



EAST PALO ALTO CITY COUNCIL REGULAR SESSION **AMENDED** AGENDA

Tuesday, December 16, 2025, 6:30 PM
EPA Government Center
2415 University Avenue, First Floor
East Palo Alto, CA 94303

NOTICE

This meeting will be held virtually and in-person at the Council Chambers located on 2415 University Ave, First Floor East Palo Alto, CA 94303. The virtual portion of this City Council meeting will be conducted in accordance with City of East Palo Alto Resolution adopted pursuant to Assembly Bill 361.

The public may participate in the City Council Meeting via Zoom Meeting or by attending in-person in the Council Chambers at 2415 University Ave, First Floor East Palo Alto, CA 94303. Community members may provide comments by emailing cityclerk@cityofepa.org, submitting a speaker card at the meeting, or using the **RAISE HAND** feature when the Mayor or City Clerk call for public comment. Emailed comments should include the specific agenda item on which you are commenting.

Please click this URL to join

<https://us06web.zoom.us/j/82854203081>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or
+ 1 346 248 7799 or
+ 1 253 215 8782 or
+ 1 312 626 6799 or
+ 1 929 205 6099 or
+ 1 301 715 8592

Webinar ID: 828 5420 3081

International numbers available: <https://zoom.us/j/82854203081>

1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE AGENDA**

3. **APPROVAL OF CONSENT CALENDAR**

3.1 Monthly Cash Treasury Report for October 2025

Recommendation: Accept and file the Cash Treasury Report for the month of October 2025

3.2 Annual Development Impact Fee Report (AB 1600 Report)

Recommendation:

Adopt a resolution:

1. Accepting the Annual Development Impact Fee Report (AB 1600 Report) for Fiscal Year 2024-25; and
2. Finding that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

3.3 Agreement with Street Level Advisors and the Community Planning Collaborative in Updating the Inclusionary Housing Ordinance (IHO) and Guidelines

Recommendation: Adopt a resolution:

1. Authorizing the City Manager to award, negotiate and execute a two-year agreement with Street Level Advisors in partnership with Community Planning Collaborative , in form approved by the City Attorney, in an amount not-to-exceed \$75,000, and with two one-year extensions at the sole discretion of the City Manager to provide project management and the updating of the Inclusionary Housing Ordinance (“IHO”) and guidelines; and
2. Finding that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

3.4 City Council Meeting Minutes

Recommendation:

Adopt December 5, 2025, minutes.

4. **CLOSED SESSION**

5. **PUBLIC COMMENT**

6. **INFORMATIONAL REPORTS**

7. **SPECIAL PRESENTATIONS**

7.1 Northern California Carpenters Union Special Presentation

8. **PUBLIC HEARINGS**

9. **POLICY AND ACTION**

9.1 Resolution Modifying Regular City Council Meeting Start Times to 5:30 pm

Recommendation: Consider adopting a resolution establishing regular City Council meetings on the first and third Tuesdays of each month with a one hour earlier start time of 5:30 pm.

9.2 Internal Control Policy

Recommendation:

Adopt a resolution:

1. Approving the City of East Palo Alto Internal Control Policy; and
2. Accepting implementation framework in response to the 2023-24 San Mateo County Civil Grand Jury Report “Assessing and Reporting Internal Controls”; and
3. Receiving the Internal Control Procedures Manual and Example Risk Register

9.3 **Authorization to Award Agreement to LAZ Parking to Provide Parking Enforcement and Staffing Services**

Recommendation:

1. Receive a presentation on the competitive procurement process leading to the recommendation to select LAZ Parking as the vendor to provide Parking Enforcement;
2. Provide staff direction on the preferred level of parking enforcement service (Baseline, Expanded, or Comprehensive 24-Hour Coverage); and
3. Adopt a Resolution:
 - a. Authorizing the City Manager to award, negotiate and execute a five-year agreement with LAZ Parking, in a form approved by the

- City Attorney, at the cost of the preferred level of parking enforcement service; and
- b. Finding the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(5) in that it is a governmental administrative activity that will not result in direct or indirect changes in the environment.

10. COUNCIL REPORTS

11. ADJOURNMENT

Upcoming meetings:

January 6, 2026	Regular Meeting	Time TBD
January 20, 2026	Regular Meeting	Time TBD
February 3, 2026	Regular Meeting	Time TBD

This AGENDA is posted in accordance with Government Code Section 54954.2(a)

This Notice of Availability of Public Records: All public records relating to an open session item which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to the majority of the City Council will be available for public inspection at the City Clerk’s Office, 2415 University Avenue, East Palo Alto, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the East Palo Alto website www.cityofepa.org subject to staff’s ability to post the documents prior to the meeting. Information may be obtained by calling (650) 853-3100.

The City Council meeting packet may be reviewed by the public in the Library or the City Clerk’s Office. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection at the front counter at the City Clerk’s Office, 2ND Floor, City Hall, 2415 University Avenue, East Palo Alto, California 94303 during normal business hours. Information distributed to the Council at the Council meeting becomes part of the public record. A copy of written material, pictures, etc. should be provided for this purpose.

East Palo Alto City Council Chambers is ADA compliant. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk’s office at (650) 853-3127 no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

DECLARATION OF POSTING

This Notice is posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website. Under penalty of perjury, this Agenda was posted to the public at least 72 hours prior to the meeting.

POSTED: December 5, 2025

AMENDED: December 12, 2025

ATTEST:

James Colin

City Clerk



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Tomohito Oku, Finance Director
Jessica Y Caballero, Financial Services Manager
Esther Aguirre, Senior Accountant

SUBJECT: Monthly Cash Treasury Report for October 2025

Recommendation

Accept and file the Cash Treasury Report for the month of October 2025.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

Pursuant to Section 53646 of the Government Code of the State of California, the City Treasurer may submit a quarterly report to the City Council regarding the funds and investments of the City. Further, City Investment Policy Section XVIII requires monthly reporting of investment transactions, as specified. Because the City participates in State and County investments pools and does not independently broker or engage outside investment advisors to transact investments, the monthly reporting provides a snapshot of overall cash receipts, transfers, and disbursements.

Analysis

The Monthly Cash Treasury Report ("Report") covers cash and investments of the City in the four cash and investment accounts: Wells Fargo Bank, San Mateo County Pool, California State Local Agency Investment Fund, and the California Asset Management Program (CAMP). The

CONSENT ITEM 3.1

Report does not include petty cash, or the California State Community Infrastructure Program (SCIP) bond proceeds held by a trustee in the name of the City. For investment purposes, City cash is pooled, except for bond proceeds held by a trustee. The City does not have, nor is it legally required to have, separate bank accounts for each individual fund. However, all cash is segregated in the City's accounting records. Monthly cash transactions for the monthly period ending October 31, 2025, are as follows:

Account	Beginning Balance	Receipts	Disbursements	Interest Allocation	Inter-Account Transfers	Ending Balance
Wells Fargo Bank	4,276,408.28	8,866,485.70	(4,510,229.60)	-	(5,684,257.00)	2,948,407.38
LAIF	10,567,147.18			115,433.63	9,000,000.00	19,682,580.81
San Mateo County Pool	26,525,940.07	672,478.08		286,963.78	(3,315,743.00)	24,169,638.93
CAMP	101,045,988.57			365,620.69		101,411,609.26
Total	142,415,484.10	9,538,963.78	(4,510,229.60)	768,018.10	-	148,212,236.38

The Wells Fargo cash balance reflects the book value balance (i.e., total outstanding checks not cashed are deducted from the account balance). The month-to-date cash and investment balance increased by approximately \$5.8M compared to the balance as of September 30, 2025.

October receipts totaled approximately \$9.5M, consisting primarily of the SMCTA Reimbursement for the University 101 Overcrossing (\$7M), FY 2025–26 Unsecured Tax Apportionment (\$0.6M), Other tax distributions (\$0.4M), Four Seasons Hotel Transient Occupancy Tax (\$0.3M), Veolia payment (\$0.2M), Trash Capture Device Project development reimbursement (\$0.2M), and other various receipts..

October disbursements totaled approximately \$4.5M, consisting primarily of payroll costs with three pay cycles (\$1.6M), Recology Q1 refuse collection and recycling services (\$0.8M), West Sanitary District maintenance services (\$0.1M), Kaiser Foundation medical contributions (\$0.1M), and other recurring operating expenditures.

The table below reflects recent treasury yield comparisons up to five-year notes since that is the maximum maturity the City may invest¹:

	25-Oct	25-Sep	24-Oct
6-Month Treasury Bill	3.70	3.72	4.31
2-Year Treasury Note	3.60	3.60	4.16
5-Year Treasury Note	3.71	3.74	4.15

Local Agency Investment Fund (LAIF) average monthly effective yields were 4.150% in October compared to 4.212% in September 2025. San Mateo County monthly gross earnings for October were 4.156% compared to 3.887% in September 2025. The estimated County Pool earnings for FY 25-26 are 3.75%. As of October 2025, the current annualized yield for California Asset Management Program (CAMP) is 4.26% compared to 4.36% in September 2025.

Staff believes the City has investment liquidity and anticipated revenues to meet the City's anticipated expenditure requirements for the ensuing six months. The following table shows a

¹ Daily US Treasury Yield Curve. Treasury.gov

CONSENT ITEM 3.1

breakdown of cash and investment balance by fund type.

Summary October 31, 2025		
	Deposit Value	Market Value
General Fund (Inc. Petty cash of \$10,800)	\$ 41,778,648	\$ 41,778,648
General Sub-Funds (Committed/Restricted)	\$ 17,731,916	\$ 17,731,916
City Funds Restricted and Committed	\$ 88,935,216	\$ 88,935,216
Successor Agency Trust	\$ 464,274	\$ 464,274
Unrealized Gain/(Loss) on Investment Pools	\$ -	\$ 372,920
	\$ 148,910,055	\$149,282,974

The deposit market value totals \$149,282,974 including an unrealized gain² of \$372,920, reflecting treasury yields during the calendar year. All except for the General Fund balance is restricted by either City Council or external parties for specific purposes. Unrestricted cash and investment balance under General Fund (\$41,778,648) may be used at Council discretion.

Fiscal Impact

There is no fiscal impact for this item. This report is informational.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" pursuant to 15378(b)(4) because it is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

² Investment Fair Market Value (FMV) factor is provided on a quarterly basis. Thus, as of September 30, 2025, FMV factor is used to calculate Unrealized Gain/(Loss) on Investments.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Tomohito Oku, Finance Director
Jessica Y Caballero, Financial Services Manager

SUBJECT: Annual Development Impact Fee Report (AB 1600 Report)

Recommendation

Adopt a resolution:

1. Accepting the Annual Development Impact Fee Report (AB 1600 Report) for Fiscal Year 2024-25; and
2. Finding that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

State law authorizes the City of East Palo Alto to collect development impact fees from new development. The City manages a limited number of these fee programs, which fund capital infrastructure projects associated with development impacts. Development impact fees are generally paid at the time a building permit is issued.

California Government Code Section 66006(b) (“AB 1600”) outlines the reporting requirements for local agencies that impose impact fees on new development. Each year, for every separate

CONSENT ITEM 3.2

fund established for the collection and expenditure of these fees, the City must make specific information publicly available within 180 days of the fiscal year's end. This reporting is commonly referred to as the AB 1600 Report. The City's AB 1600 Report for the fiscal year ended June 30, 2025 (Attachment 1) fulfills the requirements of Section 66006(b) and provides an overview of how restricted development impact funds are collected and utilized.

Analysis

Historically, the City primarily collected fees through redevelopment agency agreements, statutory development agreements, or certain in-lieu fees considered zoning-related use restrictions. These fees are not subject to AB 1600 reporting requirements. Since 2014, the City has adopted Affordable Housing Commercial Linkage fees, Water Capacity fees, and fees related to storm drainage, transportation, parks, and public facilities.

The attached AB 1600 Report provides a detailed analysis of the status of each fee required to be reported for the fiscal year ended June 30, 2025.

As required under Government Code Section 66001(d), the City has evaluated the unexpended balance of its Public Facilities Development Impact Fee (DIF) fund that has remained on deposit for more than five years. As of June 30, 2025, the fund includes an unexpended balance of \$1,408 that is reserved for the Police Department Facility Improvement Project. The purpose of this fee—enhancing public safety facilities—maintains a reasonable relationship to the improvements for which it was collected. The total project cost is estimated at approximately \$400,000, with the remaining funding to be provided through the City's local Capital Improvement Program (CIP) fund. The City deposited the necessary CIP funds and commenced the project in November 2025.

Additionally, AB 1600 mandates that the report be made available to the public at least 15 days prior to Council review and acceptance. In compliance, the City posted the AB 1600 Report on its website on December 1, 2025.

Fiscal Impact

There is no fiscal impact for this item.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

The AB 1600 Report has also been made available to the public on the City's website as of December 1, 2025.

Environmental

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(4) and (5),

CONSENT ITEM 3.2

in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

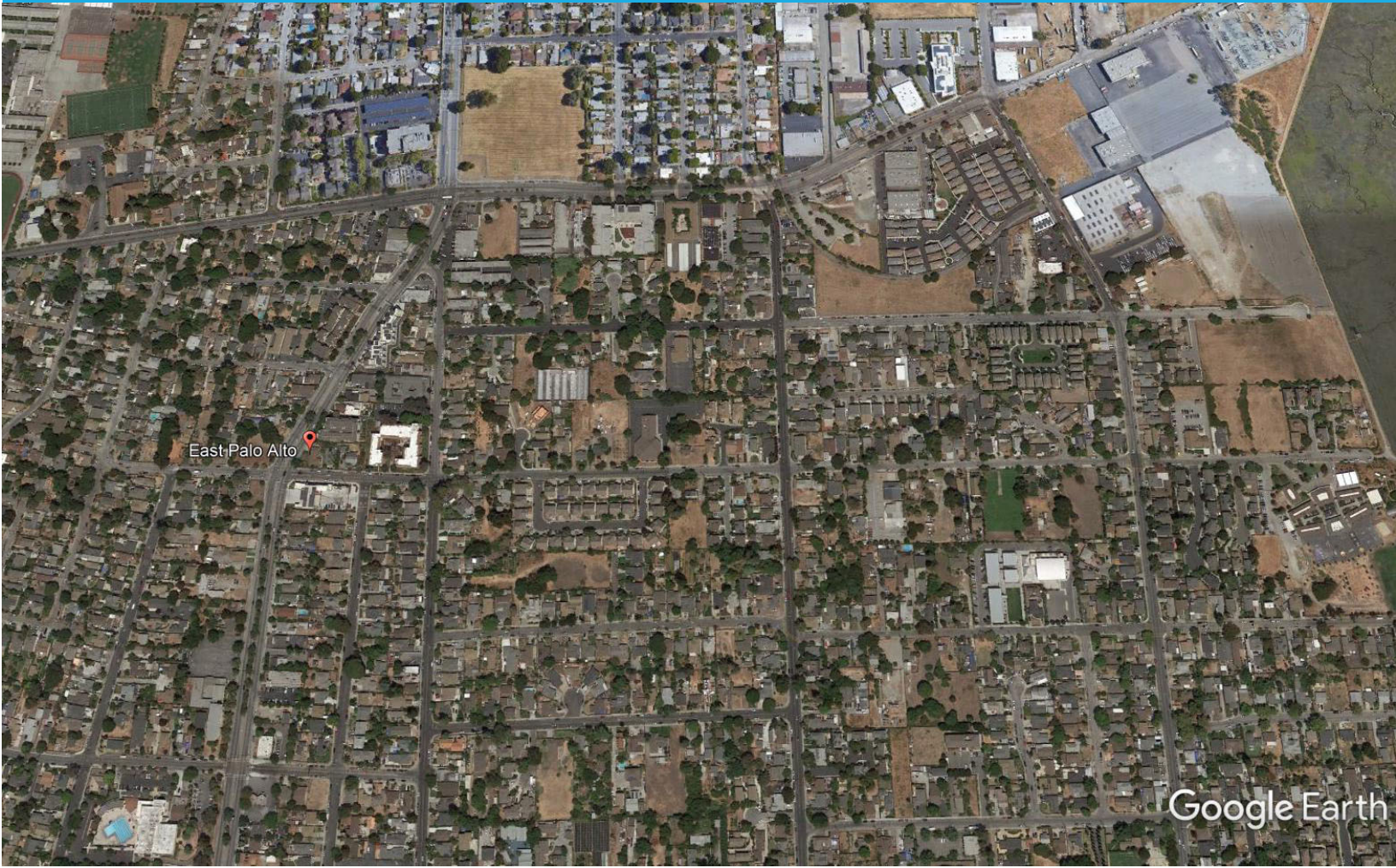
Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. FY 2024-25 AB 1600 Report
2. Resolution

City of East Palo Alto, CA



This Page is Intentionally Blank

Development Impact Fee Report

Table of Contents

- TRANSMITTAL LETTER3
- LEGAL REQUIREMENTS FOR DEVELOPMENT IMPACT FEE REPORTING4
- DESCRIPTION OF DEVELOPMENT IMPACT FEES6
- FY 2023-24 FEE SCHEDULE8
- FUND BALANCES.....10
- COLLECTION AND USE11
 - PARKS AND TRAILS FEES.....11
 - PUBLIC FACILITIES FEES.....12
 - TRANSPORTATION INFRASTRUCTURE FEES13
 - STORM DRAINAGE INSIDE RBD FEES.....14
 - STORM DRAINAGE OUTSIDE RBD FEES.....15
 - WATER CAPACITY FEE – BUY IN COMPONENT16
 - WATER CAPACITY FEE – SUPPLY COMPONENT17
 - AFFORDABLE HOUSING IMPACT FEES18

Transmittal Letter

December 1, 2025

Honorable Members of the City Council
Citizens of East Palo Alto, California

State law requires any local agency that imposes development impact fees to prepare an annual report providing specific information about those fees. As such, in accordance with the provisions of the California Government Code Section 66006 (b) and 66001 (d), as amended by Assembly Bill (AB) 518 and Senate Bill (SB) 1693, we submit the Development Impact Fee (DIF) Report for the City of East Palo Alto, California for the fiscal year (FY) ended June 30, 2025.

DIFs are charged by local governmental agencies in connection with the approval of development projects. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project. The legal requirements for enactment of a DIF program are set forth in Government Code Sections §66000 - 66025 (the "Mitigation Fee Act"). The Mitigation Fee Act is commonly referred to as "AB 1600".

Previously, the City primarily collected fees pursuant to redevelopment agency agreements or statutory development agreements or collected certain in-lieu fees considered zoning-related use restrictions; such fees and collections are not subject to AB 1600 reporting requirements. Since 2014, the City has adopted Affordable Housing Commercial Linkage fees, Water Capacity fees, and fees related to storm drainage, transportation, parks, and public facilities. It is notable the City imposed a two-year water connection moratorium effectively halting development from July 2016 to August 2018.

State law requires the City prepare and make available to the public the DIF Report within 180 days after the last day of each fiscal year. The City Council must consider the acceptance of the annual report at a regularly scheduled public meeting. The information must be made available to the public no fewer than fifteen days prior to the meeting. This report was filed with the City Clerk's office and available for public review on December 1, 2025.

Respectfully submitted,



Tomohito Oku
Finance Director

Legal Requirements for Development Impact Fee Reporting

California Government Code Section 66006(b)

California Government Code Section 66006 (b) defines the specific reporting requirements for local agencies that impose AB 1600 impact fees on new development. Annually, for each separate fund established for the collection and expenditure of impact fees, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the information shown below for the most recent fiscal year. The applicable page numbers for the location where each item can be found in the report are provided for reference.

- A brief description of the type of fee in the account or fund. (Page 6)
- The amount of the fee. (Page 8)
- The beginning and ending balance of the account or fund. (Page 10)
- The amount collected and interest earned. (Page 10)
- An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement. (Page 11)
- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines adequate funds have been collected to complete financing on an incomplete public improvement.
 - Not applicable during FY 2024-25
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
 - Not applicable during FY 2024-25
- The amount of refunds made due to adequate funds being collected to complete financing on incomplete public improvements, and the amount of reallocation of funds made due to administrative costs of refunding unexpended revenues exceeding the amount to be refunded.
 - Not applicable during FY 2024-25

California Government Code Section 66001(d)

For all funds established for the collection and expenditure of DIFs, California Government Code Section 66001 (d) has additional requirements. For the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make the following findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put.
- Demonstrate a reasonable relationship between the fee and purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements.
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

As required under Government Code Section 66001(d), the City has evaluated the unexpended balance of its Public Facilities Development Impact Fee (DIF) fund that has remained on deposit for more than five years. As of June 30, 2025, the fund includes an unexpended balance of \$1,408 that is reserved for the Police Department Facility Improvement Project. The purpose of this fee—enhancing public safety facilities—maintains a reasonable relationship to the improvements for which it was collected. The total project cost is estimated at approximately \$400,000, with the remaining funding to be provided through the City’s local Capital Improvement Program (CIP) fund. The City anticipates depositing the necessary CIP funds and commencing the project in November 2025.

Capital Improvement Program (CIP)

The State of California Government Code Section 66002 states that local agencies that have developed a fee program may adopt a CIP indicating the approximate location, size, and timing of projects, plus an estimate for the cost of all facilities or improvements to be financed by fees. A formal CIP is recommended, at a minimum, as a five-year plan. The City produces a five-year CIP which helps to maintain and support the City’s General Plan as well as identify infrastructure needed to accommodate the planned development.

Establishment of Reasonable Relationship - Nexus Requirement

Since FY 2014-15, the City has adopted the following DIF:

Affordable Housing Commercial Linkage (Update 2020)
Park and Trails, Transportation Infrastructure, Public Facilities, Storm Drainage (2019)
Water Capacity (2019)

All fees were adopted following a Nexus Study demonstrating that the fees conform to AB 1600 requirements. Specifically, that there is a reasonable relationship between the infrastructure burdens of

development growth and the amount of fee. For information regarding impact fees and related studies please refer to the City’s website at: <https://www.cityofepa.org/publicworks/page/city-wide-development-impact-fee-program>.

Adjustments to the fees shall be made annually in accordance with the Engineering News Record Construction Cost Index. The Fee Nexus studies set forth the relationships between contemplated future development, facilities needed to serve future development and the estimated costs of those improvements based on the current General Plan for build-out. Comprehensive updates to the program are completed on an as-needed basis to ensure the program continues to reflect the appropriate fees in relation to updated costs.

Description of Development Impact Fees

- **Affordable Housing Fee – Commercial Development**

To enhance the public welfare by imposing a nonresidential development project Housing Impact Fee whereby developers of nonresidential development projects will mitigate the impacts of their projects on the need for affordable housing by contributing to the supply of housing for households with very low, low, and moderate incomes. Further, to implement the Housing Element by creating a mechanism to provide benefits to the community from new development in the form of affordable housing, thereby helping to meet the needs of all socioeconomic elements of the community as provided in the Housing Element.

- **Parks and Trails Fee**

To provide adequate quality open space – through parks and trails – for the broader public health and quality of life of its citizens and workforce. In addition to providing opportunities for physical activity and interaction with the natural environment, additionally, this fee is to be used to conserve the natural open space resources in the city. The City aims to preserve and protect natural resources such as the Baylands, the shoreline, San Francisquito Creek, and significant tree stands through parks and trails projects.

- **Public Facilities Fee**

To provide a variety of public facilities, including public safety institutions such as police departments, educational amenities, and quality of life services such as libraries and community centers, and governance buildings such as City Hall.

- **Transportation Infrastructure Fee**

To provide public roads and multi-modal streetscape facilities. East Palo Alto aims to provide adequate roads for its citizens and workforce for general transportation and safety. In addition,

constructing sidewalks with street trees, street lighting, benches, and street furniture improves safety, sidewalk space, pedestrian aesthetics, and active transportation.

- **Storm Drainage Fee**

To provide critical infrastructure to prevent flooding of streets during rain events. East Palo Alto aims to improve citywide storm drainage and provide adequate storm drainage for the City and for new development in the Ravenswood Business District (RBD), as stated in the policy directives of the RSP (Goal UTIL-3 and subsequent policies). Due to the specific storm drainage costs associated with the RBD, a specific fee is applied depending upon whether properties are located within the RBD or outside the RBD.

- **Water Capacity Fee**

To recover the costs of water system infrastructure and water supply to ensure that future development does not place a burden on existing customers. To provide new or increased water system infrastructure capacity needs due to new or intensified development. There are two primary components of this fee, the cost of system buy in and the cost of additional water supply assurance from the San Francisco Public Utilities Commission specifically for purpose of serving new development. The two components of the fee are accounted for and reported separately. The buy-in portion of the fee represents the cost of existing and future infrastructure related directly to new development. The supply portion of the fee represents the cost of water right assurances secured exclusively for serving new development.

- **East Palo Alto Sanitary District Sewer Impact Fees**

To ensure new developments contribute to essential infrastructure upgrades, the East Palo Alto Sanitary District charges sewer impact fees based on the number of residential units and projected water usage. These fees are part of a broader development impact fee program that supports sewer and other infrastructure improvements.

FY 2024-25 Fee Schedule

TABLE 1. AFFORDABLE HOUSING FEE

Non-Residential¹
Commercial
\$13.55

1. Fee Per Square Foot

Non-Residential¹
Commercial
\$13.55

1. Fee Per Square Foot

TABLE 2. OTHER FEES

Fee Category	Residential ¹			Non-Residential ²		
	Detached Accessory Dwelling Unit	Single-Family/Townhouse	Multi-family Housing	Office / Research & Development	Industrial	Retail
Parks and Trails	\$1,995	\$4,987	\$3,435	\$1.40	\$0.55	\$0.92
Public Facilities	\$3,498	\$8,746	\$6,025	\$2.42	\$0.99	\$1.61
Transportation Infrastructure	\$1,138	\$2,845	\$2,142	\$8.84	\$5.76	\$8.84

1. Fee Per Dwelling Unit

2. Fee Per Square Foot

TABLE 3. STORM DRAINAGE FEE

Fee Category	Single-Family ¹		Multi-Family and Non-Residential ²			
	Detached Accessory Dwelling Unit	Single-Family / Townhouse	Multi-family Housing	Office / Research & Development	Industrial	Retail
Storm Drainage (within RBD)	\$2,336	\$5,840		\$146,007		
Storm Drainage (outside RBD)	\$1,351	\$3,379		\$84,467		

1. Fee Per Dwelling Unit
2. Fee Per Impervious Acre

TABLE 4. WATER CAPACITY FEE

Residential ¹		Non-Residential				
Single-Family / Townhouse	Multi-family Housing	3/4 Inch Meter	1 inch Meter	1.5 Inch Meter	2 Inch Meter	Larger ²
\$9,831	\$6,050	\$14,368	\$23,946	\$47,894	\$76,629	\$37.80

1. Fee Per Dwelling Unit
2. Fee Per Anticipated Gallon Per Day

TABLE 5. SANITARY DISTRICT SEWER SERVICE CHARGES

Residential ¹	Commercial and Industrial ²							
Per Dwelling or Living Unit	Restaurants	Educational Facilities	Offices and Churches	Motels/ Hotels	Commercial	Medical	Industrial	Recreational
\$660	10.2042	5.5431	5.5431	6.3528	5.8826	6.3528	6.3528	5.8826

1. Fee Per Dwelling or Living Unit
2. Fee calculated based on each establishment's annual water consumption multiplied by the applicable rate

Fund Balances

Description	Parks and Trails	Public Facilities	Transportation	Storm Drainage Inside RBD
Revenue				
Fees	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures	\$ -	\$ -	\$ -	\$ -
Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Fund Balance Beginning of Year	515,246	921,845	502,365	363,905
Fund Balance End of Year	\$ 515,246	\$ 921,845	\$ 502,365	\$ 363,905

Description	Storm Drainage Outside RBD	Water - Buy In	Water - Supply	Sanitary District Sewer
Revenue				
Fees	\$ -	\$ 44,820	\$ 2,458	\$ -
Interest	-	40,990	-	\$ -
Total Revenue	\$ -	\$ 85,810	\$ 2,458	\$ -
Expenditures	\$ -	\$ 300,000	\$ -	\$ -
Revenue Over (Under) Expenditures	\$ -	\$ (214,190)	\$ 2,458	\$ -
Fund Balance Beginning of Year	334,207	667,995	(4,820,513)	-
Fund Balance End of Year	\$ 334,207	\$ 453,805	\$ (4,818,056)	\$ -

Collection and Use

Parks and Trails Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 20,924	\$ 8,779	\$ 4,528	\$ 465,095	\$ 23,068
Interest	189	331	949	16,766	22,904
Total Revenue	\$ 21,113	\$ 9,110	\$ 5,476	\$ 481,861	\$ 45,972
Expenditures	\$ -	\$ -	\$ -	\$ 13,703	\$ 4,862
Revenue Over (Under) Expenditures	\$ 21,113	\$ 9,110	\$ 5,476	\$ 468,158	\$ 41,110
Fund Balance Beginning of Year	11,389	32,502	41,612	47,089	515,246
Fund Balance End of Year	\$ 32,502	\$ 41,612	\$ 47,089	\$ 515,246	\$ 556,356

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 21,113	\$ 9,110	\$ 5,476	\$ 481,861	\$ 45,972
Prior Fiscal Year (2-yr Old Funds)	11,389	21,113	9,110	5,476	481,861
Prior Fiscal Year (3-yr Old Funds)	-	11,389	21,113	9,110	5,476
Prior Fiscal Year (4-yr Old Funds)	-	-	11,389	18,799	9,110
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	13,937
In Excess of Five Prior Fiscal Years	-	-	-	-	-
Total Revenue Available	\$ 32,502	\$ 41,612	\$ 47,089	\$ 515,246	\$ 556,356

Public Facilities Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 43,943	\$ 15,396	\$ 7,940	\$ 815,671	\$ 40,454
Interest	393	653	1,818	29,762	40,965
Total Revenue	\$ 44,336	\$ 16,048	\$ 9,758	\$ 845,433	\$ 81,420
Expenditures	\$ -	\$ -	\$ -	\$ 13,703	\$ 4,862
Revenue Over (Under) Expenditures	\$ 44,336	\$ 16,048	\$ 9,758	\$ 831,730	\$ 76,558
Fund Balance Beginning of Year	19,973	64,309	80,357	90,116	921,845
Fund Balance End of Year	\$ 64,309	\$ 80,357	\$ 90,116	\$ 921,845	\$ 998,403

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 44,336	\$ 16,048	\$ 9,758	\$ 845,433	\$ 81,420
Prior Fiscal Year (2-yr Old Funds)	19,973	44,336	16,048	9,758	845,433
Prior Fiscal Year (3-yr Old Funds)	-	19,973	44,336	16,048	9,758
Prior Fiscal Year (4-yr Old Funds)	-	-	19,973	44,336	16,048
Prior Fiscal Year (5-yr Old Funds)	-	-	-	6,270	44,336
In Excess of Five Prior Fiscal Years	-	-	-	-	1,408
Total Revenue Available	\$ 64,309	\$ 80,357	\$ 90,116	\$ 921,845	\$ 998,403

Transportation Infrastructure Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 188,061	\$ 5,103	\$ 2,583	\$ 288,780	\$ 70,911
Interest	1,278	1,702	4,284	17,779	23,327
Total Revenue	\$ 189,339	\$ 6,806	\$ 6,867	\$ 306,560	\$ 94,238
Expenditures	\$ -	\$ -	\$ -	\$ 13,703	\$ 4,862
Revenue Over (Under) Expenditures	\$ 189,339	\$ 6,806	\$ 6,867	\$ 292,856	\$ 89,375
Fund Balance Beginning of Year	6,498	195,836	202,642	209,509	502,365
Fund Balance End of Year	\$ 195,836	\$ 202,642	\$ 209,509	\$ 502,365	\$ 591,740

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 189,339	\$ 6,806	\$ 6,867	\$ 306,560	\$ 94,238
Prior Fiscal Year (2-yr Old Funds)	6,498	189,339	6,806	6,867	306,560
Prior Fiscal Year (3-yr Old Funds)	-	6,498	189,339	6,806	6,867
Prior Fiscal Year (4-yr Old Funds)	-	-	6,498	182,133	6,806
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	177,271
In Excess of Five Prior Fiscal Years	-	-	-	-	-
Total Revenue Available	\$ 195,836	\$ 202,642	\$ 209,509	\$ 502,365	\$ 591,740

Storm Drainage Inside RBD Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 185	\$ 2,933	\$ 1,880	\$ 360,252	\$ -
Interest	6	30	111	11,828	15,873
Total Revenue	\$ 191	\$ 2,963	\$ 1,991	\$ 372,080	\$ 15,873
Expenditures					
	\$ -	\$ -	\$ -	\$ 13,703	\$ 4,862
Revenue Over (Under) Expenditures	\$ 191	\$ 2,963	\$ 1,991	\$ 358,377	\$ 11,011
Fund Balance Beginning of Year	384	575	3,537	5,529	363,905
Fund Balance End of Year	\$ 575	\$ 3,537	\$ 5,529	\$ 363,905	\$ 374,917

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 191	\$ 2,963	\$ 1,991	\$ 363,905	\$ 15,873
Prior Fiscal Year (2-yr Old Funds)	384	191	2,963	-	359,043
Prior Fiscal Year (3-yr Old Funds)	-	384	191	-	-
Prior Fiscal Year (4-yr Old Funds)	-	-	384	-	-
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
In Excess of Five Prior Fiscal Years	-	-	-	-	-
Total Revenue Available	\$ 575	\$ 3,537	\$ 5,529	\$ 363,905	\$ 374,917

Storm Drainage Outside RBD Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 259,678	\$ 9,200	\$ 6,085	\$ 14,984	\$ 27,849
Interest	1,954	2,454	6,236	12,912	15,039
Total Revenue	\$ 261,632	\$ 11,655	\$ 12,321	\$ 27,895	\$ 42,887
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Over (Under) Expenditures	\$ 261,632	\$ 11,655	\$ 12,321	\$ 27,895	\$ 42,887
Fund Balance Beginning of Year	20,704	282,337	293,991	306,312	334,207
Fund Balance End of Year	\$ 282,337	\$ 293,991	\$ 306,312	\$ 334,207	\$ 377,094

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 261,632	\$ 11,655	\$ 12,321	\$ 27,895	\$ 42,887
Prior Fiscal Year (2-yr Old Funds)	20,704	261,632	11,655	12,321	27,895
Prior Fiscal Year (3-yr Old Funds)	-	20,704	261,632	11,655	12,321
Prior Fiscal Year (4-yr Old Funds)	-	-	20,704	261,632	11,655
Prior Fiscal Year (5-yr Old Funds)	-	-	-	20,704	261,632
In Excess of Five Prior Fiscal Years	-	-	-	-	20,704
Total Revenue Available	\$ 282,337	\$ 293,991	\$ 306,312	\$ 334,207	\$ 377,094

Water Capacity Fee – Buy In Component

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 390,680	\$ 21,007	\$ 13,590	\$ 677,753	\$ 44,820
Interest	444	498	9,024	21,822	40,990
Total Revenue	\$ 391,124	\$ 21,505	\$ 22,614	\$ 699,575	\$ 85,810
Expenditures	\$ -	\$ -	\$ 450,000	\$ 13,703	\$ 300,000
Revenue Over (Under) Expenditures	\$ 391,124	\$ 21,505	\$ (427,386)	\$ 685,872	\$ (214,190)
Fund Balance Beginning of Year	(3,120)	388,004	409,509	(17,877)	667,995
Fund Balance End of Year	\$ 388,004	\$ 409,509	\$ (17,877)	\$ 667,995	\$ 453,805

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 388,003	\$ 21,505	\$ -	\$ 667,995	\$ 85,810
Prior Fiscal Year (2-yr Old Funds)	-	388,003	-	-	367,995
Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
In Excess of Five Prior Fiscal Years	-	-	-	-	-
Total Revenue Available	\$ 388,003	\$ 409,509	\$ -	\$ 667,995	\$ 453,804

Water Capacity Fee – Supply Component

Statement of Revenues, Expenditures and Changes in Fund Balance

Last Five Fiscal Years

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 82,019	\$ 4,408	\$ 8,040	\$ 140,532	\$ 2,458
Interest	-	-	-	-	-
Total Revenue	\$ 82,019	\$ 4,408	\$ 8,040	\$ 140,532	\$ 2,458
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Over (Under) Expenditures	\$ 82,019	\$ 4,408	\$ 8,040	\$ 140,532	\$ 2,458
Fund Balance Beginning of Year	(5,055,512)	(4,973,493)	(4,969,085)	(4,961,046)	(4,820,513)
Fund Balance End of Year	\$ (4,973,493)	\$ (4,969,085)	\$ (4,961,046)	\$ (4,820,513)	\$ (4,818,056)

Five-Year Revenue Test Using First In First Out Method

Revenue Available	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
After Expenses:					
Current Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Fiscal Year (2-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
In Excess of Five Prior Fiscal Years	-	-	-	-	-
Total Revenue Available	\$ -	\$ -	\$ -	\$ -	\$ -

Affordable Housing Impact Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

No Affordable Housing fees subject to AB 1600 reporting requirements have been collected or expenses incurred through the period ended June 30, 2025.

East Palo Alto Sanitary District Sewer Impact Fees

Statement of Revenues, Expenditures and Changes in Fund Balance

Description	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue					
Fees	\$ 606,469	\$ 92,273	\$ 1,621,222	\$ 2,227,645	\$ 64,698
Interest	-	-	-	-	-
Total Revenue	\$ 606,469	\$ 92,273	\$ 1,621,222	\$ 2,227,645	\$ 64,698
Expenditures	\$ 591,622	\$ 44,621	\$ 1,572,401	\$ 2,338,965	\$ -
Revenue Over (Under) Expenditures	\$ 14,847	\$ 47,652	\$ 48,821	\$ (111,320)	\$ 64,698
Fund Balance Beginning of Year	-	14,847	62,499	111,320	-
Fund Balance End of Year	\$ 14,847	\$ 62,499	\$ 111,320	\$ -	\$ 64,698

Five-Year Revenue Test Using First In First Out Method

Revenue Available After Expenses:	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Current Fiscal Year	\$ 14,847	\$ 62,499	\$ 111,320	\$ -	\$ 64,698
Prior Fiscal Year (2-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (3-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (4-yr Old Funds)	-	-	-	-	-
Prior Fiscal Year (5-yr Old Funds)	-	-	-	-	-
In Excess of Five Prior Fiscal Years	-	-	-	-	-
Total Revenue Available	\$ 14,847	\$ 62,499	\$ 111,320	\$ -	\$ 64,698

RESOLUTION NO. XX– 2025

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

**ACCEPTING THE ANNUAL DEVELOPMENT IMPACT FEE REPORT FOR THE
FISCAL YEAR 2024-25**

WHEREAS, the City of East Palo Alto (“City”) levies development impact fees to finance the design, construction and acquisition for public infrastructure improvements, including facilities and equipment necessary to accommodate future growth and development within the City pursuant to Government Code section 66000 et. seq.; and

WHEREAS, said fees are collected and deposited into a special and separate fund for each type of development fee; and

WHEREAS, the City is required to make certain findings within 180 days following the last day of the fiscal year, each year, with respect to the unexpended fund balance of development impact fee funds pursuant to California Government Code Section 66001; and

WHEREAS, the documents reflecting the balance in each development impact fee fund, the earnings collected from development impact fees, accrued interest in said fund, and the amount of expenditure from said fund have been made available to the public through the “AB 1600 Report.”; and

WHEREAS, the AB 1600 Report was made available to the public for review on December 1, 2025, fifteen (15) days prior to the date that the City Council considered the AB 1600 Report.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action; and
2. Accepts the Annual Development Impact Fee Report for Fiscal Year 2024-25; and
3. Finds that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 16th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Martha Barragan, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Amy Chen, Community and Economic Development Director
 Karen Camacho, Housing and Economic Development Manager
 Yajaira Morales, Housing Project Manager

SUBJECT: Agreement with Street Level Advisors and the Community Planning Collaborative in Updating the Inclusionary Housing Ordinance (IHO) and Guidelines

Recommendation

Adopt a resolution:

1. Authorizing the City Manager to award, negotiate and execute a two-year agreement with Street Level Advisors in partnership with Community Planning Collaborative, in form approved by the City Attorney, in an amount not-to-exceed \$75,000, and with two one-year extensions at the sole discretion of the City Manager to provide project management and the updating of the Inclusionary Housing Ordinance (“IHO”) and guidelines; and
2. Finding that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

Executive Summary

Staff recommends awarding Street Level Advisors and Community Planning Collaborative through a joint contract to provide project management support in updating the Inclusionary Housing Ordinance (“IHO”) and guidelines. Currently the IHO is applicable to new residential developments in East Palo Alto and requires the development of affordable housing units. Although the City Manager has the contract authority to award this Request for Proposals selection, City staff is providing this staff report and an overview of the scope of work for the IHO and guidelines update. If approved, staff will work with the City Attorney’s Office to prepare and

execute the agreement to begin implementation in early 2026. City staff and the selected respondents will return to City Council at an upcoming study session (tentatively scheduled for March) on the IHO to state what is in the current ordinance and solicit City Council direction for any research on inclusionary housing or amendments regarding the ordinance.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Priority: Comprehensive Housing

Background

Affordable Housing Strategy and City Council Priorities

On November 19, 2019¹, the City Council adopted Ordinance No. 425, the Inclusionary Housing Ordinance (“IHO”), adding Chapter 18.37 to the City of East Palo Alto Development Code. All residential development projects that create new dwelling units are subject to the IHO. During the past two years, the City has advanced several policy initiatives that support evaluating and refining the IHO, including the 2024–2028 Affordable Housing Strategy, the 2023–2031 Housing Element, the 2025–2029 City Council Strategic Priorities, and the Ravenswood/4 Corners Specific Plan Update. Each of these documents references components of the IHO—including its effectiveness, fee structure, and unit requirements—as a key City ordinance that supports affordable housing in East Palo Alto.

On October 21, 2025², City Council authorized execution of a Memorandum of Understanding (“MOU”) with Community Planning Collaborative (“CPC”) for participation in the 21 Elements Multi-Jurisdictional Grand Nexus and Feasibility Study (“Grand Nexus”). This study will analyze inclusionary housing feasibility, the relationship between commercial development and affordable housing needs, and commercial linkage fees. Preliminary inclusionary feasibility results are expected in late 2026 and could inform future amendments to the IHO. The Council also allocated \$75,000 in FY 2025-26 to hire a third-party consultant to assist with an IHO policy analysis and amendment process.

The Inclusionary Housing Ordinance (IHO) and IHO Guidelines

The City’s IHO has undergone various iterations over the years, starting in 1994 and culminating in its most recent form that was adopted in 2019. In its latest iteration, the City created Chapter 18.37 of the Development Code. Broadly speaking, the current IHO applies to all residential development, requiring either in-lieu fees or a 20% on-site inclusionary requirement. Alternative compliance options—including off-site units, accessory dwelling units (“ADUs”), land dedication, and in-lieu fee payments—are available with City Council approval.

¹ November 19, 2019 City Council Meeting (item 9B): <https://eastpalalto.ig2.com/Citizens/FileOpen.aspx?Type=1&ID=1211&Inline=True>

² October 21, 2025 City Council Meeting (item 12.2): <https://d3n9y02raazwpg.cloudfront.net/cityofepa/221d99bd-ddd1-11ef-a9e2-005056a89546-3408cd31-ecd7-4429-9d91-65986d552499-1761095099.pdf>

The 2019 ordinance also establishes affordability targets: for rental projects, inclusionary units must be distributed among Extremely Low-, Very Low-, and Low-Income households; for ownership projects, units must be split between Median- and Moderate-Income households. More details on the IHO will be provided in the upcoming study session on this topic.

In 2020, David Paul Rosen & Associates prepared an Inclusionary Housing In-Lieu Fee Update study,³ and guidelines (“Guidelines”) were established and utilized in implementation. The Inclusionary Housing Guidelines provide detailed procedures for implementing the IHO, including eligibility, application, marketing, and compliance standards. They ensure consistent application across projects. Although specific chapters are updated annually to reflect revised rental and ownership in-lieu fee calculations, staff believe a review and evaluation of the Guidelines could also be beneficial at this time. These Guidelines will also be covered in more detail at the study session.

Updating the IHO and the Grand Nexus Study

The City is participating in the regional 21 Elements Grand Nexus Study, which will evaluate inclusionary housing feasibility, the relationship between commercial development and affordable housing needs, and commercial linkage fees. Strategic Economics is leading the study, with preliminary inclusionary feasibility results expected in late 2026. Strategic Economics is primarily scoped to focus on the data analysis and thus the selected project manager would focus on potential IHO amendments and coordinate with staff and Strategic Economics to present recommendations to the City Council.

Staff is therefore proposing to hire the selected consultant team to provide project oversight and analysis of the Grand Nexus Study results, review, evaluate, and recommend improvements to the City’s IHO and program guidelines, and conduct robust community and stakeholder outreach.

Analysis

The Request For Proposals, Review Process, and Staff’s Recommendation

On October 1, 2025, the City issued a request for proposals (“RFP”) for qualified firms to conduct a comprehensive analysis of the City’s IHO and program guidelines. The RFP was due on October 27, 2025.

The City received three responses to the RFP released on October 1, 2025, from: 1) Grounded Solutions Network; 2) Street Level Advisors (SLA) and the Community Planning Collaborative (CPC) collectively; and 3) RSG Solutions. The proposals were reviewed by a three-member selection committee (Committee). Each Committee member independently scored the proposals following a review of the written submissions and interviews. All three respondents were interviewed on October 30, 2025, using the same set of questions. After careful evaluation, the

³ David Rosen & Associates In-Lieu Fee Study:
https://www.cityofepa.org/sites/default/files/fileattachments/housing/page/24965/chapter_2c_david_rosen_associates_inlieu_fee_study.pdf

Committee determined selected SLA and CPC as the most qualified proposers.

While all three proposers demonstrated relevant experience, RSG Solutions' qualifications and approach did not align as closely with the City's specific needs. Although Grounded Solutions Network presented a strong proposal and possesses the expertise, Grounded Solutions' national focus presents a challenge in conducting the local community outreach. Therefore, the Committee concluded that SLA and CPC offer key advantages as a local team with a deep understanding of the East Palo Alto housing landscape.

SLA brings extensive experience in the development and management of inclusionary housing programs and other affordable housing policies across California jurisdictions. Their expertise in strategic housing policy implementation positions them well to guide the City through updates to the IHO. CPC complements this experience with strong technical capacity in housing economics, data analysis, and policy research. Importantly, CPC is leading the 21 Elements Grand Nexus and Feasibility Study that the City is participating in, which allows for seamless coordination between both efforts.

Under this partnership, SLA will serve as the lead consultant and primary point of contact, managing the IHO update process and providing analytical and technical support, while CPC will lead the community outreach and engagement work, breaking down information into a digestible form, and seamlessly connecting East Palo Alto's work to the Grand Nexus. Together, they will ensure an efficient, well-informed, and community-centered approach to the project.

IHO Update

The objectives of the inclusionary housing update are to:

- Review the City's current inclusionary housing ordinance, policies, and procedures.
- Assess the effectiveness of existing inclusionary housing requirements in meeting affordable housing production, fair housing goals, Regional Housing Needs Allocation (RHNA) targets, and Housing Element goals.
- Identify barriers and opportunities for improving program outcomes, including legal, financial, and administrative considerations.
- Recommend policy, procedural, and operational improvements to enhance the City's ability to meet its housing goals. This could include recommendations on:
 - Development volume (number of total units) that triggers an inclusionary requirement.
 - Percentage of total units that should be affordable at specific affordability levels.
 - Variations in inclusionary requirements depending on progress toward RHNA targets.
- Engage stakeholders, including elected officials, developers, affordable housing advocates, and the broader community, to inform the analysis and recommendations.

Next Steps

If the City Council authorizes the approval of the agreement with the selected firm, staff will work with the City Attorney’s Office to prepare and execute the agreement to be operational in early 2026.

Staff and the contractor are aiming to return to City Council by March 24, 2026, for a Study Session on the IHO, kicking off the IHO update and the Grand Nexus Study.

Fiscal Impact

The proposed agreement is not-to-exceed \$75,000. This amount is already budgeted from the Housing In Lieu Fund in the FY 2025-26 budget, so no new appropriation is necessary.

Public Notice

The public was provided notice by making the agenda and report available on the City’s website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

Applicability of Levine Act: No, the proposed action involves a competitively bid contract.

Analysis of Levine Act Compliance: Not applicable.

Attachments

- 1. Resolution

RESOLUTION NO. XX– 2025

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

**AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH STREET
LEVEL ADVISORS IN UPDATING THE INCLUSIONARY HOUSING ORDINANCE (IHO)
AND GUIDELINES**

WHEREAS, on November 19, 2019, the City Council of the City of East Palo Alto (“City Council”) adopted Ordinance No. 425 (“IHO”), adding Chapter 18.37 – Inclusionary Housing to the City of East Palo Alto Municipal Code; and

WHEREAS, on October 21, 2025, the City Council authorized execution of a Memorandum of Understanding (“MOU”) with Community Planning Collaborative (“CPC”) and Strategic Economics and for the City to participate in the 21 Elements Multi-Jurisdictional Grand Nexus and Feasibility Study (“Grand Nexus”); and

WHEREAS, on that same date, the Council also allocated \$75,000 in FY 2025-26 to hire a third-party consultant to assist with this policy analysis and update process; and

WHEREAS, the City released a request for proposals (RFP) on October 1, 2025, seeking qualified consultants to conduct a comprehensive review and update of the Inclusionary Housing Ordinance and guidelines; and

WHEREAS, the City of East Palo Alto received three proposals in response to the RFP by the October 27, 2025 deadline and staff interviewed all respondents on October 30, 2025; and

WHEREAS, after careful review, City staff recommend contracting with Street Level Advisors, in partnership with the Community Planning Collaborative (CPC), to provide project oversight and analysis of the Grand Nexus Study results, review, evaluate, and recommend improvements to the City’s IHO and program guidelines, and conduct robust community and stakeholder outreach.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action;
2. Authorizes the City Manager to award, negotiate and execute a two-year agreement with Street Level Advisors in partnership with Community Planning Collaborative, in form approved by the City Attorney, in an amount not-to-exceed \$75,000, and with two one-year extensions at the sole discretion of the City Manager to provide project management and the updating of the Inclusionary Housing Ordinance (“IHO”) and guidelines; and
3. Finds that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 16th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025
TO: Honorable Mayor and Members of the City Council
VIA: Melvin E. Gaines, City Manager
BY: James Colin, City Clerk
SUBJECT: City Council Meeting Minutes

Recommendation

Adopt December 2, 2025, minutes.

Attachments

1. December 2, 2025, Minutes



EAST PALO ALTO CITY COUNCIL REGULAR SESSION MINUTES

Tuesday, December 2, 2025, 6:30 PM
EPA Government Center
2415 University Avenue, First Floor
East Palo Alto, CA 94303

1. CALL TO ORDER AND ROLL CALL

The City Council meeting was called to order by Mayor Barragan at 6:31 PM.

Attendee Name	Title	Status	Arrived
Martha Barragan	Mayor	Present	
Mark Dinan	Vice Mayor	Present	
Carlos Romero	Councilmember	Present	
Ruben Abrica	Councilmember	Present	
Webster Lincoln	Councilmember	Present	

2. APPROVAL OF THE AGENDA

A motion to approve the agenda was made by Councilmember Lincoln, seconded by Vice Mayor Dinan, and passed unanimously.

3. APPROVAL OF CONSENT CALENDAR

Councilmember Romero pulled item 3.3 for discussion.

A motion to approve the consent calendar was made by Councilmember Romero, seconded by Councilmember Lincoln, and passed unanimously.

3.1 **East Palo Alto 2025 Cross Connection Control Plan**

3.2 **Authorize the award and execution of multiple contracts for Human Resources Support Services with a five-year contract with a possible one-year extension at the City Manager's discretion for services with a shared not-to-exceed (NTE) amount of \$400,000**

3.3 **City Council's Proposed Schedule for 2026**

Councilmember Romero and Vice Mayor Dinan posed questions regarding the 2026 Council meeting schedule. The schedule was updated to reflect a change to remove the study session meeting on December 8 and replace it with the Council reorganization meeting and to move the study session in June from June 30 to June 23.

A motion to approve item 3.3 was made by Councilmember Romero, seconded by Vice Mayor Dinan, and passed unanimously.

3.4 **City Council Meeting Minutes**

3.5 Proclamation of the City of East Palo Alto honoring Officer Paul Norris for 38 years of exemplary service to the City of East Palo Alto.

4. CLOSED SESSION

5. PUBLIC COMMENT

The following speakers provided public comments:

- Alex Young
- Jazon Auzenne
- Dakota Jenkins (via recorded video)
- Michael Mashack
- Laura Rubio
- Ravneel
- Marianna Sumina
- Gail Xizon
- Veronica Cazzalli

6. ADJOURN CITY COUNCIL REGULAR MEETING TO THE EAST PALO ALTO SANITARY DISTRICT BOARD MEETING

7. APPROVAL OF EPASD BOARD MEETING CONSENT CALENDAR

A motion to approve the EPASD consent calendar was made by Councilmember Romero, seconded by Mayor Barragan, and passed unanimously.

7.1 Award Agreements to Two Consulting Firms for Engineering On-Call Services

7.2 Cash Disbursement Report for October 2025

8. ADJOURN EAST PALO ALTO SANITARY DISTRICT BOARD MEETING AND RECONVENE CITY COUNCIL REGULAR MEETING

9. INFORMATIONAL REPORTS

9.1 2025 Summer Park Activation Results

Maurice Baker, Community Services Manager, and Vincent Amelio Recreation Program Coordinator, provided a presentation and answered questions posed by the City Council.

The following speakers provided public comments:

- Ofelia Bello
- Gail Dixon

9.2 Street Sweeping Signage Audit Project Presentation

Humza Javed, Public Works Director, and Diana Tran, Environmental Services Aide, provided a presentation and answered questions posed by the City Council.

- The following speakers provided public comments:
- Gail Dixon
- Mario Pulido

- Luis Rosas

10. **SPECIAL PRESENTATIONS**

11. **PUBLIC HEARINGS**

11.1 Introduction of Chapter 5.76 – Sidewalk Vendors Ordinance

Denise Garcia, Assistant to the City Manager, provided a presentation on item 11.1 and answered questions posed by the City Council.

The following:

- Kenia N.
- Gail Dixon
- Francisca Guzman
- Mario
- Laura Rubio
- Ravneel
- Fili

A motion to approve item 11.1 was made by Councilmember Lincon, seconded by Vice Mayor Dinan, and did not pass.

A motion to continue item 11.1 was made by Councilmember Abrica, seconded Councilmember Romero, and did not pass.

This item was continue to a future council meeting by default.

12. **POLICY AND ACTION**

12.1 Continued use of Automated License Plate Recognition Systems for Enhanced Public Safety

Jeff Liu, Chief of Police, and Lily Ho from Flock Safety, provided a presentation on item 12.1 and answered questions posed by the City Council.

The following speakers provided public comments:

- Luis Rosas
- Laura Rubio
- Francisca Guzman
- Kenia Najar
- Raneel
- Fili
- Danae Moreno
- David Watson
- Gail Dixon
- Mario
- Dylan
- Estefani Ruiz
- Janelle
- Moana
- Lavain Henderson
- Austin M.
- Xenia Hernandez

- Linda Baker
- Marianna Sumina
- Palo Mobile Estates

A motion to approve item 12.1 with the amendment that the contract would be for 3 years was made by Mayor Barragan and seconded by Vice Mayor Dinan and passed with the following votes:

Councilmember Abrica: Nay
Councilmember Lincoln: Aye
Mayor Barragan: Aye
Vice Mayor Dinan: Aye
Councilmember Romero: Nay

13. COUNCIL REPORTS

14. ADJOURNMENT

The meeting was adjourned at 11:22 PM



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: James Colin, City Clerk

SUBJECT: Resolution Modifying Regular City Council Meeting Start Times to 5:30 pm

Recommendation

Consider adopting a resolution establishing regular City Council meetings on the first and third Tuesdays of each month with a one hour earlier start time of 5:30 pm.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

East Palo Alto Municipal Code Section 2.08.010 authorizes the City Council to set the date and time of City Council meetings by resolution. The most recent resolution that establishes this schedule is Resolution No. 5061 (Attachment 2), adopted on December 18, 2018. Resolution 5061 sets regular City Council meetings for the first and third Tuesdays of each month beginning at 6:30 p.m.

Since 2018, the City Council has approved an annual meeting calendar by motion that follows the schedule established in Resolution 5061. Most recently, on December 2, 2025, the City Council approved the 2026 meeting calendar (Attachment 3), which retains regular meetings on the first and third Tuesdays at 6:30 p.m. and includes additional special meetings and study sessions with varying start times.

During the discussion of the 2026 calendar, council members expressed interest in starting

POLICY & ACTION 9.1

regular City Council meetings one hour earlier, at 5:30 p.m. The Council directed staff to prepare a resolution for Council consideration that would change the regular meeting start time from 6:30 p.m. to 5:30 p.m.

Analysis

The City Council has modified its regular meeting schedule several times over the years:

- Resolution 5 set regular meetings on the first and third Mondays at 8:00 p.m.
- Resolution 127 retained the same Mondays but changed start times to 6:45 p.m. for workshops and 7:30 p.m. for regular meetings.
- Resolution 1861 (2001) moved regular meetings to the first and third Tuesdays at 7:30 p.m.
- Resolution 5061 (2018) maintained Tuesday meetings but moved the start time to 6:30 p.m.

Beyond requiring that the Council set meeting dates and times by resolution, Municipal Code Section 2.08.010 does not impose additional requirements. Both Resolution 1861 and Resolution 5061 included findings that modifying meeting dates and times served the public interest. Consistent with this precedent, the City Council may consider whether moving the regular meeting start time to 5:30 p.m. is in the public interest.

2026 City Council Meeting Dates

On December 2, 2025, the City Council approved the 2026 meeting calendar. The calendar includes 20 regular meetings, 5 study sessions, 2 special budget meetings, and 4 special meetings, including the Saturday, February 7, 2026, City Council team-building retreat and the Tuesday, December 8, 2026, City Council Reorganization meeting. The Council may schedule additional study sessions or special meetings as needed.

Regular Meetings

The approved 2026 calendar sets all regular meetings on the first and third Tuesdays, except for the following adjustments:

- **August (4th and 18th):** Canceled for the Council's traditional August recess.
- **Holiday and Cultural Observance Adjustments:**
 - The February 17 meeting was rescheduled to Tuesday, February 24 to avoid conflict with Chinese New Year.
 - The second May budget study session was scheduled for Thursday, May 21 to avoid conflict with Eid Al-Adha.
 - The November 3 meeting was rescheduled to Tuesday, November 10 due to the November 3 election.

POLICY & ACTION 9.1

If the City Council adopts the draft resolution, all regular meetings in 2026, and these adjusted dates, would begin at 5:30 p.m.

Special Study Sessions

Special Study Sessions provide the Council dedicated time to discuss major topics such as development, infrastructure, and City finances. The 2026 calendar includes the following study sessions:

- Tuesday, March 24 at 6:00 p.m.
- Tuesday, June 9 at 6:00 p.m.
- Tuesday, June 30 at 6:00 p.m.
- Tuesday, July 28 at 6:00 p.m.
- Tuesday, September 29 at 6:00 p.m.

If the City Council adopts the draft resolution, these sessions would begin at 5:30 p.m.

Special Budget Meetings

Special budget meetings ensure the Council has sufficient time to review and adopt the City's budget before the June 30, 2026 deadline. The 2026 budget meetings are scheduled for:

- Tuesday, May 12 at 6:00 p.m.
- Thursday, May 21 at 6:00 p.m. (if needed)

If the City Council adopts the draft resolution, both budget meetings would start at 5:30 p.m.

City Council Team Building

The Council scheduled a team-building session for Saturday, February 7, 2026, from 9:00 a.m. to 1:00 p.m. This meeting would remain scheduled for a 9:00 a.m. start time unless the Council chooses to change it in the future.

Public Notice

The public was provided notice of this agenda item by posting the City Council agenda on the City's official bulletin board outside City Hall and making the agenda and report available at the City's website and at the San Mateo County Library located at 2415 University Avenue, East Palo Alto.

Environmental

The proposed action does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

Attachments

1. Resolution
2. Resolution No. 5061
3. Approved 2026 City Council Calendar
4. Proposed 2025 Calendar with 5:30 pm start times.

RESOLUTION NO. XX- 2025

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

**ESTABLISHING REGULAR CITY COUNCIL MEETINGS ON THE FIRST AND THIRD
TUESDAYS OF EACH MONTH AT 5:30 PM**

WHEREAS, East Palo Alto Municipal Code Section 2.08.010 authorizes the City Council to set the date and time of regular City Council meetings by resolution; and

WHEREAS, the City Council last established regular meeting dates and times through Resolution No. 5061, adopted on December 18, 2018, which set regular meetings on the first and third Tuesdays of each month beginning at 6:30 p.m.; and

WHEREAS, each subsequent year, the City Council has adopted annual meeting calendars consistent with Resolution No. 5061, including the 2026 meeting calendar approved on December 2, 2025; and

WHEREAS, during its discussion of the 2026 meeting calendar, the City Council expressed interest in starting regular City Council meetings one hour earlier, at 5:30 p.m., to support greater public participation, improve meeting efficiency, and accommodate community and councilmember schedules; and

WHEREAS, the City Council directed staff to prepare a resolution modifying the start time of regular City Council meetings for Council consideration; and

WHEREAS, the City Council finds that establishing a 5:30 p.m. start time for regular City Council meetings on the first and third Tuesdays of each month serves the public interest and promotes effective governance.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of East Palo Alto hereby establishes the regular City Council meetings on the first and third Tuesdays of each month beginning at 5:30 p.m.

BE IT FURTHER RESOLVED that this resolution supersedes any conflicting provisions in prior resolutions, including Resolution No. 5061, relating to the start time of regular City Council meetings.

BE IT FURTHER RESOLVED that special meetings, study sessions, and other duly scheduled meetings may continue to be held at dates and times set by the City Council in accordance with the Ralph M. Brown Act and the East Palo Alto Municipal Code.

PASSED AND ADOPTED this 16th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

RESOLUTION NO. 5061

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO
ESTABLISHING A NEW START TIME OF 6:30 PM FOR REGULAR
CITY COUNCIL MEETINGS**

WHEREAS, in 2001, the City Council adopted Resolution No. 1860 establishing that regular City Council meeting take place on the first and third Tuesdays of the month and commence at 6:30 pm; and

WHEREAS, at the December 4, 2018 City Council meeting, the Council directed City staff to bring forth a resolution changing the regular City Council meeting start time to 6:30 pm on the first and third Tuesdays of every month except for Council recess; and

WHEREAS, the City Council hereby finds and determines that it is in the public interest to establish an earlier start time for regular City Council meetings.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Affirms that regular City Council meetings take place on the first and third Tuesdays of the month;
2. Establishes a new start time of 6:30 pm for regular City Council meetings;
3. Determines that the new City Council start time shall take effect on January 15, 2019; and
4. Rescinds Resolution No. 1860.

PASSED AND ADOPTED this 18th day of December 2018, by the following vote:

AYES: WALLACE-JONES, MOODY, GAUTHIER, ROMERO

NOES: NONE

ABSENT: ABRICA


ABSTAIN: NONE

ATTEST:



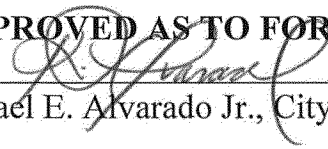
Maria Buell, City Clerk

SIGNED:



Lisa Gauthier, Mayor

APPROVED AS TO FORM:



Rafael E. Alvarado Jr., City Attorney

2026

CITY COUNCIL MEETING SCHEDULE

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	30	31	

JAN

6 - Regular Meeting @ 6:30 pm

20 - Regular Meeting @ 6:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

APR

7 - Regular Meeting @ 6:30 pm

21 - Regular Meeting @ 6:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

FEB

3 - Regular Meeting @ 6:30 pm

7 - Team Building Retreat @ 9:00 am

24 - Special Meeting @ 6:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

MAY

5 - Regular Meeting @ 6:30 pm

12 - Budget Meeting @ 6:00 pm

19 - Regular Meeting @ 6:30 pm

21 - Budget Meeting @ 6:00 pm

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

MAR

3 - Regular Meeting @ 6:30 pm

17 - Regular Meeting @ 6:30 pm

24 - Study Session @ 6:00 pm

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JUN

2 - Regular Meeting @ 6:30 pm

9 - Study Session @ 6:00 pm

16 - Regular Meeting @ 6:30 pm

23 - Study Session @ 6:00 pm

2026

CITY COUNCIL MEETING SCHEDULE

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUL

7 - Regular Meeting @ 6:30 pm

21 - Regular Meeting @ 6:30 pm

28 - Study Session @ 6:00 pm

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

OCT

6 - Regular Meeting @ 6:30 pm

20 - Regular Meeting @ 6:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUG

4 - Cancelled Meeting (Council Recess)

18 - Cancelled Meeting (Council Recess)

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

NOV

10 - Special Meeting @ 6:30 pm

17 - Regular Meeting @ 6:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

SEP

1 - Regular Meeting @ 6:30 pm

15 - Regular Meeting @ 6:30 pm

29 - Study Session @ 6:00 pm

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

DEC

1 - Regular Meeting @ 6:30 pm

8 - Reorg Meeting @ 6:00 pm

15 - Regular Meeting @ 6:30 pm

2026

CITY COUNCIL MEETING SCHEDULE

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	30	31	

JAN

6 - Regular Meeting @5:30 pm

20 - Regular Meeting @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

FEB

3 - Regular Meeting @5:30 pm

7 - Team Building Retreat @ 9:00 am

24 - Special Meeting @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

MAR

3 - Regular Meeting @ 5:30 pm

17 - Regular Meeting @ 5:30 pm

24 - Study Session @5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

APR

7 - Regular Meeting @ 5:30 pm

21 - Regular Meeting @5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

MAY

5 - Regular Meeting @ 5:30 pm

12 - Budget Meeting @ 5:30 pm

19 - Regular Meeting @ 5:30 pm

21 - Budget Meeting @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JUN

2 - Regular Meeting @ 5:30 pm

9 - Study Session @ 5:30 pm

16 - Regular Meeting @ 5:30 pm

30 - Study Session @ 5:30 pm

2026

CITY COUNCIL MEETING SCHEDULE

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUL

7 - Regular Meeting @ 5:30 pm

21 - Regular Meeting @ 5:30 pm

28 - Study Session @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

OCT

6 - Regular Meeting @ 5:30 pm

20 - Regular Meeting @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUG

4 - Cancelled Meeting (Council Recess)

18 - Cancelled Meeting (Council Recess)

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

NOV

10 - Special Meeting @ 5:30 pm

17 - Regular Meeting @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

SEP

1 - Regular Meeting @ 5:30 pm

15 - Regular Meeting @ 5:30 pm

29 - Study Session @ 5:30 pm

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

DEC

1 - Regular Meeting @ 5:30 pm

8 - Reorg Meeting @ 5:30 pm

15 - Regular Meeting @ 5:30 pm



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025
TO: Honorable Mayor and Members of the City Council
VIA: Melvin E. Gaines, City Manager
BY: Tomohito Oku, Finance Director
SUBJECT: Internal Control Policy

Recommendation

Adopt a resolution:

1. Approving the City of East Palo Alto Internal Control Policy;
2. Accepting implementation framework in response to the 2023-24 San Mateo County Civil Grand Jury Report “Assessing and Reporting Internal Controls”;
3. Receiving Internal Control Procedures Manual and Example Risk Register; and
4. Finding that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Civic Engagement

Priority: Comprehensive Housing

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Priority: Land Use, Economic and Workforce Development

Priority: Parks, Recreation, and Community Facilities

Priority: Public Health, Safety, and Quality of Life

Priority: Public Infrastructure and Utilities

Background

On June 27, 2024, the San Mateo County Civil Grand Jury issued a report titled “*Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts.*” The Grand Jury found that most agencies do not formally assess internal controls or report assessment results to their governing boards. The report issued three key recommendations (R1–R3) requiring all entities—including the City of East Palo Alto—to:

- R1: Document organizational risks and address those risks in an annual internal control assessment;
- R2: Complete an annual management assessment of internal controls; and
- R3: Report the results of the assessment to the governing board and the public.

The City submitted its official response to the Grand Jury on September 17, 2024, agreeing in part with the findings and committing to implement a structured internal control framework consistent with the U.S. GAO “Green Book” and the California State Controller’s Internal Control Guidelines for Local Agencies.

Analysis

Overview of Internal Controls and Framework

Internal controls are the policies, procedures, and activities designed to provide reasonable assurance that an organization will achieve its objectives in the areas of operations, reporting, and compliance. They serve as safeguards to protect public assets, promote accurate financial reporting, ensure compliance with laws and regulations, and prevent or detect fraud, waste, and abuse.

The City’s internal control framework follows the U.S. Government Accountability Office’s Green Book, which is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model. The COSO framework—also cited in the San Mateo County Civil Grand Jury’s findings and recommendations—provides the professional standard for designing, implementing, and evaluating internal control systems across public and private organizations.

The COSO/Green Book framework defines five interrelated components that together form the foundation of an effective internal control system:

1. **Control Environment** – The organizational culture that sets the tone for integrity, ethical values, and accountability.
2. **Risk Assessment** – The process of identifying and analyzing risks that could prevent the City from achieving its objectives.
3. **Control Activities** – The specific actions and procedures established to mitigate identified risks.
4. **Information and Communication** – The means by which relevant information is

captured, shared, and used to support internal control responsibilities.

5. **Monitoring** – Ongoing or periodic evaluations that ensure controls remain effective and deficiencies are addressed.

These components provide a comprehensive and adaptable framework for integrating internal controls into all levels of City operations—from financial management and budgeting to technology, compliance, and service delivery.

Internal control systems are designed to provide reasonable assurance, recognizing that absolute assurance is neither feasible nor cost-effective. The cost of implementing and maintaining internal controls should not exceed the benefits derived from those controls. Accordingly, the City’s approach emphasizes risk-based prioritization, allocating resources where controls provide the greatest value in reducing the likelihood or impact of errors, inefficiencies, or noncompliance.

Internal Control Policy and Implementation Framework

To comply with the Grand Jury’s recommendations and ensure practical, sustainable management of internal controls, staff proposes a framework that clearly distinguishes between Council oversight and management implementation responsibilities.

- **Internal Control Policy (Governance Framework):**
Establishes the overarching requirements, expectations, and accountability structure for internal controls. The policy sets the tone for organizational integrity, defines Council’s oversight role, and formalizes management’s responsibility for maintaining an effective internal control environment.

The policy is a Council-approved document that represents the City’s official commitment to sound internal control practices and may be amended only through Council action.

Please see the Attachment 2: City of East Palo Alto Internal Control Policy.

- **Internal Control Procedures Manual (Operational Tools):**
Provides detailed instructions, templates, and working documents necessary to implement the policy. The manual guides staff through documenting risks, conducting assessments, maintaining the Risk Register, and preparing reports to Council.

Because the manual describes administrative procedures, it is a management document that may be updated periodically by the City Manager or Finance Director to reflect organizational changes, new systems, or best practices—without requiring separate Council approval.

Please see the Attachment 3: Internal Control Procedures Manual and the Attachment 4: Example Citywide Risk Register.

This governance and management framework ensures clear accountability: the policy defines

what must be achieved and who is responsible, while the manual defines *how* those requirements are implemented and maintained. This separation allows the Council to focus on oversight and policy direction, while management retains flexibility to refine implementation tools and respond to evolving operational needs.

Policy Overview (Attachment 2)

The proposed Internal Control Policy affirms the City's commitment to:

- A comprehensive control environment based on the Green Book's five components and seventeen principles;
- Periodic documentation of citywide risks;
- Annual assessment and continuous improvement; and
- Transparent reporting to Council and the community.

Procedures Manual and Example Risk Register (Attachment 3 and 4)

The accompanying Procedures Manual details how departments will:

- Identify, rate, and document risks;
- Evaluate the design and effectiveness of related controls;
- Develop and track corrective action plans; and
- Maintain a Citywide Risk Register linked to Green Book principles across major City operations, including:
 - **Finance:** accounts payable and disbursements, payroll, treasury, cash receipting, budgeting, financial reporting, and grant compliance;
 - **Information Technology:** system user-rights management, cybersecurity controls, password and multi-factor authentication practices, and disaster-recovery readiness.

Future Reporting

The Internal Control Policy establishes ongoing reporting requirements to ensure transparency, accountability, and continuous improvement.

In accordance with the Monitoring component of the COSO/Green Book framework, management will evaluate the effectiveness of internal controls on a recurring basis and communicate the results to the City Council through formal reporting. These reports will summarize the results of risk assessments, key control activities, and corrective actions implemented, providing the Council with a structured overview of the City's internal control environment and progress over time.

Grand Jury Recommendations

Implementation of the Internal Control Policy and Procedures Manual directly fulfills the

POLICY AND ACTIONS 9.2

requirements outlined in the 2023–24 San Mateo County Civil Grand Jury report “*Assessing and Reporting Internal Controls*”:

- **R1 – Document Organizational Risks:**
Addressed through the creation and maintenance of a citywide Risk Register, supported by detailed departmental documentation processes outlined in the Procedures Manual.
- **R2 – Conduct an Annual Assessment of Internal Controls:**
Addressed through the internal assessment and evaluation framework detailed in the Policy and Manual, which establishes systematic review and validation of internal control effectiveness.
- **R3 – Report the Assessment Results to the Governing Body and Public:**
Addressed through the Annual Internal Control Report, prepared by management in accordance with the Policy’s reporting requirements and aligned with the Monitoring and Information & Communication components of the COSO/Green Book framework.

Together, these measures complete the City’s response to the Grand Jury’s recommendations and institutionalize a sustainable process for documenting, assessing, and reporting internal controls.

Fiscal Impact

Implementation will occur within existing staff resources. Any specialized training or system improvements identified through the annual assessment will be incorporated into future budget proposals.

Public Notice

The public was provided notice by making the agenda and report available on the City’s website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

POLICY AND ACTIONS 9.2

1. Resolution.
2. City's Internal Control Policy
3. Internal Control Procedure Manual
4. Example Risk Register

RESOLUTION NO. XX– 2025

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

ADOPT A RESOLUTION APPROVING THE CITY OF EAST PALO ALTO INTERNAL CONTROL POLICY; ACCEPTING THE IMPLEMENTATION FRAMEWORK IN RESPONSE TO THE 2023–24 SAN MATEO COUNTY CIVIL GRAND JURY REPORT “ASSESSING AND REPORTING INTERNAL CONTROLS”; AND RECEIVING THE INTERNAL CONTROL PROCEDURES MANUAL AND EXAMPLE RISK REGISTER

WHEREAS, on June 27, 2024, the San Mateo County Civil Grand Jury issued its report titled “*Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts*,” identifying that most agencies, including the City of East Palo Alto, do not formally document or assess internal controls or report assessment results to their governing boards; and

WHEREAS, the Grand Jury issued three recommendations—R1 (Document organizational risks), R2 (Conduct an annual internal control assessment), and R3 (Report the results to the governing body and the public)—and the City submitted its response on September 17, 2024, agreeing in part with the findings and committing to implement an internal control framework grounded in the U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government* (“Green Book”); and

WHEREAS, the City prepared a formal Internal Control Policy, which establishes the governing framework, expectations, and oversight structure for internal control management and sets forth the Council’s role in supporting a strong control environment; and

WHEREAS, staff also prepared an Internal Control Procedures Manual and Example Citywide Risk Register, which provide operational guidance, templates, and documentation tools for identifying risks, evaluating internal controls, maintaining compliance with the Green Book and COSO frameworks, and supporting preparation of the Annual Internal Control Report; and

WHEREAS, the Internal Control Policy is a Council-approved governing document, while the Procedures Manual and Risk Register are management tools that may be updated administratively by the City Manager or Finance Director to reflect organizational needs, system changes, or best practices; and

WHEREAS, implementation of the Internal Control Policy and Procedures Manual satisfies the Grand Jury’s recommendations by:

- Establishing a formal process for documenting organizational risks (R1);
- Requiring annual assessments of internal controls and continuous improvement (R2); and
- Providing for structured annual reporting to the City Council and public (R3); and

WHEREAS, the City Council desires to approve the Internal Control Policy, accept the implementation framework, and receive and file the supporting internal control documents.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action; and

2. Approves the City of East Palo Alto Internal Control Policy, attached to the Staff Report as Attachment 2;
3. Accepts the implementation framework described in the Staff Report and established through the Internal Control Policy and Internal Control Procedures Manual, constituting the City’s formal response to the 2023–24 San Mateo County Civil Grand Jury Report “*Assessing and Reporting Internal Controls*”;
4. Receives the Internal Control Procedures Manual and Example Risk Register, attached to the Staff Report as Attachments 3 and 4, recognizing that these are management documents subject to administrative updates by the City Manager or Finance Director; and
5. Finds that the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 16th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Martha Barragan, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney



CITY OF EAST PALO ALTO

Internal Control Policy

December 16, 2025

1. Purpose

The purpose of this Internal Control Policy is to establish a structured, Citywide framework for designing, implementing, and maintaining effective internal controls that promote operational efficiency, ensure reliable financial reporting, safeguard public assets, support compliance with laws and regulations, and reinforce public trust in the City of East Palo Alto.

This Policy represents the City Council's commitment to sound governance and accountability. It establishes the expectations and requirements that guide the City's internal control environment.

2. Authority and Scope

This Policy is approved by the City Council and applies to all City departments, offices, divisions, programs, systems, and activities. Management is responsible for implementing this Policy and ensuring that internal controls are embedded in all work processes, systems, and decision-making activities.

This Policy may be amended only by City Council action.

Detailed procedures, templates, risk registers, and implementation tools are provided in the Internal Control Procedures Manual, a management document that may be updated periodically by the City Manager or Finance Director without Council approval.

3. Internal Control Framework

The City adopts the U.S. Government Accountability Office's Standards for Internal Control in the Federal Government (GAO "Green Book") as its foundational internal control framework. The Green Book is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model.



CITY OF EAST PALO ALTO

Internal Control Policy

December 16, 2025

The Green Book identifies five interrelated components of internal control:

1. **Control Environment** – Sets the organizational tone, establishes integrity and ethical values, and assigns authority, responsibility, and accountability.
2. **Risk Assessment** – Identifies, analyzes, and prioritizes risks related to achieving objectives.
3. **Control Activities** – Implements actions such as approvals, reconciliations, segregation of duties, and other procedures to mitigate risks.
4. **Information and Communication** – Ensures relevant, timely, and quality information is shared internally and externally to support control responsibilities.
5. **Monitoring** – Evaluates the effectiveness of internal controls over time and promptly addresses deficiencies.

These components provide a structure for integrating internal controls into all levels of City operations—including financial management, budgeting, procurement, payroll, technology, compliance, grants, and service delivery.

Internal controls provide reasonable assurance, recognizing that the cost of internal controls should not exceed the benefits derived and that absolute prevention of all errors or irregularities is not feasible.

4. Responsibilities

City Council

- Approves this Policy and any subsequent amendments.
- Provides oversight by reviewing annual internal control reports prepared by management.

City Manager

- Ensures management implements the requirements of this Policy.



CITY OF EAST PALO ALTO

Internal Control Policy

December 16, 2025

- Oversees development and maintenance of the Internal Control Procedures Manual.

Finance Director

- Leads the Citywide internal control program.
- Maintains the Risk Register, internal control assessment tools, and documentation standards.
- Coordinates the preparation of the Annual Internal Control Report.

Department Directors and Managers

- Implement internal controls within their areas of responsibility.
- Identify and document risks, controls, and corrective actions.
- Ensure staff are appropriately trained on internal control practices.

City Employees

- Follow established internal control procedures.
 - Promptly report control deficiencies, irregularities, or noncompliance to management.
-

5. Risk Documentation

Management shall maintain an up-to-date Citywide Risk Register, including:

- Identification of risks across financial, operational, compliance, information technology, and reputational categories;
- Assessment of risk likelihood and potential impact;
- Assignment of departments responsible for managing particular risks;
- Identification of risk control activities and corrective actions.



CITY OF EAST PALO ALTO

Internal Control Policy

December 16, 2025

Risk documentation must be updated annually, and whenever organizational or operational changes occur including events that materially affect workflows, internal controls, or how the City conducts its operations.

6. Annual Assessment of Internal Controls

Management shall perform a Citywide assessment of internal controls annually.

The assessment must:

- Evaluate whether identified risks are mitigated by effective control activities;
- Determine whether controls are properly designed, implemented, and operating as intended;
- Identify control gaps or deficiencies requiring corrective action.

This assessment shall be coordinated by the Finance Director, with active participation from all departments.

7. Corrective Action Plans

When deficiencies are identified, management shall develop Corrective Action Plans (CAPs) that include:

- The nature of the deficiency;
- Actions needed to remediate it;
- Responsible staff or departments;
- Target completion dates; and
- Progress tracking.

CAPs must be monitored regularly until resolved.

8. Reporting Requirements



CITY OF EAST PALO ALTO

Internal Control Policy

December 16, 2025

Consistent with the Monitoring and Information & Communication components of the COSO/Green Book framework:

- Management shall prepare an Annual Internal Control Report for City Council review.
- The report shall summarize:
 - Results of the annual assessment;
 - Significant risks and control activities;
 - Identified deficiencies and corrective actions;
 - Progress toward continuous improvement (as defined below).
 - Updates to the Internal Control Procedures Manual.

The Annual Report serves as the City's formal reporting mechanism and supports transparency and accountability in City operations.

9. Continuous Improvement

Internal controls are dynamic and must evolve with changes in staffing, technology, laws, organizational structure, and service delivery. Management shall continuously refine internal controls and update procedures in the Internal Control Procedures Manual to reflect emerging risks and best practices.



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

1. Purpose and Relationship to Policy

This Internal Control Procedures Manual (“Manual”) provides the detailed processes, expectations, and tools necessary to implement the City of East Palo Alto Internal Control Policy (“Policy”).

The Policy sets forth the Council-approved requirements and overarching responsibilities. This Manual provides operational guidance on how departments and staff meet those requirements.

This Manual may be updated administratively by the City Manager or Finance Director to reflect changes in organizational structure, technology, legal requirements, or best practices—without additional City Council action. In accordance with City Council approved Internal Control Policy (Section 8. Reporting Requirements), changes to this manual will be reflected in the Annual Internal Control Report.

2. Internal Control Framework

The City bases its internal control system on the U.S. Government Accountability Office’s Standards for Internal Control in the Federal Government (“Green Book”), which in turn incorporates the COSO Internal Control—Integrated Framework.

This ensures that the City’s internal control environment is aligned with widely recognized professional standards and consistent with the framework referenced by the 2023–24 San Mateo County Civil Grand Jury Report.

The Green Book organizes internal control into five integrated components, supported by 17 principles, which together provide a comprehensive structure for designing, implementing, and evaluating internal controls.

The components and their roles within the City’s internal control system are described below.

2.1 Control Environment

The Control Environment is the foundation of the City’s internal control system. It establishes the tone, culture, and expectations that influence how staff carry out their responsibilities.

A strong control environment includes:

- Demonstrated commitment to integrity, ethical values, and accountability.



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- Clear assignment of authority and responsibility across departments.
- Organizational structure that supports effective oversight.
- Competent and well-trained personnel.
- Enforcement of standards of conduct and professional behavior.

This component sets the tone at all levels and creates the conditions that enable effective internal controls.

2.2 Risk Assessment

Risk Assessment involves identifying and analyzing internal and external risks that could prevent the City from achieving its objectives. It includes:

- Identifying risks to operations, reporting, compliance, IT, and financial management.
- Evaluating the likelihood and impact of risks.
- Considering changes in staffing, systems, regulations, or conditions.
- Assessing fraud risks, including opportunity, pressure, and rationalization.
- Forming a basis for determining how identified risks should be mitigated.

This process is dynamic and must be updated periodically to reflect changing conditions and priorities.

2.3 Control Activities

Control Activities are the actions, procedures, and mechanisms in place to mitigate risks and ensure that directives are carried out. These include:

- Approvals, authorizations, and supervisory reviews.
- Reconciliations and verifications.
- Segregation of duties and access restrictions.
- System-enforced controls and automated validations.
- Policies, procedures, and documented workflows.



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

Control Activities operate at all levels of the City—entity-wide, departmental, and process-specific—and are both preventive and detective in nature.

2.4 Information and Communication

Information and Communication ensure that relevant, accurate, and timely information is captured and communicated to support internal control responsibilities. Effective communication includes:

- Internal communication across departments and levels of management.
- Clear dissemination of policies, procedures, and expectations.
- Reliable data systems that support operations and reporting.
- External communication with stakeholders, auditors, granting agencies, and the public.

This component ensures that staff have the information they need to perform their duties and that the City communicates effectively inside and outside the organization.

2.5 Monitoring Activities

Monitoring ensures that internal controls are present and functioning over time. It includes:

- Ongoing monitoring through daily supervisory activities.
- Periodic evaluations through internal control assessments, audits, or reviews.
- Identification and timely remediation of control deficiencies.
- Verification that Corrective Action Plans (CAPs) are implemented effectively.
- Continuous assessment of whether internal controls remain aligned with risks and changing operations.

Monitoring provides feedback on the effectiveness of internal controls and supports continuous improvement.

3. Foundational Internal Control Concepts



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

To ensure a shared understanding of internal controls across the City, the following concepts apply to all departments.

3.1 Segregation of Duties

Segregation of duties reduces the risk of errors, misuse, or fraud by ensuring that no single individual controls all phases of a transaction. Duties involving:

- authorization,
- custody of assets,
- recordkeeping, and
- reconciliation

should be separated whenever feasible.

When staffing constraints prevent full separation, compensating controls (e.g., supervisory review or independent checks) must be implemented.

3.2 Types of Controls

Departments must maintain a mix of control types, including:

- Preventive controls (e.g., approvals, segregation of duties)
- Detective controls (e.g., reconciliations, audits, exception reports)
- Manual controls (performed by staff)
- Automated controls (system-enforced)
- Compensating controls (when ideal controls are not practical)

Effective processes generally include both preventive and detective controls.

3.3 Fraud Risk Awareness (Fraud Triangle)

Fraud risk is generally present when three conditions exist:

- Opportunity to commit and conceal the act
-



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- Pressure or motive pushing the individual toward misconduct
- Rationalization that justifies the behavior

Managers should incorporate fraud awareness into process design and regularly assess opportunities for misuse.

3.4 Documentation and Evidence Expectations

Staff must maintain documentation supporting control execution, including approvals, reconciliations, reviews, logs, audit trails, and system reports. Controls that are not documented are considered not performed.

3.5 Reasonable Assurance and Cost–Benefit Principle

Internal controls provide reasonable, not absolute, assurance. Departments should balance the cost and benefit of controls, ensuring that controls reduce risk without creating unnecessary administrative burden.

4. Roles and Responsibilities

City Manager

- Ensures implementation of the Policy and this Manual across departments.
- Approves updates to this Manual.

Finance Director

- Leads the Citywide internal control program.
- Maintains Risk Register, assessment tools, and documentation standards.
- Coordinates the Annual Internal Control Report.

Department Directors

- Establish control practices within their operations.
- Ensure staff comply with internal control requirements.

Supervisors and Managers



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- Implement controls in daily workflow.
- Monitor control performance and address deficiencies.

All City Employees

- Follow all internal control procedures.
 - Report irregularities or suspected fraud promptly.
-

5. Risk Documentation Procedures

5.1 Annual Risk Identification

Each department must identify risks in the following categories:

- Financial
- Operational
- Compliance
- Information technology and cybersecurity
- Reputational (Risks that may harm the City's public trust, credibility, or perceived integrity)

5.2 Risk Register

Departments must use the Citywide Risk Register Template (Appendix A) to document:

- Risk descriptions
- Likelihood and impact ratings
- Related Green Book principles
- Existing controls
- Gaps or weaknesses
- Corrective Actions Plans (if applicable)
- Responsible staff
- Target completion dates



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

5.3 Updates

- Updated annually as part of the internal control assessment.
 - Updated immediately if significant operational or regulatory changes occur including events that materially affect workflows, internal controls, or how the City conducts its operations.
-

6. Internal Control Assessment Procedures

6.1 Assessment Scope

Annual assessments evaluate:

- Control design and effectiveness
- Segregation of duties
- Authorization protocols
- IT security and access
- Finance and operational compliance
- Corrective action progress
- Alignment with the Green Book's 17 principles

6.2 Assessment Tools

The Risk Register (separate worksheet) serves as the *single, comprehensive documentation tool* for the City's internal control assessment.

All assessment activities—including walkthroughs, interviews, documentation reviews, and evaluation of control design and effectiveness—must be recorded directly in the Risk Register.

Departments and the Finance team must use the Risk Register to document:

- **Staff interviews**, understanding the process and how related controls are designed and in place
- **Process walkthroughs**, walking through and observing a transaction or process and assessing if controls are properly designed and in place
- **Review of documentation and evidence**, supporting control performance



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- **Identification of deficiencies**, identifying and documenting any deficiencies of controls
- **Corrective Action Plans**, responsibility assignments, and timelines
- **Alignment with applicable COSO/Green Book principles**

By consolidating all assessment information into a single document, the City ensures a clear, auditable, and complete record of the department's internal control evaluation.

6.3 Assessment Steps

1. Finance issues guidance and timeline
2. Departments complete self-assessment and update Risk Register
3. Finance conducts evaluations and walkthroughs
4. Finance identifies deficiencies or improvement needs
5. Departments finalize Corrective Action Plans
6. Finance consolidates findings for the Annual Internal Control Report

7. Corrective Action Plan Procedures

7.1 When a CAP Is Required

A Corrective Action Plan (CAP) is required when a deficiency is identified in an assessment, audit, or evaluation.

7.2 CAP Components

Each CAP must include:

- Description of the deficiency
- Identification of the root cause of the deficiency
- Proposed corrective actions
- Responsible staff or department
- Target completion date
- Resource needs
- Status and closure documentation



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

7.3 Monitoring

- Finance monitors CAPs quarterly
 - Departments provide updates
 - Significant, overdue, or high-risk CAPs are escalated to the City Manager
-

8. High-Level Overview of Controls for City Operational Areas

8.1 Cash Receipts

Effective cash receipting controls ensure accuracy, security, and complete recording of City revenues and other receipts. Controls should ensure that:

- All incoming payments are logged immediately using receipts, system entries, or collection logs.
 - Cash and checks are secured in locked, access-controlled locations.
 - Collection, recording, and reconciliation duties are separated or supported by compensating controls.
 - Deposits are made intact, timely, and verified by supervisors.
 - Regular reconciliations compare logs, system totals, and bank activity.
 - Voids, refunds, or adjustments receive documented supervisory review.
 - Electronic receipting systems maintain audit trails and appropriate access controls.
-

8.2 Accounts Payable (AP) / Cash Disbursements

Controls ensure only authorized and valid payments are made. Controls should ensure that:

- Invoices are accurate, supported, and matched to purchase orders and receiving documentation.
 - Approval routing follows defined authority levels.
 - A three-way match is performed before payment.
-



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- Vendor master file access is restricted to limited finance staff and changes are independently reviewed.
 - Payments occur only after full documentation and review by finance management staff.
 - Voided checks or exceptions receive supervisory review and documentation.
 - Reconciliations compare AP records with the general ledger and banking activity.
-

8.3 Payroll

Payroll controls ensure accurate, authorized compensation. Controls should ensure that:

- Only employees in authorized positions are paid.
 - Changes to pay or status are supported by approved personnel action forms (PAFs).
 - Timekeeping is accurate and reviewed by supervisors.
 - Payroll duties (entry, calculation, authorization) are segregated.
 - Payroll registers are reviewed by finance management staff before final processing.
 - Terminated employees are removed promptly from the payroll system.
 - Payroll-related accounts are reconciled periodically
-

8.4 General Ledger & Financial Reporting

Controls ensure financial accuracy and compliance. Controls should ensure that:

- Journal entries are documented and approved independently.
 - Adjustments include clear explanations and supporting evidence.
 - Monthly reconciliations of key accounts are prepared and reviewed.
 - Financial reports undergo supervisory review for accuracy and reasonableness.
 - Period-end closing procedures are standardized and documented.
 - Significant variances or unusual trends are investigated.
 - Supporting documentation is retained in accordance with City retention schedules.
-



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

8.5 Grants Management

Controls ensure compliance with grant requirements. Controls should ensure that:

- Award documents, terms, and compliance requirements are maintained and communicated.
 - Expenditures charged to grants are allowable and properly documented.
 - Grant activity is tracked separately within the financial system.
 - Reimbursement requests include all required supporting documentation.
 - Departments coordinate with Finance on reporting and compliance.
 - Grant budgets are monitored regularly for variances.
 - Audit requirements (including Single Audit) are understood and followed.
-

8.6 Treasury & Cash Management

Controls ensure safety, liquidity, and compliance. Controls should ensure that:

- Investment activities comply with the City's Investment Policy and applicable law.
 - Duties related to authorization, processing, and recordkeeping are separated.
 - Electronic banking uses dual authorization and authentication controls.
 - Bank accounts are reconciled monthly, with discrepancies resolved.
 - Cash flow is forecasted to meet operational and debt obligations.
 - Access to banking systems is restricted and periodically reviewed by finance management staff.
 - Documentation is retained for audit and oversight.
-

8.7 Procurement & Contracting

Controls ensure integrity and transparency in City purchasing. Controls should ensure that:

- All procurements comply with City policy and state and federal requirements.
-



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- Authority limits and approval requirements are followed.
- Conflicts of interest are disclosed and avoided.
- Contracts undergo review for scope, pricing, insurance, and legal compliance.
- Goods and services received are verified prior to payment approval.
- Contract performance is monitored and documented.
- Procurement documentation is retained for transparency and audit.

8.8 Information Technology & Cybersecurity

Controls protect City systems and data. Controls should ensure that:

- User access aligns with job duties and is reviewed regularly.
- Passwords and authentication comply with security standards.
- System changes follow change-management procedures.
- Data backup and disaster recovery processes are tested periodically.
- Cybersecurity threats are monitored and incidents are documented.
- Physical and logical system access is restricted and monitored.
- IT and cybersecurity risks are included in the Risk Register.

8.9 Compliance with Laws and Regulations

Controls ensure the City adheres to applicable laws, regulations, policies, and contract terms. Controls should ensure that:

- Staff understand applicable legal and regulatory requirements.
- Procedures reflect federal, state, and local laws; grant conditions; and adopted City policies.
- Regulatory changes are identified and incorporated promptly.
- Transactions are documented to demonstrate compliance.
- Supervisors review work to ensure adherence to legal and regulatory requirements.



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

- Compliance risks are documented and addressed in the Risk Register.
 - Corrective Action Plans are developed promptly to resolve compliance deficiencies.
 - Compliance topics are included in staff training and internal communication.
-

8.10 Budgetary Control

Budgetary controls ensure that public funds are used in accordance with City Council appropriations, legal requirements, and adopted priorities. Controls should ensure that:

- City Council establishes appropriations and no expenditures exceed these amounts without authorized amendments or transfers.
 - Departments routinely monitor their budgets to ensure spending aligns with approved funding levels and intended purposes.
 - Budget-to-actual reports are reviewed by managers, with variances identified, explained, and resolved.
 - Budget adjustments or transfers comply with City policy and include required approvals and documentation.
 - Multi-year projects, grants, and capital programs are monitored to ensure consistency with approved budgets and funding sources.
 - Position control ensures staffing levels and compensation remain aligned with authorized positions in the adopted budget.
 - Financial forecasts and expenditure trends are reviewed to anticipate and address emerging risks or imbalances.
 - Budgetary requirements—such as Gann Limit compliance, fund restrictions, and cost-recovery mandates—are incorporated into monitoring processes.
 - Documentation supporting budget decisions and monitoring activities is retained for transparency and audit.
 - Budget monitoring results inform the annual internal control assessment and Risk Register updates.
-

9. Documentation Standards



CITY OF EAST PALO ALTO

Internal Control Procedures Manual

Updated: December 16, 2025

Departments must maintain:

- Control evidence (logs, approvals, reconciliations)
- Delegation of authority documentation
- IT access and security documentation
- Financial and operational process instructions
- Required regulatory and grant compliance records
- Records in accordance with the City's retention schedule

Controls without documentation are considered incomplete.

10. Monitoring & Continuous Improvement

- Supervisors conduct day-to-day monitoring.
 - Finance performs annual internal control assessments.
 - Monitoring results inform updates to procedures, training, and controls.
 - Controls evolve to address changing risks, technology, and regulations.
-

11. Annual Internal Control Report

- Finance prepares the Annual Internal Control Report summarizing assessment results, corrective action progress, and improvements.
- The City Manager reviews and approves the draft report.
- The City Council annually reviews and approves the final report.
- The report shall be publicly available for transparency.

Risk ID	Risk Description	Category	Green Book Principle(s)	Likelihood	Impact	Existing Controls	Control Gaps	Mitigation Plan / Actions	Responsible Dept.	Target Date	Status
R-AP-01	Unauthorized or duplicate vendor payments in Accounts Payable	Financial	Principle 10 – Control Activities; Principle 8 – Fraud Risk	Medium	High	Segregation of duties; 3-way match	Limited monitoring of duplicate vendors	Implement vendor master file review; quarterly AP audit	Finance	12/31/2025	Open
R-AP-02	Delays in vendor payments affecting vendor relations	Operational / Reputational	Principle 12 – Control Activities	Medium	Medium	Standard AP workflow	No backup approver	Cross-train staff; adopt deputy AP approver policy	Finance	3/31/2025	In Progress
R-CR-01	Theft or misappropriation of cash receipting	Financial	Principle 10 – Control Activities; Principle 7 – Risk Identification	Low	High	Cash drawer reconciliation; armored transport	No surprise audits	Introduce random cash counts by Finance	Finance / Clerk	6/30/2025	Open
R-CR-02	Delayed bank deposits of cash receipts	Financial	Principle 16 – Monitoring	Medium	Medium	Daily deposit policy	Policy not consistently enforced	Automate reconciliation; implement cash receipting system	Finance / Treasury	12/31/2025	Open
R-PY-01	Inaccurate payroll processing (overtime miscalculation, miscoding)	Financial / Compliance	Principle 10 – Control Activities; Principle 15 – Reporting	Medium	High	Payroll system controls; HR approval	Lack of automated exception reporting	Implement exception-based payroll audit	HR / Finance	9/30/2025	Not Started
R-PY-02	Unauthorized payroll changes (ghost employees)	Fraud	Principle 8 – Fraud Risk; Principle 11 – Information & Communication	Low	High	New hire/termination approvals	No periodic user access audit	Quarterly payroll master file reconciliation	HR / Finance	12/31/2025	Open
R-TR-01	Liquidity shortfall due to poor cash forecasting	Financial	Principle 6 – Define Objectives; Principle 9 – Identify Change	Medium	High	Monthly treasury reports	Forecast not linked to CIP/budget	Implement rolling cash forecast model	Finance / Treasury	6/30/2025	Open
R-FR-01	Material misstatements in financial reporting	Financial	Principle 14 – Monitoring; Principle 15 – Reporting	Medium	High	Annual audit; CAFR prep	Limited interim reporting	Quarterly financial statement preparation	Finance	3/31/2025	Open
R-BD-01	Budget overruns due to inadequate monitoring	Financial / Operational	Principle 6 – Define Objectives; Principle 14 – Monitoring	Medium	High	Budget adoption; midyear review	Lack of monthly variance reporting	Implement monthly budget-to-actual reporting to CM	Finance / City Manager	12/31/2025	Open
R-GR-01	Noncompliance with federal grant requirements (e.g., Uniform Guidance)	Compliance	Principle 17 – Remediation of Deficiencies; Principle 7 – Risk Identification	Medium	High	Single Audit; grant manager reviews	No centralized grants compliance log	Establish centralized grants compliance calendar	Finance / Depts.	9/30/2025	In Progress
R-GR-02	Late submission of grant reports leading to loss of funding	Compliance / Reputational	Principle 13 – Information & Communication	Low	High	Department reporting	No standardized deadlines	Centralize reporting deadlines in City Clerk system	Finance / Clerk	6/30/2025	Open
R-IT-01	Unauthorized system access due to weak user rights management	IT / Security	Principle 11 – Information & Communication; Principle 12 – Control Activities	High	High	IT account provisioning process	No quarterly user access review	Conduct quarterly user rights audit	IT / Finance	3/31/2025	In Progress
R-IT-02	Cyberattack due to poor password practices	IT / Security	Principle 10 – Control Activities	High	High	Password change policy	No MFA requirement	Enforce 12-char passwords + MFA	IT	6/30/2025	Open
R-IT-03	System downtime impacting financial operations	Operational	Principle 16 – Monitoring	Medium	High	Local backups	No offsite/cloud redundancy	Adopt cloud-based disaster recovery solution	IT	12/31/2025	Not Started
R-IT-04	Phishing attack leading to ransomware	IT / Security	Principle 8 – Fraud Risk; Principle 13 – Information & Communication	High	High	Spam filter; IT awareness training	Training not mandatory	Implement mandatory annual IT security training	IT / HR	9/30/2025	Open



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: December 16, 2025

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Orly Amey, Assistant to the City Manager
Jeff Liu, Police Chief

SUBJECT: Authorization to Award Five-Year Agreement to LAZ Parking to Provide Parking Enforcement and Staffing Services

Recommendation

1. Receive a presentation on the competitive procurement process leading to the recommendation to select LAZ Parking as the vendor to provide Parking Enforcement;
2. Provide staff direction on the preferred level of parking enforcement service (Baseline, Expanded, or Comprehensive 24-Hour Coverage); and
3. Adopt a Resolution:
 - a. Authorizing the City Manager to award, negotiate and execute a five-year agreement with LAZ Parking, in a form approved by the City Attorney, at the cost of the preferred level of parking enforcement service; and
 - b. Finding the proposed action does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(5) in that it is a governmental administrative activity that will not result in direct or indirect changes in the environment.

Executive Summary

For parking enforcement, the City of East Palo Alto currently relies on Community Service Officers (CSOs), who split their time among multiple public-safety duties and cannot sustain consistent citywide parking enforcement. This lack of dedicated staffing has resulted in persistent community concerns regarding street sweeping compliance, abandoned vehicles, blocked driveways, and long-term on-street vehicle storage.

The City issued a request for proposals (RFP) on October 14, 2025, seeking a qualified contractor to provide comprehensive parking enforcement and staffing services to expand the City’s capacity. Staff received, evaluated, and scored four proposals based on published selection criteria. Following evaluation and interviews, LAZ Parking emerged as the most qualified and responsive proposer, offering a high-quality, community-centered program with proven experience in neighboring jurisdictions. Staff recommends awarding the City’s parking enforcement contract to LAZ Parking and implementing a phased, ambassador-based rollout for the first month of service, consistent with the firm’s proposal.

If the City Council wishes to award to LAZ Parking, it will need to provide further direction to staff on which of three service levels to select: Baseline Service (daytime coverage), Expanded Coverage (flexibility in enforcement) or Comprehensive 24-Hour Coverage. Thereafter, staff would negotiate the contract, and then the vendor would begin implementation.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Priority: Public Health, Safety, and Quality of Life

Background

Parking management remains one of East Palo Alto’s most visible and frequently raised concerns. Residents consistently cite issues such as long-term vehicle storage, blocked driveways, abandoned cars, and inconsistent street-sweeping compliance as quality-of-life and environmental impacts. These concerns have intensified in recent years as residential density has increased and more households rely on public streets for daily and overnight parking.

Currently, parking enforcement is performed by Community Service Officers (CSOs). CSOs are highly committed and deeply involved in community policing; they are responsible for a wide range of duties including general patrol, administrative support, and responding to traffic collisions, leaving little time for proactive parking enforcement. As a result, parking enforcement in East Palo Alto has been reactive, inconsistent, and primarily limited to street-sweeping operations. This staffing model does not address the volume or complexity of today’s parking-related concerns. Recognizing these limitations, the City Council included “Expand Parking Enforcement Capacity” as a priority project under the Fiscal Year 2025-2027 Work Plan.

Analysis

RFP Process

On October 14, 2025, the City issued an RFP seeking experienced firms to provide parking enforcement and staffing services. The RFP was posted on the City’s website and distributed to many firms who provide such services. By the November 17, 2025, submission deadline, the City received four proposals from parking enforcement firms. Each proposal was evaluated using

the selection criteria outlined in the RFP:

- Approach and Work Plan (20 points)
- Firm & Team Qualifications (20 points)
- References (20 points)
- Responsiveness & Service Quality (20 points)
- Cost Proposal (10 points)

The attached rubric was developed to delineate each criteria further. Two Police Captains and an Assistant to the City Manager reviewed all four proposals using a standardized scoring rubric based on the foregoing selection criteria. LAZ Parking, the highest-rated firm was invited to participate in an interview conducted on December 10, 2025, allowing the panel to further assess the firm’s understanding of and approach to the City’s needs.

Recommended Contract Award

Following proposal review and interviews, staff identified LAZ Parking as the most qualified, cost-effective, and operationally prepared proposer. LAZ Parking provides municipal parking enforcement in communities across Northern California, including Palo Alto, San Mateo, San Bruno, Salinas, South San Francisco, and San Leandro. Its proposal demonstrates strong familiarity with the enforcement needs of high-density residential communities, as well as alignment with the City’s expectations for a service model that is fair, community-oriented, and focused on behavior change, as opposed to volume of citations issued.

As part of the evaluation process, staff also conducted reference checks with the Police Departments in San Mateo and South San Francisco. Both agencies spoke highly of LAZ Parking’s professionalism, responsiveness, and operational reliability, and strongly recommended the firm. These departments also provided valuable operational insights regarding deployment and communication, which reinforced staff’s confidence in LAZ Parking’s ability to meet East Palo Alto’s needs.

Of the four proposals received, two were deemed non-responsive. One proposal focused primarily on airport and ground-transportation services and did not demonstrate the capacity to perform the municipal parking enforcement scope outlined in the RFP. The second non-responsive proposal was geared toward implementing a paid parking system with meters and permitting infrastructure, which does not align with the City’s current needs or policy direction.

A third proposal, submitted by the second highest-rated proposer, demonstrated that the firm was capable of performing the required scope of work. However, the firm has limited experience providing parking enforcement services in San Mateo County, and its proposed cost was not competitive—more than twice as expensive as the top proposer. As a result, while technically responsive, the proposal did not represent the best value for the City.

Based on its strong qualifications, competitive pricing, and relevant operational experience, staff recommends LAZ Parking as the most suitable vendor to deliver the Parking Enforcement and Staffing Services program.

LAZ Parking employs a “community-first enforcement philosophy,” and its Ambassador Program model, described below, will support cleaner streets, predictable coverage, and responsive neighborhood service during early implementation of the parking enforcement program. This model prioritizes education and voluntary compliance.

Operational Model and Patrol Approach

LAZ Parking’s operational model is built around a beat-based deployment strategy (using EPA PD’s pre-existing beats), which would establish clearly defined geographic patrol zones throughout the City. Each beat is patrolled proactively every day under baseline service, with complaint-driven enforcement layered on top. LAZ Parking’s mobile-friendly complaint submission form is included at no extra cost in its model.

Under all service levels, the program includes: GPS-enabled hybrid vehicles with Samsara telematics to verify beat coverage; officers equipped with TurboData handheld citation issuance devices and body cameras; structured supervisory oversight, including daily audits and joint reviews with City staff; and a partnership model with EPAPD to ensure enforcement aligns with community expectations. LAZ Parking is prepared to work closely with EPAPD to deliver consistent, visible, and trusted enforcement across all neighborhoods.

Community Education and Ambassador-Style Rollout

A core component of LAZ Parking’s approach, and one of the elements that most clearly distinguishes its proposal, is the structure and function of the Ambassador Program, which is designed to introduce the City’s new parking enforcement services in a community-centered, educational, and non-punitive manner. The Ambassador Program is included at no extra cost and reflects LAZ’s “community-first enforcement philosophy” described in its proposal and interview. This Program is intended to establish trust, reduce confusion, and support voluntary compliance before the formal enforcement period begins.

Under this program, LAZ Parking deploys trained staff into the community approximately one month prior to the start of citation enforcement, at no additional cost to the City. These ambassador personnel are uniformed but do not issue citations. Instead, their role is to serve as the public-facing introduction to the program, helping residents and businesses understand what to expect, why the City is implementing contracted enforcement, and how the upcoming changes will affect daily parking habits. Ambassadors spend this period conducting outreach on foot and in vehicles, distributing educational materials, answering questions, and providing clear explanations of the parking rules most relevant to each neighborhood such as street sweeping times, red and yellow curb restrictions, blocked driveways, safety hazards, and common violations that currently generate complaints.

The Ambassador Program also allows LAZ Parking and City staff to jointly observe patterns of behavior, identify chronic problem locations, and refine beat configurations prior to issuing citations. This early presence creates an opportunity to build rapport with residents, reduce anxiety or misconceptions about enforcement, and establish a culture of fairness and clarity

around the new system. Because Ambassadors document what they see in the field, the City also receives early insight into operational needs and community readiness, which helps ensure a smoother transition into full implementation.

The Ambassador Program advances the City’s objective of reducing parking complaints by focusing on education first. By providing warnings, guidance, and in-person explanations rather than immediate punitive action, the City signals that the purpose of the program is to improve neighborhood accessibility and quality of life, not to generate citation revenue. This method aligns with Council’s preference for determining program success through community outcomes rather than citation volume.

In addition to the one-month early rollout, LAZ also provides “Parking Checkup Days” during the first months of enforcement, another no-cost enhancement. These events allow LAZ Parking and City staff to visit problem areas together, answer resident questions, reinforce the educational messaging, and visibly demonstrate the City’s commitment to transparency and responsiveness.

Through this structured and proactive approach, the Ambassador Program serves as a bridge between historic enforcement practices and the new contracted model. It helps ease the community into the transition, ensures residents feel informed and respected, and lays the groundwork for stable, trusted, and effective enforcement over the long term.

Fixed-Fee Cost Structure

LAZ Parking proposes a fully inclusive, fixed annual fee for each service level that includes:

- All labor and supervision
- New hybrid enforcement vehicles equipped with GPS and Samsara telematics
- TurboData-integrated handheld devices that integrate with existing technology used by the City’s Police Department
- Uniforms and officer body cameras
- Training and safety equipment
- Fuel, vehicle maintenance, insurance, and technology replacement

LAZ Parking’s fixed-fee cost structure model ensures that the City will not see add-on charges for operational items, providing the City long-term budget predictability and reduction of administrative burden. Laz Parking’s quote for five-year pricing includes an annual increase of 3% cost of living adjustment (COLA) in service years two through five, reflecting current Bay Area labor conditions. Annual cost details are provided below for the three service levels.

Service Level Options

As requested in the RFP, LAZ Parking has provided three service level options, which correspond to different degrees of enforcement presence and community impact. Council direction is required to select a preferred level.

Option 1. Baseline Service

The Baseline service level includes:

- Daytime coverage (M–F, roughly 8 a.m.–6 p.m.)
- Daily beat patrols
- Two-hour complaint response during service hours
- All technology, vehicles, supervision, and equipment

Baseline service addresses Citywide daytime parking enforcement needs but does not include evening, overnight, or weekend enforcement. As such, the program may have limited impact on chronic nighttime storage including commercial vehicle storage complaints, driveway blockages occurring after hours, and weekend congestion.

Under the supplemental cost proposal, the Baseline Service level includes fixed annual pricing with a 3% COLA applied annually in Years 2 through 5. The pricing for this service level is as follows:

- Year 1: \$209,684
- Year 2: \$215,975
- Year 3: \$222,454
- Year 4: \$229,128
- Year 5: \$236,002

FIVE-YEAR TOTAL: \$1,113,243

Rationale: Dedicated coverage more than doubles current enforcement hours, producing a sustainable increase in enforcement visibility and compliance.

Option 2. Expanded Coverage

The Expanded Coverage service level includes all elements of Baseline Service, including daily beat patrols, weekday enforcement aligned with core parking regulations, and complaint response standards. Under this option, the City would not lose any baseline enforcement functions.

What differentiates Expanded Coverage is how enforcement hours are deployed, not the overall scope of services. Expanded Coverage allows the City to reallocate a portion of standard weekday enforcement hours to address early morning, evening, or weekend periods, which have been identified as the City’s most common parking complaint windows.

Under this model, the City would work directly with LAZ Parking to design and direct the enforcement schedule based on local priorities. For example, the City could elect to:

- Shift enforcement start times for one Parking Enforcement Officer later on certain weekdays to extend coverage into the evening; or

- Reallocate one Parking Enforcement Officer’s weekday shift to provide targeted weekend enforcement, such as on Saturdays.

These adjustments would be implemented within the fixed annual cost for Expanded Coverage and would not increase total staffing levels beyond those included in this service tier.

As a result, Expanded Coverage involves tradeoffs rather than additions. While the City would gain enforcement presence during higher-impact periods determined by the City, coverage during some standard weekday hours may be reduced or redistributed. This option is intended to potentially address Council’s desire to address parking issues that occur outside traditional business hours, without moving to the comprehensive 24-hour enforcement service level.

LAZ identifies this service level as a flat-rate annual cost that does not increase in Years 2–5, making it the only service level without COLA adjustments. The pricing for this service level is:

- *Year 1: \$301,616*
- *Year 2: \$301,616*
- *Year 3: \$301,616*
- *Year 4: \$301,616*
- *Year 5: \$301,616*

FIVE-YEAR TOTAL: \$1,508,080

Rationale: The expanded coverage window captures AM peaks, PM congestion, and consistent school-area and street sweeping enforcement, all of which historically generate higher violation counts.

Option 3. Comprehensive 24-Hour Coverage

The Comprehensive 24-Hour Coverage service level includes:

- Continuous 24/7 enforcement
- Full evening, overnight, and weekend coverage
- Highest level of responsiveness and deterrence of undesirable parking behaviors

This service level represents the highest operational impact, offering complete coverage of all hours and all neighborhoods, and the most robust response to chronic parking concerns. This service level option may be appropriate if Council desires an overtly transformative approach to parking behavior.

The Comprehensive Coverage level includes a full 24-hour enforcement model with staffing and equipment necessary for continuous operations. The supplemental proposal applies a 3% COLA each subsequent year. Pricing for this level is:

- *Year 1: \$396,467*
- *Year 2: \$408,362*

- Year 3: \$420,612
- Year 4: \$433,231
- Year 5: \$446,228

FIVE-YEAR TOTAL: \$2,104,900

Rationale: Comprehensive coverage enables overnight enforcement, abandoned vehicle identification, chronic violator detection, and expanded complaint response, all of which materially increase citation volume and compliance.

Table: Service Level Summary

Service Level	Fixed Monthly Y1 Cost	Fixed Y1 Cost	Annual PEO Hours	Staffing Structure	Coverage Approach
Option 1: Baseline Service	\$17,474	\$209,684 (+3% in Y2-Y5)	3,840	One Parking Enforcement Officer (PEO) per shift; regional Supervisor oversight	Weekday coverage aligned with primary enforcement hours; daily beat patrol requirements
Option 2: Expanded Coverage	\$25,135	\$301,616	5,760	Up to two PEOs per day + one Supervisor	Expanded weekday coverage with flexibility for limited weekend enforcement as directed
Option 3: Comprehensive 24-Hour Coverage	\$33,039	\$396,467 (+3% in Y2-Y5)	7,680	Continuous PEO staffing for around-the-clock enforcement (4 PEOs), including one Supervisor	Full 24-hour enforcement capability, supporting proactive patrols and rapid response to overnight issues and complaints

Future Potential ALPR Units, if Any, Would Have to Return to City Council

LAZ Parking also offered Automated License Plate Reader units at the cost of a \$11,000 annual subscription and \$25,000 per unit. ALPRs are vehicle-, stoplight- or private-property mounted high-speed cameras that scan license plates and may share that information across jurisdictions. At this time, due to voiced community privacy implications, staff is not requesting to incorporate

the ALPR technology features into the contract. Should the City wish to entertain this option in the future, this would require a contract amendment, which must return to the City Council per the City's purchasing ordinance.

The Metrics of Success Focus on Improving Quality of Life, Not on Generating Citations

Citation volume should **not** be used as a success metric, as it can create a perception of quota-based enforcement, which is neither desirable nor recommended. Instead, alternate metrics of success are:

- Reduction in parking-related complaints
- Reduction in long-term stored vehicles
- Improvement in street sweeping compliance
- Two-hour complaint response compliance
- Verified beat coverage through telematics
- Community satisfaction and reduction in repeat issues

These metrics reflect the program's core objective: improving quality of life for residents, not generating citations.

The Implementation Timeline

The transition to full parking enforcement services follows a structured, phased schedule designed to move from initial planning to full deployment with minimal disruption to the community. Although the sequence can be adjusted to meet the City's preferred timelines, LAZ Parking outlines a typical eight-week ramp-up period following contract execution that ensures officers, equipment, and operational systems are fully prepared before formal enforcement begins.

During the initial phase of implementation, LAZ Parking anticipates executing the contract and holding a formal kickoff meeting with EPAPD and City staff. This early phase focuses on confirming program goals, the selected service level, and the reporting expectations that will guide ongoing oversight. LAZ Parking will review existing enforcement practices in East Palo Alto, evaluate current TurboData configurations, and examine any existing beat maps that may inform deployment. This initial review establishes the operational foundation and ensures alignment between the City and LAZ before field activities begin.

In the following two weeks, LAZ Parking expects to begin recruiting and conditionally hiring the Parking Enforcement Officers and onsite Supervisor who will staff the program. This includes preliminary screening consistent with LAZ's municipal hiring standards. LAZ Parking has confirmed its ability to recruit locally within East Palo Alto and has expressed interest in hosting a local job fair in East Palo Alto, in coordination with the City, to support local hiring. Priority would be given to qualified City residents, consistent with applicable hiring requirements. At the same time, LAZ Parking will begin ordering and configuring the uniforms, hybrid enforcement vehicles, handheld devices, radios, and GPS-based telematics tools that are included in the City's fixed fee structure. LAZ Parking will also draft the post orders, deployment plans, and

complaint-handling protocols that will govern day-to-day operations once enforcement begins.

The following two weeks are dedicated to completing the full background checks, psychological evaluations, medical clearances, and other requirements necessary to ensure all staff meet EPAPD standards. Officers will undergo approximately forty hours of initial training covering the East Palo Alto Police Department Parking Enforcement Training Manual, the East Palo Alto Municipal Code, the California Vehicle Code, customer service principles, safety practices, and the geography of the City. During this phase, officers will participate in ride-alongs and field coaching with experienced LAZ Parking personnel from other municipal programs in the region, allowing them to observe best practices in real-world settings before beginning operations in East Palo Alto.

In the last two weeks before full deployment, LAZ Parking plans to initiate an enforcement soft launch. In this period, hours of enforcement will be limited and supervisor presence will be heightened, allowing LAZ Parking to test route designs, confirm the effectiveness of GPS tracking and other technologies, and refine the program's complaint-handling workflows. LAZ Parking will also finalize the configuration of TurboData reporting tools, GPS dashboards, and performance metrics that will be used to track program outcomes. At the end of this period, full deployment will begin at the service level selected by the City Council, with daily proactive enforcement across all beats and a two-hour response time for complaint-driven calls.

Throughout all phases of the transition, LAZ Parking will coordinate closely with EPAPD on messaging to the community, particularly around street sweeping rules, school zones, and any known hotspot areas. This close coordination ensures that enforcement begins in a consistent, predictable, and community-centered manner, reinforcing the City's intent to improve neighborhood quality of life and reduce parking-related complaints.

Office Space and Operational Workspace Requirements

To ensure seamless coordination between the contractor and the City, LAZ Parking will require access to designated workspace within East Palo Alto to support day-to-day operations, supervisor oversight, equipment storage, and reporting functions. Although LAZ Parking provides all staffing, vehicles, uniforms, and technology as part of the fully inclusive cost structure, the proposal anticipates close alignment with EPAPD and City staff, which necessitates a local operational footprint.

Under the proposed model, LAZ Parking will utilize office space provided by the City for its on-site Supervisor and, as needed, Parking Enforcement Officers at the start and end of their shifts. This space will serve as the central location for daily briefings, deployment planning, document management, report preparation, and coordination with EPAPD. Because LAZ Parking will provide and maintain all enforcement vehicles off-site, no dedicated vehicle storage is required on City property beyond short-term staging.

Enforcement Authority and City Oversight

To ensure appropriate checks on the contractor's enforcement authority, the Police Department

will continue to retain full responsibility for all decisions related to towing and all administrative citation and towing appeals. While LAZ Parking will be authorized to issue parking citations and, when appropriate, leave notices advising that a vehicle may be subject to tow under the City's existing policy, the authority to initiate or approve any tow will remain solely with EPAPD. This separation preserves due process protections and ensures that any enforcement action resulting in vehicle removal is subject to direct City oversight.

In addition, all administrative review processes for contested citations will continue to be managed by the City. LAZ Parking's role will be limited to documentation of observed violations, and all enforcement must adhere to City policies. These controls ensure that final decision-making authority remains with the City and that contracted enforcement activities operate within clearly defined boundaries.

Fiscal Impact

The FY 2025-26 Adopted Budget includes \$350,000 in the General Fund for the provision of parking enforcement and staffing services. The fiscal impact will depend on Council's selection of service level. Annual pricing for each service level is summarized earlier in this report. City Council will need to appropriate additional funding for the services in subsequent fiscal years.

South San Francisco Police reported overall enforcement activity increased by approximately 300% within the first year of contracting with LAZ. They were able to redirect approximately \$30,000 in existing resources that had previously supported parking enforcement-related staffing. While staff anticipates the City of East Palo Alto would also experience an increase in enforcement activity, it is not clear how high this increase would be or its associated fiscal impacts. We will not be using such funding for staffing reductions as we do not have dedicated parking enforcement staffing, but perhaps some of these funds can be used to offset LAZ's cost. At this time, staff cannot forecast such an offset with any certainty.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment. Additionally, as a separate and independent basis, the proposed action being considered by the City Council is exempt from the CEQA because it entails the implementation of a parking management program that would permit the sweeping of streets, an important aspect of the City's stormwater management program, and as such protects the environment by removing contaminants that would otherwise be discharged to the Bay. (CEQA Guideline section 15308).

Government Code § 84308

Applicability of Levine Act: No, as the proposed action involves a contract that was competitively bid.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution
2. Scoring Rubric
3. Proposal of Recommended Consultant

RESOLUTION NO. XX- 2025

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO**

**SELECTING LAZ PARKING AS THE VENDOR TO PROVIDE PARKING
ENFORCEMENT AND STAFFING SERVICES; PROVIDING DIRECTION ON SERVICE
LEVEL, OPTIONAL ENHANCEMENTS, AND METRICS OF SUCCESS; AUTHORIZING
THE CITY MANAGER TO AWARD, NEGOTIATE AND EXECUTE AN AGREEMENT
WITH LAZ PARKING IN A FORM APPROVED BY THE CITY ATTORNEY; AND
FINDING THAT THE ACTION IS NOT A PROJECT UNDER CEQA GUIDELINES
SECTION 15378(B)(5)**

WHEREAS, the Fiscal Year 2025–27 City Council Work Plan identifies “Expand Parking Enforcement Capacity” as a priority project intended to improve neighborhood livability, strengthen compliance with parking regulations, and reduce long-term vehicle storage and related safety impacts throughout the City; and

WHEREAS, the City currently relies on Community Service Officers to conduct parking enforcement, but their limited availability and multiple competing responsibilities prevent consistent citywide enforcement coverage; and

WHEREAS, in response to these operational challenges and consistent with Council direction, City staff issued a Request for Proposals (“RFP”) on October 14, 2025, seeking qualified firms to provide dedicated Parking Enforcement and Staffing Services; and

WHEREAS, by the proposal deadline of November 17, 2025, the City received four proposals, which were evaluated in accordance with the selection criteria established in the RFP, including approach, work plan, team qualifications, references, responsiveness, service quality, and cost; and

WHEREAS, following evaluation and interviews with the highest-rated proposer, staff determined that LAZ Parking is the most qualified and responsive firm to deliver the Parking Enforcement and Staffing Services described in the RFP; and

WHEREAS, the City Council is being asked to select a preferred vendor and to provide direction regarding the appropriate level of service for the parking enforcement program, including whether to implement Baseline Service, Expanded Coverage, or Comprehensive 24-Hour Coverage; and

WHEREAS, the City Council is further being asked to provide direction regarding optional program enhancements offered by LAZ Parking, such as technology upgrades, outreach tools, or reporting enhancements, as well as the Council’s preferred metrics of success for evaluating parking program performance; and

WHEREAS, upon receiving Council direction on these policy items, staff will finalize the scope of work and contract terms with LAZ Parking for execution by the City Manager; and

WHEREAS, the proposed action consists solely of governmental administrative activities and will not result in direct or indirect physical changes to the environment and therefore does not constitute a “project” under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5).

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals true and correct and incorporated by reference into this action; and
2. Selects LAZ Parking as the vendor to provide Parking Enforcement and Staffing Services pursuant to the results of the competitive procurement process; and
3. Provides direction on the preferred level of service for the parking enforcement program, whether Baseline Service, Expanded Coverage, or Comprehensive 24-Hour Coverage; and
4. Provides direction on optional program enhancements offered by LAZ Parking for inclusion in the negotiated scope of work; and
5. Provides direction on the Council’s desired metrics of success for administration and evaluation of the parking enforcement program; and
6. Authorizes the City Manager to award, negotiate, and execute an agreement with LAZ Parking, in a form approved by the City Attorney, consistent with the Council’s selected service level, optional enhancements, and performance metrics; and
7. Finds action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section (a) 15378(b)(4) and (5) in that it is a governmental fiscal, organizational or administrative activity that will not result in direct or indirect changes in the environment; and (b) 15308 as it entails the implementation of a parking management program that would permit the sweeping of streets, an important aspect of the City’s stormwater management program, and as such protects the environment by removing contaminants that would otherwise be discharged to the Bay.

PASSED AND ADOPTED this 16th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

Attachment 2: Scoring Rubric

Scoring Proposals for Parking Enforcement and Staffing Services		Proposer: _____		Scorer: _____		Date: _____	
Criteria	Points Possible					Points Awarded	
1 Well-thought-out and Feasible Approach and Work Plan	30	<p>Assign 0-5 points (insufficient) if the proposal: does not present a coherent or feasible plan for delivering the Scope of Work. Proposals in this range may lack a clear methodology for proactive patrols, complaint-driven response, street sweeping enforcement, or neighborhood concerns. They may fail to explain staffing levels, beat structures, service levels (baseline, extended, 24/7), or communication protocols with EPAPD. Little or no detail is provided about reporting tools, integration with City systems (e.g., TurboData), or implementation timelines.</p> <p>Overall, these proposals do not demonstrate understanding of EPA's enforcement environment or operational requirements.</p> <p>Proposals in this range may also lack a realistic implementation schedule, communication plan, or any meaningful detail about how the firm will manage or perform the required services.</p>	<p>Assign 6-15 points (basic) if the proposal: offers a general enforcement methodology but lacks detail or EPA-specific tailoring. These proposals may outline patrol routines or complaint response processes but do not fully address the City's expectations for daily proactive patrols, two-hour complaint response, street sweeping coverage, or technology use (ALPR, GPS, digital evidence capture). Staffing plans and service levels may be only partially developed. Reporting processes may be described at a high level without clear workflows. Implementation schedules may appear workable but lack detail necessary for confidence.</p> <p>While the proposer may reference baseline enforcement activities, the approach is only partially developed and may not reflect a full understanding of the City's operational needs or expectations.</p> <p>These proposals generally demonstrate feasibility but lack the specificity needed for full confidence in execution.</p>	<p>Assign 16-25 points (competent) if the proposal: presents a clear and well-organized methodology directly responsive to EPA's needs.</p> <p>These proposals articulate proactive daily patrols of all beats, reliable complaint-driven response, consistent street sweeping enforcement, and procedures for addressing abandoned vehicles and neighborhood concerns. They include detailed staffing structures, deployment plans, and daily/weekly schedules. Proposers provide solid communication protocols with EPAPD, describe use of required technology (TurboData, GPS tracking, photographic evidence), and explain performance monitoring. Implementation milestones and transition plans are realistic and well supported.</p> <p>The work plan is feasible, the methodology is sound, and the proposer demonstrates readiness to implement the program effectively.</p>	<p>Assign 26-30 points (comprehensive) if the proposal: provides a highly detailed, fully customized, and comprehensive approach that reflects exceptional understanding of EPA's enforcement priorities.</p> <p>These proposals include robust methodologies for proactive and reactive enforcement, strong supervisory structures, advanced reporting tools or dashboards, and seamless integration with City systems. They clearly demonstrate the ability to provide baseline, extended, and 24/7 service models; propose refined beat structures and deployment plans; and detail complaint management processes under City-monitored, vendor-hosted, or hybrid models. Implementation plans include clear timelines, onboarding, training, and data integration steps.</p> <p>Overall, these proposals inspire the highest confidence in the proposer's ability to deliver high-quality, community-responsive enforcement</p>	_____	
2 Experienced and Qualified Firm & Team	20	<p>Assign 0-5 points (insufficient) if: the proposer lacks demonstrated experience providing municipal parking enforcement services or provides insufficient information about key personnel. Proposals in this range may lack relevant California experience, show no history with street sweeping enforcement or abandoned vehicle response, or fail to demonstrate ability to recruit staff who meet the City's strict screening standards (background checks, CLETS, polygraph, psychological exam). Supervisory and officer qualifications may be unclear or incomplete. Prior municipal experience may be minimal.</p>	<p>Assign 6-12 points (basic) if: the proposer demonstrates some relevant experience but not at a level comparable to EPA's needs. Proposals may show partial experience with municipal enforcement, but limited experience with street sweeping programs, complaint-driven service, or neighborhood patrols. Staffing qualifications may be adequate but not strong across all roles.</p> <p>Experience working with California jurisdictions may be present but not extensive. The proposer may demonstrate acceptable capacity to recruit and retain staff but with limited supporting evidence.</p>	<p>Assign 13-17 points (competent) if: the proposer demonstrates solid and relevant experience delivering parking enforcement services to California jurisdictions of comparable size and complexity.</p> <p>These proposals include experienced supervisory personnel, trained enforcement officers, and demonstrated success with proactive patrols, street sweeping, abandoned vehicle response, and neighborhood complaint resolution. The proposer shows understanding of California Vehicle Code requirements, municipal operations, and customer-service expectations. Strong personnel qualifications and credible recruitment/retention strategies are evident.</p>	<p>Assign 18-20 points (exceptional) if: the proposer demonstrates extensive, high-quality experience delivering municipal parking enforcement services, ideally in multiple California jurisdictions with high residential density and significant complaint volume. Key personnel possess exceptional qualifications, supervisory structure is robust, and recruitment/retention strategies are well developed and credible.</p> <p>The proposer has a proven record of managing complex enforcement programs, integrating technology (ALPR, GPS, reporting systems), and delivering high-quality, community-oriented service.</p> <p>These proposals show exceptional readiness and capacity.</p>	_____	

3	References	20	<p>Assign 0–5 points (insufficient) if: the proposer provides fewer than the required three references, provides references that are not local government agencies, or provides references that do not reflect work similar to the services required in this RFP.</p> <p>Proposals in this range may also include references with incomplete contact information or vague descriptions of the services performed. Feedback from references, if reachable, may indicate concerns with reliability, responsiveness, communication, or overall service quality.</p>	<p>Assign 6–12 points (basic) if: the proposer provides the required references but they reflect only partially comparable experience or limited depth in municipal parking enforcement.</p> <p>References in this range may confirm generally adequate performance but describe mixed levels of service consistency, complaint response, reporting accuracy, or communication with agency staff.</p> <p>While the proposer has demonstrated relevant experience, past performance does not clearly establish the ability to meet EPA's service expectations.</p>	<p>Assign 13–17 points (good) if: the proposer provides complete and relevant references demonstrating strong performance delivering municipal enforcement or related services within the past five years. Prior clients report reliable enforcement, timely complaint response, professionalism, strong communication, and consistent reporting. References corroborate the proposer's capabilities in street sweeping enforcement, neighborhood concerns, abandoned vehicle programs, or proactive patrols. Feedback provides solid confidence that the proposer can perform the required work in EPA.</p>	<p>Assign 18–20 points (exceptional) if: the proposer provides strong and fully comparable references from local government clients that clearly demonstrate a high level of performance, consistency, and reliability.</p> <p>References in this range uniformly report excellent service quality, proactive communication, accurate and timely reporting, strong customer service standards, and effective problem resolution. References may indicate long-standing partnerships, contract renewals, or high satisfaction levels based on reliability, professionalism, and accountability.</p> <p>These references provide the highest degree of assurance that the proposer will deliver outstanding service to East Palo Alto.</p>	—
4	Responsiveness & Service Quality	20	<p>Assign 0–5 points (insufficient) if: the proposal fails to include all required information or provides minimal detail regarding service quality, responsiveness, customer service philosophy, or reporting tools.</p> <p>Proposals in this range do not demonstrate an understanding of EPA's expectations related to communication, community responsiveness, or complaint tracking.</p>	<p>Assign 6–12 points (basic) if: the proposal addresses most RFP requirements but provides limited detail about customer service, community responsiveness, complaint tracking, or communication processes. Reporting systems may be referenced but without sufficient explanation of how they support daily operations, complaint management, or monthly reporting to EPAPD. The proposer may meet minimum expectations but not clearly demonstrate high-quality service delivery.</p>	<p>Assign 13–17 points (good) if: the proposal clearly describes strong customer service practices, complaint tracking systems, communication protocols with EPAPD, and reporting tools that support service monitoring.</p> <p>Proposals in this range describe staff training in community engagement, responsiveness to resident concerns, and professional conduct. Reporting tools appear adequate, user-friendly, and supportive of City oversight.</p>	<p>Assign 18–20 points (exceptional) if: the proposal demonstrates a comprehensive and fully integrated service quality framework, including advanced reporting tools, real-time tracking, strong customer service philosophy, proactive communication with EPAPD, and well-developed protocols for complaint intake, documentation, and resolution.</p> <p>These proposals demonstrate exceptional responsiveness and strong alignment with EPA's expectation for community-focused enforcement.</p>	
5	Cost Proposal	10	<p>Assign 0–2 points (insufficient) if: the cost proposal is unclear, incomplete, inconsistent with the staffing plan, or missing required pricing for baseline, extended, or 24/7 service levels.</p> <p>Pricing may appear unrealistic or not reflective of the described operational approach.</p>	<p>Assign 3–6 points (basic) if: the proposer provides a complete cost proposal but lacks transparency in cost assumptions, or if pricing is only partially aligned with staffing plans or service levels.</p> <p>Pricing may be generally reasonable but fail to provide detailed justification or is not fully aligned with the methodology and staffing plan.</p>	<p>Assign 7–9 points (good) if: the cost proposal is well structured, transparent, and consistent with the staffing and service plan.</p> <p>Pricing is competitive and reasonably reflects a cost-efficient approach to delivering the required services.</p>	<p>Assign 10 points (exceptional) if: the cost proposal is comprehensive, transparent, and provides excellent value to the City considering service levels, staffing quality, reporting capacity, and operational efficiency.</p> <p>These proposals reflect clear justification of costs and strong alignment with the RFP requirements.</p>	—
		100				TOTAL POINTS EARNED:	—



Parking Enforcement and Staffing Services

• City of East Palo Alto • November 17, 2025 •



**Northern California
Regional Office**

5901 Christie Ave
•Suite 202•
Emeryville, CA 94608

P: (510) 250-2052
F: (510) 345-3478

lazparking.com

A. TRANSMITTAL LETTER

November 17, 2025

Ms. Orly Amey
Assistant to the City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Subject: Proposal for Parking Enforcement and Staffing Services

Dear Ms. Amey,

On behalf of LAZ Parking, I am pleased to submit our proposal to provide comprehensive parking enforcement staffing and services for the City of East Palo Alto. Our team is ready to support the City Council priority to expand parking enforcement capacity, strengthen daily operations, and improve compliance with the East Palo Alto Municipal Code while allowing Community Service Officers to refocus on broader public safety duties.

LAZ will deliver a dedicated, professional enforcement team that combines proactive patrols with timely response to community complaints across all neighborhoods, commercial corridors, schools, and community facilities. Our plan emphasizes consistent enforcement of street sweeping restrictions, which are central to roadway cleanliness, stormwater management, and neighborhood satisfaction, as well as focused response to blocked driveways, abandoned vehicles, and long term on street storage concerns.

We understand that success in the first year will be measured by consistent coverage, improved parking compliance citywide, timely response to community concerns, fewer abandoned vehicles, and measurable reductions in chronic violations. Our approach includes clear beat structures, daily coverage expectations, and a two-hour response standard for complaint driven service, supported by robust reporting, citation data analytics, and regular performance reviews with the East Palo Alto Police Department.

LAZ will integrate seamlessly with the City's existing TurboData citation platform and will provide all vehicles, equipment, uniforms, and communication tools required to perform the work. Our recruitment, screening, and training programs are aligned with EPAPD standards, including thorough background checks and emphasis on customer service. We will field a team that reflects the community, treats residents with respect, and supports the City's commitment to safety, equity, and accountability.





**Northern California
Regional Office**

5901 Christie Ave
•Suite 202•
Emeryville, CA 94608

P: (510) 250-2052
F: (510) 345-3478

lazparking.com

To support clear communication, LAZ proposes the following points of contact for the City:

Primary contact:

MUHAMMAD MANSOOR PTMP
Vice President Municipal Operations
949 South Coast Drive Suite 515
Costa Mesa CA 92626
Mobile 714 290 4854
Email mmansoor@lazparking.com

Secondary contact:

CINDY HEFNER
Regional VP, Northern California
5901 Christie Ave. Ste 202
Emeryville, CA 94608
O: (510) 250-2052
Email: chefner@lazparking.com

Both contacts are authorized to negotiate on behalf of LAZ Parking and to bind the company in contractual matters with the City. Except as may be disclosed in our full proposal, no officer or employee of LAZ Parking has any financial or other interest in the City of East Palo Alto.

We appreciate the opportunity to be considered as your parking enforcement partner and look forward to the possibility of working with the City of East Palo Alto and the East Palo Alto Police Department to deliver a reliable, responsive, and community focused parking program.

Sincerely,

CINDY HEFNER
Regional VP, Northern California
5901 Christie Ave. Ste 202
Emeryville, CA 94608
O: (510) 250-2052
chefner@lazparking.com

MUHAMMAD MANSOOR, PTMP
VP, Municipal Operations
949 South Coast Drive, Suite 515
Costa Mesa, CA 92626
(714) 290-4854
mmansoor@lazparking.com





TABLE OF CONTENTS

City of East Palo Alto

Parking Enforcement and Staffing Services

A. Transmittal Letter	1
Table of Contents	3
Executive Summary	4
B. description of proposer	6
About LAZ Parking	6
Nationally Recognized	7
C. Proposer’s team	8
D. Proposed approach & Methodology	10
Service Delivery Approach	10
Enforcement Methodology	14
E. Qualifications of the Firm	20
Government Sector Experience	21
Unparalleled Parking Enforcement Experience.....	22
F. Exceptions to the rfp	24
G. Project cost, fees and charges	25
H. References	28
I. Professional Services Agreement	30
J. Statements	30
K. Insurance Requirements	30

EXECUTIVE SUMMARY

- **CITY PARTNERSHIP AND GOALS**

The City of East Palo Alto seeks a long-term partner to expand parking enforcement capacity, improve daily coverage, and respond more effectively to community concerns while allowing Community Service Officers to refocus on broader public safety duties. LAZ Parking fully supports this priority and proposes a turnkey enforcement program that delivers consistent citywide service, improves compliance with the East Palo Alto Municipal Code and California Vehicle Code, and directly supports the City Council work plan for fiscal years 2025 to 2027.

- **PROVEN MUNICIPAL PARKING ENFORCEMENT LEADER**

LAZ brings decades of experience operating municipal parking programs for cities across California and the United States, with a specific focus on citizen centric and community focused enforcement. We currently manage similar programs for neighboring and peer cities including Palo Alto, San Mateo, San Bruno, South San Francisco, San Leandro, and Salinas, along with dozens of other public agencies statewide. Our teams understand the realities of high residential demand, limited off street supply, and intense competition for curb space in compact communities, and we design programs that improve quality of life rather than simply increasing citation volume.

- **CITYWIDE ENFORCEMENT COVERAGE THAT FITS LOCAL CONDITIONS**

The scope of this RFP is citywide and balances proactive patrols with complaint driven response. LAZ will provide dedicated Parking Enforcement Officers to patrol all 83 lane miles of streets in East Palo Alto, including residential neighborhoods, commercial corridors such as University Avenue and Bay Road, schools, parks, and industrial or mixed-use areas. Our program emphasizes consistent enforcement of street sweeping restrictions, which are central to roadway cleanliness, stormwater management, and neighborhood satisfaction, and targeted response to blocked driveways, illegal parking in red zones and near fire hydrants, sidewalk parking, and long-term vehicle storage.

- **COVERAGE, RESPONSE TIMES, AND SERVICE STANDARDS**

LAZ will meet and exceed the service level expectations described in the RFP. Each enforcement beat will receive proactive patrol at least once per day under the baseline model, with the ability to provide extended evening, early morning, weekend, or full 24 by 7 coverage as needed. Complaint driven requests received through the East Palo Alto Police Department will be addressed within two hours, supported by clear intake, dispatch, and tracking protocols under a City monitored, vendor hosted, or hybrid model based on City preference. Our deployment plan is built to deliver visible, predictable coverage that residents and businesses can rely on.

- **COMMUNITY FIRST, ENFORCEMENT SECOND**

A citizen centric approach is at the core of LAZ operations. Our enforcement officers serve as community ambassadors who prioritize education, clear communication, and voluntary compliance, especially during the initial launch period. We train staff to de escalate conflict, explain regulations in plain language, and treat every interaction as a chance to build trust with residents, visitors, and business owners. This

approach aligns with the City goal to strengthen compliance, reduce chronic problem locations, and enhance the perception of fairness and consistency in parking enforcement.

- **STAFFING ALIGNED WITH EPAPD STANDARDS**

LAZ will recruit, hire, and retain qualified personnel whose screening process mirrors East Palo Alto Police Department standards, including full background checks, psychological and medical exams, and Department of Justice and CLETS clearance. We will staff a local Parking Enforcement Supervisor who coordinates daily with EPAPD, uses City office space at 901 Weeks Street as directed, and ensures coverage within three hours of any staff absence. Our training program will meet and expand on the City expectation of approximately forty hours of initial instruction, covering the East Palo Alto Police Department Parking Enforcement Training Manual, East Palo Alto Municipal Code, California Vehicle Code, court procedures, safety, customer service, and the physical layout of the City, followed by ongoing refresher training each year.

- **TECHNOLOGY THAT SUPPORTS ACCURACY AND TRANSPARENCY**

The City has invested in TurboData Magic and nForcer handheld devices as the standard platform for citation issuance. LAZ has extensive experience with TurboData technology and enforcement platform as we collaborate with TurboData on several CA based enforcement programs including San Mateo, San Bruno, South SF, Newport Beach and Malibu to name a few. LAZ will integrate directly with this existing system and will provide and maintain all required electronic citation equipment, radios, computers, and communications tools, while capturing digital photographic evidence to support accuracy and due process. We will supplement this foundation with GPS enabled patrol tracking, robust citation analytics, and optional Automated License Plate Recognition where appropriate, with data security, access, and retention policies that align with City expectations. All enforcement data will be delivered to the City in an approved format at least quarterly and at contract close-out, ensuring full ownership and long-term access to records.

- **MEASURING WHAT MATTERS FOR THE COMMUNITY**

Performance accountability is built into LAZ operations. In line with the City definition of success for year one, LAZ will track and report on consistent enforcement coverage across all beats, improvements in overall parking compliance, two hour response to resident complaints, reductions in abandoned vehicles and long term storage, and measurable declines in chronic violations. We will provide clear monthly and quarterly reports to EPAPD that summarize patrol activity, citation volume and type, complaint intake and resolution, and key trends. These reports will support joint problem solving with City staff and provide the transparency expected by the City Council and community.

- **FLEXIBLE MODEL READY FOR FUTURE GROWTH**

Finally, LAZ understands that East Palo Alto is not seeking a generic enforcement vendor but a partner who will stand up a modern, community responsive parking program that can scale over time. Our proposed model is flexible enough to support baseline weekday operations within the City budget, expand to enhanced and 24 by 7 coverage if needed, and incorporate additional services such as a future Residential Parking Permit Program without disruption. With our deep municipal experience, strong regional presence, and proven record in neighboring cities, LAZ is uniquely positioned to help East Palo Alto deliver a safer, cleaner, and more livable curb environment for residents and businesses alike.

B. DESCRIPTION OF PROPOSER

About LAZ Parking

Over Four Decades of Experience

LAZ Parking was founded in 1981 and has been at the forefront of the parking industry ever since, constantly innovating and adapting to the dynamic needs of our customers. Although we employ over 15,000 parking professionals in 42 states, each of our operations is managed locally. With over three decades of municipal parking experience, our local Bay Area based team will be responsible for providing citywide parking enforcement services. This team is already integrated, experienced in managing similar programs and ready to serve you.

- The **largest privately held parking company in the USA** with a strong presence throughout California
- Recently awarded **multiple municipal contracts in the Bay Area** adding resources and support.
- Unique **municipal parking experience**, managing more than 550,000 parking spaces for over 150 government agencies, cities and counties.
- **Local and regional leaders** dedicated to your success, many with decades of parking experience including hands on experience with similar enforcement programs in the Bay Area.
- **Dedicated Government Services support** team for future program enhancements, effective research, rapid technology implementation and continuous municipal support.



At the core of LAZ Parking’s business model is a commitment to its employees, customers, and the communities it serves. LAZ's unique culture fosters engagement, accountability, and continuous improvement, driving consistently high performance. Additionally, the company places an emphasis on environmental sustainability, diversity, and social responsibility, ensuring its impact extends beyond business operations.

LAZ Parking’s ongoing growth, success, and commitment to serving its clients stem from its dedication to living its mission. The company’s independence; a defining advantage among large operators in the mobility industry empowers LAZ to stay true to its principles and focus on building long-term, mutually beneficial relationships.

Today, LAZ operates over 4,000 locations and manages 1.6 million parking spaces in 538 cities across 42 states. By adhering to its founding principles while embracing technological innovation and corporate responsibility, LAZ continues to set the standard in the mobility industry.

LAZ Parking Fast Facts	
Founded:	1981
Number of Locations:	Over 4,000
Number of Parking Spaces:	Over 1.6 Million
Annual Managed Revenues:	\$2.1 Billion
Number of Employees:	15,000
States / Cities:	42/ 536
Portfolio Mix:	Managed, Leased, and Owned
Service Lines:	Hospitality, Commercial, Healthcare, Airports, Transportation, Universities, Government, Retail, Events and Venues
12/9/24	

Nationally Recognized

IPMI Accredited Parking Organization with Distinction

LAZ Parking earned the Accredited Parking Organization (APO) with Distinction status in March 2024, recognizing the company's excellence in financial and operational accountability, customer care, employee training, sustainability, and technological innovation. This certification, granted for three years, establishes LAZ as a leader in the parking and mobility industry.



CAPP Certification Program

LAZ Parking promotes the Certified Administrators of Public Parking (CAPP) program, enhancing the expertise of its leadership team. Many of LAZ's managers have earned or are working toward CAPP or CPP certifications, demonstrating a commitment to excellence in the parking industry.



Environmental, Social, & Governance (ESG)

LAZ Parking launched an ESG Division in 2022, aligning with its mission to create opportunities for employees and value for clients. The division focuses on social awareness, wellness, diversity, and sustainable business practices. LAZ collaborates with Quinn+Partners to implement ESG frameworks and achieve Net Zero by 2036. The company's environmental goals include advancing electrification, embracing digitization, and supporting responsible suppliers.



Diversity, Equity, and Inclusion

DEI is a central component of LAZ's ESG strategy. The company is focused on fostering an inclusive environment through diverse policies, performance monitoring, and accountability. LAZ supports small, minority-owned, and women-owned businesses through its Supplier Diversity and Inclusion Plan, promoting equity both within and outside the organization.



LAZ Charitable Foundation

The LAZ Charitable Foundation uplifts underserved communities by supporting housing, education, food security, mental health, and career development. Its mission, "Elevating Humanity," emphasizes empowering individuals, promoting social justice, and creating opportunities for everyone to thrive. Deeply rooted in our DNA, LAZ seeks opportunities to get involved in the communities we serve and are particularly proud of our partnership with Special Olympics Southern California, for whom we host an annual charitable golf tournament and participate in the annual Plane Pull at Long Beach Airport.



C. PROPOSER'S TEAM

LAZ Parking maintains a dedicated, experienced team fully assigned to the City's program. Our staffing model ensures consistent citywide coverage, balanced workloads, and clear accountability through direct on-site supervision and strong communication with City staff.

Local Management Team



Anthony Hamilton, Director of Operations

Anthony brings more than 12 years of progressive experience in parking operations and municipal enforcement management. Beginning his career as a parking cashier, his strong work ethic and leadership have propelled him into regional management, where he now oversees multiple LAZ Parking operations across Northern California, including enforcement programs throughout the Peninsula and South Bay. Anthony provides ongoing regional operational support to the enforcement programs in Northern CA, ensuring consistency, efficiency, and adherence to City performance standards. His experience spans municipal enforcement, commercial parking, special events, hospitals, luxury hotels, and large mixed-use developments. Known for his ability to manage complex, high-volume operations with professionalism and precision, Anthony excels in optimizing service delivery, strengthening client relationships, and implementing strategic initiatives that drive operational success across LAZ's Northern California portfolio.



Steve Mooney PTMP, Regional General Manager

Steve Mooney joined LAZ Parking's Northern California management team in 2021, bringing over 17 years of experience in the transportation and hospitality industries. His background includes commercial parking operations, municipal on-street enforcement, stadium and special event parking, and luxury hotel valet management. Steve began his career with The Ritz-Carlton Hotel Company, where his leadership and commitment to service excellence led to multiple management roles. Since transitioning to the parking and transportation sector in 2013, Steve has built a strong reputation for developing high-performing teams, strengthening client relationships, and driving operational efficiency across diverse portfolios. Steve continues to provide strategic and operational support for LAZ's municipal and commercial programs throughout Northern California, including ongoing oversight assistance for all Bay Area enforcement programs.



Cindy Hefner, Regional Vice President

Cindy joined LAZ Parking in 2014 and brings over 18 years of parking industry experience and a proven record of operational excellence and leadership. As Regional Vice President, she provides strategic direction and operational support to ensure contract performance and client satisfaction in the region. Her expertise spans automated parking systems, enforcement operations, valet, and self-park management. Cindy's focus on efficiency, team development, and service quality has driven consistent growth and client retention throughout her career. She plays an active role in supporting all enforcement programs in Northern California, working closely with the Contract Managers to sustain operational excellence and ensure alignment with the City's goals.

Municipal Parking Experts



Carrie Ann Verge, Director of Finance & Compliance

Carrie Ann Verge joined LAZ Parking in 2021 as part of the acquisition of Serco Parking Services. In her role as Director of Finance, she plays a vital role in ensuring the financial oversight and compliance of our national municipal portfolio. With over two decades of experience in the Transportation Industry, Carrie Ann has a strong background in supporting and managing government, state, and local contracts. She has a proven track record in developing price-to-win strategies, conducting P&L forecasting and analysis, ensuring contract compliance, and overseeing internal audits. Carrie Ann holds a Bachelor of Science degree from Middle Tennessee State University (MTSU). Her expertise and dedication make her an invaluable asset to our team, contributing to our continued success.



Peter Cho PTMP, Senior Operations Manager

During his 24 years of parking management experience, Peter has been instrumental in providing measured leadership and guidance to his operational team by implementing proven systems to achieve optimal efficiency. Peter has implemented multiple municipal programs including first-time outsourced enforcement programs. He has worked closely with clients to develop policies and procedures that provide the operations with a consistent level of service. Peter has led the transition of several enforcement programs, most notably, Santa Ana, Newport Beach, San Marcos, San Leandro and San Mateo. His local knowledge and in-depth experience working in similar environments makes him a valuable resource to the City. Peter will serve in the dual role of a Transition Manager and then as the Operations Resource Manager for this program.



Muhammad Mansoor PTMP, VP - Municipal Operations

In his 22-year parking career, Muhammad has led the implementation of multiple parking enforcement programs throughout CA. He started his parking career with Central Parking System. While at Central Parking, he was responsible for the management of multiple municipal parking management contracts including Newport Beach, Santa Ana, Long Beach, Anaheim, Carson, and Riverside. Since joining LAZ, Muhammad has spearheaded transitions of 8 new CA based contracts in the past five years, namely, Inglewood, Palo Alto, Salinas, Santa Ana, Manhattan Beach, San Leandro, San Marcos, and San Mateo. As a subject matter expert across a broad range of parking programs, Muhammad is often called on to assess operational efficiencies and the application of new technologies. Muhammad will provide regional project oversight required to ensure City of East Palo Alto needs are met throughout the life of the contract. Muhammad has access to all LAZ's parking contracts, bringing best practices and lessons learned to the City of East Palo Alto and to the Parking Enforcement and Staffing Services program.



Robert Maroney PTMP, Executive VP - Government Services

Rob Maroney joined LAZ Parking in 2015 as the Vice President of Government Services. Rob is responsible for overseeing and supporting our rapidly expanding Government Services market, which includes municipal agencies and public private partnerships. With over 20 years of experience, Rob brings extensive experience in government operations, management, and consulting. He started his career in municipal government, and during his 12+ year career with Norfolk, VA, he served as the Director of Parking. Rob has access to all municipal contracts currently managed by LAZ and will bring his expertise to the City of East Palo Alto enforcement program, if LAZ is awarded this contract.

D. PROPOSED APPROACH & METHODOLOGY

LAZ Parking understands that East Palo Alto is seeking a partner who can deliver consistent daily enforcement, timely response to neighborhood concerns, and a visible presence that improves compliance and quality of life. Our approach combines structured patrol coverage, clear complaint handling procedures, strong supervision, and proven technology used in neighboring cities such as Palo Alto, San Mateo, San Bruno, South San Francisco, San Leandro, and Salinas. We will operate as an extension of the East Palo Alto Police Department, with a citizen focused enforcement style that emphasizes education, fairness, and respect in every interaction.

Service Delivery Approach

LAZ will deliver a structured, community focused parking enforcement program that supports East Palo Alto's goals for cleaner streets, responsive service, and improved compliance. Our approach focuses on proactive daily patrols, consistent street sweeping enforcement, timely response to neighborhood concerns, and tight coordination with the East Palo Alto Police Department.

Our service model rests on five pillars: continuity for the community, professionalism in every interaction, accountability for results, transparency in data, and adaptability as the program evolves.

Task 1 Program launch and transition management

Planned start up

LAZ will implement a detailed transition plan that moves from contract award to full deployment with minimal disruption. We will coordinate closely with EPAPD to confirm service levels, beats, complaint processes, and reporting needs.

Beat and route design

Within the first thirty days, LAZ will review existing patrol patterns, street sweeping schedules, school locations, commercial corridors, and known hot spots. We will design beat maps and patrol routes that ensure daily coverage of all program areas, including residential neighborhoods, University Avenue, Bay Road, parks, and industrial or mixed use areas.

Integration with Turbo Data Systems

LAZ will work directly with Turbo Data Systems to confirm device configuration, violation tables, and data flows so that citation issuance, uploads, and reporting are fully aligned with City expectations before full launch.

Kickoff and calibration

We will hold an operational kickoff meeting with City and EPAPD staff to confirm priorities, communication protocols, complaint handling, and performance benchmarks, including the two hour response standard for service requests.

Task 2 Daily parking enforcement operations

Coverage and schedules

LAZ will deploy Parking Enforcement Officers during the standard weekday hours defined in the RFP, with the ability to support extended hours and weekend coverage as directed by the City. Patrol plans will ensure that every beat in the City receives proactive coverage each day.

Proactive enforcement focus

Officers will patrol all program areas to enforce the East Palo Alto Municipal Code and California Vehicle Code. This includes enforcement of street sweeping regulations, time restricted zones, permanent and temporary restrictions, accessible spaces, blocked driveways, commercial parking rules, and oversized vehicle restrictions.

Complaint driven response

In coordination with EPAPD, LAZ will respond to complaint-based requests for service, such as blocked driveways, red zones, and fire hydrants. We will meet the City expectation that these requests receive a response within two hours, with documented arrival time and outcome.

Supervisor oversight

Field supervisor will review patrol coverage, ride along with officers, and audit activity logs and citation samples. This oversight maintains consistency across beats and ensures that officers apply regulations fairly and explain expectations clearly to the public.

Task 3 Personnel recruitment, training, and management

Local, qualified team

LAZ will recruit and hire a dedicated Parking Enforcement Supervisor and officers whose qualifications meet or exceed EPAPD standards. Screening will include background checks, reference checks, and any psychological and medical evaluations and clearances required by the City.



Comprehensive training

Every officer will complete a structured training program that covers the East Palo Alto Police Department Parking Enforcement Training Manual, East Palo Alto Municipal Code, California Vehicle Code, citation issuance procedures, safety, court processes, customer service, de escalation, and the geography of the City.

Ambassador style enforcement

LAZ applies an ambassador philosophy in municipal enforcement programs across California. Officers act as visible representatives of the City. They provide directions, answer questions, and explain regulations in plain language. The goal is to increase voluntary compliance and reduce repeat violations, not simply issue more citations.



Ongoing development and performance

Officers will receive periodic refresher training on legal updates, policy changes, de escalation tools, and safe driving. Supervisors will use a structured performance review process that looks at coverage efficiency, accuracy of citation issuance, complaint handling, and quality of customer interactions.

Task 4 Vehicles, uniforms, and enforcement technology

Eco friendly enforcement fleet

LAZ will furnish a dedicated fleet of brand new vehicles for the East Palo Alto program. These vehicles reduce emissions, support the City's focus on sustainability, and present a professional image in every neighborhood. Each vehicle will be clearly marked with City approved graphics and LAZ branding, equipped with high visibility safety lighting, and maintained on a preventive schedule to maximize uptime.



GPS and telematics powered by Samsara

Every enforcement vehicle will be equipped with GPS and full telematics using the Samsara platform. This allows LAZ and the City to view patrol coverage by beat and time of day, verify adherence to deployment plans, review incidents, and link patrol activity to enforcement outcomes. Telemetry also supports coaching on safe driving and efficient routing.



Partnership with Turbo Data Systems

LAZ will provide the needed enforcement technology in direct partnership with Turbo Data Systems, the City's citation processing vendor. Officers will issue citations electronically using City approved Turbo Data handheld devices, with the ability to issue handwritten citations as a backup. Devices will be configured with East Palo Alto specific violation codes, fee schedules, and business rules, and will capture digital photographs and location data to document each violation. LAZ will also provide printers, chargers and all required accessories.



Uniforms

LAZ will provide professional ambassador style uniforms that project an approachable, community focused presence. Uniforms will be clearly distinct from East Palo Alto Police Department uniforms in color, style, and markings so officers are not mistaken for sworn police personnel. All uniform designs, logos, and branding will be submitted to the City for review and approval prior to production and field deployment.



Task 5 Quality assurance, reporting, and coordination with EPAPD

Daily data availability

LAZ will ensure that citation data uploads to Turbo Data on a daily basis so that EPAPD can obtain current activity through Turbo Data reporting tools, consistent with the City's expectations.

Activity and performance reporting

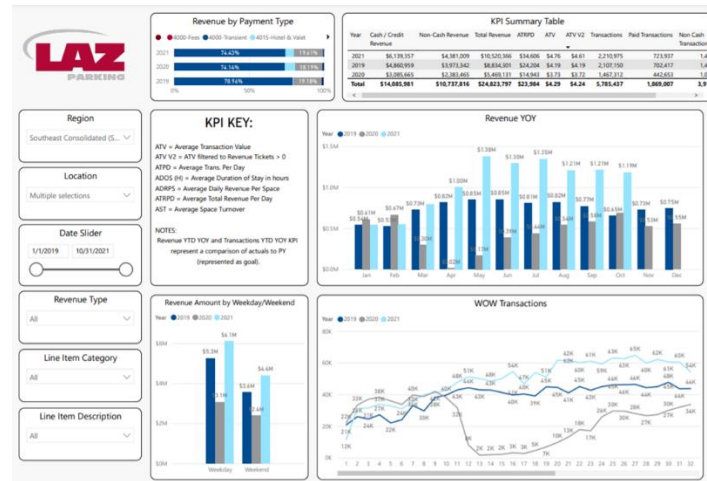
We will provide regular operational reports that summarize patrol hours by beat, citations by type, complaint calls received and resolved, abandoned vehicle follow up, and street sweeping enforcement activity. Monthly and quarterly reports will track response times, coverage levels, and trends in chronic problem locations.

Joint review and problem solving

LAZ will meet routinely with EPAPD leadership to review results, discuss community feedback, refine deployment, and adjust priorities. We will also support City staff with clear data and simple visuals for Council updates or community presentations on the parking program.

Quality control checks

Supervisors and regional management will conduct audits of citation samples, photographs, patrol logs, and complaint records. Findings feed back into coaching and training so that the program keeps improving over the life of the contract.



Task 6 Community engagement and customer service

Citizen centered enforcement

LAZ officers will act as community ambassadors. They explain the reasons behind regulations, provide advance warnings during early stages of new or adjusted enforcement, and treat every contact as a chance to build trust.

Public education and outreach support

LAZ will support City led education efforts on street sweeping schedules, new enforcement areas, and any future residential permit or special programs. This may include flyers, door hangers in high impact areas, and a consistent message from officers in the field.

Complaint logging and resolution

All complaints related to officer conduct or citations issued will be logged, reviewed, and resolved using a documented process. Outcomes will be summarized in regular reports to EPAPD, closing the feedback loop and reinforcing accountability.

Through this approach, LAZ delivers a complete, technology enabled, eco-friendly enforcement program that meets East Palo Alto's needs for proactive patrols, reliable complaint response, strong street sweeping enforcement, and visible support for neighborhood quality of life.



Enforcement Methodology

PROACTIVE PATROL COVERAGE AND DAILY BEAT ENFORCEMENT

LAZ will design and implement a beat-based deployment plan that ensures every area of the City receives proactive patrol at least once per day under the baseline service level.

We will:

1. Divide the City into logical enforcement beats that align with the City's existing deployment map, taking into account residential neighborhoods, commercial corridors such as University Avenue and Bay Road, schools, parks, and industrial or mixed-use areas.
2. Create written deployment plans that specify the sequence and approximate timeframes for each beat, including peak demand periods such as early morning street sweeping times and school arrival and dismissal windows.
3. Assign Parking Enforcement Officers to specific beats for defined time blocks, which builds familiarity with neighborhood conditions, recurring issues, and local stakeholders.
4. Use GPS enabled patrol tracking and daily activity reports to confirm that each beat has been covered as scheduled and to adjust routes based on observed violation patterns and community feedback.

This structure delivers predictable, visible enforcement throughout the City, with flexibility to add targeted emphasis patrols for emerging hot spots or special projects.

COMPLAINT INTAKE, DOCUMENTATION, AND TWO-HOUR RESPONSE

LAZ will support a simple and reliable pathway for community members to report parking concerns and will commit to responding to complaint driven service requests within two hours.

Our complaint handling process will:

1. Use the East Palo Alto Police Department as the primary intake channel for complaints, using the City's existing non-emergency phone line and any online or email tools the City designates.
2. Log each complaint in a shared tracking system that records the caller information when available, location, type of issue, time received, and any special notes such as mobility needs or repeated violations.
3. Dispatch the closest available Parking Enforcement Officer by radio or secure mobile device and provide clear location details, including cross streets and landmarks.
4. Require the officer to document arrival time, actions taken, and outcome, including citation issuance, warning, vehicle relocation, or confirmation that no violation was present.
5. Close the request in the system with final disposition and attach citation numbers or photographs when applicable.

Supervisors will review open requests throughout each shift to confirm that all service calls are addressed within the two-hour response window. Patterns in complaint locations will be used to adjust patrol plans and to support targeted education and outreach.

STREET SWEEPING ENFORCEMENT AND NEIGHBORHOOD OUTCOMES

Street sweeping enforcement is a core focus of our approach because it directly affects roadway cleanliness, stormwater management, and neighborhood satisfaction.

To maintain consistent enforcement of street sweeping regulations, LAZ will:

1. Build street sweeping routes and schedules into our beat deployment plans so that Parking Enforcement Officers are in place ahead of sweeping times.
2. Prioritize enforcement of posted street sweeping zones during the critical time window, using license plate scans and visual checks to identify violators.
3. Capture photographic evidence for each street sweeping citation to support accuracy and to help residents understand the basis for enforcement.
4. Work with City staff to monitor complaint trends, flooding or debris issues, and feedback from the Public Works team, adjusting enforcement emphasis where sweeping outcomes are not meeting expectations.
5. For the first months of the contract, pair enforcement with targeted education for residents in areas with frequent violations, including door hangers, informational flyers, and clear explanations during in person encounters.

This combination of predictable enforcement and focused outreach supports cleaner streets, improved stormwater performance, and better acceptance of the program.

STAFFING LEVELS, BEAT STRUCTURES, AND VISIBLE DEPLOYMENT

LAZ will implement staffing levels that match the City's desired baseline coverage and provide a framework for future expansion to extended hours or seven day service if requested.

Key elements include:

1. A dedicated onsite Parking Enforcement Supervisor who reports to LAZ management and coordinates daily with EPAPD leadership.
2. A core team of Parking Enforcement Officers sized to provide daily patrol of all beats, coverage of key street sweeping windows, and capacity to respond to complaint driven calls within two hours.
3. Fixed shift schedules that cover the primary enforcement hours defined by the City, with optional staggered start times to provide early morning and evening presence as needed.
4. Clear written post orders for each beat and shift, specifying required patrol routes, key locations, priority corridors, and special conditions such as schools or construction zones.

Officers will patrol primarily in marked enforcement vehicles with high visibility decals and safety lighting, supplemented by foot patrol in high density or sensitive areas. The visible presence of trained, uniformed staff reinforces compliance and reassures residents that the City is actively managing curb space.

TECHNOLOGY ENABLED ENFORCEMENT, ACCURACY, AND ACCOUNTABILITY

LAZ will leverage and enhance the City's existing technology platform to deliver accurate and accountable enforcement.

Our approach includes:

1. Full integration with Turbodata Magic and the City's existing handheld citation devices, including configuration of citation templates, violation codes, and business rules consistent with the East Palo Alto Municipal Code and California Vehicle Code.
2. Use of GPS enabled patrol tracking for all enforcement vehicles and handheld devices, allowing supervisors and the City to verify coverage by beat and time of day.
3. Optional deployment of Automated License Plate Recognition units in selected zones, such as high turnover commercial corridors or around schools, to quickly identify scofflaw vehicles, time limit violations, and potential abandoned vehicles.
4. Standard capture of digital photographs and location data for every citation to document the violation, support adjudication, and increase public confidence in the fairness of enforcement.
5. Secure storage and role-based access controls for all enforcement data, with clear retention schedules that align with City policy and legal requirements.

All technology components will be supported by LAZ, including maintenance, replacement, and training, so that EPAPD can focus on oversight and policy.

PERFORMANCE MONITORING, REPORTING, AND COMMUNICATION WITH EPAPD

LAZ will establish a structured performance management framework backed by regular communication with the East Palo Alto Police Department.

We will:

1. Confirm during implementation that all citations issued by LAZ staff upload to Turbodata on at least a daily basis, so that EPAPD can obtain daily activity reports directly from Turbodata reporting tools.
2. Provide supplemental daily or weekly activity summaries to EPAPD in an agreed format, including patrol hours by beat, number and type of citations issued, complaint calls received and resolved, abandoned vehicle follow up, and notable incidents.
3. Produce formal monthly and quarterly performance reports that track key indicators, such as beat coverage, compliance trends, response times, and chronic problem locations, and that highlight recommendations for targeted enforcement or education.
4. Hold regular standing meetings with EPAPD leadership to review results, discuss community feedback, and adjust deployment or priorities as conditions change.
5. Support City presentations to the Council or community groups by providing clear data visuals and explanations of enforcement outcomes.

This structure gives the City real time insight into operations while maintaining clear accountability for results.

IMPLEMENTATION SCHEDULE, RAMP UP, AND TRANSITION PLAN

LAZ will implement the program through a structured transition plan that moves from planning to full deployment while minimizing disruption. A typical schedule is as follows, and can be adjusted to align with City timelines:

WEEK 1 TO 2

1. Contract execution and formal kickoff meeting with EPAPD and City staff.
2. Confirmation of goals, service level expectations, and reporting requirements.
3. Detailed review of current enforcement practices, Turbodata configuration, and existing beat maps.

WEEK 3 TO 4

1. Recruitment and conditional hiring of Parking Enforcement Officers and Supervisor, including initial screening.
2. Ordering and configuration of uniforms, vehicles, handheld devices, radios, and GPS tracking tools.
3. Drafting of post orders, deployment plans, and complaint handling protocols.

WEEK 5 TO 6

1. Completion of full background checks, psychological and medical exams, and required clearances consistent with EPAPD standards.
2. Delivery of approximately forty hours of initial training covering the East Palo Alto Police Department Parking Enforcement Training Manual, East Palo Alto Municipal Code, California Vehicle Code, court procedures, safety, customer service, and city geography.
3. Ride alongs and field coaching with experienced LAZ municipal enforcement staff from nearby programs to reinforce best practices.

WEEK 7 TO 8

1. Soft launch of enforcement with limited hours and enhanced supervisor presence, focused on testing routes, technology, and complaint handling.
2. Final configuration of Turbodata reporting, GPS dashboards, and performance metrics.
3. Full deployment to the agreed service level with daily proactive enforcement across all beats and two hour response to complaint driven calls.

Throughout the transition, LAZ will coordinate closely with EPAPD on messaging to the community, especially around street sweeping, school zones, and any known hot spot areas.

OPTIONAL ENHANCEMENTS AND INNOVATIONS

In addition to the core scope, LAZ can provide several optional enhancements to further improve efficiency, responsiveness, and community confidence. These can be priced as separate line items, such as:

1. A simple online or mobile friendly complaint submission form branded for the City, feeding directly into the complaint tracking system and Turbodata or a compatible platform.
2. Enhanced ALPR deployment for targeted corridors, including analytics to identify repeat offenders, time limit abuse, and vehicles with multiple unpaid citations.
3. Community ambassador shifts during the first months of the program, focused on education, warnings, and distribution of informational materials prior to full enforcement.
4. Periodic joint “parking checkup” days with City staff where LAZ and EPAPD walk key corridors, engage with businesses and residents, and adjust signage or enforcement practices based on feedback.



This approach and methodology gives East Palo Alto a structured, data informed, and community focused parking enforcement program that can meet current needs and scale to support future initiatives such as a residential permit program or extended hour enforcement.



IMPLEMENTATION PLAN AT A GLANCE

Phase	Timeframe	Key activities
Phase 1 Planning and kickoff	Weeks 1 to 2	Contract execution and kickoff meeting with City and East Palo Alto Police Department; confirm goals, service level expectations, KPIs, and reporting needs; review current enforcement practices, Turbodata configuration, existing beat maps, and street sweeping schedules; define communication channels, points of contact, and escalation paths
Phase 2 Recruitment and equipment	Weeks 3 to 4	Recruit and conditionally hire Parking Enforcement Supervisor and Officers; begin screening and reference checks; order and outfit enforcement vehicles; procure uniforms, handheld citation devices, radios, and GPS tracking tools; draft post orders, beat deployment plans, and complaint intake and dispatch procedures
Phase 3 Background checks and training	Weeks 5 to 6	Complete background checks, psychological and medical exams, and required clearances consistent with EPAPD standards; deliver approximately forty hours of initial training on EPAPD Parking Enforcement Training Manual, East Palo Alto Municipal Code, California Vehicle Code, court procedures, safety, customer service, and city geography; configure Turbodata profiles, violation tables, business rules, and reporting templates; conduct ride alongs and field coaching with experienced LAZ municipal enforcement staff
Phase 4 Soft launch and system validation	Weeks 7 to 8	Begin soft launch with limited enforcement hours and enhanced supervisor presence; test patrol routes, beat coverage, complaint intake and dispatch workflow, Turbodata uploads, GPS tracking, and daily reporting; fine tune beat structures and shift schedules based on field results and community feedback; coordinate public messaging for priority areas such as street sweeping routes, school zones, and known hot spots
Phase 5 Full deployment and optimization	Week 9 and ongoing	Move to full service level with daily proactive patrol on all beats and two hour response to complaint driven calls; monitor coverage, response times, citation trends, and street sweeping outcomes; provide regular activity and performance reports to EPAPD; refine deployment and staffing based on data and neighborhood input; identify, propose, and implement optional enhancements such as targeted ALPR deployment, ambassador style education days, and online complaint submission tools

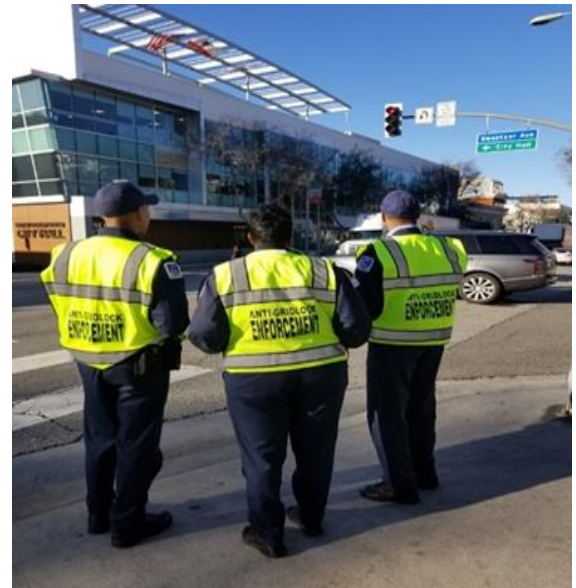
E. QUALIFICATIONS OF THE FIRM

As a full-service parking management company with more than four decades of municipal experience, LAZ Parking fully understands the transformative impact of a well-managed parking program on community accessibility, quality of life, and economic vitality. Since 2016, LAZ has proudly partnered with the City of Salinas, delivering professional, consistent, and customer-focused parking enforcement services that have strengthened compliance, supported Public Works initiatives, and improved neighborhood livability. Across California, LAZ has earned a reputation as the trusted partner of choice for dozens of cities nationwide; each partnership reflecting our ability to adapt to local needs, maintain operational excellence, and deliver measurable results.



Our Government Services Division is recognized nationally for its unparalleled expertise in municipal parking operations. We currently manage more than 550,000 parking spaces and issue over 1.5 million citations for public agencies across the United States, providing enforcement, permit management, and technology integration services for municipalities, transit authorities, and state and federal agencies. Our government portfolio includes high-demand downtowns, residential permit zones, and citywide enforcement programs comparable in scale and complexity to Salinas.

Our comprehensive approach combines data-driven enforcement, advanced technology, and community engagement to promote compliance and improve the parking experience for residents, businesses, and visitors. LAZ's services encompass full lifecycle parking management; from enforcement and citation issuance to permit administration and mobile payment integration supported by robust revenue integrity controls, transparent reporting, and superior customer service. We bring the resources of a national operator with the accountability and responsiveness of a local partner, ensuring each program operates efficiently, cost-effectively, and in full compliance with City policies and state laws.



With extensive experience managing long-term municipal contracts, LAZ has developed industry-leading systems for performance measurement, staff training, and service quality assurance. Our focus on sustainability, safety, and operational integrity ensures that every dollar entrusted to us delivers visible community benefit. For the City of East Palo Alto, LAZ offers not only proven capability but also a deep, ongoing commitment to being a responsive, innovative, and reliable partner dedicated to enhancing the City's parking enforcement program today and into the future.

Government Sector Experience

Our experience, leadership and philosophy have made LAZ Parking one of the nation’s premier operators specializing in parking services for municipalities and government agencies. We have an unmatched track record operating municipal parking systems and currently manage **more than 550,000** parking spaces for **over 150** government agencies, cities and counties.

The following is provided as a sample of LAZ Parking’s public sector clients, including the approximate number of spaces for each:

California Partnerships

- City of Long Beach (10,300)
- Long Beach Municipal Airport (1,550)
- City of San Francisco On Street (28,800)
- City of Inglewood, (12,750)
- City of Stockton (6,145)
- City of Burbank (1,475)
- City of Malibu (1,950)
- City of Newport Beach (4,100)
- City of Glendale (3,008)
- City of Los Angeles / LADOT (38,000)
- City of West Hollywood (3,360)
- City of San Francisco Off Street (3,115)
- California State Parks (2,665)
- City of San Mateo (2,610)
- County of Alameda (2,500)
- City of Calabasas (1,100)
- LA Beaches & Harbors (10,000)
- LAX IT (1,500)
- City of San Bruno (1,820)
- City of San Leandro (1,450)
- City of San Marcos (1,200)
- City of South San Francisco (2,100)
- City of Santa Ana (2,500)

National Partnerships

- Washington Metro Area Transit Auth (59,000)
- City of Las Vegas (NV) (3,000)
- Volusia County, FL (2,100)
- City of Baton Rouge, LA (2,000)
- City of Coral Gables, FL (1,775)
- City of Baltimore, MD (1,440)
- City of South Miami, FL (1,400)
- City of Arvada, CO (1,100)
- Cobb County, GA (1,380)
- City of Chicago Meters System (36,000)
- Montgomery County, MD (21,500)
- NY City Housing Authority (20,000)
- NY Metro Transit Authority (16,600)
- City of Lincoln, NE (14,780)
- Rhode Island State Beaches (8,100)
- City of Kansas City, MO (6,600)
- City of Miami Beach, FL (6,000)
- City of New Rochelle, NY (5,868)
- City of Lowell, MA (5,566)
- Norwalk Parking Authority (4,233)
- City of Stamford, CT (3,400)
- Birmingham Jefferson Conv. Complex (2,700)
- City of Syracuse, NY (2,525)
- City of Westminster, CO (2,500)



Unparalleled Parking Enforcement Experience

LAZ Parking is a national leader in municipal parking enforcement with a dedicated Parking Enforcement Business Segment operating within our Government Services Division. Since 1988, we have delivered reliable, professional enforcement services to municipalities across the United States, issuing nearly 1.5 million citations each year while maintaining an industry-leading accuracy rate with fewer than three percent of citations dismissed. This level of performance reflects our commitment to precision, accountability, and service quality.

With more than four decades of experience supporting local governments, LAZ has successfully transitioned numerous enforcement programs from internally managed or police-led operations to efficient, transparent, and technology-enabled contracted services. These partnerships have allowed cities to strengthen compliance, reduce administrative costs, and improve community satisfaction through professionalized operations and clear communication with the public.

Today, LAZ manages more than 150 government contracts nationwide and maintains a record of 100 percent contract renewals, a reflection of our clients' trust and the consistent results we deliver. Our expertise includes the design and operation of complex enforcement programs that require extensive coordination with city departments, law enforcement, and public works divisions to align with local objectives and maintain community confidence.

LAZ's longstanding presence in California includes partnerships with cities such as **Palo Alto, San Mateo, Salinas, San Bruno, South San Francisco, San Leandro in Northern CA** and over a dozen cities in Southern California. These relationships demonstrate our ability to deliver high-performing programs in dynamic, high-density environments where parking enforcement directly supports mobility, safety, and quality of life.

Technology and innovation are central to LAZ's enforcement success. We utilize License Plate Recognition (LPR) systems, electronic handheld citation devices, and fully integrated cloud-based citation management and enforcement systems that streamline operations and increase accuracy. All enforcement data flows into LAZ's Business Intelligence (BI) platform, a unified reporting system that gives our municipal partners real-time insight into enforcement activity, citation trends, and compliance patterns. This allows cities like East Palo Alto to make informed, data-driven decisions and refine parking policies to better serve residents, visitors, and businesses.

LAZ brings a proven record of success, supported by technology integration, advanced training, and real-time operational oversight. Our enforcement programs utilize license plate recognition technology, cloud-based citation management systems, and data-driven reporting tools that provide full transparency and actionable insights. These capabilities will enable East Palo Alto to efficiently manage 24/7 enforcement operations, ensure compliance with municipal codes, and maintain the integrity of its street sweeping and general enforcement programs.

Above all, LAZ's approach to enforcement is citizen centric and community focused. We emphasize professionalism, consistency, and respect in every interaction while upholding the City's parking regulations and public safety goals. Our proven experience, dedicated personnel, and technology-driven solutions position LAZ Parking as the ideal partner to support the City of East Palo Alto in delivering a modern, efficient, and service-oriented parking enforcement program.

The table below highlights a selection of municipalities where LAZ Parking provides parking enforcement and compliance management services. These programs represent a wide range of enforcement models, from street sweeping and general parking enforcement to citation processing, permit management, and technology integration. Each example reflects LAZ's ability to adapt to the unique needs of our municipal partners and deliver efficient, transparent, and community-oriented enforcement operations consistent with the goals of the City of East Palo Alto.

	ANNUAL CITATIONS ISSUED	OPERATIONS/MANAGEMENT	PARKING ENFORCEMENT	ELECTRONIC HANDHELDS	SMART TECHNOLOGY	LPR TECHNOLOGY	ENFORCE ALL MCS & STATE CVC	PERMIT ENFORCEMENT	ON STREET ENFORCEMENT	OFF-STREET ENFORCEMENT	SURFACE LOTS	STREET SWEEPING ENFORCE	CUSTOMER PHONE SUPPORT	TOWING AND BOOTING	TRAFFIC DISPATCH SERVICES	TRAFFIC CONTROL SERVICES
		California Municipal Enforcement Clients														
City of West Hollywood	200,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
City of Inglewood	90,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
City of Santa Ana	45,000	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		
CA State Parks	30,000	✓	✓	✓	✓		✓	✓		✓	✓					
City of Salinas	20,000	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		
City of Palo Alto	10,500	✓	✓	✓	✓			✓			✓		✓			
City of San Mateo	32,500	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Newport Beach	70,000	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓				
City of San Marcos	10,000	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		
City of San Leandro	15,000	✓	✓	✓	✓			✓			✓		✓			
City of Burbank	45,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Municipal Enforcement Clients																
City of Chicago, IL	550,000	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓			
Montgomery County, MD	150,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	
New York MTA	50,000	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓		
South Miami, FL	45,000	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓		
Norwalk, CT	40,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		
City of Arvada, CO	10,500	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		

F. EXCEPTIONS TO THE RFP

LAZ Parking has carefully reviewed the City of East Palo Alto's Request for Proposals for Parking Enforcement and Staffing Services.

LAZ Parking does not take exception to any portion of the RFP.

We agree to comply with all requirements, terms, and conditions as outlined in the RFP and its attachments and will perform the services requested in full accordance with the City's specifications and objectives.

G. PROJECT COST, FEES AND CHARGES

LAZ Parking submits this pricing proposal in full compliance with Section G of the RFP and the City’s clarifications in the posted Q and A . All costs required to deliver parking enforcement services in East Palo Alto are fully bundled into the fixed monthly and annual fees shown below. No additional reimbursement will ever be requested for fuel, insurance, uniforms, handheld devices, ticket stock, telematics, maintenance, administrative overhead, or travel within the service area.

Our pricing is based on a clear and predictable fixed fee structure that aligns with the City’s need for transparency, comparability, and long-term cost stability. LAZ provides three scalable service levels that match the RFP’s Baseline, Enhanced, and Comprehensive Coverage models. Each option includes all labor, supervision, Toyota Corolla Hybrid enforcement vehicles equipped with GPS and full Samsara telematics, handheld enforcement technology integrated with Turbo Data Systems, uniforms including body cameras, and all required equipment.

SUMMARY OF SERVICE LEVEL OPTIONS

Service Level	Fixed Monthly Cost	Fixed Annual Cost	Annual PEO Hours	Vehicles	Technology and Equipment Included
Option 1 Baseline Service	17,474	209,684	3,840	2 Toyota Eco-Friendly units	Turbo Data handhelds, body cameras, uniforms, fuel, maintenance, insurance, GPS, Samsara telematics
Option 2 Expanded Coverage	25,135	301,616	5,760	3 Toyota Eco-Friendly units	Turbo Data handhelds, body cameras, uniforms, fuel, maintenance, insurance, GPS, Samsara telematics
Option 3 Comprehensive 24 Hour Coverage	33,039	396,467	7,680	4 Toyota Eco-Friendly units	Turbo Data handhelds, body cameras, uniforms, fuel, maintenance, insurance, GPS, Samsara telematics

STAFFING PLAN BY SERVICE LEVEL

Service Level	Staffing Structure	Coverage Approach
Option 1 Baseline	One Parking Enforcement Officer per shift; regional Supervisor oversight	Weekday coverage aligned with primary enforcement hours and daily beat patrol requirements
Option 2 Expanded Coverage	Up to two Parking Enforcement Officers per day + 1 Supervisor	Expanded weekday coverage with flexibility for limited weekend enforcement as directed
Option 3 24 Hour Coverage	Continuous PEO staffing for around-the-clock enforcement + 1 Supervisor	Full 24-hour enforcement capability, supporting proactive patrols and rapid response to overnight issues and complaints

COST INCLUSIONS

Category	Included in All Options
Vehicles	Eco friendly brand new vehicles, fully marked, with fuel, maintenance, insurance, GPS, and Samsara telematics
Technology	Turbo Data integrated handheld citation devices, ticket stock, chargers, mounts, and system configuration
Uniforms	Full ambassador style uniforms including body cameras
Operations	All administrative overhead, supervision, complaints response, and patrol deployment
Equipment	Radios, safety gear, communications tools, and spare handheld devices
Other Costs	Travel within service area, training, onboarding, and all incidental operating expenses

OPTIONAL SERVICES (AVAILABLE UPON CITY REQUEST)

Optional Service	Staffing Plan	Cost Basis
Residential Parking Permit Program enforcement	Deployment based on number of zones and hours requested	\$44.40 per hour
Special event or targeted enforcement	Temporary PEO staffing, Supervisor oversight as required	\$44.40 per hour
Weekend only enforcement	One or more PEOs depending on coverage desired	\$44.40 per hour

PROJECTED ANNUAL CITATION OUTPUT BY SERVICE LEVEL

Because LAZ will deploy dedicated, full-time enforcement personnel with proactive beat coverage, daily street sweeping enforcement, and a two-hour complaint response requirement, citation issuance is expected to increase proportionally to available enforcement hours.

To build the projection, three inputs are used:

1. Current annual citations issued with partial enforcement: approx. 12,359
2. Estimated annual CSO hours spent on enforcement: approx. 1,500 to 2,000 hours (based on one CSO per day shift providing partial enforcement and no dedicated enforcement hours)
3. Proposed LAZ annual enforcement hours by option:

Option 1: 3,840 hours

Option 2: 5,760 hours

Option 3: 7,680 hours

PRODUCTIVITY MULTIPLIER ASSUMPTION

Because CSOs were not dedicated to enforcement and often prioritized higher-level police duties, dedicated private-sector PEOs typically produce 20 to 35 percent more citations per hour when deployed consistently. The projection below uses a conservative 25 percent productivity uplift.

PROJECTED ANNUAL CITATION ISSUANCE BY SERVICE LEVEL

Baseline Data Point

Estimated CSO enforcement hours: 1,800 per year

Actual citations issued FY24/25: 12,359

Citations per enforcement hour: approx. 6.9 citations per hour

To avoid overstating projections, LAZ uses a reduced working benchmark of 5.5 to 6.5 citations per hour, depending on coverage level, factoring in resident interactions, complaint response, vehicle checks, and street sweeping timing.

Option 1 Baseline Service

3,840 annual PEO hours

Citation rate used: 5.5 citations per hour

Projected annual citations: **approx. 21,100**

Rationale:

Dedicated coverage more than doubles current enforcement hours, producing a sustainable increase in enforcement visibility and compliance.

Option 2 Expanded Coverage

5,760 annual PEO hours

Citation rate used: 6.0 citations per hour

Projected annual citations: **approx. 34,500**

Rationale:

The larger coverage window captures AM peaks, PM congestion, and consistent school-area and street sweeping enforcement, all of which historically generate higher violation counts.

Option 3 Comprehensive 24-Hour Coverage

7,680 annual PEO hours

Citation rate used: 6.5 citations per hour

Projected annual citations: **approx. 49,900**

Rationale:

Full coverage enables overnight enforcement, abandoned vehicle identification, chronic violator detection, and expanded complaint response, all of which materially increase citation volume and compliance.

SUMMARY TABLE

Service Level	Annual Enforcement Hours	Estimated Citations per Hour	Projected Annual Citations
Option 1 - Baseline	3,840	5.5	21,100
Option 2 - Expanded	5,760	6.0	34,500
Option 3 - 24 Hour	7,680	6.5	49,900

Under all three options, City should expect a meaningful increase in citation volume. This is driven by the transition from partial enforcement to dedicated, full-time PEO deployment, structured beat coverage, consistent street sweeping operations, and rapid response to resident complaints. These improvements will enhance compliance, reduce chronic violations, support street sweeping operations, and improve neighborhood satisfaction, aligning with the City's Year 1 success expectations.

H. REFERENCES

LAZ Parking brings deep experience delivering municipal parking enforcement services throughout California, supporting cities with programs that emphasize community trust, consistent enforcement, data driven operations, and strong collaboration with local police departments. The following California agencies rely on LAZ for enforcement programs that mirror the scope, complexity, and community expectations of East Palo Alto. These references demonstrate LAZ’s proven record of performance, responsiveness, and partnership in diverse urban environments.

1	Name of Agency:	City of South San Francisco/ South San Francisco Police Dept.
	Street Address:	1 Chestnut Avenue, South San Francisco, Ca., 94080
	Contract Value & Term	\$0.7M – Continuously serving since October 2024
	Scope of Services	Citywide parking enforcement services including all MCs and CVCs (Street Sweeping Enforcement , RPP, timed zones and posted signs).
	Name of Person to Contact:	Captain Ken Chetcuti, Operations Division
	Phone Number of Contact:	650.877.8920
	Email Address of Contact:	ken.chetcuti@ssf.net
2	Name of Agency:	City of Santa Ana / Santa Ana Police Department
	Street Address:	20 Civic Center Plaza, Santa Ana, CA 92701
	Contract Value & Term	\$4.7M – Continuously serving since July 2018
	Scope of Services	Citywide parking enforcement services including all MCs and CVCs (Street Sweeping Enforcement , parking meters, RPP, alleys, blocked driveways, lawn parking, 24/7 operation with commercial street sweeping covered during graveyard).
	Name of Person to Contact:	Yolanda Bautista
	Phone Number of Contact:	714-245-8225
	Email Address of Contact:	ybautista@santa-ana.org
3	Name of Agency:	City of Burbank / Burbank Police Department
	Street Address:	200 N. 3 rd Street, Burbank, CA 91502
	Contract Value & Term	\$6.5M – Continuously serving since April 2023
	Scope of Services	Citywide parking enforcement services including all MCs and CVCs (Street Sweeping Enforcement , RPP, timed zones and posted signs).
	Name of Person to Contact:	Lieutenant John Pfrommer
	Phone Number of Contact:	818-238-3106
	Email Address of Contact:	jppfrommer@burbankca.gov

4	Name of Company/Agency:	City of West Hollywood
	Street Address:	8300 Santa Monica Blvd., West Hollywood, CA 90069
	Contract Value & Term	\$14M – Continuously serving since July 2020
	Scope of Services	Turnkey Parking Enforcement Services 24 hours/day-365 days/year (all MCs & CVCs), Vehicle/Bike/Foot Patrol, Traffic Control, Dispatch Services, Front Counter Customer Service, Encroachment/Temp Permit Placement, Towing, Court Appearances. Street Sweeping Enforcement.
	Name of Person to Contact:	Vince Guarino
	Phone Number of Contact:	323-848-6426
	Email Address of Contact:	vguarino@weho.org
5	Name of Company/Agency:	City of San Mateo / San Mateo Police Department
	Street Address:	200 Franklin Parkway, San Mateo, CA 94403
	Contract Value & Term	\$7.1M – Continuously serving since November 2019
	Scope of Services	Citywide parking enforcement service including all MCs and CVCs. Street Sweeping & Citywide Parking Enforcement including parking meters, RPP, timed zones, and posted signs.
	Name of Person to Contact:	Sgt. Craig Collum
	Phone Number of Contact:	650-522-7742
	Email Address of Contact:	ccollom@cityofsanmateo.org
6	Name of Company/Agency:	City of Malibu
	Street Address:	23825 Stuart Ranch Road Malibu, CA 90265
	Contract Value & Term	\$1.1M – Continuously serving since June 2024
	Scope of Services	Citywide parking enforcement service including all MCs and CVCs including timed zones, and posted signs.
	Name of Person to Contact:	Susan Duenas
	Phone Number of Contact:	(310) 456-2489 ext. 313
	Email Address of Contact:	sduenas@malibucity.org

I. PROFESSIONAL SERVICES AGREEMENT

LAZ Parking has reviewed the City of East Palo Alto's standard Contractor and Professional Services Agreement included as Attachment 5.

LAZ Parking does not request any modifications or exceptions to the Agreement and fully accepts the terms and conditions as written, subject only to minor modifications the City may make during finalization.

J. STATEMENTS

Financial, business, or other relationships

LAZ Parking has no financial, business, or other relationships with any company or firm that has an active or pending development application with the City of East Palo Alto.

Litigation, bankruptcy, or reorganization

Neither LAZ Parking nor any officer or employee with a proprietary interest in the company is presently or has been involved in litigation, bankruptcy, or reorganization related to the company.

Disqualification or removal from government projects

Neither LAZ Parking nor any officer or employee with a proprietary interest in the company has ever been disqualified, removed, or otherwise prevented from proposing on or completing a federal, State, or local government project due to a violation of law or safety regulation.

K. INSURANCE REQUIREMENTS

LAZ Parking acknowledges receipt of the City's insurance requirements outlined in Exhibit C and affirms that LAZ can fully comply with all insurance provisions without the need for any waivers or modifications.



SUPPLEMENTAL COST PROPOSAL – PARKING ENFORCEMENT & STAFFING SERVICES

• City of East Palo Alto • December 9, 2025 •



Northern California
Regional Office

5901 Christie Ave
•Suite 202•
Emeryville, CA 94608

P: (510) 250-2052
F: (510) 345-3478

lazparking.com

SUPPLEMENTAL COST PROPOSAL

December 9, 2025

Ms. Orly Amey
Assistant to the City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Subject: Proposal for Parking Enforcement and Staffing Services

Dear Ms. Amey,

Thank you for the opportunity to provide the City with the requested five year pricing detail and a breakdown of our optional enhancements. LAZ appreciates the clarity of the City's questions and welcomes the chance to reinforce how our proposed staffing model, community first enforcement philosophy, and Ambassador Program align with East Palo Alto's goals for cleaner streets, predictable coverage, and responsive neighborhood service.

The supplemental pricing that follows reflects the same all inclusive approach presented in our proposal. Every service level includes all labor, supervision, new hybrid enforcement vehicles equipped with GPS and Samsara telematics, TurboData integrated handheld devices, uniforms with body cameras, training, safety gear, and the full operational infrastructure needed to stand up a modern, high performing parking enforcement program. The City will never see add on charges for fuel, maintenance, insurance, or technology replacements. Our fixed fee structure gives East Palo Alto predictable budgeting over the full term of the agreement and positions the program to scale smoothly as service needs evolve.

The annual increase applied from Year 2 through Year 5 reflects a modest three percent COLA consistent with current Bay Area labor market conditions. Each of the three service levels mirrors the staffing models and enforcement outcomes described in our proposal, giving the City flexible pathways that support baseline expectations, expanded coverage, or full twenty four hour operations.

Optional enhancements are listed separately, per the City's request. These items strengthen community engagement, technology driven accuracy, and pre launch readiness. Several enhancements carry no cost to the City because they are already built into our labor plan or covered under the fixed annual fee structure.





**Northern California
Regional Office**

5901 Christie Ave
•Suite 202•
Emeryville, CA 94608

P: (510) 250-2052
F: (510) 345-3478

lazparking.com

Our team looks forward to discussing these options during the virtual interview, including how the Ambassador Program functions during the early acclimation period and how a partnership model with EPAPD can deliver consistent, visible, and trusted enforcement across all neighborhoods. LAZ remains strongly committed to supporting the City's objectives and becoming a long term partner to the East Palo Alto community.

Sincerely,

CINDY HEFNER
Regional VP, Northern California
5901 Christie Ave. Ste 202
Emeryville, CA 94608
O: (510) 250-2052
chefner@lazparking.com

MUHAMMAD MANSOOR, PTMP
VP, Municipal Operations
949 South Coast Drive, Suite 515
Costa Mesa, CA 92626
(714) 290-4854
mmansoor@lazparking.com

SUPPLEMENTAL COST PROPOSAL

	Year 1	Year 2	Year 3	Year 4	Year 5
Option 1 - Baseline					
Fixed Monthly Invoice	\$17,474	\$17,998	\$18,538	\$19,094	\$19,667
Fixed Annual Cost	\$209,684	\$215,975	\$222,454	\$229,128	\$236,002
Option 2 - Expanded					
Fixed Monthly Invoice	\$25,135	\$25,889	\$26,665	\$27,465	\$28,289
Fixed Annual Cost	\$301,616	\$301,616	\$301,616	\$301,616	\$301,616
Option 3 - 24 Hour					
Fixed Monthly Invoice	\$33,039	\$34,030	\$35,051	\$36,103	\$37,186
Fixed Annual Cost	\$396,467	\$408,362	\$420,612	\$433,231	\$446,228
<i>Annual Estimated Cost for Year 2 - Year 5 reflects a 3% COLA increase</i>					
Optional Enhancements & Innovation					
LPR with annual subscription (per unit)	\$25,000	\$11,000	\$11,000	\$11,000	\$11,000
Mobile friendly complaint submission form	Covered under Estimated Annual Cost	\$0	\$0	\$0	\$0
Community ambassador shifts (1 month prior to go live)	Covered under Estimated Annual Cost	\$0	\$0	\$0	\$0
Periodic joint "parking checkup" days with City staff	Covered under Estimated Annual Cost	\$0	\$0	\$0	\$0