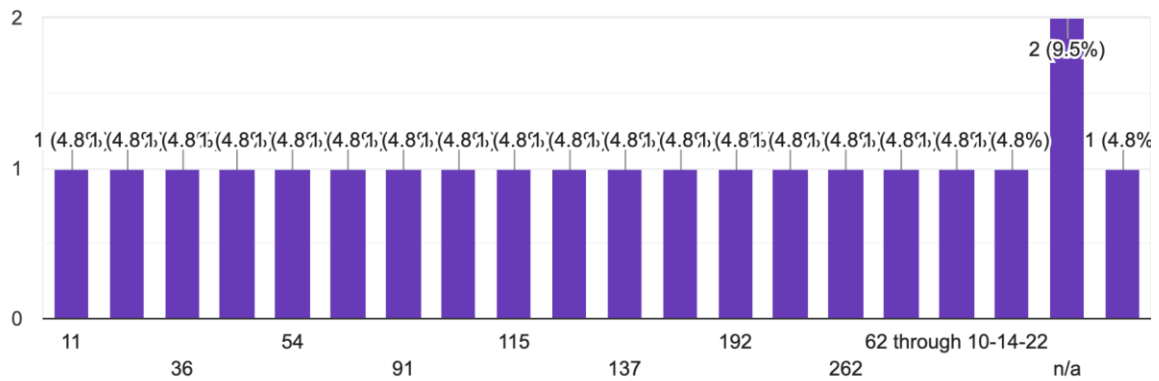
1A. If response was yes (indicate n/a if no): a. How many were planned?

21 responses



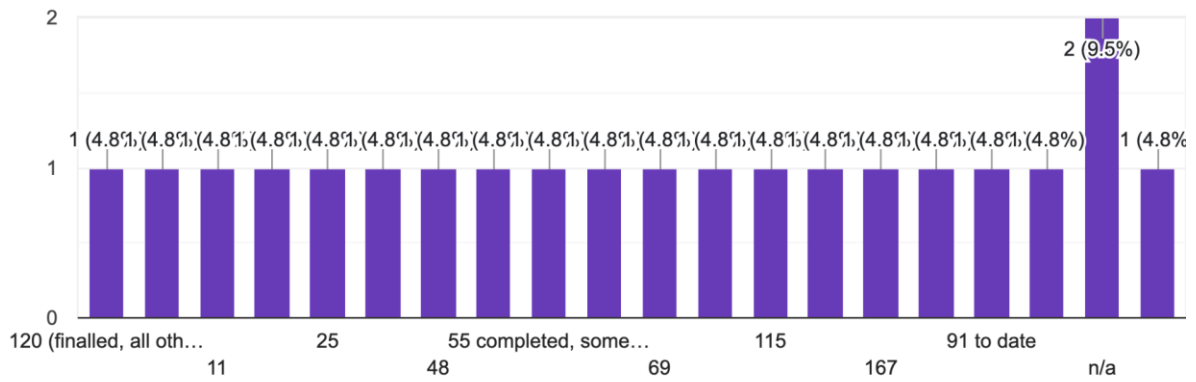
b. How many were permitted?

21 responses



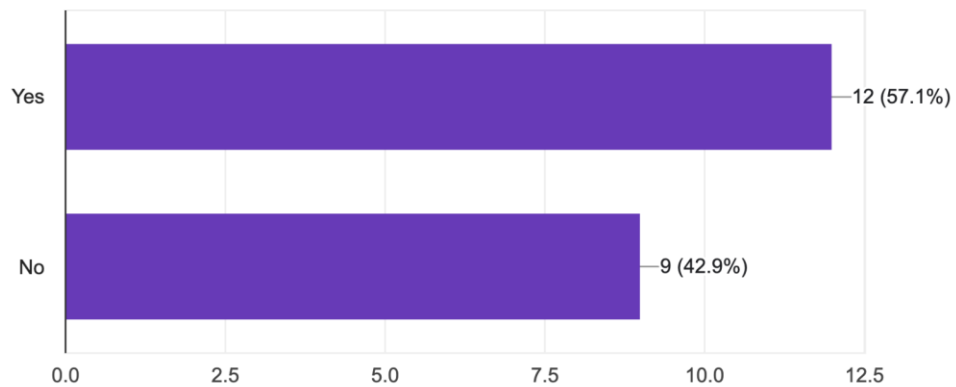
c. How many were built and completed?

21 responses



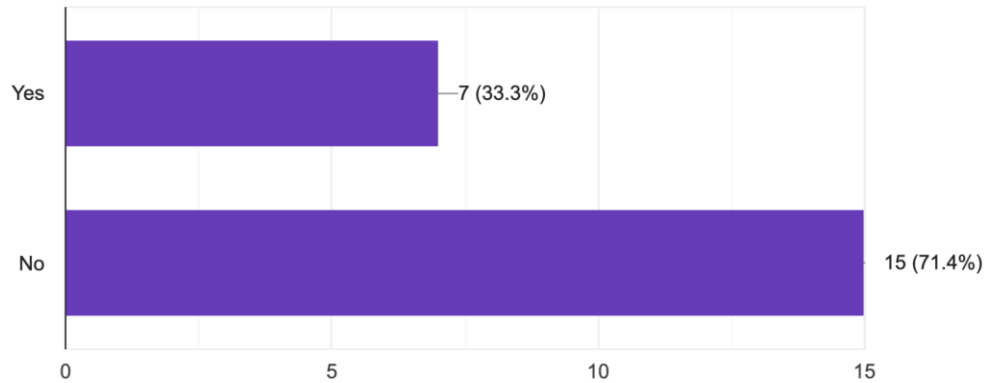
2. Were any of your city/town's RHNA5 ADUs designated to provide low, very low, and moderate income housing?

21 responses



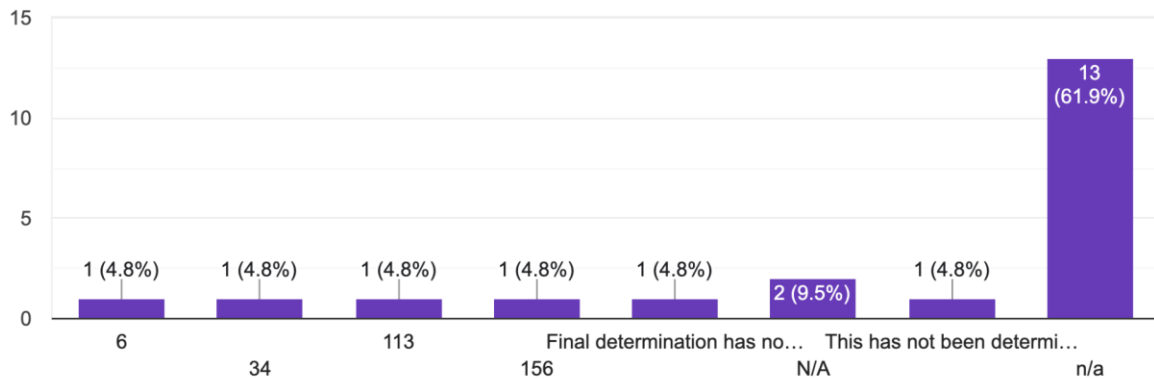
3. Is your city/town counting ADUs in RHNA6 Housing Element towards partial fulfillment of RHNA5 housing needs?

21 responses



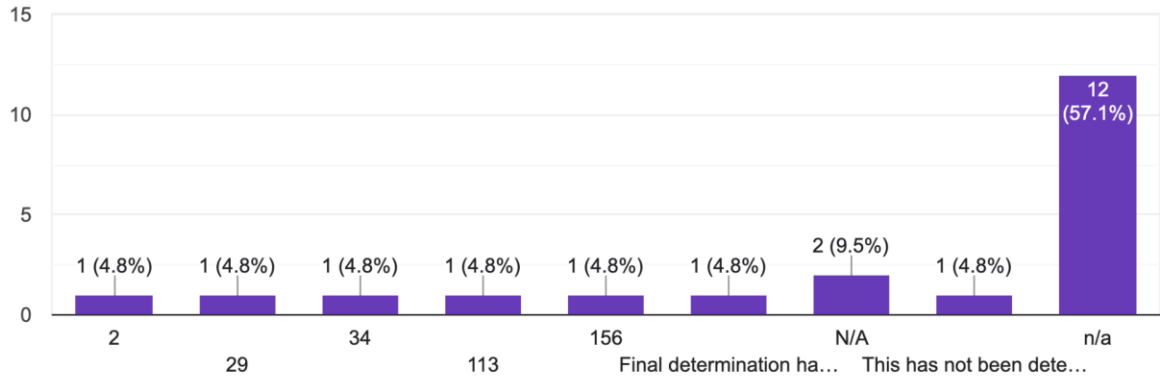
3A. If response was yes (indicate n/a if no): a. How many ADUs for very low-income housing?

21 responses



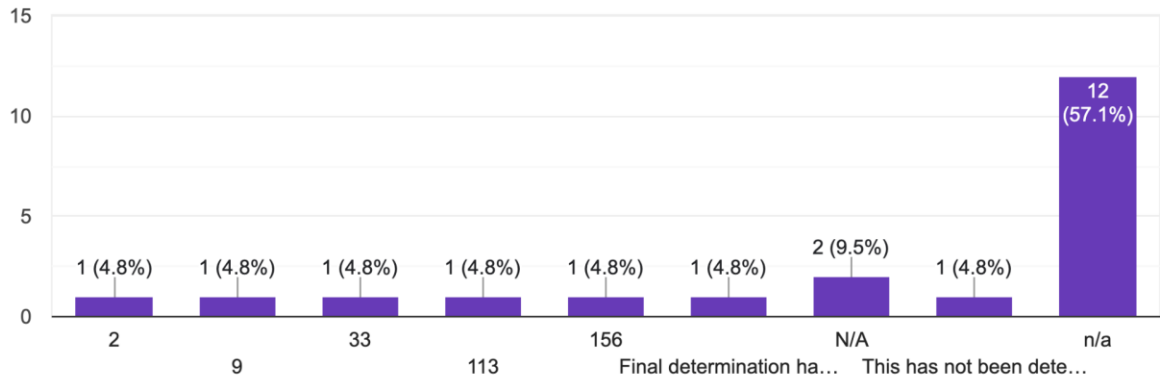
b. How many ADUs for low-income housing?

21 responses



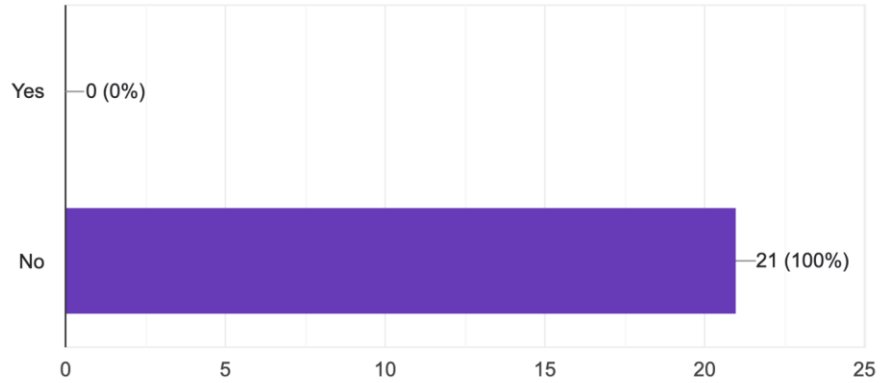
c. How many ADUs for moderate-income housing?

21 responses



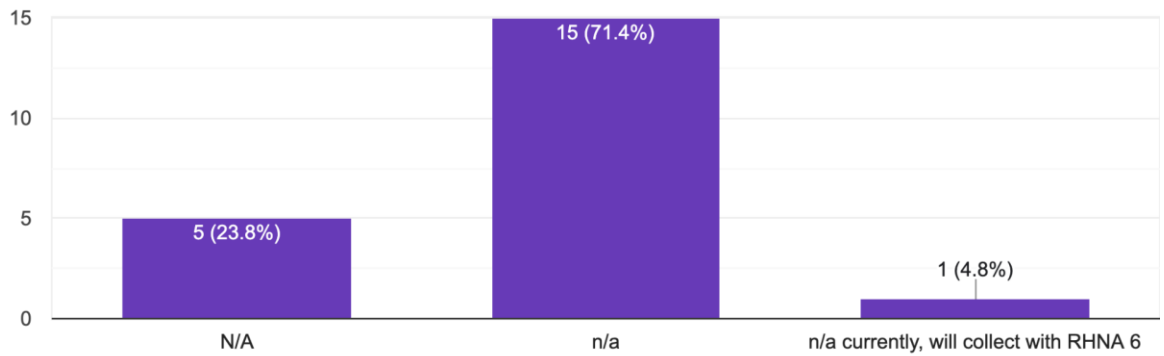
4. Does your city/town collect race and income data on who is renting or occupying ADUs in your city/town?

21 responses



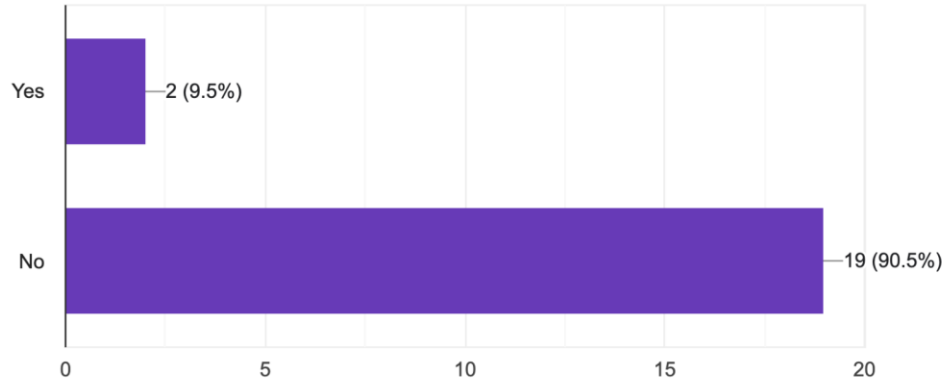
4A. If response was yes, when did you start collecting such data? (indicate n/a if no)

21 responses



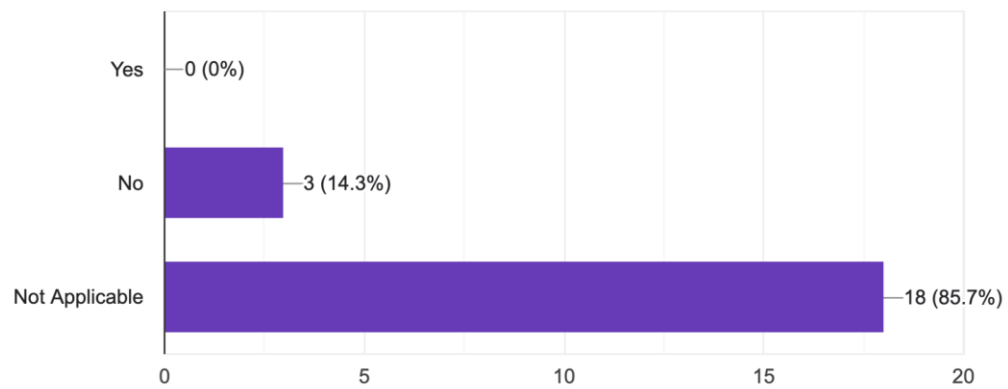
5. Does your city/town collect data on the range of the rents charged today for ADUs in your city/town?

21 responses



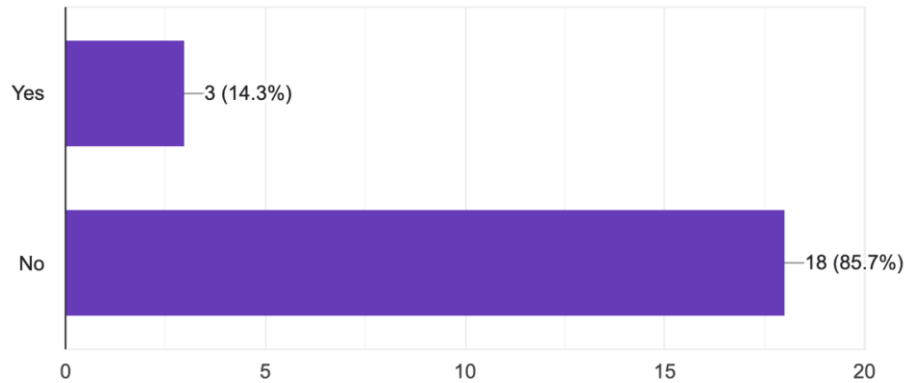
5A. If response was yes, does the data include details such as in-lieu services provided by the renter to the owner (i.e., landscaping, housekeeping, childcare services)?

21 responses



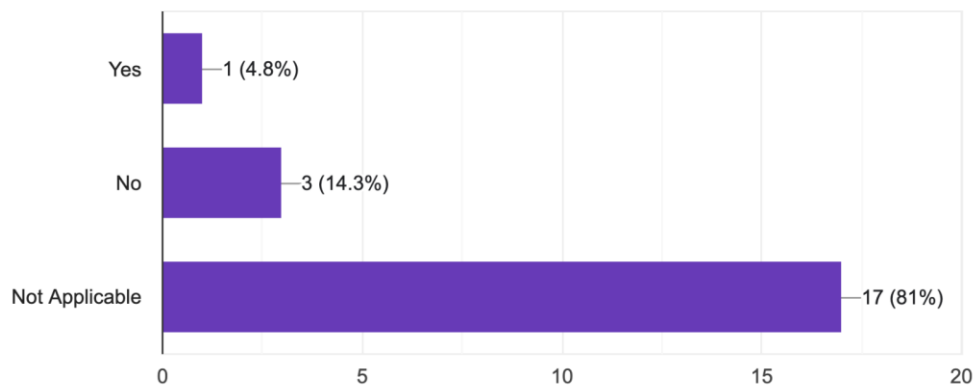
6. Are there any regulations or oversight systems in place in your city/town to monitor the status of very low-, low-, and moderate-income affordable ADUs?

21 responses



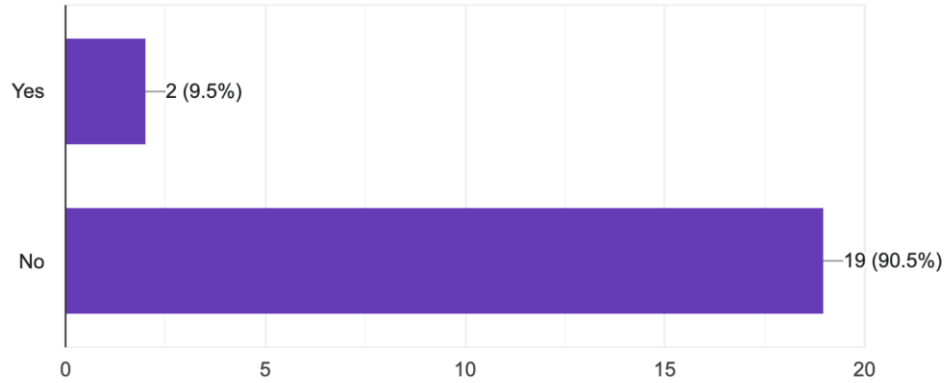
6A. If yes, does your city/town have regulations or oversight systems in place to monitor usage for ADUs over time, especially for ADUs in homes that are sold or remodeled or rebuilt?

21 responses



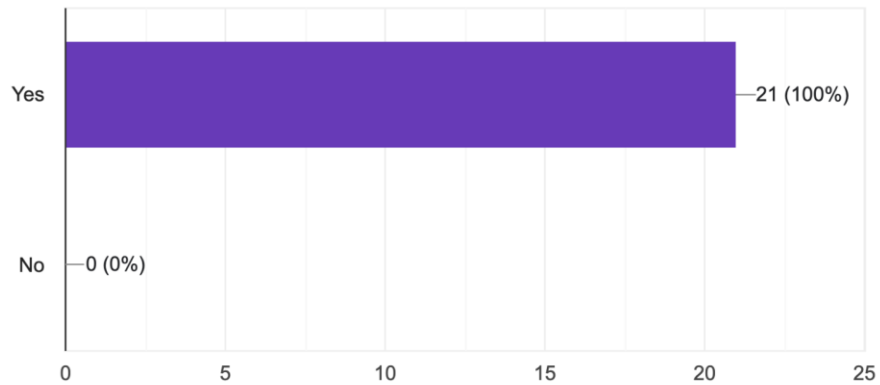
7. Does your city/town have long-term covenants for ADUs like those that regulate conventional low and very low-income housing units (e.g., tax-credits, voucher subsidized, or other)?

21 responses



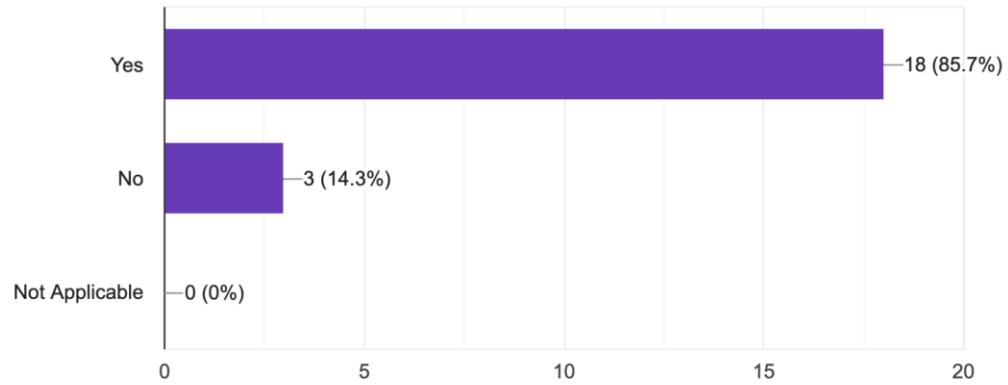
8. Does your city/town plan to include ADUs in its RHNA6 Housing Element submission?

21 responses



8A. If yes, will any of those ADUs be designated for very-low, low and moderate income, as defined by the U.S. Housing and Urban Development?

21 responses



APPENDIX B

Timeline of Important Legislative Events

1. 1970 — the Legislature directed HCD to develop guidelines for housing element preparation on one and five year cycles. SB 1489 (Moscone), emphasized housing need, passed in 1971, and ABX 1 of 1971 established more standards. The California Housing Finance Agency (CalHFA), which also assisted communities in providing affordable housing, was created in 1975. The legislation authorized HCD to review local housing elements for conformity to its guidelines.
2. 1976 — Fair-share was added to the guidelines by HCD. The COGs are now given the responsibility by HCD to distribute shares of low-income and moderate-income housing. The local housing element had to include these income requirements — whether or not communities wanted them. HCD also was given responsibility to review local housing elements. Statewide hearings in 1977 brought out a number of positions on housing elements and HCD requirements.
3. Mid 1980's — AB 2853 (Roos), provided for faster permit processing and higher densities, and allowed the housing element to meet State goals and be reviewed by HCD. COGs would continue to formulate the fair share for each community, but HCD had final approval of the numbers and each community was to revise its Housing Element every five years.
4. 1990s — Cities and counties looked at housing elements, if certified, as providing protection against lawsuits. In addition, this decade also created the concept of regional allocation “sharing burdens of lower- income households among geographic areas,” without mandated goals.
5. 1993 — The Senate Committee on Local Government held hearings on housing element progress and heard concerns that communities were not doing enough and that housing elements were despised by local governments. Bills changed the cycle timeframe, including AB 2172 (Hauser), SB 1703 (Costa) and SC 320 (Committee). Main topics for discussion by the Committee on Housing and Land Use hearings in 1995 were the housing allocations and the Department of Finance (DoF) projections. A common complaint was that the DoF projections were not complete enough for communities to develop appropriate allocations. The COGs projections also were criticized.
6. 1998 — AB 438 (Torlakson), allowing for the creation of sub-RHNA areas, looked at how housing units were counted. 2001 — SB 910 (Dunn) would have included imposing fines on jurisdictions not complying; and would have tied RHNA to transportation planning on a six year cycle. However, this bill did not pass. 2002 — SB 423 (Torlakson) created a jobs and housing balance incentive program, also known as Workforce Housing Incentive Program. In 2003, at HCD's request, a working group of stakeholders met to make recommendations, which included:
 - Develop more transparency in determining fair shares
 - Clarify land inventories of building sites
 - Ensure inventories were buildable
 - Increase HCD review consistency of local elements
 - Explore city self-certification
 - Devise better housing element enforcement that would penalize non-compliance.
7. 2004 — AB 2348 (Mullin) clarified the relationship between the land inventory and adequate sites requirement, provided guidance on the content of adequate land inventory, and provided greater development certainty. AB 2158 (Lowenthal) revised the process for determining allocation from just

DoF to include transportation planning numbers and created a review process.

8. 2005 — AB 1233 (Jones) assured that unmet need from previous RHNA cycles was added into the next cycle.
9. 2017 Housing Legislative Package
Approximately 150 housing bills were submitted in 2017. Fifteen relating to funding, streamlining and accountability, were signed by the governor. These bills significantly changed how RHNA is conducted, requiring additional outreach and reporting, increasing the number of factors included, and the ability of HCD to sue individual cities for not meeting requirements.

SB 2 (Atkins) Building Homes and Jobs Act is projected to generate hundreds of millions of dollars annually for affordable housing, supportive housing, emergency shelters, transitional housing, and other housing needs via a \$75 to \$225 recording fee on specified real estate documents.

SB 3 (Beall) Veterans and Affordable Housing Bond Act of 2018 places a \$4 billion general obligation bond on the November 2018 ballot to fund affordable housing programs and the veterans homeownership program (CalVet).

SB 35 (Wiener) streamlines multifamily housing project approvals, at the request of a developer, in a city that fails to issue building permits for its share of the regional housing need by income category.

SB 35 city approval of a qualifying housing development on a qualifying site is a ministerial act, without need for CEQA review or public hearings.

AB 73 (Chiu) streamlines the housing approval process by allowing jurisdictions to create a housing sustainability district to complete upfront zoning and environmental review in order to receive incentive payments for development projects that are consistent with the ordinance.

SB 167 (Skinner), AB 678 (Bocanegra), and AB 1515 (Daly) are three measures that were amended late in the 2017 legislative session to incorporate changes to the Housing Accountability Act (HAA). The HAA significantly limits the ability of a jurisdiction to deny an affordable or market-rate housing project that is consistent with existing planning and zoning requirements.

AB 1505 (Bloom) allows a jurisdiction to adopt an ordinance that requires a housing development to include a certain percentage of rental units affordable to and occupied by households with extremely low, very low, low or moderate income.

AB 879 (Grayson) expands upon existing law that requires, by April 1 of each year, general law cities and charter cities to send an annual report to their respective city councils, the State Office of Planning and Research (OPR) and HCD that includes information related to implementation of the General Plan.

AB 1397 (Low) makes numerous changes to how a jurisdiction establishes its housing element site inventory.

AB 72 (Santiago) provides HCD broad new authority to find a jurisdiction's housing element out of substantial compliance if it determines that REGIONAL the jurisdiction fails to act in compliance with

its housing element and allows HCD to refer violations of law to the attorney general.

10. 2018 — SB 828 (Wiener) changed the way HCD determines each region's RHND, adding a number of new factors for consideration and accounting for "unmet need" in the existing housing stock by applying "adjustment factors" to a region's total projected households, not just the incremental housing growth.
11. 2018 — AB 1771 (Bloom) and AB 686 (Santiago) strengthened the mandate for regions and local governments to combat discrimination, overcome historic patterns of segregation, and create equal access to opportunity through housing planning and decision-making, in other words, to "affirmatively further fair housing." AB 1771 (Bloom) added to RHNA an enhanced focus on racial equity with an explicit mandate that COGs' housing distribution plans affirmatively further fair housing and required COGs to survey jurisdictions on their fair housing activities, to identify regional barriers to furthering fair housing, and to recommend strategies or actions to overcome those barriers. AB 686 (Santiago) created a mandate that local jurisdictions plan and administer housing and community development programs and activities in a manner that affirmatively further fair housing.
12. 2019 — AB 1486 (Ting) strengthened the Surplus Lands Act (SLA), which requires that local agencies provide right of first refusal to affordable housing developers when disposing of surplus land by expanding the scope of land subject to the right of first refusal requirement, updating the mechanics of the surplus land disposal process, extending HCD's enforcement mandate to include the SLA and establishing financial penalties for violation of the act.

AB 1487 (Chiu), authorized ABAG and MTC to place on the ballot regional housing measures to help fund affordable housing and established 3 REGIONAL HOUSING NEEDS ALLOCATION the Bay Area Regional Housing Authority. The 2019-20 State Budget also included significant new resources to support housing planning, including \$250 million for local governments and COGs for planning activities. The Bay Area is receiving approximately \$50 million in combined funds, split between ABAG and local jurisdictions.

SB 330 (Skinner) made further revisions to the HAA, establishing new criteria for housing approvals at the local level, including prohibiting a local agency from subjecting a project to new ordinances, rules or fees after an application is submitted and limiting the number of hearings on a project to five. The bill also prohibits a local agency from lowering the allowed residential density below that level in effect on January 1, 2018 in high rent, low-vacancy areas, as defined. The bill's provisions sunset in five years.

AB-881, "Accessory dwelling units," and AB-68, "Land use: accessory dwelling units": Makes many of the current restrictions that cities place on ADUs obsolete. It also provides for a streamlined process for approvals.

These bills require permits for ADUs added to single-family and multifamily homes to be approved or denied faster. Current law permits these decisions to take 120 days, but this new law requires decisions within 60 days. These approvals or denials must be issued ministerially, so that way, there are fewer potential issues to encounter. Cities and counties may establish minimum and maximum ADU size requirements, but the maximum size cannot be less than 850 square feet for a one-bedroom ADU or 1,000 square feet for more than one bedroom.

Most importantly, these bills prohibit any lot coverage, minimum lot size, etc. requirements that municipalities have. Cities have enacted these laws to have the effect of making it impossible to build an ADU. Cities cannot require the correction of nonconforming zoning conditions as part of the approval process.

SB-13 Accessory dwelling units are similar to AB-881 and AB-68 with a couple of significant differences. Before this bill, local agencies could require that the person applying for the ADU occupy either the primary residence or the proposed new structure. This bill exempts from these requirements all proposed ADUs until Jan. 1, 2025. Additionally, this bill removes the impact fee for ADUs smaller than 750 square feet. Even for ADUs larger than that, the impact fees assessed must correlate with the square footage of the primary residence.

SB-13 makes building ADUs cheaper and also removes an essential regulation. Now, landlords who rent their properties out can apply for an ADU for their rental properties.

AB-670, "Common interest developments: accessory dwelling units," makes it easier for people within HOA complexes to construct ADUs. Specifically, it prevents banning or unreasonably restricting on single-family lots on the construction of these units. Presently, many HOAs have CCRs ("conditions, covenants and restrictions") that prevent people from building ADUs. HOAs may worry about the uniformity of the properties if one has an ADU on it, or they might be concerned that they don't know who is and who isn't renting from an ADU. Regardless, HOAs now need to have a way for people to construct ADUs if they so choose.

HOAs will likely challenge this bill, at least to some degree, in court, but for now, if you live in an HOA complex with single-family homes, you can construct an ADU.

AB-671, "Accessory dwelling units: incentives," requires that general plans incentivize homeowners in some way to construct these ADUs and make them available for low-to-moderate-income households to rent. While it doesn't specify what these incentives will be, it does require local agencies to think about financial incentives and construct a plan.

APPENDIX C

ADUs: An American Tradition

Accessory dwelling units have been around for centuries, going by dozens of names over time, such as in-law apartment, guest house, granny flat, and carriage house.

The American Association of Retired Persons (AARP) traces the tradition of ADUs in the U.S. to early settlers who built small homes to live in while constructing their larger, primary house nearby. When farming was a source of survival for most of the nation's households, families commonly built additional homes on their property to live in during planting or harvesting seasons. Wealthy people with large lots frequently built secondary homes and other independent structures for household staff and guests.

Until the 20th century, there were few or no zoning rules restricting people with land from building as many homes as they wished on their land.

According to AARP a historic precedent for the modern ADU is the carriage house, or coach house, intended for horse-drawn carriages, and often large enough to include living quarters for workers.

Many years later, in response to housing shortages and economic needs, carriage houses were converted into rental homes. Garages have a similar history, and over time, many have been converted – often illegally – into small living spaces.

During World War II, for example, the Bay Area experienced a defense boom that created a high demand for workforce housing, resulting in many illegally constructed second units. By 1960, San Francisco counted between 20,000 to 30,000 secondary units, of which 90 percent were built illegally, according to the San Francisco Planning and Urban Research Association.

With the rise of suburban single-family home developments in the 1950s and 1960s ADUs practically stopped being built legally because zoning codes typically allowed only one home per lot.

Since then, some cities have grandfathered in pre-existing ADUs if the residences remained consistently occupied. But even today, many communities still don't allow new ADUs.

ADUs became popular again in the 1980s as cities looked for new sources of smaller and more affordable housing. And most recently, there's been increasing interest at the state and local levels in legalizing and encouraging the construction of ADUs, driven by the high cost of housing.

What is an ADU?

- An ADU is a small residence that shares a single-family lot with a larger, primary dwelling.
- As an independent living space, an ADU is self-contained, with its own kitchen or kitchenette, bathroom and sleeping area. An ADU can be located within, attached to or detached from the main residence.
- An ADU can be converted from an existing structure (such as a garage) or built anew.
- ADUs can be found in cities, in suburbs and in rural areas, yet are often invisible from view because they're positioned behind or are indistinct from the main house.
- Because ADUs are built on single-family lots as a secondary dwelling, they typically cannot be partitioned off to be sold separately.
- An ADU can provide rental income to homeowners and an affordable way for renters to live in single-family neighborhoods.
- An ADU can enable family members to live on the same property while having their own living spaces — or provide housing for a hired caregiver.
- Unlike tiny houses, ADUs are compact but not teeny, so they're a more practical option for individuals, couples and families seeking small, affordable housing.
- For homeowners looking to downsize, an ADU can be a more appealing option than moving into an apartment or, if older, an age-restricted community.
- ADUs can help older residents remain in their community and age in place.

Source: AARP, 2019

APPENDIX D

Housing Elements Are an Iterative Process

