



EAST PALO ALTO CITY COUNCIL STUDY SESSION AGENDA

Tuesday, November 12, 2024, 6:00 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/88604546512>

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: 886 0454 6512

International numbers available: <https://zoom.us/j/88604546512>

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

2. **APPROVAL OF THE AGENDA**

3. **APPROVAL OF CONSENT CALENDAR**

3.1 **Agreement with Matrix to Conduct a Full Cost Allocation Study and User Fee Study**

Recommendation:

Adopt a resolution authorizing the City Manager to negotiate and execute a professional services contract with Matrix Consulting Group, LTD., in a form approved by the City Attorney, for an amount not-to-exceed \$54,500, for the comprehensive review and update of the City's Full Cost Allocation study and User fee study, including the development of fully burdened staff rates.

3.2 **Accessory Dwelling Units (ADU) Resource Center**

Recommendation:

Adopt a resolution:

1. Authorizing the City Manager to negotiate and execute a three-year agreement in an amount not-to-exceed \$34,000/annually with Baird Driskell Abrams Community Planning DBA Community Planning Collaborative (CPC), in a form approved by the City Attorney, with the possibility of two one-year extensions at the sole discretion of the City Manager so East Palo Alto may participate in the San Mateo ADU Resource Center and related support services will be provided; and
2. Waiving the formal bid procedure pursuant to East Palo Alto Municipal Code Section 2.84.070(D), as to item 2 above; and
3. 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 **Updated Emergency Services Council Joint Powers Agreement**

Recommendation: Adopt the updated Emergency Services Council's Joint Exercise of the Powers Agreement.

3.4 Amendment of Police Recruit Classification Specification and Compensation

Recommendation: Adopt a resolution amending the Police Recruit Classification Specification and Compensation.

3.5 Adopt Revised Annual Compensation Schedule for FY 2024-25

Recommendation: Adopt the revised Fiscal Year (FY) 2024-25 Compensation Schedule.

4. CLOSED SESSION

4.1 CONFERENCE WITH LEGAL COUNSEL—LITIGATION (Government Code Section 54956.9(d)(4)): (6).

5. STUDY SESSION TOPICS

5.1 Residential Permit Parking Program (RPP) Ordinance

Recommendation: Conduct a study session on the Residential Permit Parking Program and provide feedback and comments to staff on the draft Ordinance

5.2

Discussion of Possible Financing Alternatives for Public Facility and Infrastructure Improvements to Serve New Development in the Ravenswood Business District/4 Corners Specific Plan Area

Recommendation:

Receive a presentation and provide comments and possible direction on selecting a consulting firm to explore forming a special financing district. This district would fund public facilities and infrastructure necessary for supporting new development in the Ravenswood Business District/4 Corners Specific Plan area.

6. COUNCIL REPORTS

7. ADJOURNMENT

Upcoming Meetings:

Recommendation:

Regular Meeting	November 19, 2024	6:30 PM
Regular Meeting	December 3, 2024	6:30 PM
Reorganization Meeting	December 17, 2024	6:30 PM

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: November 4, 2024

ATTEST:

James Colin

City Clerk



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Tomohito Oku, Finance Director
Bo-kyoung Kim, Finance Services Manager

SUBJECT: Agreement with Matrix to Conduct a Full Cost Allocation Study and User Fee Study

Recommendation

Adopt a resolution authorizing the City Manager to negotiate and execute a professional services contract with Matrix Consulting Group, LTD., in a form approved by the City Attorney, for an amount not-to-exceed \$54,500, for the comprehensive review and update of the City's Full Cost Allocation study and User fee study, including the development of fully burdened staff rates.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 4: Ensure Our Financial and Organizational Health

Background

The existing comprehensive cost allocation plan and user fee study were performed in 2020. Due to extensive organizational restructuring and changes in service-delivery, including the incorporation of East Palo Alto Sanitary District as a subsidiary of the City effective October 1, 2024, this updated study requires the preparation of a full new study as opposed to an update of the existing plan studies.

On August 30, 2024, the Finance Department issued a request for proposals (RFP) to conduct a study and update of the City's Full Cost Allocation Plan (the "CAP") and User fee Study, including the development of fully burdened staff rates related to such (See Attachment 2). It should be noted that the scope of the Fee Study excludes some fees/rates such as utility rates

CONSENT ITEM 3.1

(e.g., water, sewer, and refuse), impact fees, fines, and penalties, which are covered by separate regulatory laws outside the scope of this project.

Completion of both projects will help City staff and leaders gain a deeper understanding of the internal cost dynamics between supporting and operating departments, enabling them to more accurately determine the full cost of providing discretionary or regulatory services to external parties. This ensures that City leaders and the public can be confident in the City's continued ability to provide a solid, analytically sound, and legally defensible basis for 1) determining the internal overhead cost allocations to other City departments and funds, as well as federal and State grant programs, and 2) setting appropriate and defensible discretionary and regulatory user fees.

Moreover, compliance with State law, best practices, accounting standards, and federal Super Circular Cost Principles (a document that outlines the cost principles and audit requirements for federal awards) makes it imperative for the City to maintain a well-documented cost allocation plan. Such a plan is essential for appropriately and reasonably allocating general and administrative costs within the City's budget, identifying overhead rates that are integral to calculating billable hourly rates for federal and State grants, user fees, and reimbursements from other governmental agencies. Together, these studies are designed to ensure that the City meets all required standards and remains in compliance with these essential principles.

Aside from ensuring that the City's cost recovery plan and user fee schedules are sound and properly documented, the Fee Study, which is partially based on the CAP, will identify potential new user fees for City Council consideration. This will help ensure the City captures the full costs associated with the wide range of user services it provides, ensuring comprehensive and equitable fee structures.

Analysis

Brief description of Services:

Full Cost Allocation Study – This study determines the distribution of general governmental and support services costs of the City to the direct municipal services and activities provided to the public. Costs allocated typically include functions such as legislative, city management, financial services, administrative services, human resources, legal services, information technology support, facilities maintenance, facilities and equipment use, and others as identified during the plan's development. These costs are typically referred to as city-wide overhead. Common uses for the results of a cost allocation plan include: cost basis for governmental fees and charges; determining fully burdened hourly rates for City personnel; and inter-fund charges to recover General Fund support to other City funds.

User Fee Study – The User Fee Study will identify the total cost of providing each City service at the appropriate activity level in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, and rates for charges by public entities, including the requirements of Propositions 26 and 218.

CONSENT ITEM 3.1

These services are scheduled to begin upon Council approval and are expected to be completed by April 2025. Our goal is to incorporate the results of the CAP study into the development of the fiscal year 2025-26 budget, with the implementation of new user fees planned for July 1, 2025.

Review and Evaluation of Proposals

In response to the RFP to perform a Comprehensive Fee Study including a Full Cost Allocation Plan, four proposals were received and evaluated by the Review Committee. The Review Committee consisted of the Finance Director, Financial Services Manager, Community and Economic Development Director, the Interim Chief Building Official, and the Senior Planner. Proposals were received from the following firms:

Firm name	Location
NBS Government Finance Group	San Francisco, CA
Matrix Consulting Group	San Mateo, CA
Willdan Financial Services	Temecula, CA
Revenue & Cost Specialists	Fullerton, CA

Initial RFP evaluation:

The proposals were initially evaluated upon the following criteria.

- Experience (25%)– This is specific experience performing CAP and Fee Studies for agencies (including cities) particularly in California.
- Quality of Firm Personnel (25%)– This includes evaluating the knowledge and skills of the key personnel as it relates to the CAP and Fee Study.
- Understanding Scope & Ability to Execute (25%) – This includes both understanding the full scope of services requested in the RFP and the ability to execute on all aspects of the CAP and Fee Study projects.
- Budget (25%) – This includes evaluating the proposed cost for performing the CAP and Fee Study, ensuring it aligns with the project's financial constraints and offers value for money in comparison to other proposals.

Firm Interviews:

Based upon the Review Committee's Initial RFP evaluation and scoring results, members of the Review Committee conducted in-depth interviews of the top two scoring firms. The interview results were also scored as input for evaluation in the final phase of the process. The interviews assessed the firms on various factors, including their approach to the CAP and Fee Study, their proposed methodology for executing the project, references, and the ability to meet the project timeline.

The interviews were conducted for the following firms, and the scores are summarized as below with the proposed bids.

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Firm name	Total Score (incl. Cost analysis)	Bid Amount
Matrix Consulting Group	454	\$54,500
Willdan Financial Services	453	\$42,605

Even though Matrix Consulting Group's bid amount was higher than Willdan Financial Services, Matrix earned the higher overall score in the evaluation through both proposal documents and interviews due to their employees' extensive experience, a clear understanding of the project scope, and a highly qualified team. These strengths outweighed the cost difference, demonstrating Matrix may offer greater value (service level to cost) for the City's needs.

Fiscal Impact

The total contract cost of \$54,500 is included in the General Fund FY24-25 Adopted Budget.

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, 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.

ATTACHMENT

1. Resolution
2. Request for proposals

RESOLUTION NO. XX– 2024

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

AUTHORIZING THE CITY MANAGER TO AWARD, NEGOTIATE, AND EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH MATRIX CONSULTING GROUP, LTD., IN A FORM TO BE APPROVED BY THE CITY ATTORNEY, FOR AN AMOUNT NOT TO EXCEED \$54,500, FOR THE COMPREHENSIVE REVIEW AND UPDATE OF THE CITY'S A FULL COST ALLOCATION STUDY AND USER FEE STUDY

WHEREAS, the City previously conducted a Full Cost Allocation Plan and adopted a User Fee Schedule in July, 2020;

WHEREAS, since 2020, there have been various changes in the City organization and delivery of services, including the re-organization of City departments and the East Palo Alto Sanitary District becoming a subsidiary of the City, and changes in the scope of City services provided requiring a comprehensive update of the Cost Allocation Plan and User Fee Schedule; and

WHEREAS, the City Finance Department issued a request for proposals (RFP) on August 30, 2024, in order to obtain proposals to conduct a Full Cost Allocation Study and User Fee Study; and

WHEREAS, by the deadline of on September 27, 2024, the City Clerk received four (4) proposals, which were reviewed by staff pursuant to the criteria outlined in the RFP; and

WHEREAS, the City Finance Department conducted a comprehensive evaluation, interview and cost analysis of the firms' proposals, including seeking input from other City departments, and recommended Matrix Consulting Group, LTD as the firm to conduct the studies.

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. Authorizes the City Manager to award, negotiate, and execute a professional services contract with Matrix Consulting Group, LTD., in a form approved by the City Attorney, for an amount not-to-exceed Fifty-Four Thousand Five Hundred Dollars (\$54,500); 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 12th day of November 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Antonio D. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney



**REQUEST FOR PROPOSALS
FOR
FULL COST ALLOCATION STUDY
AND
USER FEE STUDY**

RESPONSE DUE: September 27, 2024

August 30, 2024

FULL COST ALLOCATION STUDY USER FEE STUDY

I. REQUEST SUMMARY

The City of East Palo Alto desires to update its Full Cost Allocation Plan, including a cost allocation plan version that complies with the stipulations of Title 2, Code of Federal Regulations, Part 200, Subpart E Cost Principles (also referred as the *Federal Super Circular Cost Principles*); and a comprehensive review and evaluation of citywide user fees (“Fee Study”). To that end, the City is seeking to engage the services of a qualified professional firm experienced in cost recovery to prepare a Full Cost Allocation Plan, including version compliant with the above-referenced Code of Federal Regulations; and, a citywide user-fee study.

The services are anticipated to commence in October 2024 with the Cost Plan report from the selected consultant due by mid-April 2025. Public hearings related to the City’s schedule of user fees (the Master Fee Schedule) are anticipated to occur in April 2025 for full implementation in July 2025.

II. INTRODUCTION

A. Background

The City of East Palo Alto, incorporated in 1983, is the newest city in San Mateo County with a population of approximately 28,586 people. East Palo Alto is one of California’s most vibrant and diverse communities located in the San Francisco Peninsula and nestled within the heart of Silicon Valley. East Palo Alto is centrally located to international travel and is a central location to major neighboring tech companies and employers. Priding itself with its unique and multi-cultural community, East Palo Alto consists of youthful, diverse, and hard-working individuals.

The City of East Palo Alto operates under a Council-Manager form of government. The mission statement of the City of East Palo Alto is to provide responsive, respectful, and efficient public services to enhance the quality of life and safety for its multi-cultural community. The City has approximately 120 full time employees. The FY 2024-25 operating budget is approximately \$68.9 million. The City fiscal year begins on July 1 and ends on June 30.

City Hall is located at 2415 University Avenue., East Palo Alto, CA 94303. The telephone number is (650) 853-3100.

The existing comprehensive cost allocation plan and user fee study were performed in 2020. Due to extensive organizational restructuring and changes in service-delivery, this updated study requires the preparation of a full new study as opposed to an update of the existing plan studies. Furthermore, State law, best practices, accounting standards, and Federal Super Circular Cost Principles make it necessary for the City to maintain a well- documented

cost allocation plan in order to appropriately and reasonably allocate general and administrative costs in its budget; properly identify overhead rates that can be used in the calculation of billable hourly rates for federal and state grants, user fees, and reimbursements from other governmental agencies. Collectively, these studies are intended to attain required standards.

B. Objectives

Full Cost Allocation Plan

The purpose of this project is to ensure that the City has a basis of applying comprehensive overhead rates and is accurately accounting for City department's costs of providing various services. A Cost Allocation Plan allocates all direct and indirect costs between funds, as appropriate. Additionally, best practices, accounting standards and Title 2, Code of Federal Regulations, Chapter 200, Sub-part E Cost Principles make it necessary for the City to maintain a well-documented cost allocation plan to appropriately allocate general and administrative costs in its budget; properly identify overhead rates that can be used in the calculation of billable hourly rates for federal and state grants, user fees, and reimbursements from other governmental agencies.

User Fee Study

The City seeks to evaluate all cost of services provided and examine whether a reasonable relationship exists between the cost of providing services and current service fees, while ensuring compliance with Proposition 26, Proposition 218, and other applicable statutory requirements. The City desires to undertake a comprehensive citywide review and evaluation of user fee and rate charges resulting in a cost-based user fee study. The Comprehensive User Fee Study will calculate the full 100% cost of providing certain City services and provide a recommended fee to be charged for each applicable service. The consultant shall recommend cost recovery strategies and identify best practices in establishing user fees. These strategies should take into consideration the complexities and demands of each department and program. The selected consultant will provide thorough analysis, development of fee models and recommendations including, identifying and recommending new fees and revenue sources. It is the City's goal to have a well-documented and legally defensible cost of service plan that will identify rates that will be used to recover billable costs for services and develop user fees that comply with Proposition 26, Proposition 218 and other applicable statutory requirements. A survey comparison of rates and fees with similar cities is required.

C. General RFP Submittal Information

The City's designated staff will evaluate proposals received.

During the review process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from those that submit proposals, or allow corrections of errors or omissions. Any and all changes to the RFP will be made by a written addendum, which shall be issued by the City to all proposers who have responded to the RFP by the deadline.

The City reserves the right to retain all proposals submitted. Submission of a proposal indicates the firm's acceptance of the conditions contained in this Request For Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the consultant selected.

The preparation of the RFP will be at the total expense of the Proposer. There is no expressed or implied obligation for the City to reimburse responding proposers for any expense incurred in the preparation of proposals in response to this RFP. All proposals submitted to the City shall become properties of the City and will not be returned.

The City reserves the right to reject any or all proposals, in whole or part, to waive any informality in any proposal, and to accept the proposal which, in its discretion, is in the best interest of the City.

To be considered, proposers must provide **five bound copies and one unbound copy of the proposals**, and made available to City staff in a sealed envelope with the name of the company submitting the proposal and the title of “Full Cost Allocation Study and User Fee Study” no later than 4:00P.M. PDT on September 27, 2024 to:

City of East Palo Alto
Attention: James Colin, City Clerk
2415 University Ave.
East Palo Alto, CA 94303

D. RFP Questions

Questions with regard to this RFP should be submitted by e-mail to Bo-Kyoung Kim, Financial Services Manager, at bkim@cityofepa.org by 4:00 P.M. PDT on **September 5, 2024**. All firms sending questions will receive responses to all questions and any other addenda that may be released via e-mail **on September 6, 2024**.

E. Schedule

The City reserves the right to make changes to the below schedule, but generally plans to adhere to the implementation of this bid process as follows:

RFP release:	August 30, 2024
Deadline for receiving questions:	September 5, 2024
Proposals due:	September 27, 2024
Presentations/Interviews (if necessary):	October 4, 2024
Finalists Selected:	October 11, 2024
Contract approved by City Council/Consultant selected:	October 29, 2024

III. SCOPE OF SERVICES

Project tasks shall include, but are not necessarily limited to, the following. If the firm feels that additional tasks are warranted, they must be clearly identified in the firm's proposal.

Full Cost Allocation Plan

Prepare the City's Full Cost Allocation Plan (OMB Cost Allocation Plan as optional supplement), which may include the following elements (if the consultant believes that additional tasks are warranted, they must be clearly identified in the consultant's proposal):

- A. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Cost Allocation Plan to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the study.
- B. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. This includes where certain services and functions are performed together or shared through cooperation between different departments. Costs should be identified so they can be allocated to and tracked by appropriate department.
- C. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, the State Controller's Office Guidelines for Cost Claiming and OMB 2 CFR Part 200 standards.
- D. Develop a Cost Allocation Model using the most recently adopted budget and/or actual data for calculation of the full costs of providing each City service. The requirements of the model should allow for:
 - a. Additions, revisions, or removal of direct and overhead costs so the cost allocation plan can be easily adapted to a range of activities, both simple and complex.
 - b. The ability of the City to continuously update the model and full cost allocation plan from year to year as organization and/or service model changes occur over time.
 - c. The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated cost of provide the service under consideration (i.e., ad-hoc analysis).
- E. Report on other matters that surface during the evaluation that the City should consider.
- F. Present the plan to the City's management group and make necessary adjustments as requested.
- G. Prepare and deliver presentation to the Council to facilitate their understanding of the plan and its implications to the City.
- H. Work with the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.
- I. Provide the City with an electronic copy of the final comprehensive review, including related schedules and cost documentation in a format such as Microsoft Word and Excel that can be edited and updated by City staff to accommodate changes in the organization or changes in cost.
- J. Prepare a final report and provide twenty bound copies, and a PDF file of the Cost

Recovery Plan that can be made available to City staff, Council and Committees. Models, tables, and graphs should be provided in Excel. Any Cost Allocation Model revisions developed shall also be made available to the City in Excel and PDF formats, providing the ability to add, delete and/or update information as needed.

- K. Provide a computer-based model in Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final Cost Allocation Plan and Cost Allocation Model, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.
- L. Consult with City staff should the need arise to defend the cost allocation plan as a result of audits or other challenges.

User Fee Study

Prepare a Comprehensive User Fee Study for the City, which may include the following elements (if the consultant believes that additional tasks are warranted, they must be clearly identified in the consultant's proposal):

- A. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Comprehensive User Fee Study to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedules and answer any questions pertaining to the successful development of the study.
- B. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. Conduct a comprehensive review of the City's existing fees, rates and charges.
- C. Identify the total cost of providing each City service at the appropriate activity level and in a manner consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, Proposition 26 and Proposition 218.
- D. Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where perhaps the City should charge, considering the City's practices, or the practices of similar or neighboring cities.
- E. Recommend potential new fees and charges for services the City currently provides but does not have any fees and/or charges established. Recommendations should be based on practices by surrounding cities that may charge for similar services, industry best practices, or the consultant's professional opinion.
- F. Recommend appropriate fees and charges based on the firm's analysis together with the appropriate subsidy percentage of those fees where full cost recovery may be unrealistic.
- G. Prepare a report that identifies each fee service, its full cost, recommended and current cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service.
- H. Prepare a report that identifies the present fees, recommended fees, percentage change, cost recovery percentage, revenue impact and fee comparison with other Merced County cities or other California cities that are comparable to the City. A survey comparison of

rates and fees with similar cities is required.

- I. Report on other matters that come to the Consultant's attention in the course of the evaluation that, in the Consultant's professional opinion, the City should consider.
- J. Provide a computer-based model in Microsoft Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. The requirements of the models should allow for:
 - a. Additions, revisions, or removal of the direct and overhead costs so the comprehensive fee study can be easily adapted to a range of activities, both simple and complex.
 - b. The ability of the City to continuously update the model and fees from year to year as the organization changes.
 - c. The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e., ad-hoc analysis).
- K. Prepare and deliver presentation to the City Council to facilitate their understanding of the plan and its implication for the City and make necessary adjustments as requested.
- L. Provide on-site training to enable staff to update fees on an annual basis.
- M. Prepare a final report and provide twenty bound copies, and a PDF file of the Comprehensive User Fee Study that can be made available to City Staff, Council and Committee members. Models, tables, and graphs should be provided in Excel. Any Comprehensive Fee Study revisions developed shall also be made available to the City in Excel and PDF formats, providing the ability to add, delete and/or update information as needed.
- N. Consult with City staff should it become necessary to defend the City's Comprehensive User Fees as a result of any legal or other challenges.

General

The Consultant may recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP. The successful respondent shall be required to retain all working papers and related supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by the City of the need to extend the retention period. The Consultant further agrees to allow City staff to review such documents upon written request at any time during the retention period.

IV. PROPOSAL OUTLINE TO BE SUBMITTED

The proposal shall be organized and submitted with the following elements:

- *Cover page.*

- *Table of Contents*
- *Executive Summary*

Provide a brief summary describing the proposer's ability to perform the work requested, a history of the proposer's background and experience providing services, the qualifications of the proposer's personnel to be assigned to this project, any subcontractor, sub consultants, and/or suppliers and a brief history of their background and experience, and any other information called for by this request for proposal which the proposer deems relevant, including restating any exceptions to this request for proposal. This summary should be brief and concise to apprise the reader of the basic services offered, experience and qualifications of the proposer, staff, subcontractors, and/or suppliers.

- *Questionnaire/Response to Scope of Services*

Proposer shall provide responses and information to fully satisfy each item in the Questionnaire. Each question item should be presented before the proposer's response.

- *Attachments*

V. QUESTIONNAIRE

A. Company and General Information

- Company name and address.
- Letter of transmittal signed by an individual authorized to bind the respondent, stating that the respondent has read and will comply with all terms and conditions of the RFP.
- General information about the primary contact who would be able to answer questions about the proposal. Include name, title, telephone number and email address of the individual.
- Appendix A, Certification of Proposal to City
- Appendix B, Summary Sheet

B. Qualifications and Experience of the Firm

- Describe your firm's history and organizational structure. Include the size of the firm, location of offices, years in business, organizational chart, name(s) of owner(s) and principal parties, and number and position titles of staff.
- What is the primary business of the parent company and/or affiliates?
- Which office(s) of your organization will have primary responsibility for managing the user fee study?

- What is your firm's experience conducting Full Cost Allocation Plans, and User Fee Studies? Identify the studies performed by your firm in the last five years.
- Which office(s) of your organization will have primary responsibility for managing the Cost Allocation Plan?
- What is your firm's experience preparing Full Cost and OMB 2 CFR Part 200.416 Cost Allocation Plans? Identify the Plans prepared by your firm in the last five years. Include the type of plan prepared (i.e. Full Cost; OMB 2 CFR Part 200.416, etc.)
- Comment on other areas that may make your firm different from your competitors.

C. Qualifications and Experience of Proposed Project Team

- Describe the qualifications of staff proposed for the assignment, position(s) in the firm, and types and amount of equivalent experience. Be sure to include any municipal agencies they have worked with in the past three years and their level of involvement.
- Identify and provide the resume(s) of the personnel who will be assigned to this project.

D. Questions/Response to Scope of Services

- Describe the methods by which your firm will fulfill the Full Cost Allocation Study and User Fee Study requested in the Scope of Services (Section III). In responding to the Scope of Services, please be thorough in describing your firm's methodology for completing Full Cost Recovery Studies and User Fee Studies, and how your firm will address all services identified in the Scope of this request.
- Provide a statement of the service(s) that differentiate your firm from other respondents.

E. Fees

Please provide three copies in a separate envelope marked "Fees."

- Provide your fees for the proposed service. Fee quotes should be detailed by service.
- The fee should include preparation of the Full Cost Allocation Plan (including a supplement for an OMB 2 CFR Part 200 Cost Allocation Plan) and a User Fee Study.
- Outline billing and payment expectations, including timing and method of payment.
- Describe any remaining fees not already detailed above.
- Present a specific "not to exceed" fixed fee including associated fees (i.e., printing costs, attendance at meetings, travel).

F. References

- Provide a list of the municipal agencies for which the respondent has conducted a Full

Cost Recovery Plan and a User Fee Study within the past three years.

The Consultant should provide a list of at least three municipal agencies for each component of the RFP under consideration by the City.

- Provide the following information for three projects that are similar in size and scope to the project requested by this proposal:
 - a) Name, address, and telephone number of the agency
 - b) Time period for the project
 - c) Brief description of the scope of the review
 - d) Recommended procedures
 - e) Reference contact name and telephone number

G. Implementation Schedule

Include an implementation schedule and note key project milestones and timelines for deliverables. Identify any assumptions used in developing the schedule.

H. Indemnity and Insurance Requirements

The City will require the successful Consultant to acquire and maintain workers' compensation, commercial general liability, owned and non-owned and hired automobile liability, and professional liability insurance coverage relating to services to be performed covering the City's risks in a form subject to the approval of the City Attorney and/or City's Risk Manager. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

1. Worker's Compensation and Employer's Liability Insurance:

Consultant certifies the firm does not employ persons in a manner which subjects Consultant to Workers' Compensation provisions of the California State Labor Code. In accepting a contract Consultant makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions, if applicable, before commencing the performance of the work of this Agreement".

2. Liability Insurance:

Consultant shall take out and maintain such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the Consultant's operations, whether such operations be by Consultant or by any sub-consultant or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than One Million Dollars (\$1,000,000)

per occurrence and Three Million Dollars (\$3,000,000), in aggregate or Three Million Dollars (\$3,000,000) combined single limit bodily injury and property damage for each occurrence. Consultant shall provide the City with certificates of insurance and copies of additional insured and primary coverage endorsements evidencing the insurance coverage required by this Agreement. Consultant shall maintain Automobile Liability Insurance pursuant to this Contract in an amount of not less than One Million Dollars (\$1,000,000) for each occurrence combined single limit or not less than One Million Dollars (\$1,000,000) for any one (1) person, and One Million Dollars (\$1,000,000) for any one (1) accident for bodily injury and property damage.

3. Professional Liability Insurance:

Consultant shall take out and maintain during the life of this Agreement a policy of professional liability insurance, protecting it against claims arising out of the acts, errors, or omissions of Consultant pursuant to this Agreement, in the amount of not less than One Million Dollar (\$1,000,000) per claim. Said professional liability insurance is to be kept in force for not less than one year after completion of services described here in.

The City of East Palo Alto, its subsidiary agencies, directors, officers, employees, agents, independent contractors and volunteers shall be named as additional insured on any such policies of comprehensive general and automobile liability insurance. Except for professional liability and worker's compensation insurance, the policies shall also contain a provision that the insurance afforded thereby to the City, its subsidiary agencies, and their directors, officers, employees, agents, independent contractors and volunteers shall be primary insurance to the full limits of liability of the policy, and that if the City, its subsidiary agencies and their directors, officers, employees, agents, independent contractors and volunteers have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.

Prior to the execution of an Agreement, any deductibles or self-insured retentions must be declared to and approved by City.

I. Professional Services Agreement

Proposer shall acknowledge that they have read the City's Standard Professional Services Agreement (Attachment C) and agree to the general form and provisions of this agreement. Identify any proposed adjustments or amendments to Attachment C. Failure to identify any such adjustments or amendments will be deemed acceptance of its provisions and waiver of any such requests made during negotiation phase following award of the contract.

VI. EVALUATION OF PROPOSALS

The project's core implementation team, comprised of City staff, will be responsible for the bid evaluations. This team, in accordance with the criteria listed below, will evaluate all proposals received as specified. The City team members, in applying the major criteria to the proposals, may consider additional criteria beyond those listed. During the evaluation period, the team may elect to interview some or all the proposing firms.

The final selection will be the firm which, in the City's opinion, is the most responsive and responsible, meets the City's requirements in providing this service, and is in the City's best interest. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.

Consultants will be objectively evaluated based on their responses to the project scope outlined in the RFP. The written proposal should clearly demonstrate how the firm could best satisfy the requirements of City.

Proposals will be evaluated based on the following criteria:

- Thoroughness and understanding of the tasks to be completed.
- Background and experience in organizational analysis evaluation.
- Staff expertise and overall experience of personnel assigned to the work.
- Time required to accomplish the requested services.
- Responsiveness to requirements of the project.
- Recent public sector experience, preferably in a municipal setting, conducting similar studies.
- Costs.

Although price for the services will be an important part of the consideration for award of the project, the City will consider the consultant's qualifications, expertise and level of professional service and advice in the award of the project.

APPENDIX A

CERTIFICATION OF PROPOSAL TO THE CITY

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to the City in accordance with the Request for Proposal (RFP), dated **August 30, 2024** and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that the City is not responsible for any errors or omissions on the part of the firm and that the firm is responsible for them.
3. It is understood and agreed that the City reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the City.
4. The proposal includes all of the commentary, figures and data required by the Request for Proposal, dated **August 30, 2024**.
5. This firm has carefully read and fully understands all of the items contained in Section 8, General Requirements. This firm agrees to all of the general requirements except for those listed on an attachment.
6. By signing this certification, this firm acknowledges they have read, understood, and agreed to comply with the Indemnity and Insurance requirements supplied with the proposal.
7. The proposal by this firm is an irrevocable offer; it shall be valid for 120 days from **September 27, 2024 unless both** parties mutually agree to extend date.

Name of firm: _____

By: _____
(Authorized Signature)

Type Name: _____

Title: _____

Date: _____

APPENDIX B
SUMMARY SHEET

Firm Name: _____

Firm Parent or Ownership: _____

Firm Address: _____

Firm Telephone #: _____ Firm Fax #: _____

Federal TIN _____ State TIN _____

Number of years in existence: _____

Management Contact (person responsible for direct contact with the City and services required for this Request for Proposal):

Name: _____ Title: _____

Telephone Number: _____ Fax: _____

Email: _____

Project Manager (person responsible for day-to-day servicing of the account):

Name: _____ Title: _____

Telephone Number: _____ Fax: _____

Email: _____

Location (address) of closest office to the City of East Palo Alto



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Amy Chen, Community & Economic Development Director

SUBJECT: Accessory Dwelling Units (ADU) Resource Center

Recommendation

Adopt a resolution:

1. Authorizing the City Manager to negotiate and execute a three-year agreement in an amount not-to-exceed \$34,000/annually with Baird Driskell Abrams Community Planning DBA Community Planning Collaborative (CPC), in a form approved by the City Attorney, with the possibility of two one-year extensions at the sole discretion of the City Manager so East Palo Alto may participate in the San Mateo ADU Resource Center and related support services will be provided; and
2. Waiving the formal bid procedure pursuant to East Palo Alto Municipal Code Section 2.84.070(D), as to item 2 above; and
3. 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: Promote Housing, Economic and Workforce Development

Background

CONSENT ITEM 3.2

ADUs

Accessory dwelling units (ADUs), also known as “secondary units” or “in-law units,” are attached or detached residential units that are subordinate to a primary dwelling on the same lot. There are two types of ADUs:

- Accessory Dwelling Units (ADUs) may be detached structures or can be attached to the primary dwelling. The creation of an ADU usually results in an increase in habitable space on the property.
- Junior Accessory Dwelling Units (JADUs) are 500 square feet or less in size and constructed within the walls or attached garage of a proposed or existing single-family residence. A JADU must include an efficiency kitchen.

The ADU process starts with the Planning Division conducting a Preliminary Ministerial Review (PMR) Clearance review of a future ADU application. After that, a building permit is required. Please see the current City webpage listing out these instructions to submit an ADU application: <https://www.cityofepa.org/planning/page/accessory-dwelling-units-adus>

ADU Resource Center

In 2023, Member Agencies of a community collaborative (21 Elements) identified a need for a shared resource center to support staff in carrying out policies related Accessory Dwelling Units (ADU) as outlined in their Housing Elements. The conveners of 21 Elements, Baird Driskell Abrams Community Planning DBA Community Planning Collaborative (“CPC”), subsequently worked with Member Agencies to develop a concept for a nonprofit Resource Center that would work with staff to help implement ADU policies, enhance countywide collaboration on ADU code and policy best practices, and provide resources to homeowners to facilitate ADU production.

CPC launched the ADU Resource Center in September 2024, with support from the 21 Elements Member Agencies. Modeled on the award-winning Napa Sonoma ADU Center, which launched in 2018 and has been effective in increasing ADU production, the San Mateo ADU Resource Center is charged with assisting Member Agencies in meeting their RHNA 6 Housing Element ADU production and policy goals (or the target number of ADU units assigned by the State per jurisdiction to be produced by 2031), with a focus on ADU affordability.

The purpose of this staff report is to allocate funds towards this effort and to be able to officially sign on as a jurisdiction in San Mateo County under the ADU Resource Center and thus EPA will be able to receive the services listed under the draft scope for fiscal year 2024 – 2025 (see Attachment 2). These may be changed based on available funding levels and changing priorities as identified by the San Mateo Center’s Steering Committee, which is composed of staff from participating jurisdictions.

Analysis

CONSENT ITEM 3.2

ADU production is an important component of the City's Housing Element, certified by California's Department of Housing and Community Development (HCD) on April 29, 2024, as well as the City's 2024-2028 Affordable Housing Strategy. This form of housing has significant benefits for both renters and homeowners. ADUs are considered natural affordable housing as market rents tend to be lower. These units provide more flexible housing options for extended families, such as aging parents and adult children. ADUs also offer a solution for seniors to "age-in-place" while creating rental income to cover housing and living costs.

Several ADU streamlining bills passed by the State since 2018 have led to a steady growth in interest in ADUs. The City has also made ADUs a priority since 2018 and has pursued several efforts to streamline ADU development and facilitate the production of affordable ADUs, including launching an ADU Working Group that has systematically reviewed the ADU permitting process, and offering a program via CalHOME to incentivize the development of affordable ADUs. As a result of these factors, City ADU permits rose 187% between 2019 and 2022 (from 8 to 23).

The City's RHNA 6 ADU target (again, the number of units the State says must be produced within EPA's boundaries) for 2023-2031 is 115 units, with the majority of these units (60%) in the Very Low Income and Low Income categories.

Year	Permitted ADUs (Total)
2018	0
2019	8
2020	11
2021	30
2022	23
Projected (2023-2031)	115

Currently, there are nine pending applications with the Planning Division. Since January 1, 2024, at present we have:

- Code Enforcement Cases involving illegal unpermitted dwelling units and garage conversions - 11 (4 of which are still open cases).
- Open ADU Building Permits - 18
- Pending Permits (Not yet issued) - 23

With this level of interest and ADU permits in progress so far this year, staff believe support from the San Mateo ADU Resource Center will be beneficial and may help get some of these ADU's permitted.

Contract Terms and Conditions

EPA must sign a contract with CPC to participate in the services provided by the ADU Resource Center. The City's Professional Services Agreement with CPC would be effective July 1, 2024,

CONSENT ITEM 3.2

through June 30, 2027, with two one-year extensions that may be administratively approved by the City Manager. The contract with CPC will include a standard termination clause should we choose to opt out of the contract earlier. After three to five years, the City Council has the ability to extend the contract under new terms or direct staff to explore another options.

The agreement would include a scope of work (Attachment 2) for the Center in providing support to East Palo Alto staff in implementing ADU-related policies. Some of these policies are outlined in the City's Housing Element, and the City could receive assistance with compliance with new and evolving ADU laws. The scope would also include a range of resident-facing services to support homeowners through the stages of ADU development. These services may be changed based on available funding levels and changing priorities as identified by the steering committee and ADU Resource Center staff. For example, the Center plans/intends to provide translation services, as needed, to support non-English speaking populations, subject to funding availability.

Recommendation

The City of East Palo Alto wishes to waive the formal bid procedure and execute an agreement with CPC, given that the size of the contract (relatively small), the need for coordination with work already completed by CPC, and the immediate need for such services, would make it unlikely that going out to bid would lead to a significantly lower contract value for the services needed in the time frame required.

Fiscal Impact

The current annual cost per participating jurisdiction for the San Mateo ADU Resource Center is \$34,000/annually. This fee covers the comprehensive services provided by the Center, including assistance with State (HCD) compliance, ordinance updates, process improvements, and various homeowner support services. The funding for this initiative is already included in the Department budget, requiring no additional budget amendment. As the ADU Resource Center program develops, there may be opportunities to align its cost structure with other citywide initiatives, such as the upcoming cost allocation and user fee study. This alignment could potentially lead to a more refined fee structure in the future, possibly allowing for the recovery of implementation and maintenance costs. The City Council may, at a later date, consider options for partially or fully passing these costs onto ADU applicants or homeowners, similar to other jurisdictions' approaches to ADU-related services.

Public Notice

Notice of this agenda item was provided to the public by posting the City Council agenda on the City's bulletin outside City Hall, as well as by making the agenda and report available on 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" within the meaning of the California

CONSENT ITEM 3.2

Environmental Quality Act (“CEQA”), pursuant to CEQA Guidelines sections 15378(b)(4) and (5), as it is a governmental administrative, fiscal, organizational, or administrative activity that will not result in direct or indirect changes to the environment. Future ADU applications that would be processed by the City will be statutorily exempt from CEQA pursuant to Sections 15268 and 21080(b)(1) of the Public Resources Code as they would be ministerial permits, consistent with State law and the Municipal Code.

Government Code § 84308

Applicability of Levine Act: Yes.

Analysis of Levine Act Compliance: The signatory for the agreements is Joshua Abrams, Principal, Baird Driskell Abrams Community Planning DBA Community Planning Collaborative. Staff is unaware of any other parties or participants relevant to the Council’s consideration of this item.

Attachments

1. Resolution
2. Scope of Work

RESOLUTION NO. XX– 2024

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

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH BAIRD DRISKELL ABRAMS COMMUNITY PLANNING DBA COMMUNITY PLANNING COLLABORATIVE (“CPC”), IN A FORM APPROVED BY THE CITY ATTORNEY, FOR AN AMOUNT NOT TO EXCEED \$34,000/ANNUALLY TO PARTICIPATE IN ADU RESOURCE CENTER SERVICES; AND WAIVING THE FORMAL BID PROCEDURE PURSUANT TO EAST PALO ALTO MUNICIPAL CODE SECTION 2.84.070(D)

WHEREAS, Baird Driskell Abrams Community Planning DBA Community Planning Collaborative (“CPC”) launched the ADU Resource Center in September 2024, with support from the 21 Elements Member Agencies; and

WHEREAS, the City’s participation as a jurisdiction served by the ADU Resource Center of San Mateo County provides resources and support to increase the success rate of building ADU’s within the boundaries of the City of East Palo; and

WHEREAS, on June 14, 2025, via Resolution No. 64-O-2024, the City Council adopted the FY 2024-25 Budget, approving an allocation of \$34,000 towards this effort through the Building Division’s budget; and

WHEREAS, as a Member Agency and also a part of the community collaborative 21 Elements, the City of East Palo Alto wishes to waive the formal bid procedure and execute an agreement with CPC, given that the size of the contract (relatively small), the need for coordination with work already completed by the existing vendor (CPC), and the immediate need for such services, would make it unlikely that going out to bid would lead to a significantly lower contract value for the services needed in the time frame required.

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. Authorizing the City Manager to negotiate and execute a three-year agreement in an amount not-to-exceed of \$34,000/annually with Baird Driskell Abrams Community Planning DBA Community Planning Collaborative, in a form approved by the City Attorney, with the possibility of two one-year extensions at the sole discretion of the City Manager so East Palo Alto may participate in the San Mateo ADU Resource Center and related support services will be provided; and
3. Waives the formal bid procedure pursuant to East Palo Alto Municipal Code Section 2.84.070(D); and
4. Find 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 12th day of November 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Antonio D. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

CPC: ADU Resource Center Scope of Work

The specific set of planned services offered to participating jurisdictions is outlined below:

1. Assistance with HCD Compliance & Housing Element Implementation

The Center will support jurisdictions in meeting commitments made in their Housing Elements. For example, twenty jurisdictions committed to improved public information on ADUs, fourteen committed to providing pre-approved plans, and thirteen committed to providing ADU affordability programs, including EPA. All of these programs will be offered by the Center.

2. Updating ADU Ordinances and Complying with New Laws

The Center will assist jurisdictions in updating their ADU ordinances, ensuring compliance with new State laws. Best practices and model ordinances will be provided. Jurisdiction staff will be available to consult on jurisdiction's ordinances.

3. ADU Process Improvements

The Center will assist jurisdictions in improving their ADU permitting and public outreach processes, as requested.

4. Support on Opt-In Programs and Best Practices

The Center will assist jurisdictions with optional programs to increase ADU production or affordability such as setting up a robust ADU legalization program or ADU condominiumization (creating a condo under separate ownership).

5. ADU Affordability Monitoring

The Center will assist with annual affordability monitoring and reporting, allowing jurisdictions to track ADU affordability year to year and compare progress against benchmark goals. Specifically, it will write text jurisdictions can use in their Annual Progress Reports (APRs), which are reports on each jurisdiction's status and progress in implementing its housing element, submitted to HCD annually.

6. Jurisdiction-Specific Educational Materials

The Center can provide webinars, in-person educational events, and written materials that explain a jurisdiction's ADU development and permitting processes.

7. Answers to Homeowner Questions

The Center's staff will be available (by phone, email, possibly in-person) to answer questions and assist homeowners navigating their local ADU development process. This service saves significant time for planning counter staff. the Center will initially provide services in English and plans to add additional languages as the need arises.

8. ADU Assessments

The Center will provide homeowners with personalized assessments of what type and size of ADU can be constructed on a homeowner's property. These assessments have been extremely popular in Napa and Sonoma counties.

9. ADU Affordability Programs

The Center will offer a grant or loan program to support low-income homeowners to construct ADUs or incentivize homeowners to construct deed-restricted affordable ADUs. This program is planned to launch in year 2 and would likely be funded by affordable housing trust funds.

10. Webinars and In-Person Education Events

The Center will offer webinars and in-person events, providing homeowners information and advice on all aspects of ADU development. Both live events and webinars can be customized for specific jurisdictions.

11. Plans Gallery

The online plans gallery will allow homeowners to browse a collection of jurisdictions pre-reviewed and pre-approved ADU plans that can be downloaded for free or purchased from the designer. Homeowners can search for specific types, sizes, and architectural styles of ADUs. This will satisfy AB434, which requires cities to have a pre-approved plans program by January 1, 2025.

12. Guidebook and Other Handouts

The visually appealing, comprehensive guidebook will help homeowners navigate the ADU development process - from initial ideas to permitting and selecting contractors.

13. ADU Calculator

The calculator is an online tool to help homeowners understand how much it will cost to build their ADU, and how their choices affect the price and payback period.

14. Website

The ADU Center will maintain/take over/improve the existing Second Unit Center website. The website is a visually appealing, easy to navigate hub that summarizes the rules in each jurisdiction and provides resources. It will answer homeowners' most common questions. Jurisdiction specific resources will be developed in consultation with local staff.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Denise J. Garcia, Assistant to the City Manager

SUBJECT: Updated Emergency Services Council Joint Powers Agreement

Recommendation

By motion, adopt the updated Emergency Services Council's Joint Exercise of the Powers Agreement.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Promote Health & Public Safety

Background

The San Mateo Operational Area Emergency Services Council (ESC) brings together local governments, special districts, and other entities to coordinate emergency planning and response, including for hazardous materials. ESC engages in planning with respect to all phases of the emergency management cycle: prevention, protection, response, recovery, and mitigation efforts, while also maintaining key public information systems like SMC Alert.

The ESC last revised and restated the Joint Exercise of the Powers Agreement ("Agreement") on October 17, 2014. Since the Agreement is updated as needed, it has become outdated due to significant changes within the Department of Emergency Management (DEM), which now operates as a standalone agency separate from the Sheriff's Office.

Analysis

To accurately reflect the current responsibilities of the DEM and the ESC, the ESC unanimously approved the changes to the Agreement. City of East Palo Alto partners with ESC and DEM to receive services such as Hazmat Responses, Emergency Alert and Warning, and Training and Exercises for the whole Operational Area.

Key changes to the Agreement, include:

- Standardizing nomenclature;
- Adding an auditor and financial accountability section;
- Clarifying and defining the roles of the ESC, the ESC Finance Committee, and the DEM; and
- Including a memorialized reserve policy between \$500,000 to \$1,500,000 that can be reviewed and updated with a majority vote from the ESC.

As part of the Agreement, partners are required to adopt updates. Additionally, adopting the updated Agreement ensures that the City of East Palo Alto continues to receive these services.

Fiscal Impact

As a partner with ESC and DEM, all cities are required to provide a financial contribution based on a fair approach reflecting both population size and the value of its properties of each city. There are no fiscal impacts regarding the adoption of this updated Agreement since contributions will remain the same and are already accounted for.

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, as the agreement does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachment

1. Updated Agreement
2. Updated Agreement with highlighted changes

**Second Revised and Restated
Joint Exercise of Powers Agreement
San Mateo County Operational Area Emergency Services Organization**

THIS JOINT POWERS AGREEMENT (“Agreement”) is made as of the Effective Date by and between the public entities set forth below, creating the San Mateo County Operational Area Emergency Services Organization Authority (“Organization”), also known as the Emergency Services Council (“ESC”).

Each public entity executing this Agreement shall be referred to individually as a “Member Agency,” with all referred to collectively as “Member Agencies.”

RECITALS

Whereas Member Agencies have established a unified emergency services organization by forming the Organization; and

Whereas the Member Agencies agree that the purpose of this Organization will be to operate pursuant to Presidential Policy Directive 5 (PPD-5), the National Response Framework, National Incident Management System (NIMS), Presidential Policy Directive 8 (PPD-8), the National Preparedness Goal (NPG) and California’s Standardized Emergency Management System (SEMS) and local adopted Emergency Operations Plans (EOPs) and Annexes.

Whereas the Member Agencies agree that the participants within this Organization may include all local governments within the geographic area of San Mateo County (SMC), special districts, unincorporated areas, and participating non-governmental entities; and

Whereas the Member Agencies agree that the goal of the Organization is to provide coordinated plans for the protection of persons and property based on the phases of emergency management; and

Whereas the Member Agencies have the authority to enter into this Agreement under the Joint Exercise of Powers Act (“JPA Act”), California Government Code Section 6500 *et seq.*

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the Member Agencies as herein contained, the Member Agencies agree as follows:

Article I - GENERAL PROVISIONS

1.01 Purpose

This Agreement creates an entity to exercise the powers shared in common by the Member Agencies to engage in San Mateo County Operational Area (SMC OA) cooperative planning with respect to all phases of the emergency management cycle: preparedness, mitigation, response, and recovery. Such purposes are to be accomplished and the Members Agencies’ common powers exercised as set forth in this Agreement.

1.02 Creation of Authority

Pursuant to the JPA Act, the Member Agencies hereby reaffirm the creation of an entity to be known as the Organization or ESC. The Organization will be comprised of Member Agencies. The Organization shall be a public entity separate and apart from the Member Agencies. The geographic jurisdiction of the Organization is all territory within the geographic boundaries of the Member Agencies; however, the Organization may undertake any action outside those geographic boundaries as is necessary and incidental to accomplishing its purpose.

1.03 Membership in the Organization

Membership in the Organization is limited to public entities, as defined by the JPA Act, located or operating within SMC that have approved and executed this Agreement, and contributed resources of any kind toward establishing and supporting the Organization (including, but not limited to financial, personnel, equipment, or other resources) as approved by the ESC.

1.04 Participating Members/Partners in the Organization

The DEM will establish standards for emergency management practices within the SMC OA, which Member Agencies in the Organization will follow.

Participation in the Organization is intended to ensure cooperative emergency planning and response; all participating Member Agencies and partners are expected to attend all regular and special meetings of the ESC, encourage active participation by their jurisdictions in the development of plans and training programs, drills, exercises and training opportunities, and otherwise assist in supporting the implementation of this Agreement.

1.05 Powers of the Organization

The Organization may purchase, lease, own and/or dispose of property and equipment and enter into contract(s), as required to satisfy the purposes of this Agreement. The Organization may employ agents and/or employees, operate works and improvements, sue and be sued in its own name, and invest surplus funds.

Article II – GOVERNANCE

2.01 Composition of the Organization

The Organization shall be administered by the ESC consisting of the following members:

- a) The Chair of the Organization shall be a representative from the Board of Supervisors. The Chair of the Organization shall be appointed by the President of the Board of Supervisors.
- b) The mayor of each city or town in the County, or the mayor's designated representative, with the understanding that any representative shall be member of the City Council of the city whose mayor they are representing.
- c) A Vice-Chair shall be selected by the ESC.

2.02 General Purpose of the Organization

The general purpose of the Organization is to:

- a) Provide structure for administrative and fiscal policies and procedures;
- b) Identify and pursue funding sources;

- c) Set policy;
- d) Maximize the utilization of available resources; and
- e) Oversee all committee activities.

2.03 Specific Responsibilities of the ESC

The specific responsibilities of the ESC shall be as follows:

- a) To review and recommend adoption by the Board of Supervisors and City Councils of each City, emergency and mutual aid plans and agreements and such ordinances and resolutions and rules and regulations as are necessary to implement such plans and agreements, in addition to the basic agreements as deemed necessary to carry out the purpose of the Organization.
- b) To approve an annual budget in an amount necessary to carry out the purposes of the Organization. Upon review and approval of the annual budget by the ESC, each Member Agency shall recommend the budget to the governing body of the Member Agency to secure from each the appropriation consistent with each Member Agency's identified allocation (via Budget Sheets.)
- c) Each Member Agency's Executive Officer shall identify and designate at the beginning of each fiscal year, a local coordinator for regular participation in the San Mateo County Emergency Managers Association (SMC EMA) and work alongside the DEM. Should the identified Coordinator change at any time during the year, the Member Agency shall advise the DEM within 30 days.
- d) If a Member Agency participates in a contract relationship for the provision of emergency services, it is still required to name a local emergency coordinator to the EMA who will assure the continuity of communication between the Member Agency, the DEM and the Organization.

2.04 Meetings of the Organization.

- a) **Regular Meetings:** The ESC shall approve a schedule for its regular meetings provided, however, the ESC shall hold at least four meetings in one calendar year. The ESC shall fix the date, hour, and location of regular meetings by resolution and the Secretary shall transmit a copy of the resolution to each Member Agency at the first meeting of the fiscal year. By the approval of the Chair, Vice Chair, or the Department of Emergency Management Director ("DEM Director"), meetings can be canceled due to extenuating circumstances, which may include, but are not limited to, a lack of agenda items.
- b) **Agenda Setting** - The agenda shall be set by the Chair, Vice Chair, and the DEM Director.
- c) **Special Meetings:** Special meetings of the ESC may be called by the Chair, a majority of the ESC or the DEM Director. Special meetings will be held in accordance with the Ralph M. Brown Act ("Brown Act"), California Government Code section 54950 et seq.
- d) **Call, Notice and Conduct of Meetings:** All meetings of the legislative body of the ESC shall be noticed and held in accordance with the provisions of the Brown Act. As soon as practicable, but no later than the time of posting, the Secretary shall provide notice and the agenda to each Member Agency. Any Member Agency may request that an item be considered for placement on the Agenda by submitting the request to the DEM Director.
- e) Meetings of the ESC shall be conducted by the Vice-Chair in the absence of the Chairperson. In the absence of both Chair and Vice-Chair, the meeting shall be chaired by a member of

the ESC selected by a majority vote of the ESC.

2.05 Minutes

The Secretary of the Organization shall cause to be kept a digital recording of each meeting, which shall be posted on the DEM Website. The Secretary will create brief summary written minutes for approval by the ESC. Once the minutes have been approved by the ESC, the minutes will be posted on the DEM website.

2.06 Voting

All power of the Organization shall reside with the ESC. Each Member Agency shall have one vote. A Member Agency's alternate representative may participate and vote in the proceedings of the ESC only in the absence of that Member Agency's regular representative. No absentee ballot is permitted.

2.07 Quorum; Required Votes; Approvals

A quorum of the ESC is a majority of the representatives of the Member Agencies of the Organization. If the number of Member Agencies is an even number, a majority is fifty percent of the Member Agencies, plus one. The ESC may not take any substantive action without a majority of the Member Agencies voting to take that action. Action on non-substantive procedural matters may be taken by a majority of a quorum.

Article III – PARTICIPATING PARTNERS, EMPLOYEES AND ADVISORY COMMITTEES

3.01 Treasurer

The Treasurer of the County of San Mateo shall be the Treasurer of the Organization. The Treasurer shall be the depository, shall have custody of the accounts, funds and money of the Organization from whatever source, and shall have the duties and obligations set forth in the JPA Act.

3.02 Auditor and Financial Accountability

Although the Organization is a JPA the State Controller's Office (SCO) has determined that the Organization meets the criteria of a special district for financial reporting purposes under Government Code section 12463, subdivision (d)(2).

Government Code section 53891 requires the Organization to furnish to the SCO a report of all the financial transactions of the Organization during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the SCO, whichever is later, and shall be in the form and manner required by the SCO. The Organization shall submit to the SCO information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.

Pursuant to Government Code section 12464, if the reports are not completed in the time, form, and manner required or there is reason to believe that a report is false, incomplete, or incorrect, the SCO is authorized to proceed with an investigation to obtain the information required. Any costs

incurred by the SCO shall be borne by the Organization.

Government Code section 26909 also requires that an audit be completed and filed with the SCO within 12 months after the close of the fiscal year under examination. Unless the ESC votes to appoint an independent auditor, audits will be conducted in accordance with existing County policy, and by the auditor selected by the Office of the County Executive or the Controller. In the event that the ESC selects an independent auditor, the full cost of the audit will be the responsibility of the Organization. The Auditor shall perform the functions of auditor for the Organization and shall make or cause an independent annual audit of the accounts and records of the Organization by a certified public accountant, in compliance with the requirements of applicable laws and generally accepted auditing standards.

3.03 Legal Counsel

The SMC Attorney's Office shall be the legal counsel for the Organization. To the extent permitted by the JPA Act, the Organization may change, by resolution, the legal counsel to the Organization. The full cost of outside legal counsel will be the responsibility of the Organization.

3.04 Secretary to the Organization

The DEM shall provide a Secretary and administrative support to the Organization.

3.05 Contractors

The Organization shall have the power by resolution to appoint and employ such other consultants and independent contractors as may be necessary to carry out the purposes of the Organization. The Organization will be responsible for any/all incurred costs.

3.06 Committees

The Organization may form and dissolve Committees as determined by the ESC.

3.07 Department of Emergency Management

The DEM is responsible for the on-going operation of the SMC OA and is also responsible for achieving the purposes of the Organization as follows:

- a) Emergency Response Support - coordination and planning during any regional emergency in accordance with adopted emergency plans.
- b) Emergency Plans - preparation, development, coordination, and integration of compatible and complimentary unified area-wide emergency plans for approval by the State of California and adoption by the ESC.
- c) Communications - coordination, development and maintenance of an area-wide emergency communications systems, including public alert and warning systems, and other situational awareness tools. The DEM may host SMC OA communication infrastructure such as system-wide applications or platforms.
- d) Public Education and Information - coordination and support of an area-wide public education and information program.
- e) Training and Exercise - coordination and assistance in the training and exercising of all County employees identified as Disaster Service Workers, as defined by Sect. 3100 of the California Government Code and volunteers. The Member Agencies will be responsible for the training and exercise of their identified employees; however, the DEM will provide

needed support as requested.

- f) Grant Program Administration - coordination and assistance with designated emergency coordinators within the OA in the securing and distribution of grant funds for regional emergency management initiatives and program support. The DEM Director will serve as the representative of Member Agencies with various grants and their approval authorities, including the State Homeland Security Program and Bay Area Urban Areas Security Initiative.
- g) General Administration - coordination and assistance in the procurement and inventory of emergency equipment, management of, maintenance and distribution of area-wide inventories of vital supplies and equipment.
- h) Function as a liaison with Cal OES and FEMA. Assist in providing guidance in recovery efforts.
- i) Resource Management – allocation and coordination of resources during local emergencies. Local governments will request resources through the logistics section at the SMC OA EOC. The DEM will escalate resource requests to the state if unable to be fulfilled locally.
- j) Regional Hazardous Material Emergency Response Program – The DEM will oversee the contract for hazardous material response in the SMC OA.

3.08 Staffing Reimbursement

The DEM is staffed by employees of the County of San Mateo. The DEM supports the purposes of the Organization. A portion of the cost of DEM staff is reimbursed by the Organization in an amount determined by the funding allocation in this Agreement.

3.09 Property

If the Organization acquires title to property, the DEM Director will have charge of, handle, or have access to the property of the Organization, and shall file an official bond in an amount to be fixed by the contracting parties, pursuant to Section 6505.1 of the Government Code.

Article IV – BUDGET AND COST-SHARING

In consideration of the mutual promises herein contained, it is hereby agreed that the cost of maintaining the Organization will be shared as described below.

- a) From the total amount of the annual budget there shall be deducted estimated revenue from federal “matching funds,” state grants, and other revenues.
- b) The balance of the annual budget remaining after anticipated revenues have been deducted shall be paid as follows:
 - 1. The county shall pay 50% of the remaining balance.
 - 2. The cities shall pay the remaining 50% of the balance, apportioned in accordance with the following formula:
 - i. One half of said 50% to be apportioned by people units or population.
 - a) Total population of all member cities divided into one-half of the total of the cities’ share of the budget equals a factor in cents.
 - b) Population of each member city times the factor in cents equals the share for each city.
 - ii. The remaining one-half of said 50% to be apportioned on the basis of assessed valuation as follows:
 - a) Total assessed value of real and personal property in all member cities

divided into one-half of the total of the city's share of the budget equals a factor in mils.

- b) Assessed value of real and personal property of each member city times the factor in mils equals the share for each city.
- c) For the purpose of this Agreement the total assessed valuation of real and personal property in all Member Agencies shall be the most recent such total maintained by the offices of the County Assessor.
- d) The population figures will be based on the Census and will be updated at a minimum of every ten years.
- e) It is understood and agreed that the financial obligations incurred by the Member Agencies under the provisions of this Agreement will be incurred annually, subject to the limitation that the county and cities are financially able to make funds available.
- f) If the Member Agencies representing 25% or more of the county's population do not approve the budget in any fiscal year, the proposed budget will be referred back to the DEM Director and the Finance Committee for revision and recommendation. If no resolution can be reached by the committee, the Member Agencies may proceed to adopt budgets that provide those services they deem necessary for adequate emergency services protection as a whole, but any Member Agency shall be financially responsible for that portion of the budget unilaterally adopted. Any Member Agency that does not meet its financial commitment under the adopted budget will lose its voting status and/or other such privileges of membership as determined by the ESC.
- g) It is further agreed that any excess in federal or state funds, in any year, shall be reviewed by a finance committee, who will then make a recommendation to the ESC, as to the disposition of the excess funds.
- h) With respect any Member Agency that is not a City or the County, the amount to be contributed is determined by a negotiation between those Member Agencies and the DEM Director and must be approved by the ESC. A letter memorializing the agreed contribution will be an attachment to this Agreement.
- i) The Finance Committee will be a standing committee of the ESC and is responsible for administrative and financial recommendations to the ESC. The Finance Committee will consist of the following members: SMC Supervisor (Chair of the ESC), Vice Chair, and representatives chosen by the ESC to be limited to five members.
- j) The Organization shall maintain a minimum of \$500,000 in the Trust Fund with a maximum of \$1,500,000. This policy can be reviewed and updated with a majority vote from the ESC.

Article V - INSURANCE

- a) The County shall add the Organization and ESC to its existing excess liability insurance coverage and shall maintain such coverage in full force and effect during the life of the Agreement. Member Agencies understand that the County is partially self-insured. Unless the Organization decides otherwise, County shall provide for the defense of any claims or litigation within the self-insured retention. Legal representation by the County will ordinarily be provided by the County Attorney.
- b) Any out-of-pocket expense or loss, by way of judgment or settlement, arising out of the operation of this Agreement, within the limits of the County's self-insured retention shall be shared by the parties in accordance with the formula as described in Article IV (b).

Article VI - EFFECTIVENESS

This Agreement shall be effective upon its execution by all Member Agencies. It is effective as to new Member Agencies upon adoption and approval by the ESC and by the new Member Agency's governing body. This Agreement shall continue in effect until terminated as provided herein.

Article VII – TERM AND TERMINATION

7.01 Withdrawal by Members

- a) Any Member Agency may withdraw from this Agreement by written notice given by such Member Agency to all other Member Agencies, which notice shall be given at least 120 days prior to the commencement of the fiscal year in which it is to take effect. For the purpose of such notice, a fiscal year is defined as July 1 of a calendar year through June 30 of the succeeding calendar year.
- b) Any former or prospective Member Agency may enter or re-enter the organization by petition to the ESC by its governing body, and majority approval of the petition by the ESC. Upon approval, the new Member Agency must agree in writing to all terms of this Agreement.
- c) Should a Member Agency withdraw less than 120 days prior to the commencement of the fiscal year, the withdrawal will be effective, but that Member Agency will be responsible for its calculated contribution for that year pursuant to Article IV.
- d) Should a Member Agency give required notice and withdraw from the Agreement, the prior contribution of that Member Agency will be divided equally by formula among the remaining Member Agencies.

7.02 Termination of Organization and Disposition of Surplus Money and Property

This Agreement shall terminate effective upon a vote of the ESC, the County and by at least eleven (11) cities representing the majority of the population of the County. In the event that the Organization ceases to exist, surplus funds will be returned consistent with Section 6512 of the Government Code in proportion to the contributions made. The Organization does not intend to acquire title to any property. But in the event that it does, title to all property acquired by the Organization shall be transferred to the County of San Mateo and be used for "County Wide" purposes.

7.03 Amendments

Any proposed Amendments to this Agreement may be recommended by the ESC but must be ratified by each Member Agency's governing body.

7.04 Bylaws

The ESC may, from time to time, adopt and/or amend Bylaws for the conduct of its affairs; provided the purpose is consistent with this Agreement and/or are necessary and appropriate.

Article VIII - MISCELLANEOUS PROVISIONS

8.01 Notices

It shall be the responsibility of the County Manager or designee to ensure all notices are provided to

Member Agencies and posted in compliance with the legal requirements of the Agreement.

8.02 Severability

If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were, to any extent, adjudged invalid, unenforceable, void, or voidable for any reason whatsoever by court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

8.03 Supersession

It is mutually understood and agreed by the Member Agencies that this Agreement supersedes the 2014 San Mateo County Operational Area Joint Powers Agreement, any previous agreements on this subject matter and any amendments thereto.

8.04 Assignment

No Member Agency shall assign any rights or obligations under this Agreement without the prior written consent of the ESC.

8.05 Governing Law

This Agreement is made and to be performed in the State of California, and as such, California substantive and procedural law shall apply. Venue for any litigation under this Agreement shall be in the County of San Mateo.

8.06 Headings

The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.

8.07 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed an original and all of which shall constitute this Agreement.

8.08 No Third Party Beneficiaries

This Agreement and the obligations hereunder are not intended to benefit any party other than the Authority and its Member Agencies, except as expressly provided otherwise herein. No entity that is not a signatory to this Agreement shall have any rights or causes of action against any party to this Agreement as a result of that party's performance or non-performance under this Agreement, except as expressly provided otherwise herein.

8.09 Filing of Notice of Agreement

Within 30 days after the Effective Date, the Secretary shall cause to be filed with the Secretary of State the notice of Agreement required by the Act. Within 30 days after any amendment to this Agreement, the Secretary shall file the amendment with the Secretary of State.

8.10 Conflict of Interest Code

The Organization has adopted a conflict of interest code as required by law. Member Agencies understand that representatives and alternate representatives are listed on the Organization's Conflict of Interest Code and will be responsible for filing a Form 700 with the Organization.

8.11 Indemnification

The Organization shall defend, indemnify and hold harmless each Member Agency (and each Member Agency's officers, agents, and employees) from any and all liability, including but not limited to claims, losses, suits, injuries, damages, costs and expenses (including attorney's fees,) arising from or as a result of any acts, errors or omissions of the Organization or its officers, agents or employees.

Each Member Agency shall defend, indemnify and hold harmless the Organization and the other Member Agencies (and their officers, agents, and employees) from any and all liability, including but not limited to claims, losses, suits, injuries, damages, costs and expenses (including attorney's fees,) arising from or as a result of any acts, errors or omissions of that party or its officers, agents or employees.

8.12 Dispute Resolution/Legal Proceedings

Disputes regarding the interpretation or application of any provision of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Member Agencies and/or the Organization.

8.13 Authorization to Enter Into Agreement

Each party warrants that the person signing this Agreement on its behalf is authorized to bind that party to this Agreement.

8.14 Confirmation of Jurisdictional Authority

By signing this Agreement, the Member Agencies retain all authority granted to them by the State and/or their respective Charters. The powers and/or authority granted pursuant to this Agreement shall in no way serve to limit or restrict an individual Member Agency's jurisdictional authority.

(SIGNATURES ARE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, each Member Agency has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, as follows:

Signatories	Resolution/Action Number	Date of Adoption
Atherton		
Belmont		
Brisbane		
Burlingame		
Colma		
Daly City		
East Palo Alto		
Foster City		
Half Moon Bay		
Hillsborough		
Menlo Park		
Millbrae		
Pacifica		
Portola Valley		
Redwood City		
San Bruno		
San Carlos		
San Mateo		
South San Francisco		
Woodside		
County of San Mateo		

ANNEX A – COMMON TERMINOLOGY

A.01 Terminology Defined

Not all vocabulary of technical terms listed in the Agreement is used in the Agreement. In part, the terms are included as a resource to further clarify terminology utilized in documentation, field operations and/or applicable subject matter.

A.02 All-Hazards: The consideration of the full spectrum of emergencies (natural, technological, or human-caused incidents) that calls for action to protect life, property, and environment. The advantages of adopting an all-hazards approach to prepare for and respond to disasters include comprehensive planning, resource flexibility, coordination among agencies, training, and community engagement to effectively control different types of disasters to reduce or eliminate duplication of effort and cost.

A.03 California Governor’s Office of Emergency Services (Cal OES): State-level organization that functions as the central command center during major emergencies and disasters in California. Cal OES oversees the response, direction, and coordination of state and federal resources, as well as mutual aid assets, to support diverse communities in the state.

A.04 Catastrophe: Any incident, natural or human-caused, with consequences of high rates of mass casualties, damage, or disruption severely affecting the population, infrastructure, environment, economy, national morale, and/or government functions. A catastrophic event could result in sustained impacts over a prolonged period, exceed resources normally available in the impacted area, and significantly interrupt governmental operations and emergency services to such an extent that national security could be threatened.

A.05 Community Emergency Response Team (CERT): Community-level organizations of volunteer emergency workers who can provide immediate assistance to supplement the efforts of professional responders in the event of a major disaster. CERT programs train volunteers in disaster preparedness and basic disaster response skills during disaster situations so professional responders can prioritize and allocate resources to more complex tasks. Local CERT programs are supported by the Federal Emergency Management Agency (FEMA), as well as the California Governor’s Office of Emergency Services (Cal OES).

A.06 Command: The act or directing and or controlling by virtue of explicit legal, agency or delegated authority. The term “Command” may also refer to the Incident Commander.

A.07 Emergency: Any incident, natural, technological, or human-caused, that requires responsive action to protect life, property, and environment. Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), an emergency means any occasion or instance for which, in the determination of the President, federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety or to lessen or avert the threat of a catastrophe in any part of the United States.

A.08 Emergency Management: A subset of incident management, the coordination and integration of all activities necessary to build, sustain and improve the capability to prepare for, protect against, respond to, recover from, or mitigate against threatened or actual natural disasters, acts of terrorism or other human-caused disasters.

A.09 Emergency Operations Center (EOC): The physical location at which the coordination of information and resources to support incident management activities normally takes place. An EOC may be a temporary facility or maybe in a more central or permanently established facility, such as at a higher level of organization within a jurisdiction.

A.10 Federal Emergency Management Agency (FEMA): Federal-level organization that coordinates the federal government's response to major disasters and emergencies, providing support and resources to state and local authorities. Its role includes managing disaster relief efforts, facilitating recovery operations, and helping communities prepare for future incidents.

A.11 Incident: An occurrence or event, natural or human-caused, which requires a response to protect life or property. Incidents can, for example, include major disasters, emergencies, terrorist attacks, terrorist threats, civil unrest, wildland and urban fires, floods, hazardous materials spills, nuclear accidents, aircraft accidents, earthquakes, hurricanes, tornadoes, tropical storms, tsunamis, war-related disasters, public health and medical emergencies, and other occurrences requiring an emergency response.

A.12 Incident Command System (ICS): A standardized on-scene emergency management construct specifically designed to provide for the adoption of an integrated organizational structure that reflects the complexity and demands of single or multiple incidents, without being hindered by jurisdictional boundaries. It is used for all kinds of emergencies and can be applied to small as well as large and complex incidents.

A.13 Local Emergency: The duly proclaimed existence of conditions of disaster or extreme peril to the safety of persons and/or property within territorial limits of a county, city and county, or city caused by such conditions as fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, earthquake, tsunami or other conditions which are likely to be beyond the control of the services, personnel, equipment and facilities of that local political subdivision to combat.

A.14 Local Government: A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under state law;) regional or interstate government entity or agency or instrumentality of a local government; an Indian tribe or authorized tribal entity, or in Alaska a Native Village or Alaska Regional Native Corporation; a rural community, unincorporated town or village or other public entity. See Section 2 (10), Homeland Security Act of 2002, P.L. 107–296, 116 Stat. 2135 (2002).

A.15 Mitigation: Activities providing a critical foundation in the effort to reduce the loss of life

and/or property from natural and/or human-caused disasters by avoiding or lessening the impact of a disaster and providing value to the public by creating safer communities. Mitigation seeks to fix the cycle of disaster damage, reconstruction, and repeated damage. These activities or actions, in most cases, will have a long-term sustained effect.

A.16 National Incident Management System (NIMS): A system that provides a proactive approach guiding government agencies at all levels, the private sector and nongovernmental organizations to work seamlessly to prepare for, prevent, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location or complexity, to reduce the loss of life or property and harm to the environment.

A.17 National Response Framework: Document that establishes a comprehensive, national, all-hazards approach to domestic incident response. It serves as a guide to enable responders at all levels of government and beyond to provide a unified national response to a disaster. It defines the key principles, roles, and structures that organize the way U.S. jurisdictions plan and respond.

A.18 Operational Area (OA): An intermediate level of the state emergency services organization, consisting of SMC and all political subdivisions within the county area. In a state of emergency, the OA shall serve as a link in the system of communications and coordination between the political subdivisions comprising the OA and the Regional Emergency Operations Center (REOC) or State Operations Center (SOC). The **SMC OA** mirrors the County's geographic boundaries.

A.19 Preparedness: Actions that involve a combination of planning, resources, training, as well as exercising and organizing to build, sustain, and improve operational capabilities. Preparedness is the process of identifying the personnel, training, and equipment needed for a wide range of potential incidents, and developing jurisdiction-specific plans for delivering capabilities when needed for an incident.

A.20 Recovery: The development, coordination, and execution of service- and site-restoration plans; the reconstitution of government operations and services; individual, private-sector, nongovernmental and public-assistance programs to provide housing and to promote restoration; long-term care and treatment of affected persons; additional measures for social, political, environmental and economic restoration; evaluation of the incident to identify lessons learned; and post-incident reporting and development of initiatives to mitigate the effects of future incident.

A.21 Resources: Personnel and major items of equipment, supplies, and facilities available or potentially available for assignment to incident operations and for which status is maintained. Under the NIMS, resources are described by kind and type and may be used in operational support or supervisory capacities at an incident or an EOC.

A.22 Response: Immediate actions to save and sustain lives, protect property and the environment, and meet basic human needs. Response also includes the execution of plans and actions to support short-term recovery.

A.23 Standardized Emergency Management System (SEMS): The cornerstone of California's emergency response system and the fundamental structure for the response phase of emergency management. SEMS is required by the California Emergency Services Act (ESA) for managing multiagency and multijurisdictional responses to emergencies in California. The system unifies all elements of California's emergency management community into a single integrated system and standardizes key elements. SEMS incorporates the use of the ICS, California Disaster and Civil Defense Master Mutual Aid Agreement (MMAA), the OA concept, and multiagency or inter-agency coordination. State agencies and local governments are required to use SEMS to be eligible for any reimbursement of response-related costs under the state's disaster assistance program.

**Second Revised and Restated
Joint Exercise of Powers Agreement
San Mateo County Operational Area Emergency Services Organization**

THIS JOINT POWERS AGREEMENT (“Agreement”) is made as of the Effective Date by and between the public entities set forth below, creating the San Mateo County Operational Area Emergency Services Organization Authority (“Organization”), also known as the **Emergency Services Council** (“ESC”).

Each public entity executing this Agreement shall be referred to individually as a “Member Agency,” with all referred to collectively as “Member Agencies.”

RECITALS

Whereas Member Agencies have established a unified emergency services organization by forming the Organization; and

Whereas the Member Agencies agree that the purpose of this Organization will be to operate pursuant to Presidential Policy Directive 5 (PPD-5), the National Response Framework, National Incident Management System (NIMS), Presidential Policy Directive 8 (PPD-8), the National Preparedness Goal (NPG) and California’s Standardized Emergency Management System (SEMS) and local adopted Emergency Operations Plans (EOPs) and Annexes.

Whereas the Member Agencies agree that the participants within this Organization may include all local governments within the geographic area of San Mateo County (SMC), special districts, unincorporated areas, and participating non-governmental entities; and

Whereas the Member Agencies agree that the goal of the Organization is to provide coordinated plans for the protection of persons and property based on the phases of emergency management; and

Whereas the Member Agencies have the authority to enter into this Agreement under the Joint Exercise of Powers Act (“JPA Act”), California Government Code Section 6500 *et seq.*

NOW, THEREFORE, in consideration of the recitals and mutual obligations of the Member Agencies as herein contained, the Member Agencies agree as follows:

Article I - GENERAL PROVISIONS

1.01 Purpose

This Agreement creates an entity to exercise the powers shared in common by the Member Agencies to engage in San Mateo County Operational Area (SMC OA) cooperative **planning with respect to all phases of the emergency management cycle: preparedness, mitigation, response, and recovery.** Such purposes are to be accomplished and the Members Agencies’ common powers exercised as set forth in this Agreement.

1.02 Creation of Authority

Pursuant to the JPA Act, the Member Agencies hereby reaffirm the creation of an entity to be known as the Organization or ESC. The Organization will be comprised of Member Agencies. The Organization shall be a public entity separate and apart from the Member Agencies. The geographic jurisdiction of the Organization is all territory within the geographic boundaries of the Member Agencies; however, the Organization may undertake any action outside those geographic boundaries as is necessary and incidental to accomplishing its purpose.

1.03 Membership in the Organization

Membership in the Organization is limited to public entities, as defined by the JPA Act, located or operating within SMC that have approved and executed this Agreement, and contributed resources of any kind toward establishing and supporting the Organization (including, but not limited to financial, personnel, equipment, or other resources) as approved by the ESC.

1.04 Participating Members/Partners in the Organization

The DEM will establish standards for emergency management practices within the SMC OA, which Member Agencies in the Organization will follow.

Participation in the Organization is intended to ensure cooperative emergency planning and response; all participating Member Agencies and partners are expected to attend all regular and special meetings of the ESC, encourage active participation by their jurisdictions in the development of plans and training programs, drills, exercises and training opportunities, and otherwise assist in supporting the implementation of this Agreement.

1.05 Powers of the Organization

The Organization may purchase, lease, own and/or dispose of property and equipment and enter into contract(s), as required to satisfy the purposes of this Agreement. The Organization may employ agents and/or employees, operate works and improvements, sue and be sued in its own name, and invest surplus funds.

Article II – GOVERNANCE

2.01 Composition of the Organization

The Organization shall be administered by the ESC consisting of the following members:

- a) The Chair of the Organization shall be a representative from the Board of Supervisors. The Chair of the Organization shall be appointed by the President of the Board of Supervisors.
- b) The mayor of each city or town in the County, or the mayor's designated representative, with the understanding that any representative shall be member of the City Council of the city whose mayor they are representing.
- c) A Vice-Chair shall be selected by the ESC.

2.02 General Purpose of the Organization

The general purpose of the Organization is to:

- a) Provide structure for administrative and fiscal policies and procedures;
- b) Identify and pursue funding sources;

- c) Set policy;
- d) Maximize the utilization of available resources; and
- e) Oversee all committee activities.

2.03 Specific Responsibilities of the ESC

The specific responsibilities of the ESC shall be as follows:

- a) To review and recommend adoption by the Board of Supervisors and City Councils of each City, emergency and mutual aid plans and agreements and such ordinances and resolutions and rules and regulations as are necessary to implement such plans and agreements, in addition to the basic agreements as deemed necessary to carry out the purpose of the Organization.
- b) To approve an annual budget in an amount necessary to carry out the purposes of the Organization. Upon review and approval of the annual budget by the ESC, each Member Agency shall recommend the budget to the governing body of the Member Agency to secure from each the appropriation consistent with each Member Agency's identified allocation (via Budget Sheets.)
- c) Each Member Agency's Executive Officer shall identify and designate at the beginning of each fiscal year, a local coordinator for regular participation in the San Mateo County Emergency Managers Association (SMC EMA) and work alongside the DEM. Should the identified Coordinator change at any time during the year, the Member Agency shall advise the DEM within 30 days.
- d) If a Member Agency participates in a contract relationship for the provision of emergency services, it is still required to name a local emergency coordinator to the EMA who will assure the continuity of communication between the Member Agency, the DEM and the Organization.

2.04 Meetings of the Organization.

- a) **Regular Meetings:** The ESC shall approve a schedule for its regular meetings provided, however, the ESC shall hold at least four meetings in one calendar year. The ESC shall fix the date, hour, and location of regular meetings by resolution and the Secretary shall transmit a copy of the resolution to each Member Agency at the first meeting of the fiscal year. By the approval of the Chair, Vice Chair, or the Department of Emergency Management Director ("DEM Director"), meetings can be canceled due to extenuating circumstances, which may include, but are not limited to, a lack of agenda items.
- b) **Agenda Setting -** The agenda shall be set by the Chair, Vice Chair, and the DEM Director.
- c) **Special Meetings:** Special meetings of the ESC may be called by the Chair, a majority of the ESC or the DEM Director. Special meetings will be held in accordance with the Ralph M. Brown Act ("Brown Act"), California Government Code section 54950 et seq.
- d) **Call, Notice and Conduct of Meetings:** All meetings of the legislative body of the ESC shall be noticed and held in accordance with the provisions of the Brown Act. As soon as practicable, but no later than the time of posting, the Secretary shall provide notice and the agenda to each Member Agency. Any Member Agency may request that an item be considered for placement on the Agenda by submitting the request to the DEM Director.
- e) Meetings of the ESC shall be conducted by the Vice-Chair in the absence of the Chairperson. In the absence of both Chair and Vice-Chair, the meeting shall be chaired by a member of

the ESC selected by a majority vote of the ESC.

2.05 Minutes

The Secretary of the Organization shall cause to be kept a digital recording of each meeting, which shall be posted on the DEM Website. The Secretary will create brief summary written minutes for approval by the ESC. Once the minutes have been approved by the ESC, the minutes will be posted on the DEM website.

2.06 Voting

All power of the Organization shall reside with the ESC. Each Member Agency shall have one vote. A Member Agency's alternate representative may participate and vote in the proceedings of the ESC only in the absence of that Member Agency's regular representative. No absentee ballot is permitted.

2.07 Quorum; Required Votes; Approvals

A quorum of the ESC is a majority of the representatives of the Member Agencies of the Organization. If the number of Member Agencies is an even number, a majority is fifty percent of the Member Agencies, plus one. The ESC may not take any substantive action without a majority of the Member Agencies voting to take that action. Action on non-substantive procedural matters may be taken by a majority of a quorum.

Article III – PARTICIPATING PARTNERS, EMPLOYEES AND ADVISORY COMMITTEES

3.01 Treasurer

The Treasurer of the County of San Mateo shall be the Treasurer of the Organization. The Treasurer shall be the depository, shall have custody of the accounts, funds and money of the Organization from whatever source, and shall have the duties and obligations set forth in the JPA Act.

3.02 Auditor and Financial Accountability

Although the Organization is a JPA the State Controller's Office (SCO) has determined that the Organization meets the criteria of a special district for financial reporting purposes under Government Code section 12463, subdivision (d)(2).

Government Code section 53891 requires the Organization to furnish to the SCO a report of all the financial transactions of the Organization during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the SCO, whichever is later, and shall be in the form and manner required by the SCO. The Organization shall submit to the SCO information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.

Pursuant to Government Code section 12464, if the reports are not completed in the time, form, and manner required or there is reason to believe that a report is false, incomplete, or incorrect, the SCO is authorized to proceed with an investigation to obtain the information required. Any costs

incurred by the SCO shall be borne by the Organization.

Government Code section 26909 also requires that an audit be completed and filed with the SCO within 12 months after the close of the fiscal year under examination. Unless the ESC votes to appoint an independent auditor, audits will be conducted in accordance with existing County policy, and by the auditor selected by the Office of the County Executive or the Controller. In the event that the ESC selects an independent auditor, the full cost of the audit will be the responsibility of the Organization. The Auditor shall perform the functions of auditor for the Organization and shall make or cause an independent annual audit of the accounts and records of the Organization by a certified public accountant, in compliance with the requirements of applicable laws and generally accepted auditing standards.

3.03 Legal Counsel

The SMC Attorney's Office shall be the legal counsel for the Organization. To the extent permitted by the JPA Act, the Organization may change, by resolution, the legal counsel to the Organization. The full cost of outside legal counsel will be the responsibility of the Organization.

3.04 Secretary to the Organization

The DEM shall provide a Secretary and administrative support to the Organization.

3.05 Contractors

The Organization shall have the power by resolution to appoint and employ such other consultants and independent contractors as may be necessary to carry out the purposes of the Organization. The Organization will be responsible for any/all incurred costs.

3.06 Committees

The Organization may form and dissolve Committees as determined by the ESC.

3.07 Department of Emergency Management

The DEM is responsible for the on-going operation of the SMC OA and is also responsible for achieving the purposes of the Organization as follows:

- a) Emergency Response Support - coordination and planning during any regional emergency in accordance with adopted emergency plans.
- b) Emergency Plans - preparation, development, coordination, and integration of compatible and complimentary unified area-wide emergency plans for approval by the State of California and adoption by the ESC.
- c) Communications - coordination, development and maintenance of an area-wide emergency communications systems, including public alert and warning systems, and other situational awareness tools. The DEM may host SMC OA communication infrastructure such as system-wide applications or platforms.
- d) Public Education and Information - coordination and support of an area-wide public education and information program.
- e) Training and Exercise - coordination and assistance in the training and exercising of all County employees identified as Disaster Service Workers, as defined by Sect. 3100 of the California Government Code and volunteers. The Member Agencies will be responsible for the training and exercise of their identified employees; however, the DEM will provide

needed support as requested.

- f) Grant Program Administration - coordination and assistance with designated emergency coordinators within the OA in the securing and distribution of grant funds for regional emergency management initiatives and program support. The DEM Director will serve as the representative of Member Agencies with various grants and their approval authorities, including the State Homeland Security Program and Bay Area Urban Areas Security Initiative.
- g) General Administration - coordination and assistance in the procurement and inventory of emergency equipment, management of, maintenance and distribution of area-wide inventories of vital supplies and equipment.
- h) Function as a liaison with Cal OES and FEMA. Assist in providing guidance in recovery efforts.
- i) Resource Management – allocation and coordination of resources during local emergencies. Local governments will request resources through the logistics section at the SMC OA EOC. The DEM will escalate resource requests to the state if unable to be fulfilled locally.
- j) Regional Hazardous Material Emergency Response Program – The DEM will oversee the contract for hazardous material response in the SMC OA.

3.08 Staffing Reimbursement

The DEM is staffed by employees of the County of San Mateo. The DEM supports the purposes of the Organization. A portion of the cost of DEM staff is reimbursed by the Organization in an amount determined by the funding allocation in this Agreement.

3.09 Property

If the Organization acquires title to property, the DEM Director will have charge of, handle, or have access to the property of the Organization, and shall file an official bond in an amount to be fixed by the contracting parties, pursuant to Section 6505.1 of the Government Code.

Article IV – BUDGET AND COST-SHARING

In consideration of the mutual promises herein contained, it is hereby agreed that the cost of maintaining the Organization will be shared as described below.

- a) From the total amount of the annual budget there shall be deducted estimated revenue from federal “matching funds,” state grants, and other revenues.
- b) The balance of the annual budget remaining after anticipated revenues have been deducted shall be paid as follows:
 - 1. The county shall pay 50% of the remaining balance.
 - 2. The cities shall pay the remaining 50% of the balance, apportioned in accordance with the following formula:
 - i. One half of said 50% to be apportioned by people units or population.
 - a) Total population of all member cities divided into one-half of the total of the cities’ share of the budget equals a factor in cents.
 - b) Population of each member city times the factor in cents equals the share for each city.
 - ii. The remaining one-half of said 50% to be apportioned on the basis of assessed valuation as follows:
 - a) Total assessed value of real and personal property in all member cities

divided into one-half of the total of the city's share of the budget equals a factor in mils.

- b) Assessed value of real and personal property of each member city times the factor in mils equals the share for each city.
- c) For the purpose of this Agreement the total assessed valuation of real and personal property in all Member Agencies shall be the most recent such total maintained by the offices of the County Assessor.
- d) The population figures will be based on the Census and will be updated at a minimum of every ten years.
- e) It is understood and agreed that the financial obligations incurred by the Member Agencies under the provisions of this Agreement will be incurred annually, subject to the limitation that the county and cities are financially able to make funds available.
- f) If the Member Agencies representing 25% or more of the county's population do not approve the budget in any fiscal year, the proposed budget will be referred back to the DEM Director and the Finance Committee for revision and recommendation. If no resolution can be reached by the committee, the Member Agencies may proceed to adopt budgets that provide those services they deem necessary for adequate emergency services protection as a whole, but any Member Agency shall be financially responsible for that portion of the budget unilaterally adopted. Any Member Agency that does not meet its financial commitment under the adopted budget will lose its voting status and/or other such privileges of membership as determined by the ESC.
- g) It is further agreed that any excess in federal or state funds, in any year, shall be reviewed by a finance committee, who will then make a recommendation to the ESC, as to the disposition of the excess funds.
- h) With respect any Member Agency that is not a City or the County, the amount to be contributed is determined by a negotiation between those Member Agencies and the DEM Director and must be approved by the ESC. A letter memorializing the agreed contribution will be an attachment to this Agreement.
- i) The Finance Committee will be a standing committee of the ESC and is responsible for administrative and financial recommendations to the ESC. The Finance Committee will consist of the following members: SMC Supervisor (Chair of the ESC), Vice Chair, and representatives chosen by the ESC to be limited to five members.
- j) The Organization shall maintain a minimum of \$500,000 in the Trust Fund with a maximum of \$1,500,000. This policy can be reviewed and updated with a majority vote from the ESC.

Article V - INSURANCE

- a) The County shall add the Organization and ESC to its existing excess liability insurance coverage and shall maintain such coverage in full force and effect during the life of the Agreement. Member Agencies understand that the County is partially self-insured. Unless the Organization decides otherwise, County shall provide for the defense of any claims or litigation within the self-insured retention. Legal representation by the County will ordinarily be provided by the County Attorney.
- b) Any out-of-pocket expense or loss, by way of judgment or settlement, arising out of the operation of this Agreement, within the limits of the County's self-insured retention shall be shared by the parties in accordance with the formula as described in Article IV (b).

Article VI - EFFECTIVENESS

This Agreement shall be effective upon its execution by all Member Agencies. It is effective as to new Member Agencies upon adoption and approval by the ESC and by the new Member Agency's governing body. This Agreement shall continue in effect until terminated as provided herein.

Article VII – TERM AND TERMINATION

7.01 Withdrawal by Members

- a) Any Member Agency may withdraw from this Agreement by written notice given by such Member Agency to all other Member Agencies, which notice shall be given at least 120 days prior to the commencement of the fiscal year in which it is to take effect. For the purpose of such notice, a fiscal year is defined as July 1 of a calendar year through June 30 of the succeeding calendar year.
- b) Any former or prospective Member Agency may enter or re-enter the organization by petition to the ESC by its governing body, and majority approval of the petition by the ESC. Upon approval, the new Member Agency must agree in writing to all terms of this Agreement.
- c) Should a Member Agency withdraw less than 120 days prior to the commencement of the fiscal year, the withdrawal will be effective, but that Member Agency will be responsible for its calculated contribution for that year pursuant to Article IV.
- d) Should a Member Agency give required notice and withdraw from the Agreement, the prior contribution of that Member Agency will be divided equally by formula among the remaining Member Agencies.

7.02 Termination of Organization and Disposition of Surplus Money and Property

This Agreement shall terminate effective upon a vote of the ESC, the County and by at least eleven (11) cities representing the majority of the population of the County. In the event that the Organization ceases to exist, surplus funds will be returned consistent with Section 6512 of the Government Code in proportion to the contributions made. The Organization does not intend to acquire title to any property. But in the event that it does, title to all property acquired by the Organization shall be transferred to the County of San Mateo and be used for "County Wide" purposes.

7.03 Amendments

Any proposed Amendments to this Agreement may be recommended by the ESC but must be ratified by each Member Agency's governing body.

7.04 Bylaws

The ESC may, from time to time, adopt and/or amend Bylaws for the conduct of its affairs; provided the purpose is consistent with this Agreement and/or are necessary and appropriate.

Article VIII - MISCELLANEOUS PROVISIONS

8.01 Notices

It shall be the responsibility of the County Manager or designee to ensure all notices are provided to

Member Agencies and posted in compliance with the legal requirements of the Agreement.

8.02 Severability

If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were, to any extent, adjudged invalid, unenforceable, void, or voidable for any reason whatsoever by court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

8.03 Supersession

It is mutually understood and agreed by the Member Agencies that this Agreement supersedes the 2014 San Mateo County Operational Area Joint Powers Agreement, any previous agreements on this subject matter and any amendments thereto.

8.04 Assignment

No Member Agency shall assign any rights or obligations under this Agreement without the prior written consent of the ESC.

8.05 Governing Law

This Agreement is made and to be performed in the State of California, and as such, California substantive and procedural law shall apply. Venue for any litigation under this Agreement shall be in the County of San Mateo.

8.06 Headings

The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.

8.07 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed an original and all of which shall constitute this Agreement.

8.08 No Third Party Beneficiaries

This Agreement and the obligations hereunder are not intended to benefit any party other than the Authority and its Member Agencies, except as expressly provided otherwise herein. No entity that is not a signatory to this Agreement shall have any rights or causes of action against any party to this Agreement as a result of that party's performance or non-performance under this Agreement, except as expressly provided otherwise herein.

8.09 Filing of Notice of Agreement

Within 30 days after the Effective Date, the Secretary shall cause to be filed with the Secretary of State the notice of Agreement required by the Act. Within 30 days after any amendment to this Agreement, the Secretary shall file the amendment with the Secretary of State.

8.10 Conflict of Interest Code

The Organization has adopted a conflict of interest code as required by law. Member Agencies understand that representatives and alternate representatives are listed on the Organization's Conflict of Interest Code and will be responsible for filing a Form 700 with the Organization.

8.11 Indemnification

The Organization shall defend, indemnify and hold harmless each Member Agency (and each Member Agency's officers, agents, and employees) from any and all liability, including but not limited to claims, losses, suits, injuries, damages, costs and expenses (including attorney's fees,) arising from or as a result of any acts, errors or omissions of the Organization or its officers, agents or employees.

Each Member Agency shall defend, indemnify and hold harmless the Organization and the other Member Agencies (and their officers, agents, and employees) from any and all liability, including but not limited to claims, losses, suits, injuries, damages, costs and expenses (including attorney's fees,) arising from or as a result of any acts, errors or omissions of that party or its officers, agents or employees.

8.12 Dispute Resolution/Legal Proceedings

Disputes regarding the interpretation or application of any provision of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Member Agencies and/or the Organization.

8.13 Authorization to Enter Into Agreement

Each party warrants that the person signing this Agreement on its behalf is authorized to bind that party to this Agreement.

8.14 Confirmation of Jurisdictional Authority

By signing this Agreement, the Member Agencies retain all authority granted to them by the State and/or their respective Charters. The powers and/or authority granted pursuant to this Agreement shall in no way serve to limit or restrict an individual Member Agency's jurisdictional authority.

(SIGNATURES ARE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, each Member Agency has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, as follows:

Signatories	Resolution/Action Number	Date of Adoption
Atherton		
Belmont		
Brisbane		
Burlingame		
Colma		
Daly City		
East Palo Alto		
Foster City		
Half Moon Bay		
Hillsborough		
Menlo Park		
Millbrae		
Pacifica		
Portola Valley		
Redwood City		
San Bruno		
San Carlos		
San Mateo		
South San Francisco		
Woodside		
County of San Mateo		

ANNEX A – COMMON TERMINOLOGY

A.01 Terminology Defined

Not all vocabulary of technical terms listed in the Agreement is used in the Agreement. In part, the terms are included as a resource to further clarify terminology utilized in documentation, field operations and/or applicable subject matter.

A.02 All-Hazards: The consideration of the full spectrum of emergencies (natural, technological, or human-caused incidents) that calls for action to protect life, property, and environment. The advantages of adopting an all-hazards approach to prepare for and respond to disasters include comprehensive planning, resource flexibility, coordination among agencies, training, and community engagement to effectively control different types of disasters to reduce or eliminate duplication of effort and cost.

A.03 California Governor’s Office of Emergency Services (Cal OES): State-level organization that functions as the central command center during major emergencies and disasters in California. Cal OES oversees the response, direction, and coordination of state and federal resources, as well as mutual aid assets, to support diverse communities in the state.

A.04 Catastrophe: Any incident, natural or human-caused, with consequences of high rates of mass casualties, damage, or disruption severely affecting the population, infrastructure, environment, economy, national morale, and/or government functions. A catastrophic event could result in sustained impacts over a prolonged period, exceed resources normally available in the impacted area, and significantly interrupt governmental operations and emergency services to such an extent that national security could be threatened.

A.05 Community Emergency Response Team (CERT): Community-level organizations of volunteer emergency workers who can provide immediate assistance to supplement the efforts of professional responders in the event of a major disaster. CERT programs train volunteers in disaster preparedness and basic disaster response skills during disaster situations so professional responders can prioritize and allocate resources to more complex tasks. Local CERT programs are supported by the Federal Emergency Management Agency (FEMA), as well as the California Governor’s Office of Emergency Services (Cal OES).

A.06 Command: The act or directing and or controlling by virtue of explicit legal, agency or delegated authority. The term “Command” may also refer to the Incident Commander.

A.07 Emergency: Any incident, natural, technological, or human-caused, that requires responsive action to protect life, property, and environment. Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), an emergency means any occasion or instance for which, in the determination of the President, federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety or to lessen or avert the threat of a catastrophe in any part of the United States.

A.08 Emergency Management: A subset of incident management, the coordination and integration of all activities necessary to build, sustain and improve the capability to prepare for, protect against, respond to, recover from, or mitigate against threatened or actual natural disasters, acts of terrorism or other human-caused disasters.

A.09 Emergency Operations Center (EOC): The physical location at which the coordination of information and resources to support incident management activities normally takes place. An EOC may be a temporary facility or maybe in a more central or permanently established facility, such as at a higher level of organization within a jurisdiction.

A.10 Federal Emergency Management Agency (FEMA): Federal-level organization that coordinates the federal government's response to major disasters and emergencies, providing support and resources to state and local authorities. Its role includes managing disaster relief efforts, facilitating recovery operations, and helping communities prepare for future incidents.

A.11 Incident: An occurrence or event, natural or human-caused, which requires a response to protect life or property. Incidents can, for example, include major disasters, emergencies, terrorist attacks, terrorist threats, civil unrest, wildland and urban fires, floods, hazardous materials spills, nuclear accidents, aircraft accidents, earthquakes, hurricanes, tornadoes, tropical storms, tsunamis, war-related disasters, public health and medical emergencies, and other occurrences requiring an emergency response.

A.12 Incident Command System (ICS): A standardized on-scene emergency management construct specifically designed to provide for the adoption of an integrated organizational structure that reflects the complexity and demands of single or multiple incidents, without being hindered by jurisdictional boundaries. It is used for all kinds of emergencies and can be applied to small as well as large and complex incidents.

A.13 Local Emergency: The duly proclaimed existence of conditions of disaster or extreme peril to the safety of persons and/or property within territorial limits of a county, city and county, or city caused by such conditions as fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease, earthquake, tsunami or other conditions which are likely to be beyond the control of the services, personnel, equipment and facilities of that local political subdivision to combat.

A.14 Local Government: A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under state law;) regional or interstate government entity or agency or instrumentality of a local government; an Indian tribe or authorized tribal entity, or in Alaska a Native Village or Alaska Regional Native Corporation; a rural community, unincorporated town or village or other public entity. See Section 2 (10), Homeland Security Act of 2002, P.L. 107–296, 116 Stat. 2135 (2002).

A.15 Mitigation: Activities providing a critical foundation in the effort to reduce the loss of life

and/or property from natural and/or human-caused disasters by avoiding or lessening the impact of a disaster and providing value to the public by creating safer communities. Mitigation seeks to fix the cycle of disaster damage, reconstruction, and repeated damage. These activities or actions, in most cases, will have a long-term sustained effect.

A.16 National Incident Management System (NIMS): A system that provides a proactive approach guiding government agencies at all levels, the private sector and nongovernmental organizations to work seamlessly to prepare for, prevent, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location or complexity, to reduce the loss of life or property and harm to the environment.

A.17 National Response Framework: Document that establishes a comprehensive, national, all-hazards approach to domestic incident response. It serves as a guide to enable responders at all levels of government and beyond to provide a unified national response to a disaster. It defines the key principles, roles, and structures that organize the way U.S. jurisdictions plan and respond.

A.18 Operational Area (OA): An intermediate level of the state emergency services organization, consisting of SMC and all political subdivisions within the county area. In a state of emergency, the OA shall serve as a link in the system of communications and coordination between the political subdivisions comprising the OA and the Regional Emergency Operations Center (REOC) or State Operations Center (SOC). **The SMC OA mirrors the County's geographic boundaries.**

A.19 Preparedness: Actions that involve a combination of planning, resources, training, as well as exercising and organizing to build, sustain, and improve operational capabilities. Preparedness is the process of identifying the personnel, training, and equipment needed for a wide range of potential incidents, and developing jurisdiction-specific plans for delivering capabilities when needed for an incident.

A.20 Recovery: The development, coordination, and execution of service- and site-restoration plans; the reconstitution of government operations and services; individual, private-sector, nongovernmental and public-assistance programs to provide housing and to promote restoration; long-term care and treatment of affected persons; additional measures for social, political, environmental and economic restoration; evaluation of the incident to identify lessons learned; and post-incident reporting and development of initiatives to mitigate the effects of future incident.

A.21 Resources: Personnel and major items of equipment, supplies, and facilities available or potentially available for assignment to incident operations and for which status is maintained. Under the NIMS, resources are described by kind and type and may be used in operational support or supervisory capacities at an incident or an EOC.

A.22 Response: Immediate actions to save and sustain lives, protect property and the environment, and meet basic human needs. Response also includes the execution of plans and actions to support short-term recovery.

A.23 Standardized Emergency Management System (SEMS): The cornerstone of California's emergency response system and the fundamental structure for the response phase of emergency management. SEMS is required by the California Emergency Services Act (ESA) for managing multiagency and multijurisdictional responses to emergencies in California. The system unifies all elements of California's emergency management community into a single integrated system and standardizes key elements. SEMS incorporates the use of the ICS, California Disaster and Civil Defense Master Mutual Aid Agreement (MMAA), the OA concept, and multiagency or inter-agency coordination. State agencies and local governments are required to use SEMS to be eligible for any reimbursement of response-related costs under the state's disaster assistance program.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Shiri Klima, Assistant City Manager
Ana Maria Torres-Mondragon, Human Resources Manager

SUBJECT: Amendment of Police Recruit Classification Specification and Compensation

Recommendation

Adopt a resolution amending the Police Officer Trainee Title, Classification Specification, and Compensation to align with industry standards, departmental needs, and state law.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Ensure Our Financial and Organizational Health

Background

The City currently uses the title "Police Officer Trainee" for entry-level positions within our Police Department. This title and the associated job classification specification were updated April 2019 and have not been updated since to reflect current practices and standards within the law enforcement community. In comparison, most neighboring agencies use the term "Police Recruit" to describe similar entry-level roles.

Analysis

Staff is recommending that the City Council approve the proposed amendment to the Police Officer Trainee job classification specification, including a change in the job title to Police Recruit.

CONSENT ITEM 3.4

Effective January 1, 2022, the State passed AB 89 (Peace Officers Education and Age Conditions for Employment Act or PEACE Act), which implemented a minimum age requirement of 21 years of age at the time of appointment to the position. Per California Government Code section 1031.4, any peace officer employed by an agency that participates in the Peace Officer Standards and Training (POST) program must be at least 21 years of age at the time of appointment.

Updating the job classification specification for the Police Officer Trainee position to Police Recruit is necessary for several reasons such as alignment with industry standards, properly reflecting current department needs, and providing clarity to prospective applicants. Approving these updates will help ensure that the City continues to attract and retain high-quality law enforcement professionals.

The term "Recruit" conveys a more aspirational and positive connotation, reflecting the appointed employee's progression toward a career as a Police Officer. "Trainee" suggests a more introductory level of learning, implying an earlier stage in the recruitment and selection process, which may not fully capture the professional development of candidates. Our research from a representative sample indicates that "Recruit" is a more commonly used and widely recognized term within the law enforcement community. Utilizing familiar language helps facilitate comparisons of salaries, duties, and responsibilities across entities. Additionally, the title "Recruit" conveys a more formal and professional image compared to "Trainee," enhancing the perception of the role within both the Police Department and the broader community.

We believe adopting the **Police Officer Recruit** title will align the City with prevailing practices while promoting a professional and forward-thinking image for the Police Department.

Fiscal Impact

Staff is not asking for additional appropriation at this time. We will only use funds approved in regular budget process. Thus, there is no fiscal impact.

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 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, as the proposed action does not involve an entitlement.



CONSENT ITEM 3.4

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution.
2. Exhibit A: Police Recruit Redline
3. Exhibit B: Police Recruit Clean Version
4. Exhibit C: Compensation Schedule

RESOLUTION NO.

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

**AMENDING THE POLICE OFFICER TRAINEE RECRUIT-TITLE, CLASSIFICATION
SPECIFICATION, AND COMPENSATION TO ALIGN WITH INDUSTRY STANDARDS,
DEPARTMENTAL NEEDS, AND STATE LAW**

WHEREAS, “Police Officer Trainee” is a current entry-level position within our Police Department; and

WHEREAS, the title and the associated job classification specification were updated April 2019 and have not been updated since to reflect current practices and standards within the law enforcement community. In comparison, most neighboring agencies use the term "Police Recruit" to describe similar entry-level roles; and

WHEREAS, updating the job classification specification for the Police Officer Trainee position to Police Recruit is necessary for several reasons such as alignment with industry standards, properly reflecting current department needs, and to provide clarity to prospective applicants.

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;
2. Amends the Police Recruit Title, Classification Specification and Compensation, as set forth in Exhibit A, attached hereto and incorporated by this reference; and
3. Finds that 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.

PASSED AND ADOPTED this 12th day of November 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Antonio D. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney



POLICE OFFICER RECRUIT

DEFINITION

Under direct supervision, attends and successfully completes an approved Peace Officer Standards and Training (POST) certified basic police academy training program; performs all related learning and testing activities; performs a variety of routine to complex field and administrative activities in support of police services and programs for the City's Police Department; provides comprehensive non-sworn staff support to Police Department supervisory and management personnel on a wide variety of law enforcement programs, projects, and services; responds to public requests and performs related duties, as assigned.

SUPERVISION RECEIVED AND EXERCISED

Receives direct supervision from POST Academy staff and a City Police Department Sergeant. Exercises no direct supervision over staff.

DISTINGUISHING CHARACTERISTICS

This is the entry-level training class for professional law enforcement in the City of East Palo Alto Police Department. Incumbents learn City systems, operations, practices, policies, and procedures. This is a non-sworn class and upon successful completion of the P.O.S.T. approved academy, a Police Officer Recruit may be promoted to the Police Officer classification.

Police Officer Recruits who fail to successfully complete an academy will be terminated.

Positions in the Police Officer class series are flexibly staffed. Positions at the Police Officer level are normally filled by advancement from the recruit level after gaining the knowledge, skill, and experience which meet the qualifications for and after demonstrating the ability to perform the work of the higher-level class.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Attends and fully participates in, and successfully completes and graduates from a California P.O.S.T. approved basic police academy.
- Learns and applies knowledge of the City of East Palo Alto Police Department's organization, rules, and regulations.
- Learns principles and techniques of patrol procedures, community service, crime prevention, and public relations.
- Learns and applies knowledge of enforcement and procedural aspects of criminal law, arrest and control techniques, crowd control, and the enforcement of those laws.
- Learns principles and techniques of proper use and maintenance of firearms.
- Learns vehicle operation including the Vehicle Code.
- Learns basic criminal investigation processes and techniques, including the identification, collection, and preservation of evidence, courtroom testimony, and interviewing witnesses.

- Learns and practices physical fitness and defense techniques programs.
- Learns and practices first aid and cardiopulmonary resuscitation (CPR).
- Performs other related duties as assigned.

JOB-RELATED QUALIFICATIONS

Knowledge of:

- Basic functions, principles, and practices of law enforcement agencies.
- Activities and programs of the City's Police Department.
- Basic principles of record keeping.
- Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and City staff.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions and program, project, and task coordination.
- Computers and software programs (e.g., Microsoft software packages) to conduct, compile, and/or generate documentation.

Ability to:

- Learn basic functions, principles, and practices of law enforcement agencies.
- Learn police terminology and law enforcement codes.
- Understand, interpret, and apply all pertinent laws, codes, regulations, policies and procedures, and standards relevant to work performed.
- Learn and understand the organization and operation of the City and of outside agencies as necessary to assume assigned responsibilities.
- Independently organize work, set priorities, meet critical deadlines, and follow-up on assignments.
- Effectively use computer systems, software applications, and modern business equipment to perform a variety of work tasks.
- Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Education: Equivalent to graduation from the twelfth (12th) grade.

Experience: No experience is required but experience in law enforcement environment is desired.

Licenses and Certifications:

Possession of, or ability to obtain, a valid California Driver's License by time of appointment and a satisfactory driving record.

Special Requirements:

- Free from any disqualifications for employment including felony convictions Gov. Code 1029
- Legally authorized to work in the United States by federal law Gov. Code 1031
- Be at least 21 years of age Gov. Code 1031.4
- Good moral character, as determined by a thorough background investigation Gov. Code 1031
- Be able to pass a comprehensive background investigation
- Found to be free from any physical, emotional, or mental condition, including bias against race or ethnicity, gender, nationality, religion, disability, or sexual orientation, which might adversely affect the exercise of the powers of a peace officer.
- California P.O.S.T. Entry Level Law Enforcement Test Battery (PELLETB) or other professionally developed and validated test of reading and writing ability. With a passing T-score of 42 or above. Commission Regulation 1951
- Work Same Test Battery (WSTB) with a score of 330 or above Penal Code section 13510

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; maintain P.O.S.T. physical standards, including mobility, physical strength, and stamina to respond to emergency situations and apprehend suspects; vision to maintain firearms qualification and to read printed materials and a computer screen; and hearing and speech to communicate in person, before groups, and over the telephone or radio. The job involves fieldwork requiring frequent walking on uneven terrain, and climbing and descending structures to access crime scene and to identify problems or hazards. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate police services equipment. Positions in this classification frequently bend, stoop, kneel, reach, and climb to perform work and inspect work sites. Employees must possess the ability to lift, carry, push, and pull materials and objects necessary to perform job functions.

ENVIRONMENTAL CONDITIONS

Employees work indoors and outdoors, and are exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and fumes. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures. The principal duties of this class are performed in a police station environment with exposure to criminal offenders, mentally ill individuals, and persons potentially infected with communicable diseases.



POLICE OFFICER RECRUIT

DEFINITION

Under direct supervision, attends and successfully completes an approved Peace Officer Standards and Training (POST) certified basic police academy training program; performs all related learning and testing activities; performs a variety of routine to complex field and administrative activities in support of police services and programs for the City's Police Department; provides comprehensive non-sworn staff support to Police Department supervisory and management personnel on a wide variety of law enforcement programs, projects, and services; responds to public requests and performs related duties, as assigned.

SUPERVISION RECEIVED AND EXERCISED

Receives direct supervision from POST Academy staff and a City Police Department Sergeant. Exercises no direct supervision over staff.

DISTINGUISHING CHARACTERISTICS

This is the entry-level training class for professional law enforcement in the City of East Palo Alto Police Department. Incumbents learn City systems, operations, practices, policies, and procedures. This is a non-sworn class and upon successful completion of the P.O.S.T. approved academy, a Police Officer Recruit may be promoted to the Police Officer classification.

Police Officer Recruits who fail to successfully complete an academy will be terminated.

Positions in the Police Officer class series are flexibly staffed. Positions at the Police Officer level are normally filled by advancement from the recruit level after gaining the knowledge, skill, and experience which meet the qualifications for and after demonstrating the ability to perform the work of the higher-level class.

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- Performs other related duties as assigned.

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- Understand, interpret, and apply all pertinent laws, codes, regulations, policies and procedures, and standards relevant to work performed.
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EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Ana Maria Torres-Mondragon, Human Resources Manager

SUBJECT: Adopt Revised Annual Compensation Schedule for FY 2024-25

Recommendation

Adopt the revised Fiscal Year (FY) 2024-25 Compensation Schedule.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Ensure Our Financial and Organizational Health

Background

Compensation consisting of salary and benefits paid to employees of the City of East Palo Alto is governed by the City's municipal code, personnel policies, negotiated and authorized memoranda of understanding with the three employee bargaining units, East Palo Alto Management Employees' Association (MEA/IFTPE Local 21), Service Employee's International Union, Local 521 (SEIU), and the Police Officers' Association (POA), authorized compensation for unrepresented employees, and authorized contractual agreements with the City Manager and City Attorney. As a member of the California Public Employees' Retirement System (CalPERS), the City also is subject to applicable provisions of the Public Employee Retirement Law (PERL) referenced in the California Government Code and the California Code of Regulations.

In accordance with East Palo Alto Municipal Code § 2.80.110 (Compensation plan), and as further codified in the City's Personnel Policies and Procedures approved by the City Council on August 28, 1985 (Resolution #00210) Rule 3.9.01 states that "annually, the City Council shall establish the pay range and steps assigned to each classification in the City

CONSENT ITEM 3.5

service.” The City maintains a Compensation Schedule inclusive of all authorized employee classifications. This includes the salary ranges that depict salary steps associated with such authorized classifications.

Analysis

The City is presenting for adoption a revised Fiscal Year 2024-25 City of East Palo Alto Compensation Schedule reflecting the City Manager’s wage amendment (compaction adjustment and COLA) and the City Attorney’s COLA approved on September 3, 2024, retroactive to May 26, 2024.

In addition to local policy requirements, Title 2 of the California Code of Regulations (CCR) §570.5 requires the City adopt a publicly available pay schedule for purposes of determining the amount of “compensation earnable” pursuant to California Government Code §20630, §20636, and §20636.1. Generally, compensation earnable is calculated using employee payrate and special compensation earned while working for the contracting agency (the City). It is paramount to have a properly adopted and administered pay schedule to assure both transparency and the accuracy of employee retirement benefits.

The City’s Compensation Schedule is required to meet eight criteria contained in 2 C.C.R. §570.5, including that the schedule must be approved by the governing body (City Council). The schedule must be publicly accessible, and available for auditing purposes for at least five years. The schedule also is required to include the following: position titles; payrates for each position (ranges or steps); the time bases for how pay is calculated (i.e., hourly, bi-weekly, etc.); payrates’ effective dates; and any applicable revision dates. The schedule may not reference another document in lieu of disclosing the payrates.

City Attorney:

On September 3, 2024, the City Council authorized an amendment of the employment agreement between John D. Lê for the position of City Attorney with the City of East Palo Alto. The amendment implemented two 3% cost-of-living adjustments. His total and final compensation under this amendment is \$247,179.02, effective May 26, 2024. Mr. Lê’s compensation will then increase to \$254,594.39, effective July 6, 2025.

City Manager:

On September 3, 2024, the City Council authorized an amendment of the employment agreement between Melvin E. Gaines for the position of City Manager with the City of East Palo Alto. The amendment implemented a single 3% cost-of-living adjustment and addressed a 7% compaction issue. His total and final compensation under this amendment is \$267,424.57, effective May 26, 2024. No other terms of his employment agreement have changed.

To remain in compliance with the City compensation ordinance, personnel policies, and CCR §570.5, staff is presenting the revised FY 2024-25 Annual Compensation Schedule.

CONSENT ITEM 3.5

Fiscal Impact

No fiscal impact is associated with approval of the schedules.

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, as the entitlement involves a personnel contract, the Levine Act is not applicable.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution
2. Exhibit A: FY 2024-25 Contractual Compensation Schedule
3. Exhibit B: FY 2024-25 Citywide Compensation Schedule

RESOLUTION NO. XX– 2024

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

ADOPTING THE REVISED FISCAL YEAR 2024-25 COMPENSATION SCHEDULE TO REFLECT AMENDMENTS TO CITY MANAGER AND CITY ATTORNEY COMPENSATION

WHEREAS, in accordance with East Palo Alto Municipal Code § 2.80.110 (Compensation plan), and as further codified in the City's Personnel Policies and Procedures approved by the City Council on August 28, 1985 (Resolution #00210) Rule 3.9.01 states that "annually, the City Council shall establish the pay range and steps assigned to each classification in the City service." The City maintains a Compensation Schedule inclusive of all authorized employee classifications. This includes the salary ranges that depict salary steps associated with such authorized classifications; and

WHEREAS, as a member of the California Public Employees' Retirement System (CalPERS), the City also is subject to applicable provisions of the Public Employee Retirement Law (PERL) referenced in the California Government Code and the California Code of Regulations; and

WHEREAS, the City's Compensation Schedule is required to meet eight criteria contained in 2 C.C.R. §570.5, including that it must be approved by the governing body (City Council). The schedule must be publicly accessible, and available for auditing purposes for at least five years. The schedule also is required to include the following: position titles; payrates for each position (ranges or steps); the time bases for how pay is calculated (i.e., hourly, bi-weekly, etc.); payrates' effective dates; and any applicable revision dates. The schedule may not reference another document in lieu of disclosing the payrates; and

WHEREAS, on September 3, 2024, the City Council authorized an amendment of the employment agreement between John D. Lê for the position of City Attorney with the City of East Palo Alto. The amendment implemented two 3% cost-of-living adjustments. His total and final compensation under this amendment is \$247,179.02, effective May 26, 2024. Effective July 6, 2025, Mr. Lê's compensation will increase to \$254,594.39; and

WHEREAS, on September 3, 2024, the City Council authorized an amendment of the employment agreement between Melvin E. Gaines for the position of City Manager with the City of East Palo Alto. The amendment implemented a single 3% cost-of-living adjustment and addressed a 7% compaction issue. His total and final compensation under this amendment is \$267,424.57, effective May 26, 2024. No other terms of his employment agreement would change;

WHEREAS, to remain in compliance with City compensation ordinance, personnel policies, and CCR §570.5, staff is presenting the revised FY 2024-25 Annual Compensation Schedule.

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. Adopt the revised Fiscal Year (FY) 2024-25 Compensation Schedule; and

3. The proposed action is not a “project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378(b)(2), in that it is government administrative activity that will not result in direct or indirect changes in the environment.

PASSED AND ADOPTED this 12th day of November 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Antonio D. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

CITY OF EAST PALO ALTO
COMPENSATION SCHEDULE FISCAL YEAR 2024-25
(Rates Effective 5/26/2024, Except as Noted)

City Manager (Contractual)						Resolution 86-2024
Hourly						128.5695
Bi-Weekly						10,285.56
Monthly						22,285.38
Annual						267,424.57

City Attorney (Contractual)						Resolution 86-2024
Hourly						118.8361
Bi-Weekly						9,506.89
Monthly						20,598.25
Annual						247,179.02

CITY OF EAST PALO ALTO
COMPENSATION SCHEDULE FISCAL YEAR 2024-25
(Rates Effective 5/26/2024, Except as Noted)

Accountant I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	36.9381	38.7850	40.7242	42.7604	44.8984
Bi-Weekly	2,955.05	3,102.80	3,257.94	3,420.83	3,591.88
Monthly	6,402.60	6,722.73	7,058.86	7,411.81	7,782.40
Annual	76,831.18	80,672.74	84,706.37	88,941.69	93,388.78

Accountant II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	40.8116	42.8522	44.9948	47.2445	49.6068
Bi-Weekly	3,264.93	3,428.17	3,599.58	3,779.56	3,968.54
Monthly	7,074.01	7,427.71	7,799.10	8,189.05	8,598.50
Annual	84,888.14	89,132.54	93,589.17	98,268.63	103,182.06

Accountant Senior (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	47.4664	49.8398	52.3318	54.9483	57.6958
Bi-Weekly	3,797.32	3,987.18	4,186.54	4,395.87	4,615.66
Monthly	8,227.52	8,638.89	9,070.84	9,524.38	10,000.60
Annual	98,730.21	103,666.72	108,850.06	114,292.56	120,007.19

Account Technician I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	30.8644	32.4076	34.0280	35.7294	37.5158
Bi-Weekly	2,469.15	2,592.61	2,722.24	2,858.35	3,001.27
Monthly	5,349.82	5,617.31	5,898.18	6,193.09	6,502.74
Annual	64,197.86	67,407.75	70,778.14	74,317.05	78,032.90

Account Technician II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	33.1792	34.8381	36.5800	38.4091	40.3295
Bi-Weekly	2,654.33	2,787.05	2,926.40	3,072.72	3,226.36
Monthly	5,751.06	6,038.61	6,340.54	6,657.57	6,990.45
Annual	69,012.70	72,463.34	76,086.50	79,890.83	83,885.37

Administrative Assistant (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	37.0222	38.8733	40.8170	42.8578	45.0007
Bi-Weekly	2,961.78	3,109.86	3,265.36	3,428.63	3,600.06
Monthly	6,417.18	6,738.04	7,074.94	7,428.69	7,800.12
Annual	77,006.17	80,856.48	84,899.30	89,144.27	93,601.48

Assistant City Manager (Executive)

	Step A	Step B	Step C	Step D	Step E
Hourly	96.0628	100.8659	105.9092	111.2047	116.7649
Bi-Weekly	7,685.02	8,069.27	8,472.74	8,896.38	9,341.19
Monthly	16,650.88	17,483.43	18,357.60	19,275.48	20,239.25
Annual	199,810.60	209,801.13	220,291.19	231,305.75	242,871.04

Assistant to the City Manager (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	66.6845	70.0187	73.5196	77.1956	81.0554
Bi-Weekly	5,334.76	5,601.50	5,881.57	6,175.65	6,484.43

Monthly	11,558.64	12,136.57	12,743.40	13,380.57	14,049.60
Annual	138,703.69	145,638.87	152,920.82	160,566.86	168,595.20

Assistant Engineer (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	44.3340	46.5507	48.8782	51.3221	53.8882
Bi-Weekly	3,546.72	3,724.05	3,910.26	4,105.77	4,311.06
Monthly	7,684.56	8,068.79	8,472.22	8,895.84	9,340.63
Annual	92,214.69	96,825.43	101,666.70	106,750.03	112,087.53

Assistant Planner (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	43.5648	45.7430	48.0301	50.4317	52.9532
Bi-Weekly	3,485.18	3,659.44	3,842.41	4,034.53	4,236.26
Monthly	7,551.22	7,928.79	8,325.23	8,741.49	9,178.56
Annual	90,614.69	95,145.43	99,902.70	104,897.84	110,142.73

Associate Engineer (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	51.3222	53.8883	56.5827	59.4119	62.3825
Bi-Weekly	4,105.78	4,311.06	4,526.62	4,752.95	4,990.60
Monthly	8,895.85	9,340.64	9,807.67	10,298.06	10,812.96
Annual	106,750.17	112,087.68	117,692.06	123,576.66	129,755.50

Associate Planner (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	47.6317	50.0133	52.5140	55.1397	57.8967
Bi-Weekly	3,810.54	4,001.07	4,201.12	4,411.18	4,631.73
Monthly	8,256.17	8,668.98	9,102.43	9,557.55	10,035.43
Annual	99,074.03	104,027.73	109,229.12	114,690.57	120,425.10

Building Inspector I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	42.7770	44.9159	47.1617	49.5197	51.9957
Bi-Weekly	3,422.16	3,593.27	3,772.93	3,961.58	4,159.66
Monthly	7,414.68	7,785.42	8,174.69	8,583.42	9,012.59
Annual	88,976.18	93,424.99	98,096.23	103,001.05	108,151.10

Building Inspector II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	47.9042	50.2994	52.8144	55.4551	58.2278
Bi-Weekly	3,832.33	4,023.95	4,225.15	4,436.41	4,658.23
Monthly	8,303.39	8,718.56	9,154.49	9,612.21	10,092.82
Annual	99,640.70	104,622.73	109,853.87	115,346.56	121,113.89

Building Inspector / Neighborhood Preservation Officer I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	49.1935	51.6532	54.2359	56.9476	59.7950
Bi-Weekly	3,935.48	4,132.26	4,338.87	4,555.81	4,783.60
Monthly	8,526.88	8,953.22	9,400.88	9,870.93	10,364.47
Annual	102,322.52	107,438.65	112,810.58	118,451.11	124,373.67

Building Inspector / Neighborhood Preservation Officer II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	55.0898	57.8442	60.7365	63.7733	66.9619
Bi-Weekly	4,407.18	4,627.54	4,858.92	5,101.86	5,356.96
Monthly	9,548.89	10,026.34	10,527.65	11,054.03	11,606.74
Annual	114,586.69	120,316.03	126,331.83	132,648.42	139,280.84

Building Permit Technician (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	32.0708	33.6743	35.3581	37.1260	38.9823
Bi-Weekly	2,565.66	2,693.95	2,828.64	2,970.08	3,118.58
Monthly	5,558.94	5,836.89	6,128.73	6,435.17	6,756.93
Annual	66,707.27	70,042.64	73,544.77	77,222.01	81,083.11

Chief Building Official (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	66.6844	70.0186	73.5195	77.1955	81.0553
Bi-Weekly	5,334.75	5,601.49	5,881.56	6,175.64	6,484.42
Monthly	11,558.62	12,136.55	12,743.38	13,380.55	14,049.58
Annual	138,703.48	145,638.65	152,920.58	160,566.61	168,594.94

City Clerk- Public Information Officer (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	56.8130	59.6537	62.6364	65.7682	69.0566
Bi-Weekly	4,545.04	4,772.30	5,010.91	5,261.46	5,524.53
Monthly	9,847.60	10,339.97	10,856.97	11,399.82	11,969.81
Annual	118,171.14	124,079.70	130,283.68	136,797.87	143,637.76

City Engineer (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	77.0441	80.8963	84.9411	89.1882	93.6476
Bi-Weekly	6,163.53	6,471.70	6,795.29	7,135.05	7,491.81
Monthly	13,354.31	14,022.03	14,723.13	15,459.28	16,232.25
Annual	160,251.72	168,264.30	176,677.52	185,511.40	194,786.97

Community & Economic Development Director (Executive)

	Step A	Step B	Step C	Step D	Step E
Hourly	86.7244	91.0607	95.6137	100.3944	105.4141
Bi-Weekly	6,937.95	7,284.85	7,649.10	8,031.55	8,433.13
Monthly	15,032.24	15,783.85	16,573.04	17,401.69	18,271.78
Annual	180,386.83	189,406.17	198,876.48	208,820.30	219,261.32

Community Services Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	56.3607	59.1787	62.1377	65.2445	68.5068
Bi-Weekly	4,508.86	4,734.30	4,971.01	5,219.56	5,480.54
Monthly	9,769.19	10,257.65	10,770.53	11,309.06	11,874.51
Annual	117,230.25	123,091.76	129,246.35	135,708.66	142,494.10

Community Services Officer (PT) (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	31.6657	33.2490	34.9115	36.6570	38.4899
Bi-Weekly	1,139.97	1,196.96	1,256.81	1,319.65	1,385.64
Monthly	2,469.93	2,593.42	2,723.09	2,859.25	3,002.21
Annual	29,639.11	31,121.07	32,677.12	34,310.98	36,026.53

Community Services Officer (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	31.6657	33.2490	34.9115	36.6570	38.4899
Bi-Weekly	2,533.26	2,659.92	2,792.92	2,932.56	3,079.19
Monthly	5,488.72	5,763.16	6,051.32	6,353.88	6,671.58
Annual	65,864.69	69,157.93	72,615.83	76,246.62	80,058.95

Deputy City Attorney I (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	55.5487	58.3262	61.2425	64.3046	67.5198
Bi-Weekly	4,443.90	4,666.09	4,899.40	5,144.37	5,401.59
Monthly	9,628.45	10,109.87	10,615.36	11,146.13	11,703.44
Annual	115,541.35	121,318.41	127,384.33	133,753.55	140,441.23

Deputy City Attorney II (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	69.1667	72.6250	76.2562	80.0691	84.0725
Bi-Weekly	5,533.33	5,810.00	6,100.50	6,405.52	6,725.80
Monthly	11,988.89	12,588.33	13,217.75	13,878.64	14,572.57
Annual	143,866.66	151,059.99	158,612.99	166,543.64	174,870.82

Deputy City Clerk (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	39.4458	41.4181	43.4890	45.6634	47.9466
Bi-Weekly	3,155.66	3,313.44	3,479.12	3,653.07	3,835.73
Monthly	6,837.27	7,179.13	7,538.09	7,914.99	8,310.74
Annual	82,047.20	86,149.56	90,457.04	94,979.89	99,728.88

Director of Finance (Executive)

	Step A	Step B	Step C	Step D	Step E
Hourly	88.7526	93.1902	97.8497	102.7422	107.8793
Bi-Weekly	7,100.20	7,455.21	7,827.97	8,219.37	8,630.34
Monthly	15,383.78	16,152.96	16,960.61	17,808.64	18,699.08
Annual	184,605.31	193,835.57	203,527.35	213,703.72	224,388.90

Electrician - Apprentice (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	42.7186	44.8545	47.0973	49.4521	51.9247
Bi-Weekly	3,417.49	3,588.36	3,767.78	3,956.17	4,153.98
Monthly	7,404.56	7,774.79	8,163.53	8,571.70	9,000.29
Annual	88,854.70	93,297.44	97,962.31	102,860.43	108,003.45

Electrician - Journeyman (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	45.1408	47.3978	49.7677	52.2561	54.8689
Bi-Weekly	3,611.26	3,791.83	3,981.42	4,180.49	4,389.51
Monthly	7,824.40	8,215.63	8,626.41	9,057.73	9,510.61
Annual	93,892.86	98,587.50	103,516.88	108,692.72	114,127.36

Electrician - Lead (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	48.3199	50.7359	53.2727	55.9363	58.7332
Bi-Weekly	3,865.59	4,058.87	4,261.82	4,474.91	4,698.65
Monthly	8,375.45	8,794.23	9,233.94	9,695.63	10,180.42
Annual	100,505.43	105,530.71	110,807.24	116,347.60	122,164.98

Environmental Services Aide PT (0.45 FTE, 936 Hrs) (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	26.5887	27.9181	29.3140	30.7797	32.3187
Bi-Weekly	957.19	1,005.05	1,055.30	1,108.07	1,163.47
Monthly	2,073.92	2,177.61	2,286.49	2,400.82	2,520.86
Annual	24,887.00	26,131.35	27,437.91	28,809.81	30,250.30

Environmental Services Aide FT (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	26.5887	27.9181	29.3140	30.7797	32.3187
Bi-Weekly	2,127.09	2,233.45	2,345.12	2,462.38	2,585.50
Monthly	4,608.70	4,839.14	5,081.10	5,335.15	5,601.91
Annual	55,304.44	58,069.66	60,973.14	64,021.80	67,222.89

Executive Assistant to the City Manager (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	42.2552	44.3680	46.5864	48.9157	51.3615
Bi-Weekly	3,380.42	3,549.44	3,726.91	3,913.26	4,108.92
Monthly	7,324.24	7,690.45	8,074.98	8,478.72	8,902.66
Annual	87,890.89	92,285.43	96,899.70	101,744.69	106,831.92

Financial Service Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	64.0405	67.2425	70.6046	74.1348	77.8416
Bi-Weekly	5,123.24	5,379.40	5,648.37	5,930.79	6,227.33
Monthly	11,100.35	11,655.36	12,238.13	12,850.04	13,492.54
Annual	133,204.17	139,864.38	146,857.60	154,200.48	161,910.50

Fiscal Analyst (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	53.9050	56.6003	59.4303	62.4018	65.5219
Bi-Weekly	4,312.40	4,528.02	4,754.42	4,992.14	5,241.75
Monthly	9,343.54	9,810.72	10,301.25	10,816.31	11,357.13
Annual	112,122.46	117,728.58	123,615.01	129,795.76	136,285.55

Grants Coordinator (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	40.4220	42.4431	44.5653	46.7935	49.1332
Bi-Weekly	3,233.76	3,395.45	3,565.22	3,743.48	3,930.66
Monthly	7,006.48	7,356.80	7,724.64	8,110.88	8,516.42
Annual	84,077.75	88,281.64	92,695.72	97,330.51	102,197.04

Housing Project Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	54.4718	57.1954	60.0552	63.0580	66.2109
Bi-Weekly	4,357.75	4,575.63	4,804.42	5,044.64	5,296.87
Monthly	9,441.79	9,913.87	10,409.57	10,930.05	11,476.55
Annual	113,301.42	118,966.50	124,914.82	131,160.56	137,718.59

Housing Specialist I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	35.5998	37.3798	39.2488	41.2112	43.2718
Bi-Weekly	2,847.99	2,990.38	3,139.90	3,296.90	3,461.74
Monthly	6,170.63	6,479.17	6,803.12	7,143.28	7,500.44
Annual	74,047.61	77,749.99	81,637.49	85,719.37	90,005.34

Housing Specialist II (SEIU)

	Step A	Step B	Step C	Step D	Step E
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Hourly	44.4733	46.6970	49.0318	51.4834	54.0576
Bi-Weekly	3,557.87	3,735.76	3,922.55	4,118.67	4,324.61
Monthly	7,708.71	8,094.14	8,498.85	8,923.79	9,369.98
Annual	92,504.49	97,129.72	101,986.20	107,085.51	112,439.79

Housing & Economic Development Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	66.6844	70.0186	73.5196	77.1955	81.0553
Bi-Weekly	5,334.75	5,601.49	5,881.56	6,175.64	6,484.42
Monthly	11,558.63	12,136.56	12,743.39	13,380.56	14,049.59
Annual	138,703.55	145,638.73	152,920.67	160,566.70	168,595.04

Human Resource Manager (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	66.0263	69.3276	72.7940	76.4337	80.2554
Bi-Weekly	5,282.10	5,546.21	5,823.52	6,114.70	6,420.43
Monthly	11,444.56	12,016.79	12,617.63	13,248.51	13,910.93
Annual	137,334.70	144,201.43	151,411.50	158,982.08	166,931.18

Human Resources Technician I (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	40.2128	42.2235	44.3347	46.5514	48.8790
Bi-Weekly	3,217.03	3,377.88	3,546.77	3,724.11	3,910.32
Monthly	6,970.23	7,318.74	7,684.68	8,068.91	8,472.35
Annual	83,642.72	87,824.86	92,216.10	96,826.91	101,668.25

Human Resources Technician II (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	44.2342	46.4459	48.7682	51.2066	53.7669
Bi-Weekly	3,538.73	3,715.67	3,901.45	4,096.53	4,301.35
Monthly	7,667.26	8,050.62	8,453.15	8,875.81	9,319.60
Annual	92,007.08	96,607.44	101,437.81	106,509.70	111,835.18

Information Technology Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	72.8354	76.4771	80.3010	84.3160	88.5318
Bi-Weekly	5,826.83	6,118.17	6,424.08	6,745.28	7,082.55
Monthly	12,624.80	13,256.04	13,918.84	14,614.78	15,345.52
Annual	151,497.57	159,072.45	167,026.07	175,377.37	184,146.24

Kitchen Aide - (0.5 FTE, 1040 Hrs) (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	18.3108	19.2264	20.1877	21.1971	22.2569
Bi-Weekly	732.43	769.05	807.51	847.88	890.28
Monthly	1,586.94	1,666.28	1,749.60	1,837.08	1,928.93
Annual	19,043.24	19,995.41	20,995.18	22,044.94	23,147.18

Legal Assistant (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	38.6129	40.5436	42.5708	44.6993	46.9343
Bi-Weekly	3,089.04	3,243.49	3,405.66	3,575.95	3,754.74
Monthly	6,692.91	7,027.56	7,378.93	7,747.88	8,135.28
Annual	80,314.93	84,330.68	88,547.21	92,974.58	97,623.30

Maintenance Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	64.8645	68.1078	71.5131	75.0888	78.8432

Bi-Weekly	5,189.16	5,448.62	5,721.05	6,007.10	6,307.46
Monthly	11,243.19	11,805.35	12,395.61	13,015.39	13,666.16
Annual	134,918.23	141,664.14	148,747.35	156,184.72	163,993.95

Maintenance Worker I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	29.0730	30.5266	32.0530	33.6556	35.3384
Bi-Weekly	2,325.84	2,442.13	2,564.24	2,692.45	2,827.07
Monthly	5,039.32	5,291.28	5,555.85	5,833.64	6,125.32
Annual	60,471.81	63,495.40	66,670.17	70,003.67	73,503.86

Maintenance Worker II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	32.3140	33.9297	35.6262	37.4075	39.2779
Bi-Weekly	2,585.12	2,714.37	2,850.09	2,992.60	3,142.23
Monthly	5,601.09	5,881.15	6,175.20	6,483.96	6,808.16
Annual	67,213.09	70,573.75	74,102.43	77,807.56	81,697.93

Maintenance Worker III (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	35.9957	37.7955	39.6853	41.6695	43.7530
Bi-Weekly	2,879.66	3,023.64	3,174.82	3,333.56	3,500.24
Monthly	6,239.26	6,551.22	6,878.78	7,222.72	7,583.85
Annual	74,871.07	78,614.62	82,545.36	86,672.62	91,006.25

Management Analyst I (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	44.8851	47.1294	49.4859	51.9602	54.5582
Bi-Weekly	3,590.81	3,770.35	3,958.87	4,156.81	4,364.65
Monthly	7,780.09	8,169.09	8,577.55	9,006.43	9,456.75
Annual	93,361.08	98,029.13	102,930.59	108,077.12	113,480.97

Management Analyst II (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	53.9050	56.6002	59.4302	62.4018	65.5219
Bi-Weekly	4,312.40	4,528.02	4,754.42	4,992.14	5,241.75
Monthly	9,343.53	9,810.71	10,301.24	10,816.31	11,357.12
Annual	112,122.38	117,728.49	123,614.92	129,795.67	136,285.45

Neighborhood Preservation Officer I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	36.0005	37.8005	39.6905	41.6750	43.7588
Bi-Weekly	2,880.04	3,024.04	3,175.24	3,334.00	3,500.70
Monthly	6,240.08	6,552.08	6,879.69	7,223.67	7,584.86
Annual	74,880.95	78,625.00	82,556.25	86,684.06	91,018.26

Neighborhood Preservation Officer II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	41.2527	43.3154	45.4811	47.7552	50.1430
Bi-Weekly	3,300.22	3,465.23	3,638.49	3,820.42	4,011.44
Monthly	7,150.47	7,508.00	7,883.40	8,277.57	8,691.45
Annual	85,805.69	90,095.98	94,600.77	99,330.81	104,297.35

Nutrition Site Supervisor (0.75 FTE, 1560 Hrs) (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	22.3576	23.4755	24.6492	25.8817	27.1758
Bi-Weekly	1,341.46	1,408.53	1,478.95	1,552.90	1,630.55

Monthly		2,906.49	3,051.81	3,204.40	3,364.62	3,532.85
Annual		34,877.84	36,621.73	38,452.82	40,375.46	42,394.23

Office Assistant (SEIU)

		Step A	Step B	Step C	Step D	Step E
Hourly		27.8971	29.2919	30.7565	32.2944	33.9091
Bi-Weekly		2,231.77	2,343.36	2,460.52	2,583.55	2,712.73
Monthly		4,835.50	5,077.27	5,331.13	5,597.69	5,877.58
Annual		58,025.95	60,927.24	63,973.61	67,172.29	70,530.90

Planning Manager (MEA)

		Step A	Step B	Step C	Step D	Step E
Hourly		68.0464	71.4487	75.0211	78.7722	82.7108
Bi-Weekly		5,443.71	5,715.90	6,001.69	6,301.78	6,616.86
Monthly		11,794.71	12,384.44	13,003.66	13,653.85	14,336.54
Annual		141,536.47	148,613.29	156,043.95	163,846.15	172,038.46

Planning Permit Technician (SEIU)

		Step A	Step B	Step C	Step D	Step E
Hourly		32.0708	33.6743	35.3581	37.1260	38.9823
Bi-Weekly		2,565.66	2,693.95	2,828.64	2,970.08	3,118.58
Monthly		5,558.94	5,836.89	6,128.73	6,435.17	6,756.93
Annual		66,707.27	70,042.64	73,544.77	77,222.01	81,083.11

Police Chief (Executive)

		Step A	Step B	Step C	Step D	Step E
Hourly		96.9544	101.8021	106.8922	112.2368	117.8487
Bi-Weekly		7,756.35	8,144.17	8,551.38	8,978.95	9,427.90
Monthly		16,805.43	17,645.70	18,527.99	19,454.39	20,427.11
Annual		201,665.17	211,748.43	222,335.85	233,452.64	245,125.28

Police Commander (Non Bargaining - MEA)

		Step A	Step B	Step C	Step D	Step E
Hourly		76.2675	80.0809	84.0849	88.2891	92.7036
Bi-Weekly		6,101.40	6,406.47	6,726.79	7,063.13	7,416.29
Monthly		13,219.70	13,880.68	14,574.72	15,303.45	16,068.62
Annual		158,636.36	166,568.18	174,896.59	183,641.42	192,823.49

Police Officer (POA)

		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Hourly		48.1552	50.5629	53.0911	55.7456	58.5329	61.4596	63.6106
Bi-Weekly		4,045.03	4,247.29	4,459.65	4,682.63	4,916.76	5,162.60	5,343.29
Monthly		8,764.24	9,202.45	9,662.58	10,145.70	10,652.99	11,185.64	11,577.14
Annual		105,170.89	110,429.43	115,950.90	121,748.45	127,835.87	134,227.66	138,925.63

**Effective
7/7/2024**

Police Records Clerk I (SEIU)

		Step A	Step B	Step C	Step D	Step E
Hourly		29.6525	31.1352	32.6919	34.3265	36.0428
Bi-Weekly		2,372.20	2,490.81	2,615.35	2,746.12	2,883.43
Monthly		5,139.77	5,396.76	5,666.60	5,949.93	6,247.43
Annual		61,677.28	64,761.14	67,999.20	71,399.16	74,969.12

Police Records Clerk II (SEIU)

		Step A	Step B	Step C	Step D	Step E
Hourly		32.9347	34.5814	36.3105	38.1260	40.0323
Bi-Weekly		2,634.77	2,766.51	2,904.84	3,050.08	3,202.58
Monthly		5,708.67	5,994.11	6,293.81	6,608.50	6,938.93

Annual		68,504.09	71,929.29	75,525.76	79,302.05	83,267.15
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Police Records Supervisor (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	41.3285	43.3950	45.5647	47.8430	50.2351
Bi-Weekly	3,306.28	3,471.60	3,645.18	3,827.44	4,018.81
Monthly	7,163.61	7,521.80	7,897.89	8,292.78	8,707.42
Annual	85,963.38	90,261.55	94,774.63	99,513.36	104,489.02

Police Sergeant (POA)

	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Effective 7/7/2024
Hourly	57.8253	60.7166	63.7524	66.9400	70.2870	73.8014	76.3844	
Bi-Weekly	4,857.32	5,100.19	5,355.20	5,622.96	5,904.11	6,199.31	6,416.29	
Monthly	10,524.20	11,050.41	11,602.93	12,183.08	12,792.24	13,431.85	13,901.96	
Annual	126,290.44	132,604.96	139,235.21	146,196.97	153,506.82	161,182.16	166,823.54	

Property and Evidence Technician (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	36.2950	38.1097	40.0152	42.0160	44.1168
Bi-Weekly	2,903.60	3,048.78	3,201.22	3,361.28	3,529.34
Monthly	6,291.13	6,605.69	6,935.97	7,282.77	7,646.91
Annual	75,493.59	79,268.27	83,231.69	87,393.27	91,762.94

Public Works Director (Executive)

	Step A	Step B	Step C	Step D	Step E
Hourly	90.5422	95.0693	99.8228	104.8139	110.0546
Bi-Weekly	7,243.37	7,605.54	7,985.82	8,385.11	8,804.37
Monthly	15,693.98	16,478.68	17,302.61	18,167.74	19,076.13
Annual	188,327.75	197,744.14	207,631.34	218,012.91	228,913.56

Public Works Supervisor (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	52.2482	54.8606	57.6036	60.4838	63.5080
Bi-Weekly	4,179.86	4,388.85	4,608.29	4,838.71	5,080.64
Monthly	9,056.35	9,509.17	9,984.63	10,483.86	11,008.05
Annual	108,676.24	114,110.05	119,815.55	125,806.33	132,096.65

Recreation Leader I FT (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	17.4199	18.2909	19.2054	20.1657	21.1740
Bi-Weekly	1,393.59	1,463.27	1,536.43	1,613.25	1,693.92
Monthly	3,019.45	3,170.42	3,328.94	3,495.39	3,670.15
Annual	36,233.34	38,045.01	39,947.26	41,944.62	44,041.85

Recreation Leader I (0.45 FTE, 936 Hrs) (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	17.4199	18.2909	19.2054	20.1657	21.1740
Bi-Weekly	627.12	658.47	691.39	725.96	762.26
Monthly	1,358.75	1,426.69	1,498.02	1,572.92	1,651.57
Annual	16,305.00	17,120.25	17,976.27	18,875.08	19,818.83

Recreation Leader II FT (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	18.6202	19.5512	20.5288	21.5553	22.6330
Bi-Weekly	1,489.62	1,564.10	1,642.30	1,724.42	1,810.64
Monthly	3,227.51	3,388.88	3,558.33	3,736.24	3,923.06
Annual	38,730.09	40,666.60	42,699.93	44,834.92	47,076.67

Recreation Leader II (0.45 FTE, 936 Hrs) (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	18.6202	19.5512	20.5288	21.5553	22.6330
Bi-Weekly	670.33	703.84	739.04	775.99	814.79
Monthly	1,452.38	1,525.00	1,601.25	1,681.31	1,765.38
Annual	17,428.54	18,299.97	19,214.97	20,175.72	21,184.50

Recreation Program Coordinator (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	35.9439	37.7410	39.6281	41.6095	43.6900
Bi-Weekly	2,875.51	3,019.28	3,170.25	3,328.76	3,495.20
Monthly	6,230.27	6,541.78	6,868.87	7,212.31	7,572.93
Annual	74,763.21	78,501.37	82,426.44	86,547.76	90,875.15

Rent Stabilization Administrator (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	65.8954	69.1902	72.6497	76.2822	80.0963
Bi-Weekly	5,271.64	5,535.22	5,811.98	6,102.58	6,407.71
Monthly	11,421.88	11,992.97	12,592.62	13,222.25	13,883.36
Annual	137,062.53	143,915.66	151,111.44	158,667.01	166,600.36

Rent Stabilization Program Coordinator I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	37.0222	38.8733	40.8169	42.8578	45.0007
Bi-Weekly	2,961.77	3,109.86	3,265.36	3,428.62	3,600.05
Monthly	6,417.18	6,738.03	7,074.94	7,428.68	7,800.12
Annual	77,006.11	80,856.41	84,899.23	89,144.19	93,601.40

Rent Stabilization Program Coordinator II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	44.4733	46.6969	49.0318	51.4834	54.0575
Bi-Weekly	3,557.86	3,735.75	3,922.54	4,118.67	4,324.60
Monthly	7,708.70	8,094.13	8,498.84	8,923.78	9,369.97
Annual	92,504.38	97,129.59	101,986.07	107,085.38	112,439.65

Secretary I (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	28.4139	29.8346	31.3263	32.8926	34.5373
Bi-Weekly	2,273.11	2,386.77	2,506.10	2,631.41	2,762.98
Monthly	4,925.07	5,171.33	5,429.89	5,701.39	5,986.46
Annual	59,100.88	62,055.93	65,158.72	68,416.66	71,837.49

Secretary II (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	31.6525	33.2351	34.8969	36.6417	38.4738
Bi-Weekly	2,532.20	2,658.81	2,791.75	2,931.34	3,077.90
Monthly	5,486.43	5,760.75	6,048.79	6,351.23	6,668.79
Annual	65,837.18	69,129.04	72,585.49	76,214.77	80,025.51

Senior Accounting Technician (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	35.6676	37.4510	39.3236	41.2897	43.3542
Bi-Weekly	2,853.41	2,996.08	3,145.88	3,303.18	3,468.34
Monthly	6,182.39	6,491.51	6,816.08	7,156.89	7,514.73
Annual	74,188.66	77,898.09	81,792.99	85,882.64	90,176.77

Senior Engineer (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	64.8645	68.1077	71.5131	75.0888	78.8432
Bi-Weekly	5,189.16	5,448.62	5,721.05	6,007.10	6,307.46
Monthly	11,243.18	11,805.34	12,395.60	13,015.38	13,666.15
Annual	134,918.13	141,664.04	148,747.24	156,184.60	163,993.83

Senior Management Analyst (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	59.2955	62.2603	65.3733	68.6419	72.0740
Bi-Weekly	4,743.64	4,980.82	5,229.86	5,491.36	5,765.92
Monthly	10,277.88	10,791.78	11,331.37	11,897.94	12,492.83
Annual	123,334.61	129,501.34	135,976.41	142,775.23	149,913.99

Senior Planner (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	54.0181	56.7190	59.5550	62.5327	65.6593
Bi-Weekly	4,321.45	4,537.52	4,764.40	5,002.62	5,252.75
Monthly	9,363.14	9,831.29	10,322.86	10,839.00	11,380.95
Annual	112,357.65	117,975.53	123,874.31	130,068.03	136,571.43

Support Services Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	58.9082	61.8536	64.9463	68.1936	71.6033
Bi-Weekly	4,712.66	4,948.29	5,195.70	5,455.49	5,728.26
Monthly	10,210.75	10,721.29	11,257.36	11,820.22	12,411.24
Annual	122,529.06	128,655.51	135,088.28	141,842.70	148,934.83

Utility Manager (MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	72.9746	76.6233	80.4545	84.4772	88.7011
Bi-Weekly	5,837.97	6,129.87	6,436.36	6,758.18	7,096.09
Monthly	12,648.93	13,281.38	13,945.45	14,642.72	15,374.86
Annual	151,787.21	159,376.57	167,345.40	175,712.66	184,498.30

Van Driver (0.5 FTE, 1040 Hrs) (SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	24.3106	25.5261	26.8024	28.1426	29.5497
Bi-Weekly	972.42	1,021.05	1,072.10	1,125.70	1,181.99
Monthly	2,106.92	2,212.26	2,322.88	2,439.02	2,560.97
Annual	25,283.02	26,547.18	27,874.53	29,268.26	30,731.67

Temporary and Limited Duration Classifications**Assistant to the City Manager (LTD) (Temporary - Non Bargaining)**

	Step A	Step B	Step C	Step D	Step E
Hourly	65.0580	68.3109	71.7264	75.3128	79.0784
Bi-Weekly	5,204.64	5,464.87	5,738.11	6,025.02	6,326.27
Monthly	11,276.72	11,840.55	12,432.58	13,054.21	13,706.92
Annual	135,320.63	142,086.66	149,190.99	156,650.54	164,483.07

Deputy City Manager (Limited Duration)

Hourly				92.4575	97.0804
Bi-Weekly				7,396.60	7,766.43
Monthly				16,025.97	16,827.27
Annual				192,311.60	201,927.18

Human Resources Technician I (18 Month LTD) (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	40.2128	42.2235	44.3347	46.5514	48.8790
Bi-Weekly	3,217.03	3,377.88	3,546.77	3,724.11	3,910.32
Monthly	6,970.23	7,318.74	7,684.68	8,068.91	8,472.35
Annual	83,642.72	87,824.86	92,216.10	96,826.91	101,668.25

Human Resources Technician II (18 Month LTD) (Non Bargaining - SEIU)

	Step A	Step B	Step C	Step D	Step E
Hourly	44.2342	46.4459	48.7682	51.2066	53.7669
Bi-Weekly	3,538.73	3,715.67	3,901.45	4,096.53	4,301.35
Monthly	7,667.26	8,050.62	8,453.15	8,875.81	9,319.60
Annual	92,007.08	96,607.44	101,437.81	106,509.70	111,835.18

Management Analyst I (1 Year LTD) (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	44.8851	47.1294	49.4859	51.9602	54.5582
Bi-Weekly	3,590.81	3,770.35	3,958.87	4,156.81	4,364.65
Monthly	7,780.09	8,169.09	8,577.55	9,006.43	9,456.75
Annual	93,361.08	98,029.13	102,930.59	108,077.12	113,480.97

Management Analyst II (1 Year LTD) (Non Bargaining - MEA)

	Step A	Step B	Step C	Step D	Step E
Hourly	53.9050	56.6002	59.4302	62.4018	65.5219
Bi-Weekly	4,312.40	4,528.02	4,754.42	4,992.14	5,241.75
Monthly	9,343.53	9,810.71	10,301.24	10,816.31	11,357.12
Annual	112,122.38	117,728.49	123,614.92	129,795.67	136,285.45

Non Sworn Investigators (Not to exceed 960 hours) (Temporary)

	Step A	Step B	Step C	Step D	Step E
Hourly	36.3204	38.1364	40.0432	42.0454	44.1477
Bi-Weekly	1,341.06	1,408.11	1,478.52	1,552.45	1,630.07
Monthly	2,905.63	3,050.91	3,203.46	3,363.63	3,531.81
Annual	34,867.58	36,610.96	38,441.51	40,363.59	42,381.77

Police Officer PT- Cold Case Investigator (0.45 FTE, 936 Hrs)

	Step A	Step B	Step C	Step D	Step E
Hourly	42.2756	44.3894	46.6089	48.9393	51.3863
Bi-Weekly	1,521.92	1,598.02	1,677.92	1,761.82	1,849.91
Monthly	3,297.50	3,462.37	3,635.49	3,817.27	4,008.13
Annual	39,569.98	41,548.48	43,625.90	45,807.20	48,097.56

Police Officer Trainee (0.5 FTE) (Temporary - Non Bargaining)

Hourly					30.0000
Bi-Weekly					2,400.00
Monthly					5,200.00
Annual					31,200.00

Special Projects Manager (960 HRS Limited Duration)

Hourly				65.1000	69.3300
Bi-Weekly				2,403.69	2,559.88
Monthly				5,208.00	5,546.40
Annual				62,496.00	66,556.80

Utility Manager (6-Month LTD) (Temporary - Non Bargaining)

	Step A	Step B	Step C	Step D	Step E
Hourly	72.9746	76.6233	80.4545	84.4772	88.7011
Bi-Weekly	5,837.97	6,129.87	6,436.36	6,758.18	7,096.09
Monthly	12,648.93	13,281.38	13,945.45	14,642.72	15,374.86
Annual	151,787.21	159,376.57	167,345.40	175,712.66	184,498.30



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Batool Zaro, Senior Engineer
Humza Javed, Public Works Director

SUBJECT: Residential Permit Parking Program (RPP) Ordinance

Recommendation

Conduct a study session on the Residential Permit Parking Program and provide feedback and comments to staff on the draft Ordinance

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Implement the Comprehensive Transportation and Mobility Plan

Background

The 2020 Mobility Study recommends creating a citywide permit parking program to address parking challenges along public streets in East Palo Alto. This study introduces a draft permit parking program, outlining general information and guidelines.

Implementing a permit parking program offers several benefits:

- Equitably allocating on-street parking among neighborhood residents
- Encouraging residents to use off-street parking (garages and driveways)
- Motivating residents to consider the impact of excess vehicles

Parking issues frequently arise in all neighborhoods of East Palo Alto, and residents often submit

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complaints to the City to that effect. Recognizing the need for policy solutions, the City Council supports a permit parking program as a potential improvement and, through the Strategic Priority process, has directed staff to prioritize its launch.

Staff first presented a draft residential permit parking ordinance to the Public Works and Transportation Commission (PWTC) on December 20, 2023. During the meeting, staff gathered comments from the PWTC and the public, which they incorporated into an updated draft. The City's transportation consultant, Hexagon Transportation Consultants, Inc., presented this revised draft at the PWTC meeting on April 17, 2024, responding to additional questions and comments. Staff and Hexagon presented a further refined draft to the PWTC on May 15, 2024. After public comment and deliberation, the PWTC recommended the ordinance to the City Council and provided feedback on the program, including:

- **Petition Establishment:** PWTC and the public recommended reducing the permit parking petition threshold from 67% to 50%+1 of households. Staff recommends maintaining the 67% threshold to ensure substantial support for the program, consistent with other agencies' thresholds.
- **Disabled Parking Areas:** The ordinance should clarify that the permit exemption applies only to designated disabled parking spots. Staff agrees with this recommendation.
- **Program Guidelines:** PWTC suggested adding a midnight to 5 AM time period during which permit parking could be enforced under section 5 of the program guidelines. Staff agreed.
- **Permit Cost:** A commissioner suggested that the first permit should not be free, though staff is recommending that first be permit be free.
- **Revenue Transparency:** A commissioner recommended transparency in revenue generated from fees and citations when a permit parking zone is established. Staff agrees that revenue generated should be tracked by the Finance Department.

At the June 18, 2024, City Council meeting, staff presented the updated draft ordinance. The Council instructed staff to delay the first reading and further investigate additional concerns outlined in this report.

Analysis

The Permit Parking program establishes a procedure for implementing a permit parking area (PPA) anywhere in the City. The draft residential permit parking program details the process for designating and establishing a PPA, the issuing of resident and guest permits, enforcement within the PPA, and the PPA removal. The draft residential permit parking program is attached to this report as Attachment 1. Each residential property will receive one parking permit at no charge, and a second permit may be purchased, subject to availability. Limited one-day guest permits will be offered for evening and nighttime visitors. All parking permits issued with fees associated will be determined through a citywide fee schedule update.

It's important to note that a permit does not guarantee or reserve an on-street parking space but allows vehicles to park on any neighborhood street within permit-restricted hours. The ordinance

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will also cap the number of permits issued to prevent exceeding the neighborhood's total parking capacity.

The establishment of a residential PPA should only be considered if the criteria detailed in the Residential Permit Parking Program Guidelines (Attachment 2), are satisfied. The twelve-step procedure for establishing a PPA is detailed in the guide. Additionally, the draft permit parking application is included in Attachment 2. Attachment 3 includes some frequently asked questions (FAQ's).

Residential Permit Parking Program Establishment Process

The establishment process for a PPA includes:

1. Staff review of neighborhood application or petition;
2. Data collection;
3. Community outreach;
4. Review and recommendation by the PWTC;
5. Adoption of a resolution establishing, expanding, or eliminating an RPP area; and
6. Resident notification of the new RPP area.

The establishment process is further detailed in Attachments 1 and 2. The City Council can establish a PPA without a petition if initiated directly.

Council Feedback from the June 18, 2024, Meeting

The Council requested:

- **Increased Public Outreach:** Staff expanded outreach with citywide mailers, an online survey (66% in favor of the program), and social media engagement. Of 127 survey respondents, about 50% said they have only one vehicle parked on street and 59% agreed with the 67% PPA initiation threshold.
- **Clarification on the 75% Threshold:** Section 10.40.050 specifies that at least 75% of on-street spaces in the proposed RPP area must be occupied during proposed permit hours to establish or expand an RPP area. Most cities set minimum occupancy threshold requirements for residential permit parking program eligibility at 75-80% (San Francisco, Redwood City, Mountain View, Santa Clara, and Oakland). The exemptions are San Mateo where the threshold is 60% and San Jose where they require 85% on at least 65% of the blocks. Some cities do not set numeric threshold but usually require findings that there is a parking shortage (Palo Alto, Menlo Park, Sunnyvale, and Belmont). One of the main purposes of the RPP is to equitably allocate the limited resource of on-street parking and setting these thresholds for eligibility help ensure this.
- **Consideration of Two Parking Permits by Default:** The draft ordinance offers one free permit per residence, with additional permits available for purchase based on availability, due to limited on-street parking in neighborhoods. East Palo Alto neighborhoods do not have enough on-street parking to accommodate two (2) vehicles on the street for every dwelling unit. For example, the Gardens Neighborhood has

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approximately 1,500 dwelling units and 2,175 on-street spaces which means there's 1.45 spaces per dwelling unit.

- **Impact on Commercial Parking:** The draft ordinance exempts commercial vehicles actively providing services from RPP restrictions. However, certain vehicles (e.g., oversized vehicles, trailers) are prohibited from parking overnight or for extended periods. Per the Program Guidelines, commercial trucks, boat trailers, RV's, trailers, and work-type commercial vehicles, including taxis and limousines, are not eligible for parking permits. Privately owned passenger cars used for Uber/Lyft are not considered commercial vehicles. Per the City's municipal code, commercial vehicles are prohibited from parking on residential streets for more than 1 hour except when in actual use for the transaction of any lawful business (§ 10.04.080). Additionally, oversized vehicles and trailers are prohibited from parking on any public street from 2-5 AM (§10.04.130).
- **Investigation of Public/Private Partnership:** Staff reached out to private property owners (including churches and the Boy and Girls Club) in the Gardens neighborhood to explore shared parking, but they expressed concerns regarding liability, safety, and maintenance.

Next steps

- Receive feedback from the City Council and the public at the November 12, 2024, meeting.
- Receive feedback to help finalize the draft ordinance.
- Schedule the ordinance readings and adoption for early 2025.
- Conduct a fee study to determine program (e.g., permit parking platform, permit fees, and enforcement).

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.

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

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

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Attachment 1 – Draft RPPP Ordinance
2. Attachment 2– Draft RPPP Guidelines
3. Attachment 3 – Draft RPPP FAQ's

Chapter 10.40 - RESIDENTIAL PARKING PERMIT (RPP) PROGRAM

Sections:

- 10.40.010 Purpose.
- 10.40.020 Definitions.
- 10.40.030 Findings.
- 10.40.040 Designation of residential parking permit areas.
- 10.40.050 Procedure for establishment of residential parking permit areas.
- 10.40.060 Authority of Director.
- 10.40.070 Issuance of permits.
- 10.40.080 Guest parking permits.
- 10.40.090 Display of permits.
- 10.40.100 Enforcement.
- 10.40.110 Exempt vehicles.
- 10.40.120 Removal of residential parking permit area.

10.40.010 Purpose.

The purpose of this chapter is to regulate and manage residential curb parking at locations at which a high demand for parking on residential streets has been determined by the City Council to be adverse to the health, safety, welfare, and interest of the public, including residential property owners, businesses, pedestrians, and other users of the City's streets, roads, and infrastructure. The procedures and standards in this chapter are intended to provide flexibility so that the City Council may adopt, after consultation with various stakeholders, including residents, businesses and institutions, parking programs that appropriately protect each neighborhood's unique characteristics.

10.40.020 Definitions.

"*Director*" means the Director of the Department of Public Works.

"*Residential parking permit area*" or "RPP area" means a geographical area set by City Council resolution establishing a preferential parking permit system pursuant to California Vehicle Code Section 22507.

"*Residence*" or "*dwelling unit*" means each legal dwelling unit located immediately adjacent to a street, or portion of street, within a RPP area and with an assigned postal address. The term includes single-family dwellings, apartments, condominiums, and other distinct residential units including accessory dwelling units and junior accessory dwelling units.

"*Resident*" means a person who lives in a RPP area as his/her permanent place of residence, either as a tenant, occupant, or owner.

"*Residential parking permit program guidelines*" or "*guidelines*" shall mean the City of East Palo Alto Residential Parking Permit Program Guidelines, as promulgated by the Director of the Department of Public Works.

"*Private service personnel*" means personnel who routinely, in the performance of their business, provide a service to the residential property owner or tenant during the residential parking permit restricted hours.

10.40.30 Findings.

Each RPP area may be designated by the City Council only upon findings that such RPP area is required to enhance or protect the quality of life in the proposed RPP area and that such designation is necessary to provide reasonably available and convenient parking for the benefit of the residents in the RPP area. Such findings shall be based upon the following criteria established to the satisfaction of the City Council:

- A. Vehicles parked in the RPP area create traffic congestion, noise, or other disruption that disrupts neighborhood life; or a shortage of reasonably available and convenient offstreet parking spaces exist in the proposed RPP area;
- B. The establishment of the proposed RPP area would benefit a majority of the residents in the proposed RPP area and balance the impacts to adjoining areas outside of the proposed RPP area, and the proposed RPP would be feasible in terms of cost, administrability, and enforcement; and
- C. No alternative solution is feasible or practical.

10.40.040 Designation of residential parking permit areas.

Residential parking permit areas may be designated or expanded by resolution of the City Council. The City Council shall consider for designation those areas satisfying the criteria set forth in this chapter. If the City Council determines that the criteria have been met, it may adopt a resolution designating a residential parking permit area. The designation or expansion of an RPP area may be initiated by utilizing either of the following methods:

- A. Initiation by neighborhood petition. Residents may request the formation of an RPP area in their neighborhood or the expansion of an existing RPP area. The request and process shall be made, and considered, in accordance with the forms and procedures set forth in the guidelines. The petition must be signed by residents representing at least fifty percent (50%) plus one of the residences on each block upon which permit parking is proposed. Only one signature is needed per residence.
- B. Initiation by City Council. The City Council may, by motion, initiate consideration of an RPP area by directing staff to undertake the data collection and outreach process set forth in Section 10.40.050B and C.

10.40.050 Procedure for establishment of residential parking permit areas.

Requests to establish or expand residential parking permit areas shall be made, and considered, in the following manner:

- A. Staff Review of Neighborhood Application/Petition. The Director shall review applications to establish or expand RPP areas initiated by neighborhood residents. Through discussions with the applicant, the Public Works Director will identify the draft program parameters, as set forth in the Guidelines, which may be amended from time to time, including, days and time limits when permit parking will be enforced and the geographic area of enforcement. The applicant will coordinate collection of signatures on a petition. The City Clerk shall review the signed neighborhood petition and verify that it meets the signature requirements set forth in this chapter and the guidelines. If the RPP area request does not meet the signature requirements

set forth in section 10.40.040.A., the Director shall send a letter to the petitioners denying their request.

- B. Data Collection. For applications initiated by neighborhood petition and applications initiated by City Council, City staff shall promptly complete parking occupancy studies to study and quantify, to the extent possible, the nature of the problem. For eligibility to establish or expand an RPP area, parking surveys must show a minimum of seventy-five percent (75%) of all the on-street parking spaces within the proposed RPP area are occupied during the proposed permit hours. If the RPP area does not meet the minimum parking occupancy requirement, the Director may send a letter to the petitioners denying their request.
- C. Community Outreach. Upon completion of data collection, City staff shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake an online survey of resident support within the RPP area. The recommended threshold for the creation or expansion of an RPP area is a vote of 67% of the returned surveys in favor of the program; however, the City Council may approve an RPP area with a simple majority (50% + 1) of the returned surveys in favor of the program. Staff shall mail notices to all residences within the proposed RPP area including the following information:
1. basic parameters of the proposed RPP program (proposed RPP area, hours/days of enforcement and parking prohibitions for non-permit holders, maximum number of permits per residence, and fees),
 2. a link to the City's website with the full text of the draft resolution,
 3. a link to an online survey where residents within the proposed RPP area can indicate their support or opposition to the designation of an RPP area in their neighborhood,
 4. contact information for a City staff who can answer questions and assist residents without internet access with completing the survey, and
 5. dates of upcoming public meetings (Public Works and Transportation Commission and City Council).

The applicant is encouraged to conduct additional outreach including holding neighborhood meeting(s) and going door to door to distribute a second copy of the notice mailed by the City to urge residents to complete the survey and attend the Public Works and Transportation Commission and City Council meetings. The results of this survey shall be reported to the Public Works and Transportation Commission and the City Council.

- D. Public Works and Transportation Commission Review and Recommendation. Staff shall provide the Public Works and Transportation Commission an opportunity to consider the proposed RPP area at a noticed public hearing. The Commission shall review the draft resolution and make a recommendation to the City Council regarding the RPP area. This recommendation may include proposed modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.
- E. Adoption of Resolution Establishing or Expanding an RPP Area. Following the completion of the above procedures, staff shall bring a resolution designating the proposed RPP area for Council consideration. At a minimum, the resolution shall specify:
1. The findings that the criteria set forth in this Chapter have been met;
 2. The boundaries and the name of the RPP area;

3. Hours and days of enforcement of parking time restrictions and parking prohibitions that shall be in effect for non-permit holders; and
4. The procedure for obtaining parking permits, including the fee therefor.

The City Council shall hold a public hearing on a proposed resolution to establish the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.

- F. Resident Notice of Newly Adopted RPP Area. Upon designation or expansion of an RPP area, the City shall provide notice informing residents about implementation of the RPP area and its details.

10.40.060 Authority of Director.

The Director is authorized to establish the Guidelines, and rules and procedures to effectuate or implement the purposes and provisions of this Chapter, as limited herein, and to produce signs, forms, and other materials necessary, or appropriate, to implement the provisions of this chapter.

10.40.070 Issuance of permits.

Applications to authorize parking within a residential parking permit area may be made by any resident of a dwelling unit within the residential parking permit area, and by private service personnel which routinely, in the performance of their business, provide a service to the residential property owner or tenant during permit restricted hours. Such application shall be the sole responsibility of the applicant, and shall be filed with the Director, or his or her designated representative. Applications for a parking permit must include the following documentation:

1. A current DMV driver's license for each resident or private service personnel requesting a permit,
2. A current DMV vehicle registration for each vehicle, and
3. Proof of residency in a parking permit area (required only if the address on the driver's license and/or vehicle registration is not located in a parking permit area). The Director shall determine what constitutes acceptable proof of residency, which may include a utility bill, lease agreement, car insurance policy, or preprinted personal check with applicant's name and address, and any information the Director requires by rules and procedures.

Unless otherwise prescribed by the resolution establishing the residential parking permit area, each residence within an RPP area may receive, upon application, one parking permit at no cost to the applicant. Additional parking permits may be purchased by applicants, upon application, subject to the availability, as determined by the Director. Permits issued to residents or private service personnel pursuant to this section shall require annual renewal. The City Council may, by resolution, establish a fee for the issuance of permits or the transfer of a permit to a different vehicle or different address.

10.40.080 Guest parking permits.

Unless otherwise prescribed in the resolution establishing a residential parking permit area, each residence within an RPP area may receive twenty (20) one-day guest parking permits per year as approved by the Director upon application. Upon application, applicants may receive additional guest permits for one-day special events as approved by the Director.

10.40.090 Display of permits.

- A. Parking permits shall be displayed in a manner determined by the Director.
- B. The Director shall notify each permittee in writing of the proper manner in which to display a parking permit.
- C. The proper display on a vehicle of a valid parking permit issued pursuant to this chapter grants only the privilege of parking the vehicle in the RPP area for which the permit was issued.
- D. A valid parking permit issued under this chapter shall not guarantee or reserve to the holder an on-street parking space on any street or portion of street within the RPP area for which the permit was issued.

10.40.100 Enforcement.

- A. The Director shall cause appropriate signs to be erected at the entrance of a residential parking permit area and at intermediate locations as deemed necessary by the Director.
- B. The signs that the Director causes to be erected pursuant to this section shall provide clear notice of the days and times of the parking prohibition applicable to the street upon which the sign is erected.
- C. No person shall park a vehicle in an RPP area in violation of any posted or noticed time restriction or parking prohibition unless the person has a valid and current parking permit for that vehicle or is otherwise exempt. Violations of this subsection shall constitute an infraction offense.
- D. Any willful misuse of the parking permits, selling permits to others, altering permits, forging permits, copying permits, and providing false information to obtain permits is not permitted and shall constitute an infraction. Such misuse shall also result in revocation of the parking permits for a period of one (1) year. A revocation of a parking permit may be appealed to the Director by filing a request for an appeal, on a form approved by the Director, within twenty-one (21) calendar days of the revocation. The appeal must state why the permit should not be revoked. The Director shall respond within twenty-one (21) calendar days and the Director's decision shall be final.
- E. Parking permit holders are not exempt from state and local traffic and parking rules.
- F. Parking permits are only valid in the RPP area for which the permit is issued.

10.40.110 Exempt vehicles.

The following vehicles are exempt from parking restrictions applicable to any RPP area: (1) vehicles owned or operated by any government agency, or contractor of a government agency, being used in the course of business; (2) refuse collection, utility, or other public agency service vehicles being used in the course of business; (3) commercial vehicles actively providing or performing services or making a pickup or delivery; (4) any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency, (5) vehicles displaying a valid disabled placard or license plate in a designated disabled parking.

10.40.120 Removal of residential parking permit area.

The City Council may, by resolution, terminate and dissolve any previously established RPP area or portion thereof. Such termination may be considered following receipt of a petition signed by residents representing at least 50 percent (50%) plus one of the residences within the RPP area proposed for dissolution. Only one signature is needed per residence. The Director shall remove permit parking signs in accordance with any such resolution.

City of East Palo Alto

Residential Parking Permit (RPP) Program Guidelines

PURPOSE

The goal of the Residential Parking Permit (RPP) Program is to regulate and manage on-street parking in residential neighborhoods. This document clarifies the procedures used by the City to implement the program.

BACKGROUND

On [DATE], the City Council adopted a Residential Parking Permit (RPP) Program Ordinance where neighborhood parking is regulated for non-permit holders. Any neighborhood within the City may petition for an RPP area or the City Council may initiate consideration of an RPP area. Three documents govern the creation of an RPP area in the City of East Palo Alto:

1. Chapter 10.40 of the East Palo Alto Municipal Code, which outlines the criteria that must be met and the process that must be taken for a residential neighborhood to request the designation, expansion, or dissolution of an RPP area.
2. A neighborhood-specific resolution, which must be adopted by the City Council and outlines the specific characteristics of the individual RPP area.
3. The document within, "Residential Parking Permit (RPP) Program Guidelines", which provides additional detail on RPP Program implementation. The Residential Parking Permit (RPP) Program Guidelines (Guidelines) may be modified by the Public Works Director and provide detail on policies and procedures related to RPP areas.

All three documents work in concert to govern the development and operation of the City's RPP areas.

POLICIES

The Guidelines establish the framework for initiating, operating, and removing residential parking permit areas. The RPP program is intended to regulate on-street parking in parking permit areas within the City in order to enhance or protect the quality of life in the proposed RPP area according to these policies:

The RPP program is intended for use in single family and multi-family residential areas, not in mixed-use areas where residents and businesses are expected to share parking.

Implementation of an RPP area *does not* guarantee the availability of parking spaces on a public street, or within a specific neighborhood, because more parking permits may be issued than there are available on-street parking spaces.

The hours and days of enforcement of parking time restrictions and parking prohibitions in effect for non-permit holders will be set forth in the neighborhood-specific resolution.

Blocks within each parking permit area will be determined based on the potential of parked cars to overflow and impact adjacent streets via a collaborative process between residents and Public Works Department staff. The final limits of the parking permit program area will be determined by the Public Works Director and subject to approval by the City Council.

Parking permits will be issued only for *passenger vehicles* registered to residents of a property with at least one frontage within an RPP area. Commercial trucks, boat trailers, RV's (camping trailers, motor homes, etc.), trailers and work-type

commercial vehicles, including taxis and limousines, are not eligible for resident parking permits.

The maximum number of resident parking permits that may be issued per residence will be determined by the Public Works Director based on the characteristics of each neighborhood, but only one permit is issued per vehicle.

Up to twenty (20) one-day guest permits may be issued per residence each calendar year.

Permits may be transferred when the permit holder moves or the vehicle for which a permit has been issued is sold.

Signs will be posted in each RPP area indicating the time limitation and days during which parking is restricted.

Parking permits are not intended for use at parking meters, parking lots, or parking garages.

RPP parking permits are only valid for the RPP area for which they are issued.

Vehicles displaying parking permits are subject to all other parking restrictions, including loading zones, red zones, and accessible parking spaces.

Displaying a residential parking permit does not exempt the vehicle from the City's ordinance requiring a car to be moved every 72 hours.

By resolution of the City Council, a fee may be set for the permits.

Exceptions

RPP parking restrictions do not apply to vehicles owned or operated by any government agency, or contractor of a government agency, being used in the course of business.

Any refuse collection, utility, or other public agency service vehicles actively working for a property within the limits of an RPP area may park on-street in front of the property on which they are working without a permit.

Commercial vehicles actively providing or performing services or making a pickup or delivery are not required to have a parking permit when parked within an RPP area.

Any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency is exempt from parking restrictions applicable to any RPP area.

Vehicles displaying a valid disabled placard or license plate are not subject to RPP parking restrictions.

PROCEDURES

The procedures below provide for consistent parking permit area development from one neighborhood to the next. The Public Works Director has the flexibility to modify the following procedures when appropriate.

Area Creation or Expansion

Initiating a new residential parking permit area or expanding an existing RPP area requires completion of the following steps:

1. Resident completes a Residential Parking Permit Program application form and submits it to the Public Works Director.

2. Through discussions with the applicant, the Public Works Director will identify the draft program parameters including days and time limits when permit parking will be enforced and the geographic area.
3. Applicant will coordinate collection of signatures on a petition. The petition will clearly identify the proposed streets to be included in the RPP area, the time limits, and general rules associated with the RPP program. At least 50% +1 of the residences on each block must be reflected in the petition. Only one signature is needed per residence. Each house, apartment, condominium, accessory dwelling unit or junior dwelling unit will be considered a residence. City Council initiated requests may skip this step.
4. The City Clerk shall review applications to establish or expand RPP areas initiated by neighborhood petition to verify that it meets the signature requirements set forth in the RPP Program Ordinance and these guidelines. If the RPP area request does not meet the signature requirements, the Director shall send a letter to the petitioners denying their request.
5. Optional:
 - a. The applicant may request a neighborhood meeting to present the components of the RPP to the area.
 - b. The applicant may demonstrate the support of their homeowners'/ neighborhood association (if one exists) through the submittal of a letter of endorsement from that group. Any letters of support will be considered by the Public Works and Transportation Commission and the City Council.
6. Public Works staff will collect occupancy data on key street segments within the proposed RPP area. Only areas with an average occupancy rate of 75% or more during the proposed permit hours will continue in this process. If the RPP area does not meet the minimum parking occupancy requirement, the Director may send a letter to the petitioners denying their request.
7. After completion of the parking occupancy survey, City staff shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake a survey of resident support **within the RPP area**. The applicant is encouraged to notify residents around the RPP area. The results of this survey shall be included in and reported to the Public Works and Transportation Commission and the City Council. The recommended threshold for the creation or expansion of an RPP area is a vote of 67% of the returned surveys in favor of the program, however the City Council may approve an RPP area with a simple majority (50% + 1) of the returned surveys in favor of the program.
8. Staff shall bring the proposed RPP area to the Public Works and Transportation Commission at a noticed public hearing. The Commission shall review the draft resolution and make a recommendation to the City Council regarding the RPP area. This recommendation may include proposed modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.
9. Following the completion of the above procedures, staff shall bring a resolution designating the proposed RPP area for Council consideration. At a minimum, the resolution shall specify:
 - a. The findings that the criteria set forth in this chapter have been met;
 - b. The boundaries and the name of the RPP area;
 - c. Hours and days of enforcement of parking time restrictions and parking prohibitions that shall be in effect for non-permit holders;
 - d. The procedure for obtaining parking permits, including the fee therefor.The City Council shall hold a public hearing on a proposed resolution to establish the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.

10. Upon designation or expansion of an RPP area, the City shall provide notice informing residents about implementation of the RPP area and its details.
11. The Director shall cause appropriate signs to be erected at the entrance of a residential parking permit area and at intermediate locations as deemed necessary by the Director. The signs shall provide clear notice of the days and times of the parking prohibition.
12. If the request for permit parking is denied or terminated, a second study of the same or similar RPP area will not be conducted for a minimum of 24 months unless there is a significant, identifiable change in parking characteristics as determined by the Director of Public Works.

Program Removal

The process to remove an RPP area is similar to initiation and is as follows:

1. An RPP area, or part thereof, may be removed from the permit parking program by resolution of the City Council pursuant to:
 - a. A valid request from the affected residential parking permit area, and a City provided petition from that neighborhood indicating support for removal of RPP restrictions signed by at least 50% +1 of residences in the area wishing to be removed from the RPP, or
 - b. A determination by the Director of Public Works that removal of an RPP area is either in the community interest or is in the interest of public safety.
2. Once the petition for removal is received by staff, the City Clerk shall review the petition to verify that it meets the signature requirements set forth in the RPP Program Ordinance and these guidelines. If the petition to remove an RPP area does not meet the signature requirements, the Director shall send a letter to the petitioners denying their request.
3. Staff shall bring the proposed removal of an RPP area to the Public Works and Transportation Commission at a noticed public hearing. The Commission shall review the petition along with testimony from residents and available data provided by City staff on the operation and enforcement of the RPP area and make a recommendation to the City Council regarding the potential removal of the RPP area. This recommendation may include proposed removal of the RPP area, modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.
4. Following the completion of the above procedures, the City Council shall hold a public hearing on a proposed resolution to remove the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.
5. If the request for removal is approved by the City Council, the neighborhood is notified of the decision, and the Director of Public Works shall cause the RPP signs to be removed.

OBTAINING A PARKING PERMIT

The City of East Palo Alto uses a virtual system to issue and manage parking permits. Under this system, parking permit software is used to link the vehicle license plate number to an electronic permit. The virtual permit system eliminates the need for hang tags or stickers and allows residents to obtain RPP area parking permits online 24 hours a day, 7 days a week at [\[LINK\]](#). Residents who do not have access to the internet or need assistance with the online permitting process may apply for RPP permits by calling (XXX) XXX-XXX or visiting the City Permit Center at 1960 Tate Street. Assistance is available Monday through Friday, between 9 a.m. and 5 p.m. Interpretation services are available in Spanish and XXXX at this number.

Two types of permits are available: annual resident parking permits and one-day guest parking permits. Annual resident parking permits are intended for use by residents of a specific property within the RPP Area. Private service personnel such as a nanny, babysitter, caregiver, household employee, or other regular visitor to the residence may be issued a resident parking permit if they routinely, in the performance of their business, provide a service to the residential property owner or tenant within an RPP area during permit restricted hours. One-day guest parking permits may be obtained by residents in RPP areas for use by their occasional guests.

Resident Parking Permits

The requirements to obtain a resident parking permit for a resident of an RPP area are:

1. A completed application form (online) in the residents' name and address.
2. A current DMV driver's license for each resident requesting a permit.
3. A current DMV motor vehicle registration for each vehicle for which the applicant is requesting a resident parking permit.
4. Proof of residency reflecting the permit address in the RPP area (required only if the address on the driver's license and/or vehicle registration is not located in a parking permit area). Acceptable proof of residency includes a utility bill, car insurance policy, lease agreement or a preprinted personal check with the resident's name and address.

The requirements to obtain a resident parking permit for private service personnel are:

1. A completed application form (online) listing both the resident's and service provider's name and address.
2. A current DMV driver's license for each service provider requesting a permit.
3. A current DMV motor vehicle registration for each vehicle for which the applicant is requesting a parking permit.
4. Proof of residency in the resident's name reflecting an address in the RPP area (required only if the address on the driver's license and/or vehicle registration is not located in a parking permit area). Acceptable proof of residency includes a DMV ID card, utility bill, car insurance policy, lease agreement or a preprinted personal check with the resident's name and address.
5. A letter from the resident identifying the permit applicant as a private service provider at their residence.

Unless otherwise prescribed by the resolution establishing the residential parking permit area, each residence within an RPP area may receive, upon application, one resident parking permit at no cost to the resident. Additional resident parking permits may be purchased by residents, upon application, subject to the availability as determined by the Director. Permits issued to service personnel shall count towards the maximum number of resident parking permits that may be issued per residence. Permits issued to residents or private service personnel pursuant to this section shall require annual renewal.

Guest Parking Permits

Unless otherwise prescribed in the resolution establishing a residential parking permit area, each residence with an RPP area may receive twenty (20) one-day guest parking permits per year upon application. Upon application, residents may receive additional guest permits for one-day special events as approved by the Director.

Parking Permit Fees

The City Council may, by resolution, establish a fee for the issuance of permits or the transfer of a permit to a different vehicle or different address.

ENFORCEMENT

No person shall park a vehicle in an RPP area in violation of any posted or noticed time restriction or parking prohibition unless the person has a valid and current parking permit for that vehicle or is otherwise exempt.

The parking permit software tracks electronic permits linked to the registered vehicle's license plate number. When license plates are scanned by the enforcement staff, registered license plate information is automatically referenced against the parking permit database. If the license plate is not connected to a valid virtual permit, the vehicle will be subject to a parking citation. Though not required, individuals who want to place a physical permit on their dashboard may print one with the link provided by [VENDOR] after payment has been made.

Any willful misuse of the parking permits, selling permits to others, altering permits, forging permits, copying permits, and providing false information to obtain permits is not permitted. Such misuse shall result in revocation of the parking permits for a period of one (1) year. A revocation of a parking permit may be appealed to the Director of Public Works by filing a request for an appeal within twenty-one (21) calendar days of the revocation. The appeal must state why the permit should not be revoked. The Director shall respond within twenty-one (21) calendar days and the Director's decision shall be final.

Violations of Chapter 10.40 of the East Palo Alto Municipal Code shall constitute an infraction offense subject to fine or penalty as the City Council may set by ordinance [TO BE ESTABLISHED].

City of East Palo Alto Residential Parking Permit (RPP) Program Application

The purpose of this form is to enable neighborhoods to request to be annexed to an existing Residential Parking Permit (RPP) area or initiate a new RPP area in accordance with the City of East Palo Alto's adopted RPP Program Guidelines. This form must be filled out in its entirety and submitted to:

City of East Palo Alto
Public Works Department
1960 Tate Street
East Palo Alto, CA 94303

Feel free to attach additional sheets containing pictures, occupancy maps, additional testimony or additional text if the space provided is insufficient.

1. Requesting Individual's Contact Information

Name: _____ Address: _____
Phone Number: _____ Email: _____

2. Please describe the nature of the parking problem in your neighborhood.

- a. What streets in your neighborhood do you feel are negatively affected by parking?
- b. How often does the parking issue occur?
- c. Does the parking issue vary from month to month, or season to season?

3. Can you identify a parking impact generator that causes overflow parking in the neighborhood? Are there any facilities (churches, schools, shopping centers, etc.) near this location that generate a high concentration of vehicle and pedestrian traffic? Please list your understanding of the causes:

4. Please describe how a Residential Parking Permit Area will be able to eliminate or reduce parking issues affecting the neighborhood. Please include your suggestion for the boundary of the program:

5. Select which time period you would like to see parking permits enforced in your neighborhood:

- ☐ Nighttime – permit required to park 8 PM - 8 AM 7 days/week
- ☐ Business hours – permit required to park > 3 hours M-F 8 AM – 6 PM
- ☐ All day – permit required to park any time of the day 7 days/week
- ☐ Overnight – Midnight - 5am

6. Is there neighborhood support for establishing a Residential Parking Permit area? Have you contacted your HOA/Neighborhood Association (if one exists)?

**City of East Palo Alto Residential Parking Permit (RPP) Program
Neighborhood Petition Form (Use a Separate Form for Each Street)**

THE UNDERSIGNED BELOW AGREE TO THE FOLLOWING:

1. All persons signing this petition certify that they reside on the following street, which is being considered for residential permit parking: _____
2. The undersigned residents support designating the above-listed street within a Residential Parking Permit (RPP) area that would require residents to obtain a permit to use on-street parking during the following time period: _____
3. The following contact person(s) represent the neighborhood as facilitator(s) between the neighborhood residents and City of East Palo Alto staff in matters pertaining to this request:

Name: _____	Address: _____	Phone #: _____
Name: _____	Address: _____	Phone #: _____
Name: _____	Address: _____	Phone #: _____

ONLY ONE SIGNATURE PER RESIDENCE

Name (Please Print)	Address	Signature
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.		

Frequently Asked Questions

1. How do I get a residential parking permit on my street?

To start this process you need to complete and submit a *Residential Parking Permit Program Application Form*. After staff has reviewed the request they will contact you to discuss the request. If the area is eligible for residential permits, staff will guide you and your neighborhood through the process.

2. Which streets are eligible for residential parking permit areas?

Streets that are in a residential (single or multi-family) neighborhood

Streets where on-street parking is at least 75% full during the peak period

3. What are the steps to create a new permit area?

City and applicant decide on the days and time limits for the permit area

Applicant collects petition signatures from at least 50% +1 of the addresses on each block

City collects parking data

City refines permit area and permit parking restrictions based on the data

City surveys all addresses in permit area to gauge resident support

Public Works and Transportation Commission consider the proposed residential permit parking area at a public hearing and make recommendation to City Council

City Council considers designation of a residential permit parking area at a public hearing and may adopt, modify, or reject the draft ordinance creating/modifying a residential parking permit (RPP) area

4. How many permits will be issued per household?

Each residence is eligible to receive at least one annual resident parking permit. The maximum number of resident parking permits per residence will be determined for each RPP area by the Director of Public Works based on the characteristics of that neighborhood. Each residence may request 20 (daily) guest permits per year. An individual is permitted to park on their own driveway without a permit. Parking in front yard areas other than the driveway is not permitted [East Palo Alto Municipal Code Section 18.30.080.A.3]

5. What are the time restrictions?

Time restrictions are set when the RPP area is created based on the characteristics of that neighborhood. Suggested options for parking permit enforcement include:

- Nighttime – permit required to park 8 PM - 8 AM 7 days/week
- Business hours – permit required to park > 3 hours M-F 8 AM – 6 PM
- All day – permit required to park any time of the day 7 days/week

6. What do permits cost?

The first resident parking permit per residence will be free of charge. The City Council may impose fees for the issuance of additional permits or the transfer of a permit to recover all or a portion of the costs of administering the program.

7. How will the program be enforced?

Residents will provide their vehicle license plate information when obtaining their permit(s) online. The parking permit software will generate an electronic permit linked to the registered vehicle's license plate number. When license plates are scanned by East Palo Alto Community Service Officers, your registered license plate information is automatically referenced against the parking permit database. If the license plate is not connected to a valid virtual permit, the vehicle will be subject to a parking citation.

8. Do you require proof of residency to request a permit?

Yes, individuals must prove residency in order to be issued a parking permit. This can be done with a recent utility bill, a current driver's license, or something similar.

9. Are vehicle registration, vehicle license plate number, proof of insurance, and a driver's license required to get a permit?

Applicants need to show a current driver's license for each resident requesting a permit, the current vehicle registration for the permitted vehicle and provide the license plate number for enforcement purposes, but proof of insurance is not required.

10. Are permits neighborhood specific?

Yes, each parking permit is issued for a specific RPP area. With a valid parking permit, you may park within the boundaries of that specific RPP area only.

11. Are permits transferable?

Yes, the virtual parking permits are transferable. Individuals can add or remove vehicles on their RPP account at any time. This includes temporarily assigning loaner vehicles or rental cars. This also allows residents with multiple vehicles to change which of their vehicles is associated with a resident parking permit as needed.

12. How long will the permit be valid?

Residential parking permits are valid for one year. Renewal dates are set when each RPP area is created.

11. How do I get a new permit or renew my permit?

Residents may obtain RPP area parking permits online 24 hours a day, 7 days a week at [\[LINK\]](#). Residents who do not have access to the internet or need assistance with the online permitting process may apply for RPP permits by calling (XXX) XXX-XXX or visiting the City Permit Center at 1960 Tate Street. Assistance is available Monday through Friday, between 9 a.m. and 5 p.m. Interpretation services are available in Spanish and XXXX at this number. The process for renewing a permit is the same as getting a new permit.

13. What if I have guests coming?

Each residence is eligible to obtain up to 20 guest parking permits per year. Residents may apply for additional guest permits for one-day special events at the discretion of the Director of Public Works.

14. How will people know that permits are required for street parking?

Parking signs will be posted on at the entrance to residential parking permit area and at intermediate locations with the neighborhood that list the time limit (if applicable), hours and days of enforcement, and the exception for people with parking permits. When a new area is established, a letter will be sent to residents notifying them of the change.

15. Can I block my own driveway as long as I don't block the sidewalk provided I have a residential parking permit?

The City does not have a formal policy allowing residents to block their own driveway, but it would be unusual for an officer to ticket a vehicle parked in front of a driveway in a residential neighborhood without having received a complaint.

16. I have a disabled placard or license plate issued by the California DMV. Do I also need a residential parking permit when parking in RPP areas?

No, vehicles displaying a valid disabled placard or license plate can park in an RPP area without a residential parking permit.

17. Will service providers (PG&E, Plumber, Cable/Internet, FedEx/UPS/USPS, etc.) be able to park in a RPP area without a guest permit in order to service my home?

Yes, public utility and commercial vehicles actively providing or performing services or making a pickup or delivery (i.e. plumber, cable/internet, FedEx/UPS/USPS, etc.) are not required to have a parking permit when parked within an RPP area. In addition, any emergency vehicle (police, fire, ambulance), or E-plated vehicles engaged in work or providing services are able to temporarily park without a permit in an RPP area.

18. Can I request a parking permit for a caregiver or other private service provider?

Yes, residents may obtain resident parking permits for use by caregivers (i.e. babysitters, nannies, nurses, etc.) and other private service providers (i.e. housekeepers, gardeners, etc.) that routinely use their personal vehicle when providing services at your home during permit restricted hours. Permits issued to service personnel shall count towards the maximum number of resident parking permits that may be issued per residence.

19. Do I need a permit for my scooter or motorcycle to park in an area subject to permit parking restrictions?

Yes, scooters and motorcycles are considered a vehicle.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: November 12, 2024

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Hanson Hom, Deputy Manager, Special Projects
Humza Javed, Public Works Director
Tomohito Oku, Finance Director

SUBJECT: Discussion of Possible Financing Alternatives for Public Facility and Infrastructure Improvements to Serve New Development in the Ravenswood Business District/4 Corners Specific Plan Area

Recommendation

Receive a presentation and provide comments and possible direction on selecting a consulting firm to explore forming a special financing district. This district would fund public facilities and infrastructure necessary for supporting new development in the Ravenswood Business District/4 Corners Specific Plan area.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Implement the Comprehensive Transportation and Mobility Plan
Priority: Ensure Our Financial and Organizational Health
Priority: Improve the City's Water Infrastructure
Priority: Develop and Implement a Comprehensive Facilities Master Plan
Priority: Enhance Community Services and Parks for Residents

Background



STUDY SESSION ITEM 5.2

Under East Palo Alto's Municipal Code (Chapters 13.24, Article V, for water system development fees, and 13.28 for the other fees), the City implemented development impact fees in 2018 (water capacity fees) and 2019 (public facilities, parks and trails, transportation, and storm drainage fees). Authorized by state law, (California Government Code Section 66000 et seq. ("Mitigation Fee Act") and other applicable state laws), these fees help fund the infrastructure needed to support future development, ensuring that new projects contribute fairly without burdening existing community members with a disproportionate share of the costs for improvements. Development impact fees apply to new, expanded, or intensified residential, office, industrial, and retail development. These one-time fees are collected when a building permit is issued and are earmarked for specific projects in the City's Capital Improvement Program (CIP).

On October 17, 2023, the City Council authorized Willdan Financial Services (Willdan) to prepare a nexus study and financial feasibility analysis to update the City's current development impact fees. On April 2, 2024, the City Council examined key methodologies, financial and market considerations, qualifying capital improvement projects, and other key considerations for preparing the nexus study update. The Council further discussed proposed residential, mixed use, office/life science, and industrial land use prototypes for evaluating the cumulative impact of development impact fees on the financial feasibility of development projects. This staff report is [Item 9.1 on the April 2, 2024 City Council Meeting Agenda](#).

On July 2, 2024, the City Council discussed the Draft Development Impact Fee Nexus Study Update (Nexus Study), dated June 14, 2024, and the Draft Development Impact Fee Financial Feasibility Analysis (Feasibility Analysis), dated June 19, 2024. The conclusion of the Nexus Study is that the maximum justifiable impact fees would increase in most categories to reflect new and updated CIP projects. Staff also shared with the Council possible policy options for reducing or offsetting impact fees to address project feasibility. This staff report is [Item 9.1 on the July 2, 2024 City Council Meeting Agenda](#).

As a follow-up to the City Council meeting in July, this study session will introduce possible special district financing mechanisms for CIP improvements and maintenance needs in the Specific Plan area.

Analysis

The Nexus Study sets a ceiling for justifiable development impact fees based on the CIP projects that are necessary to meet the public facility demands of new development and the proportional amount of project costs that can be assigned to developers. Cities, however, may opt to set fees below this maximum, which could require the City to subsidize the cost of necessary improvements. Given the obligation of the City to fund a large share of CIP projects to address existing needs and deficiencies, the Council has shown reluctance to subsidize development. Still, the Council recognizes the impact of proposed impact fees on project feasibility. In response, the Council is considering financing districts as a potential alternative.



STUDY SESSION ITEM 5.2

Table 1 (below) shows the total net cost of CIP projects that are necessary to accommodate existing and new development. The net cost deducts funds that have already been secured by the City. Additionally, Table 1 does not include CIP projects that are required to primarily address existing deficiencies. The total net cost is allocated between the portion that is the City's obligation to address existing needs (49.34%) and the portion that is required to serve new development (50.66%) as described in the Nexus Study.

Table 1
Nexus Study Total Project Cost (city-wide)

Impact Fee Category	Net Project Cost *	City Share	New Development Share **
Parks and Trails	\$ 89,743,000	\$ 31,044,808	\$ 58,698,192
Public Facilities	120,300,000	73,137,213	47,162,787
Citywide Transportation	21,470,203	12,895,130	8,574,073
RBD Transportation	29,149,274	7,861,539	21,287,735
Water Capacity	66,332,000	41,851,150	24,430,850
Storm Drainage	91,887,000	39,897,110	51,989,890
TOTAL	\$ 418,881,477	\$ 206,687,950	\$ 212,193,527
PERCENT	100%	49.34%	50.66%

* Less \$12,610,152 from project grants and other committed funds

** New development share for both RBD and non-RBD projects

At the July 2 Council meeting, options for reducing or offsetting development impact fees were summarized which included deferring or reducing fees based on policy considerations and priorities. These options will be further discussed when a recommendation for updated impact fees is presented to the Council following adoption of the Nexus Study.

One of the possible options was establishing a financing district for the Specific Plan area. This option could have a significant effect on impact fees and warrants an earlier discussion by the Council given the complexity of this option and the various financing alternatives that might be feasible. Additionally, depending on the financing mechanism, it would require a commitment of staff resources and about 10-15 months to complete the formation process.

This study session focuses on special district financing mechanisms to fund public improvements that are necessary for development in the Specific Plan area, and potential taxes or assessments would apply to applicable properties within this area. However, certain financing mechanisms could also include development sites located outside of the Specific Plan area. Attachment 1 is a PowerPoint presentation on possible financing mechanisms that will be presented by Willdan, which has considerable experience assisting jurisdictions in evaluating and forming financing districts.

Special district financing offers deferred payment options, easing the financial burden on developers and spreading the cost over time through annual taxes or assessments on property owners.

Options for special district financing that will be discussed include:



STUDY SESSION ITEM 5.2

1. Community Facilities District (Mello-Roos)
2. Community Facilities Act of 1982)
3. Enhanced Infrastructure Financing District (SB 628)
4. Assessment Districts:
 - Municipal Improvement Act of 1913
 - Landscaping and Lighting Act of 1972
 - Benefit Assessment Act of 1982
 - Property and Business Improvement District Law of 1994
5. Property Owners' Association for primarily private improvements

Each alternative will be described, including the types of capital projects or maintenance costs that can and cannot be funded, the formation and adoption process, legal requirements, voter approval (if required), pros and cons, and potential City benefits and risks. The general benefits and disadvantages of these financing alternatives compared to development impact fees will also be discussed. The presentation will primarily be informational for Council discussion and possible direction with no specific action recommended at this time.

A key consideration when weighing the pros and cons of financing districts and development impact fees is that impact fees are collected upfront when a project is issued a building permit or certificate of occupancy. Funds would be more readily available to the City. For financing districts, while property owners/developers would continue to bear their proportional share of required improvements, the financial obligation is deferred and paid in installments. Typically, an annual tax or assessment is collected over multiple years that continues to be the obligation of property owners even if a property is sold. This can improve the financial feasibility of a project to yield community, employment, fiscal, or other benefits for the City.

If public improvements are needed sooner to provide the required infrastructure for the project, the City (or developer) may have to front the cost for the improvements or pursue bonds or other forms of debt financing, such as through a community facilities district or assessment district. The potential public benefits should be balanced with the potential fiscal risks and impacts on the City's overall financial structure.

When considering financing districts, it would be beneficial to identify which public improvements should continue to be funded with impact fees and which improvements are suitable for funding through a financing district. A combination of both approaches may be preferable by differentiating the relative priority for completing improvements. Ongoing maintenance requirements for new facilities and infrastructure should also be considered when evaluating financing alternatives where maintenance costs can be included in the tax or assessment.

Debt Management Policy



STUDY SESSION ITEM 5.2

In conjunction with considering any financing alternative that might incur debt, the City must abide by its Debt Management Policy that was adopted in 2017 and most recently updated in April 2021 (Attachment 2). The Debt Policy provides guidance for the issuance and management of debt by the City or its related entities and complies with Government Code Section 8855(i), and successor statutes. The objectives of the Debt Policy are to:

- 1) Establish conditions for the use of debt;
- 2) Ensure that debt capacity and affordability are adequately considered;
- 3) Minimize the City's interest and issuance costs;
- 4) Maintain the highest possible credit rating;
- 5) Provide complete financial disclosure and reporting; and
- 6) Maintain financial flexibility for the City.

The Debt Policy applies to debt that is incurred or bonds that are issued to fund public facilities and improvements, including through a community facilities district, enhanced infrastructure financing district, or assessment district. Any debt proposed in conjunction with the formation of a financing district for the Specific Plan area must be considered and recommended in conformance with the Debt Policy. If a decision is made to pursue forming a financing district, the City should review and consider any amendments to the Debt Policy that might be necessary or advisable depending on the financing mechanism that is established. Issues evaluated would include potential effects on the City's debt ratio, credit rating, and financial position.

Next Steps

If the City Council desires to further study the suitability of creating a special financing district to fund public improvements for the Specific Plan area to reduce or offset development impact fees, the following direction can be provided:

- Obtain a consultant firm with expertise in forming financing districts. Further analysis would occur on determining the most feasible financing mechanism(s), the CIP projects that could be included in the district, and the capacity to incur debt and issue bonds. The consultant could also explore coverage of maintenance costs for public improvements.
- Staff would develop the scope of services and conduct a request for proposals to solicit qualified firms. A professional services agreement would be presented for City Council approval along with a recommended budget appropriation. The scope of services would be phased to receive Council direction and action at appropriate decision points during the formation process. Coordination with potentially affected property owners would also be an essential part of the process. As previously noted, the process would take approximately one year to complete depending on the selected financing mechanism.

If direction is provided to further study forming a special financing district, staff suggests that adopting the Nexus Study and updated development impact fees can still proceed while the study is proceeding. A revised draft Nexus Study is expected to be released in



STUDY SESSION ITEM 5.2

November 2024 for a required 30-day public review period and updated fees could be adopted in January 2025. If the City eventually forms a financing district for the Specific Plan area, the development impact fees would be amended as necessary, which would likely occur in late 2025 or early 2026 upon completion of the district formation process. Any project that may have paid the updated impact fees prior to formation of the district could be eligible for a credit or reimbursement of impact fees pertaining to public improvements that are transferred to the newly created district.

Fiscal Impact

This item is a discussion item only with no action requested or resulting fiscal impact. The future fiscal impact will be assessed if the City decides to move forward with exploring the formation of a particular financing district alternative and identifies the source(s) of revenue for the district.

Public Notice

The public was provided with notice by making the agenda and report available on the City's website and on the 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 within the meaning of the Levine Act.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Special District Financing Mechanisms (PowerPoint)
2. East Palo Alto Debt Management Policy (amended April 2021)

Attachment 1

City of East Palo Alto

Special District Financing Mechanisms



Presentation Objectives

Background

RBD/4 Corners Facility & Infrastructure Needs

Debt Management Policy

Possible Financing Alternatives

Concluding Considerations

Possible Next Steps

Council Discussion

City Council Meetings to Update Impact Fees

October 17, 2023

Contract authorized with Willdan to prepare Nexus Study (NA) and Financial Feasibility Analysis (FFA) to update development impact fees.

Study Session 1:
April 2, 2024

Discussed legal framework and methodologies for preparing NA and FFA for updating fees.

Study Session 2:
July 2, 2024

Presented preliminary conclusions of NA and FFA and introduced policy options for adjusting fees.

***Study Session 3:
November 12, 2024***

Present and discuss possible special financing district mechanisms for RBD/4 Corners.

Ravenswood Business District/4 Corners

Defining Public Facility and Infrastructure Needs



Water System Master Plan (2022)



Parks Master Plan (2023)



Capital Improvement Program (2024)

Parks and Trail
Public Facilities
Water System
Storm Drainage
Transportation



RBD/4 Corners Specific Plan Update

Transportation Impact
Analysis (2023)
Utilities Infrastructure
Study (2023)

CIP Project Costs (City-wide)

Impact Fee Category	Net Project Cost *	City Share	New Development Share **
Parks and Trails	\$ 89,743,000	\$ 31,044,808	\$ 58,698,192
Public Facilities	120,300,000	73,137,213	47,162,787
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Storm Drainage	91,887,000	39,897,110	51,989,890
TOTAL	\$ 418,881,477	\$ 206,687,950	\$ 212,193,527
PERCENT	100%	49.34%	50.66%

* Less \$12,610,152 from project grants and other committed funds

** New development share for both RBD and non-RBD projects

Debt Management Policy

(adopted 2017,
amended 2021)

Purpose:

- Guidance on issuing and managing debt by the City or its related entities
- Compliance with Government Code Section 8855(i), and successor statutes.

Overview:

- Purposes for which debt may be issued
- Prohibited uses of debt
- Types of debt allowed
- Debt ratio guidelines
- Relationship of Debt to Capital Improvement Program and Budget
- Policy Goals Related to Planning Goals and Objectives

Financial Planning Goals and Objectives



Maintain the City's sound financial position



Protect both current and future taxpayers, ratepayers, and constituents



Comply with Debt Ratio Guidelines based on relevant factors (e.g., per capita obligation, assessed valuation, available general revenue)



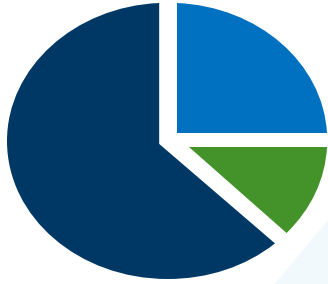
Encourage those that benefit from a facility/improvement to pay the cost without the need of funding from general fund resources

Overview

Special District Financing Mechanisms



Willdan Financial Services



Cost Allocation and
User Fee Studies



Development
Impact Fees



Utility Rate and
Cost-of-Service
Studies



Financial and
Economic Impact and
Feasibility



Special District
Formation and Annual
Administration



Bond Compliance
(IRS and SEC)

Common Special District Mechanisms



Public Facilities and Infrastructure

- Community Facilities Districts (CFDs)
- Enhanced Infrastructure Financing Districts (EIFDs)
- Assessment Districts

Private Improvements (e.g., private streets & utilities)

- Property Owner Associations

Impact Fee Benefits and Drawbacks

Advantages of Impact Fees

- Easy to implement – no vote required
- Not a tax or assessment
- One-time charge – paid by those creating demand/need for facilities
- Can pay for wide menu of facilities
- Can consider all needs now – more easily amended/updated
- Ensures that facilities needed to accommodate development are paid for by those who create the demand

Drawbacks of Impact Fees (vs Districts)

- Fee burdens can be significant and impact development decisions
- Funding for facilities is on pay/go basis, as permits are pulled and fees are paid
- Timing of funding can be unpredictable, contingent on development

Special District Benefits and Drawbacks

Advantages of Special Districts

- Wide range of facilities can be funded
- Services and ongoing maintenance can be funded
- Creates dedicated funding stream

Drawbacks of Special Districts (vs Impact Fees)

- Requires vote of property owners/voters to implement
- Extended process/higher cost for formation
- Requires larger consulting team – STC; FA; Legal; Appraiser; Absorption; Bank
- Less flexibility once district is formed and obligation is incurred
- Ongoing obligation for property owners
 - 20 - 40 years for facilities w/bonds
 - Perpetuity for operations/maintenance
- Requires ongoing administration/disclosure/delinquency management
- Creates tax rate inequities for properties subject to tax/assessment
- Maintenance/Service districts can be challenged and disbanded

RBD Specific Plan Transportation Costs

Project No.	Intersection	Total Cost	Other Funding	Net Cost	Allocation	Total Cost Allocated
1	Willow Rd (SR 114) and Bayfront Expy (SR 84)	\$ 1,224,738	\$ 208,205	\$ 1,016,533	8.22%	\$ 83,556
2	Willow Rd (SR 114) and Newbridge St	307,997	307,997	-	0.00%	-
3	University Ave (SR 109) and Bayfront Expy (SR 84)	329,565	56,026	273,539	6.25%	17,091
4	Newbridge Street and Bay Rd	1,000,000	-	1,000,000	100.00%	1,000,000
5	Euclid Ave and Donohoe St	1,505,823	597,061	908,762	63.31%	575,331
6	US 101 Northbound On Ramp and Donohoe St	2,133,250	845,837	1,287,413	63.31%	815,053
7	University Ave (SR 109) and Loop Rd (future)	1,000,000	-	1,000,000	0.00%	-
		1,225,000	-	1,225,000	0.00%	-
8	University Ave (SR 109) and Purdue Ave	1,000,000	-	1,000,000	100.00%	1,000,000
11	University Ave and Bay Rd	1,750,000	14,300	1,735,700	0.00%	-
		2,000,000	14,300	1,985,700	100.00%	1,985,700
14	University Ave and Donohoe St	5,925,693	507,708	5,417,985	100.00%	5,417,985
18	US 101 NB Off Ramp and Donohoe St	139,428	3,073	136,355	100.00%	136,355
19	Cooley Ave and Donohoe St	83,657	1,583	82,074	100.00%	82,074
20	East Bayshore Rd and Donohoe St	-	-	-	0.00%	-
21	Clarke Ave and Bay Rd	1,000,000	62,469	937,531	0.00%	-
		1,225,000	62,469	1,162,531	100.00%	1,162,531
23	Clarke Ave and Runnymede St	1,000,000	-	1,000,000	100.00%	1,000,000
26	Demeter St and Bay Rd	1,000,000	-	1,000,000	100.00%	1,000,000
27	Pulgas Ave and Bay Rd	1,250,000	94,556	1,155,444	100.00%	1,155,444
		-	-	-	0.00%	-
28	Pulgas Ave and Weeks St	1,000,000	36,477	963,523	100.00%	963,523
29	Pulgas Ave and Runnymede St	1,000,000	31,908	968,092	0.00%	-
		1,225,000	31,908	1,193,092	100.00%	1,193,092
30	Pulgas Ave and O'Connor St	1,000,000	-	1,000,000	100.00%	1,000,000
34	University Ave (SR 109) and Adams Dr	1,249,276	1,249,276	-	0.00%	-
35	Clarke Ave and Schembri Lane/Garden Street	1,000,000	-	1,000,000	100.00%	1,000,000
42	Pulgas Ave and Emerson St (Future)	700,000	-	700,000	100.00%	700,000
45	Tara Rd and Bay Rd	1,000,000	-	1,000,000	100.00%	1,000,000
Total		\$ 33,274,427	\$ 4,125,152	\$ 29,149,274		\$ 21,287,735

Source: Ravenswood Specific Plan Update Transportation Analysis, Hexagon Transportation Consultants.

Community Facilities Districts (CFDs)



Common Special (Parcel) Tax Principles

- Flexible structure and implementation
- 2/3 or Super-majority approval
- No strict (or direct) benefit requirement
- Restrictions on use of funds
- Timing: special or general municipal election for parcel tax
- Flat rate per parcel, variable rate based on land use, units, etc
- Applied over entire agency boundary
- Proceeds used for specific purposes only
- Registered voters vote - but property owners pay
- Community Facilities Districts (CFDs) are a more flexible type of Parcel Tax

Mello-Roos Community Facilities Act of 1982

(Government Code; Title IV, Division 2, Chapter 2.5, sec 53311 – 53368.3)

- Allows for broad range of facilities & services
- Flexibility in defining district boundaries assigning, levying tax
- Reasonable nexus required between property, services & improvements
- Annual district budget determined by Special Tax Requirement
- Special tax spread to taxable property per rate and method of apportionment (RMA)
- Districts designed to be self-funding

What Can a CFD Provide for?

Services

- Police, fire, ambulance
- Library, recreational (registered voter vote required)
- Maintenance and lighting of parks, parkways, streets, roads, open space
- Flood and storm protection
- Hazardous material remediation/cleanup – subject to requirements/definitions in H&S Code
- Services must be in addition to services already being provided by City

Infrastructure

- Water, sewer, streets, utilities
- Parks, recreation facilities, parkways, open space
- Facilities with useful life > five years

Public Facilities

- Benefit to public
- On public property

CFD PROs and CONs

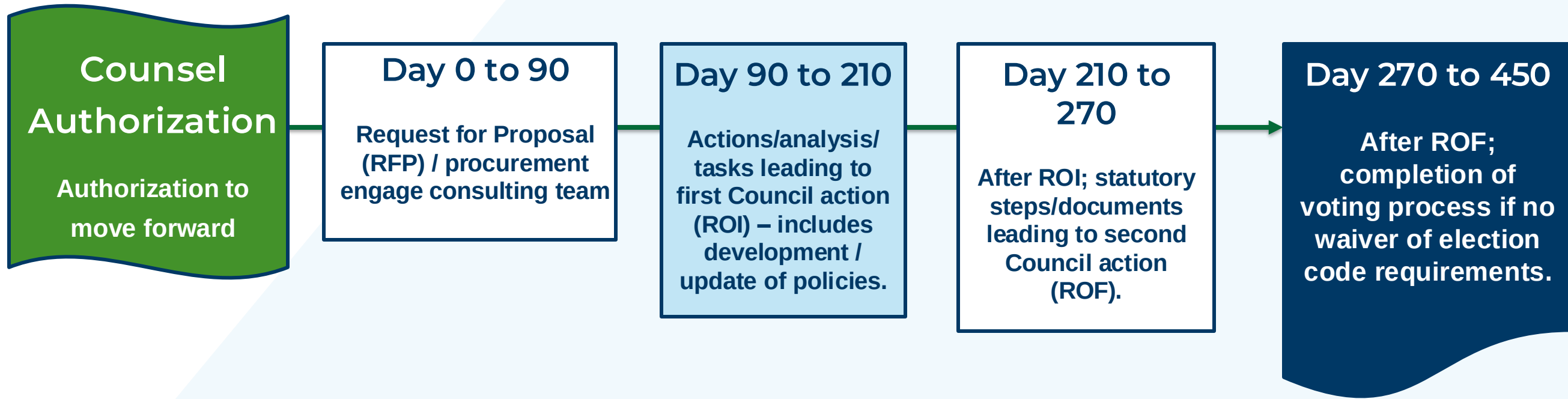
Pros

- Limited restrictions on election timing
- Property owner vote (if < 12 registered voters)
- Issue bonds, or pay as you go
- Can annex additional areas
- Capital facilities - growth does not impact existing property owners
- Maintenance - dedicated revenue stream to pay for services

Cons

- Mello-Roos stigma
- Additional tax burden to property owners
- Ongoing annual administration
- Tax rate inequities for different areas of community
- Can be challenged – 10% of voters can initiate process, takes 50% to successfully protest
- Significant cost of implementation/issuance – 2% + ~ \$200K

Community Facilities District Formation | Overview



Generally

10 to 15-month process without waiver of election timeline, about 12 months with waiver

CFD Formation Timeline (0 - 120 Days)

Must adopt CFD goals and policies

- Services and improvements authorized
- Statement concerning required credit quality (i.e. VTL limits)
- Disclosures and procedures for notifying buyers
- Criteria for evaluating equity and maximum allowable tax rates
- Definitions, standard and assumptions for appraisals

Receive petition to form district; determine needs

- Improvements; maintenance & services; costs, cash flow, reserves, etc.

Develop Special Tax methodology (RMA)

- Tax rates & classes; triggers & timing; inflators; terms; discounts, etc.

Resolution of intention (ROI) to board

- Describes boundaries, name, facilities, services
- Intent to form CFD, levy tax (includes RMA, map)
- Sets time and place for hearing
- Establish voting procedures

CFD Formation Timeline (30 - 60 Days, After ROI)

Record boundary map 15 days prior to Resolution of Formation (ROF)

Prepare CFD report

- Describe facilities/services and cost
- Includes RMA and map

Public hearing to consider formation of CFD

- 30 to 60 days after ROI
- Published or mailed notice required

Adopt resolution of formation (if no protest)

- Establishes boundaries
- Authorizes levy of special tax
- Approves facilities and services
- Sets election

CFD Formation Timeline (After ROF)

Hold landowner election

- 90 - 180 days from ROF
- Two-thirds vote required

Certify election results

- Can waive elections code requirements/timeline

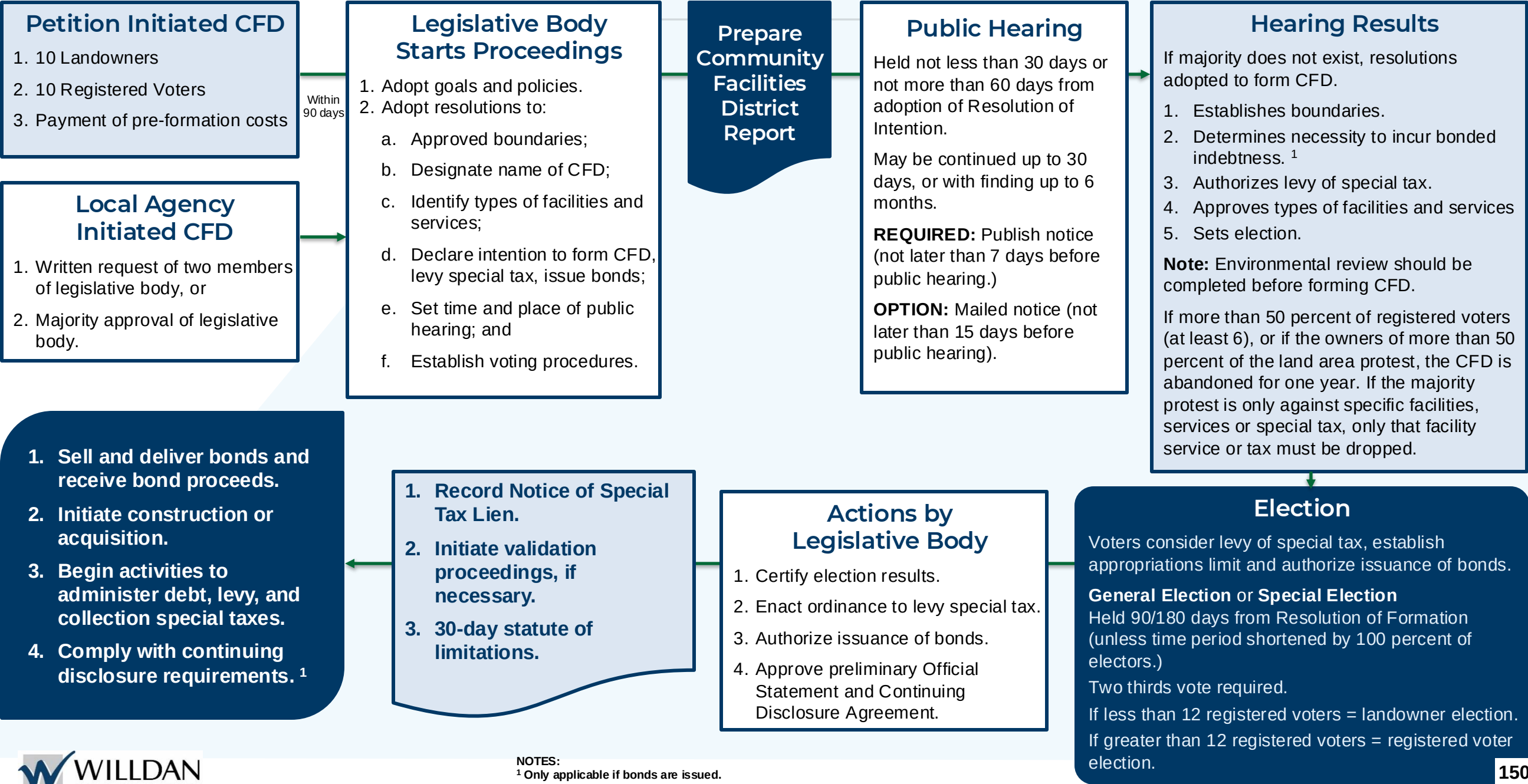
Enact ordinance to levy tax

Notice of special tax lien recorded

Reporting/disclosure

Annual district administration

Sequence of Events | Community Facilities District Formation



NOTES:
¹ Only applicable if bonds are issued.
Formation of developer initiated CFD typically takes four months. Times vary based on specific issues.

Enhanced Infrastructure Financing Districts (EIFD)



EIFD Overview

Original Infrastructure Financing District Law

- Tax increment without blight finding
- No school-related revenues
- Seldom used – only two have been formed

Senate Bill 628 (2014)

- Modified existing Infrastructure Financing District Law
- Removed election requirement for formation
- Expanded funding sources
- Increased time limits for collecting increment

EIFD Basics Overview

Broad financing capabilities

- Public infrastructure
- Certain private facilities

45-year district life

Tax-exempt bond financing (30-year term)

Multiple revenue sources to pay debt service

- Property tax increment
- Property tax in-lieu of vehicle license fees
- Special district revenues (CFDs, assessments)
- Temporary loans

Facilities Funding

Eligible Activities

- Purchase
- Construction
- Expansion
- Improvement
- Seismic Retrofit
- Rehabilitation

Eligible Projects

- Real or other tangible property with a useful life of 15 years or more
 - Construction
 - Planning
 - Design
 - Legal costs

Facilities Funding

Example Projects

- Streets, interchanges, parking
- Transit facilities, transit priority projects
- Water and sewer
- Solid waste
- Flood Control
- Parks and open space
- Recreational facilities and libraries
- Brownfield restoration
- Military base reuse
- Private industrial structures
- Low-mod housing and appurtenant facilities for after-school programs, social services, etc.
- Sustainable communities-related private projects
- Childcare facilities

Facilities Funding

Example Funding Sources

- Property tax increment from city, county, special district(s) (with consent)
- Increment from Property Tax In-Lieu of Vehicle License Fees
- Community Facilities District revenues
- Assessment revenues
- Low-interest loans from other public agencies (excluding school districts)
- Other public funding sources may contribute to the construction costs such as Development Impact Fees and/or Measure I funds

CFD vs. EIFD

EIFD

- Tax is part of base property tax – not a new tax
- No vote required to form, but vote required to issue bonds
- Annual renewal process required
- Special vs. general benefit analysis
- Cannot assess for general benefit
- Very difficult to fund 100% of cost
- Requires creation of separate governing board
- Can involve negotiations with County

CFD

- CFD Special Tax is a new tax, on top of general 1% property tax
- CFD debt is a limited obligation of the CFD only
- CFD debt is not a general obligation of the City
- CFD requires 2/3rds vote – either voters or property owners (acreage)
- Allows for expedited future annexations

Assessments



Assessment Principals

- Charge on property for public improvements or services
- Based on special benefit
- Cannot fund general benefit improvements
- Publicly-owned parcels may be subject to assessments
- Identify improvements, benefitting parcels, prepare Engineer's Report
- 45-day notice and ballot period (mailed ballot)
- Simple majority protest - ballots weighted by dollar amount
- Subject to statutory and constitutional authority (prop 218)
- Designed to be self-funding
- Typically levied on county secured tax roll
- Require annual data base maintenance, updating and data submittal

Assessments – Common Approach

- Identify improvements to be constructed and costs
- Identify properties served – proposed for inclusion
- Define *special* benefits provided – benefits over and above general public benefits
- Identify and quantify general benefit – must be excluded
 - Example: trip counts on road segment for through traffic; park access
- Develop equitable and reasonable methodology for allocating benefit
- Apportion costs to properties that receive special benefit
- Assessments must be proportional to benefits received
- Assessments may not exceed any parcels proportional benefit
- All benefitting parcels must be assessed

Municipal Improvement Act of 1913

(Streets & Highways Code 10000 et. seq.)

Capital Projects

- Streets, drainage, sewer, water
- Electrical lines and conduits, streetlights
- Seismic, fire safety and stations, transportation facilities and park improvements
- Land acquisition – easements

Services

- Only what was funded by assessment
- Limited maintenance provision

Issue bonds through Improvement Bond Act of 1915

Landscaping and Lighting Act of 1972

(Streets & Highways Code 22500 et. seq.)

Construction and maintenance of:

- Landscaped medians and parkways
- Parks, playgrounds, landscaping
- Open Space
- Acquisition of land/improvements
- Curb and gutter
- Street lighting
- Traffic signals
- Graffiti removal on the above

Benefit Assessment Act of 1982

(Government Code 54703 et. seq.)

Can fund special benefit improvements

Construction and maintenance of:

- Street improvements
- Storm drain improvements
- Flood control
- Street lighting

Land acquisition – easements

Property and Business Improvement District Law of 1994

Streets & Highways Code 36600 et. seq.

– Funds construction and maintenance of:

- Parking facilities and sidewalks
- Benches, booths, kiosks, etc.
- Trash receptacles and public restrooms
- Parks
- Security
- Rehabilitation and removal of structures

Current Common Methods

Assessment Methodologies by Improvement Type

IMPROVEMENT TYPE	COMMON ENABLING ACT(S)	UNIT OF MEASURE	SPECIAL BENEFITS
Landscaping	1913 Act, 1972 Act, PBID	Equivalent Dwelling Units (EDUs), Frontage, Acreage	Specific Enhancement to Property Value, Aesthetics
Street Lighting	1913 Act, 1972 Act, 1982 Act, PBID	EDUs, Frontage, Acreage	Safety, Character & Vitality, Economic Enhancement, Enhanced Illumination, Proximity
Streets	1913 Act, 1982 Act, PBID	EDUs, Frontage	Access to Property, Safety
Storm Drain	1913 Act, 1982 Act, PBID	Impervious Area	Storm and Flood Protection
Parks	1972 Act, PBID	EDUs, Employee Density	Proximity, Access to Green Spaces, Extension of Open Area
Sewer	1913 Act, PBID	Connections, Peak Capacity	Occupancy, Health, Sanitation
Public Utilities	1913 Act, PBID	EDUs, Frontage	View, Aesthetics, Safety, Reliable Connection
Security, Marketing, etc.	PBID	Acreage, Frontage, Building Size	Economic Enhancement

Note: 1913 Act is limited to providing maintenance only for improvements constructed by the district.

Usual Sequence of Events

1. Local Agency / property owner petition initiated
2. Legislative body commences assessment proceedings
3. Assessment ballots mailed
4. Public Hearing
5. Assessment ballots tabulated
6. Final actions taken by legislative body
7. End of cash collection / statute of limitations
8. Bonds issued
9. Annual assessments levied
10. Project costs funded/reimbursed
11. Public agency administers the district until bonds mature

Engineer's Report

Prepare and submit Engineer's Report to support benefit finding and rationale for assessments

- Special benefit clearly defined
- General benefit identified and quantified
- Assessment methodology explained in detail
- Exceptions and exemptions explained
- Cost estimates
- Plans & specifications
- Assessment diagram
- Assessment roll (parcels and amounts)
- Description of services (Maintenance Districts)
- Principal amount of assessments (Improvement Districts)
- Total true value of parcels (Improvement Districts)
- Value to Lien Ratio (Improvement Districts)

Intent Meeting

- First required action before legislative body
- Approve preliminary Engineer's Report
- Set time and place of Public Hearing
- Authorize mailing of notices and ballots
- Notices and ballots mailed to property owners at least 45 days prior to Public Hearing

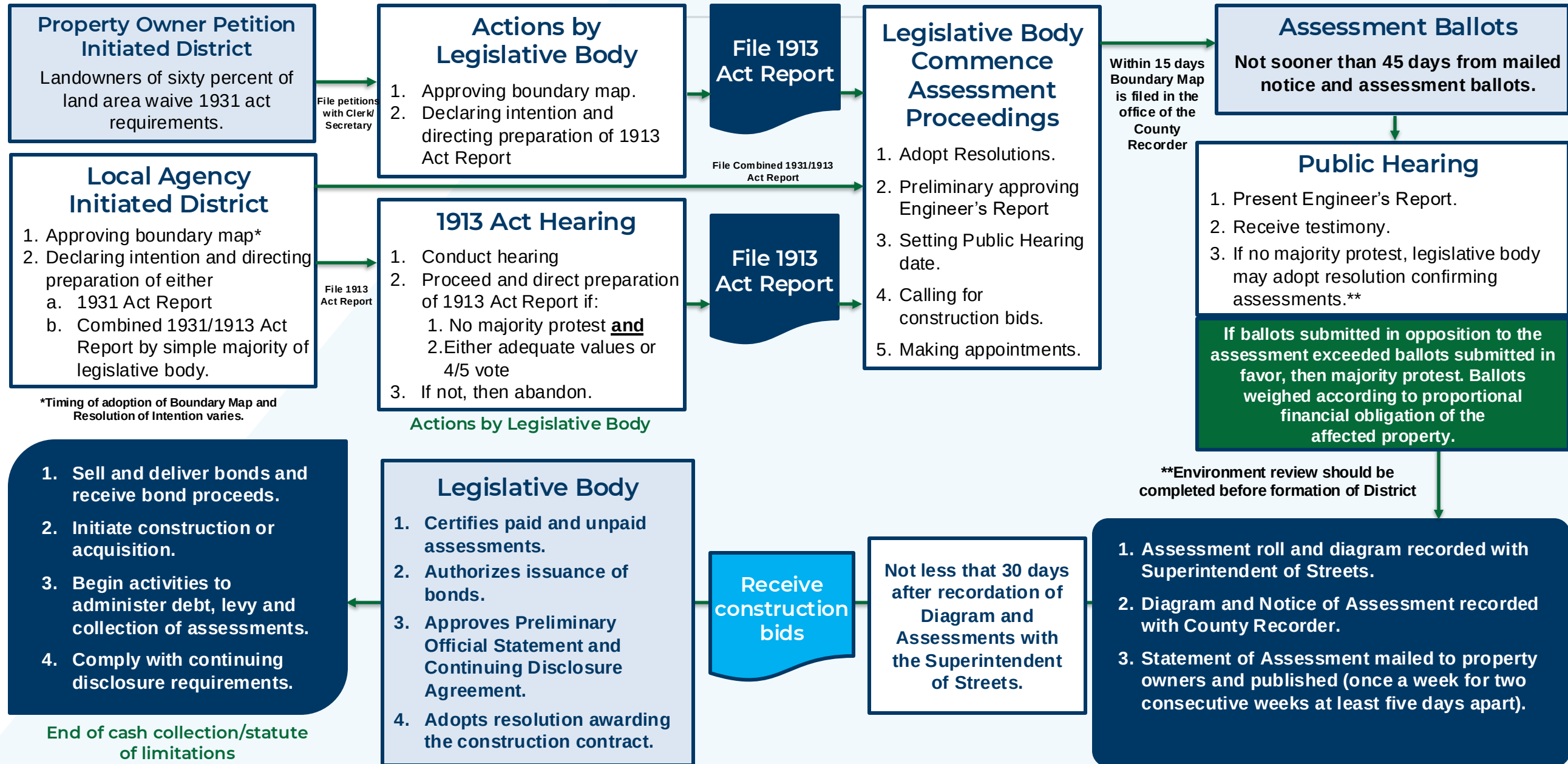
Proposition 218 Balloting

- Affected property owners receive notice / ballot
- Notices and ballots mailed after first board action, at least 45 days prior to public hearing
- Notice summarizes Engineer's Report
 - Purpose of proposed assessment district
 - Improvements to be constructed/funded
 - Total budget
 - Assessment methodology
 - Amount of assessment
- Ballot provides opportunity for property owners to indicate support for, or opposition to, the District

Public Hearing

- Board conducts public hearing
- Provides forum for property owners to address Board
- Ballots must be submitted prior to conclusion of public hearing
- Ballots tabulated at close of public hearing
- Only ballots received prior to close of hearing are considered
- Ballots weighted according to amount of proposed assessment:
 - Each \$1 of Assessment = 1 Vote
- Simple majority approval = 50% + 1 dollar
- If assessment approved, Board may form district and levy assessments
- If assessment not approved, Board takes no further action

Sequence of Events | 1913 Act Formation



Assessments Pros & Cons

Pros

- Limited election timing restrictions
- Simple majority approval
- Property owner vote weighted by \$ amount (one dollar = one vote)
- Direct benefit to property owners
- Easy for property owners to understand
- Provide ongoing funding source

Cons

- Statutory limitations on what they can pay for
- Capital expenditures versus maintenance
- Special benefit finding
- General benefit must be funded from other sources
- Limitations on maintenance provisions
- Annual legislative action for most

AD vs. CFD

Assessment District

- Assessment – more stringent 218 guidelines
- Annual renewal process required
- Special vs. general benefit analysis
- Cannot assess for general benefit
- Difficult to fund 100% of cost
- Majority approval

Community Facilities District

- Special tax – more flexibility
- Sets a maximum annual special tax rate
- Rate may run in perpetuity
- Agency sets rate annually, no lengthy renewal process
- Allows for expedited future annexations
- 2/3rds approval – with provision for landowner vote



Voting Thresholds Overview

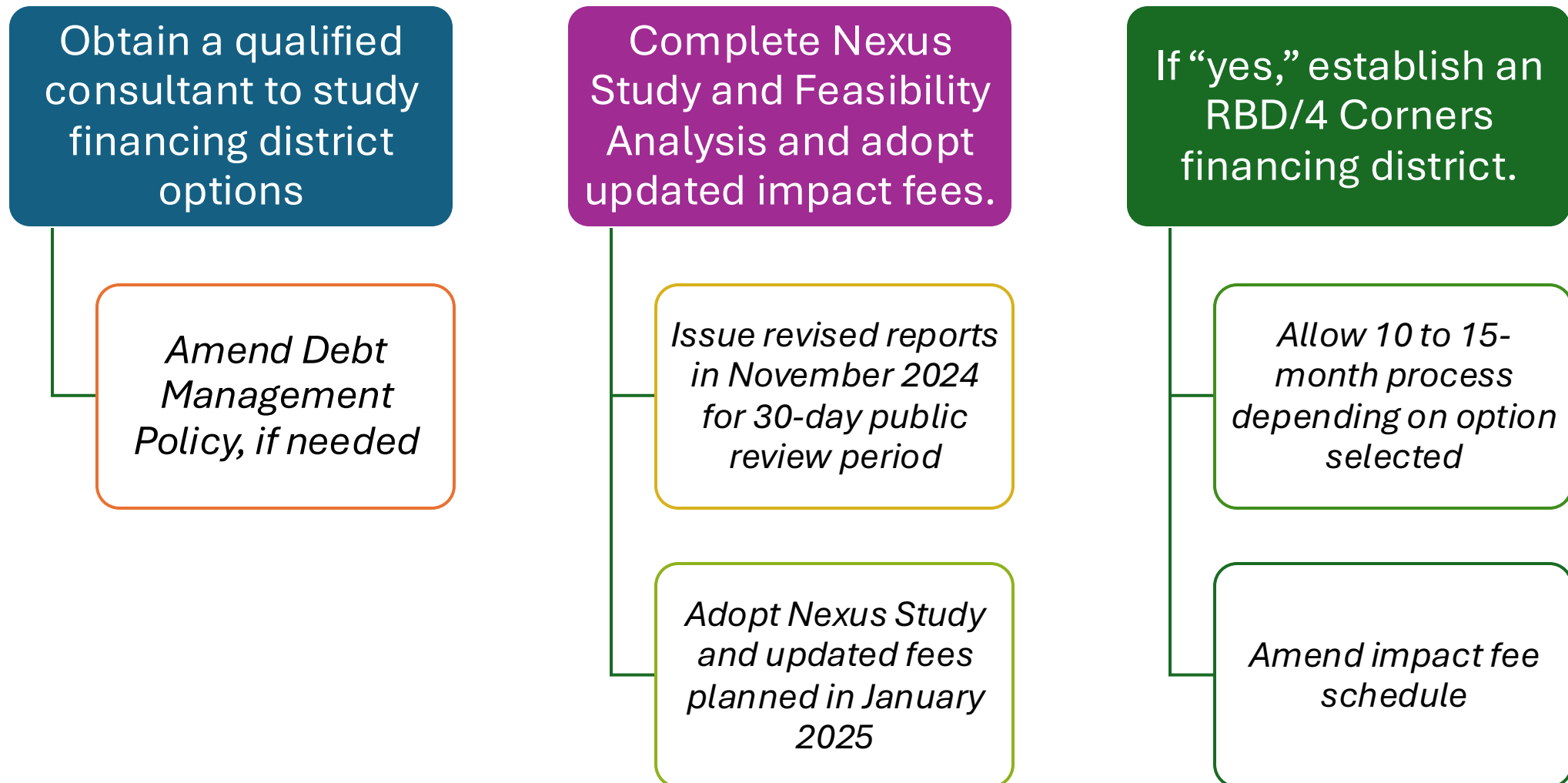
Special taxes (including CFDs)	66.7%
Assessments	50.1%
Dev impact/User fees	None
Property-related fees	Notice/PH/Adoption

Municipal Advisor Disclaimer

The City of East Palo Alto further represents, acknowledges, and agrees that:

- (i) The City uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission (“SEC”) to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The City is not looking to Willdan to provide, and the City shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Possible Next Steps



Options

- Do not proceed further with considering a special financing district.
- Issue a Request for Proposals to obtain a qualified consultant to:

Phase 1:

- Further evaluate alternatives, public/private benefits, fiscal risks, compliance with Debt Management Policy, and other issues/concerns.
- Obtain input from potential participating property owners and developers.

Phase 2:

- If directed, develop and form the selected special financing district.

Questions and Discussion



City of East Palo Alto

Debt Management Policy

Finance Department



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09/06/2017 Policy Adoption
04/06/2021 Revision 1



Overview

This Debt Management Policy (the “Debt Policy”) of the City of East Palo Alto (the “City”) was approved by the City Council on [DATE APPROVED]. A periodic review of the Debt Policy will be performed and any changes to the Debt Policy will be brought forward for City Council consideration and approval.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the City of East Palo Alto or its related entities and is intended to comply with Government Code Section 8855(i), and successor statutes. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the City’s interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the City.

This Debt Policy applies to debt issued by the City, the Successor Agency to the Redevelopment Agency of the City of East Palo Alto (“Successor Agency”), and the East Palo Alto Public Financing Authority; to debt the City issues on behalf of assessment districts and community facilities districts; to debt the City issues for third parties (i.e. conduit financing), or any other public agency for which the City Council of the City acts as its legislative body.

The Debt Policy primarily addresses debt instruments/securities issued by the City in public or private bond markets. Such debt constitutes obligations whereby a third party has provided funds, which is evidenced by the formal execution of a debt instrument (commonly a bond or certificate) and is held by the third-party until it is repaid. Certain obligations of the City such as contracts payable, net pension obligation and/or pension unfunded actuarial liability (UAL) are not subject to this Debt Policy.

Debt, properly issued and managed, is a critical element in any financial management program. It serves as an important tool that supports the use of the City’s resources to meet its financial commitments and to maintain sound financial management practices. While the Debt Policy serves as a guideline for general use, it allows for exceptions in extraordinary conditions.

1. Findings

This Debt Policy sets forth the principles and objectives that guide the City’s decisions to issue debt and establishes the guidelines for responsibly managing debt. The City hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the City’s sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City’s creditworthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers, and constituents of the City.



-
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.
 - Encourage those that benefit from a facility/improvement to pay the cost of that facility/improvement without the need for the expenditure of limited general fund resources.

2. Policies

A. Purposes for Which Debt May Be Issued

The City primarily will consider the use of debt financing to fund long-term capital improvement projects. The City may also borrow money to fund essential equipment and vehicle needs, and to refinance existing debt. Any consideration of debt financing shall consider financial alternatives, including pay-as-you-go funding, proceeds derived from development of existing land and capital assets owned by the City, and use of existing or future cash reserves, or any combination thereof.

If a department has any project which is expected to use debt financing, the department director is responsible for expeditiously providing the City Manager and the Director of Finance with reasonable cost estimates, including specific revenue accounts that will provide payment for the debt service. This will allow an analysis of the project's potential impact on the City's debt capacity and limitations. The department director shall also provide an estimate of any incremental operating and/or additional maintenance costs associated with the project and identify sources of revenue, if any, to pay for such incremental costs.

(i) Long-Term Debt

Long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and/or operated by the City. Long-term debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs authorized by law.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) The City may use long-term debt financings subject to the following conditions:

- The project to be financed has been or will be approved by the City Council.
- It meets the City's goal of distributing costs of the asset over its useful life so that benefits more closely match costs for both current and future residents. The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed, unless specific conditions exist that would mitigate the extension of time to repay the debt and it would not cause the City to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
- The City Council estimates that sufficient revenues will be available to service the debt through its maturity.
- The City Council determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
- The City Council determines the improvement/facility to be debt-financed meets a vital, time-sensitive need of the community and there are no plausible alternative financing sources.
- The debt issue is for the purpose of refunding (refinancing) existing long-term debt subject to the requirements of paragraph (i)(d) of this Policy.

(c) Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints, if applicable) if there is a net economic benefit of the refunding. A non-economic debt refunding may be undertaken to achieve City objectives relating to changes in covenants or other provisions that are adversely affecting the City's financial position. In general, a refunding which produces a net present value savings of at least three (3) percent of the refunded debt will be considered economically viable. A debt Refunding which produces a net present value savings of less than three (3) percent or negative savings will be considered on a case-by-case basis and is subject to City Council approval.

(ii) Short-term Borrowing

Short-term borrowing may be issued to generate funding for cash flow needs in the form of Tax and Revenue Anticipation Notes (TRANS). Tax and Revenue Anticipation Notes are short-term notes, the proceeds of which allow a municipality to cover the periods of cash shortfalls resulting from a mismatch between timing of revenues and timing of expenditures. The City may issue TRANS if necessary to meet General Fund cash flow needs in an upcoming fiscal year, in anticipation of the receipt of property tax and other revenues later in the fiscal year. The issuance of TRANS is authorized and limited pursuant to Chapter 3.20.020 of the Municipal Code, together with article 7.6 of Chapter 4, Part 1, Division 2, title 5 of the California Government Code.

Short-term borrowing, such as commercial paper, and lines of credit, may be used as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued. Prior to

issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project.

Short-term debt may also be used to finance short-lived capital assets; for example, the City may undertake lease-purchase financing for essential equipment, and such equipment leases are typically three to ten years.

(iii) Financings on Behalf of Other Entities

The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the City as reasonably determined by the City Council. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein. In no event will the City incur any liability or assume responsibility for payment of debt service on such debt.

B. Prohibited Uses of Debt

Bonded debt should not be issued for projects with minimal public benefit or support, or to finance normal operating expenses. The issuance of debt to fund operating deficits is not permitted, except for Tax and Revenue Anticipation Notes as described in Section 2.A.ii of the Debt Policy. Prohibited uses of debt include the following:

- Financing of operating costs, except for anticipation notes, with a term of less than one (1) year.
- Debt issuance used to address budgetary deficits.
- Debt issued for periods exceeding the useful life of the asset or projects to be financed.

C. Types of Debt

There are many types of financing instruments available to the City. To maximize the financial options available to benefit the public, it is the policy of the City of East Palo Alto to allow for the consideration of issuing all legally accepted types of debt, including, but not exclusive to the following:

- General Obligation Bonds: General Obligation (GO) Bonds are secured either by a pledge of full faith and credit of an issuer or by a promise to levy taxes in an unlimited amount as necessary to pay debt service, or both. GO Bond proceeds are limited to, and suitable for, the acquisition and improvement of real property that benefits the public at large. Examples of projects include libraries, parks, and public safety facilities. California State Constitution, Article 1XVI Section 18 requires that the GO Bonds must be approved by a two-thirds majority of those voting on the GO Bond Proposition.
- Revenue Bonds: Revenue Bonds are limited-liability obligations payable from specific dedicated revenues, often revenues generated by a project funded out of bond proceeds.

Revenue bonds are self-supporting through user fees or other special earmarked receipts; the general taxing powers of the City are not pledged. The debt created through the issuance of revenue bonds is to be repaid by the earnings from the operations of a revenue-producing enterprise, from special taxes, or from contract leases or rental agreements.

- Certificates of Participation / Lease Revenue Bonds: Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs) are lease obligations secured by an installment sale or by a lease-back arrangement between the City and another public agency whereby the general operating revenues of the City are used to make lease payments, which are, in turn, used to pay debt service. These obligations do not constitute indebtedness under the state constitutional debt limitation and, therefore, are not subject to voter approval. Payments under valid leases are payable only in the years in which the use and occupancy of the leased property is available. The governmental lessee is obligated to place in its Annual Budget the rental payments that are due and payable during each fiscal year that the lessee has use of the leased property.
- Assessment Bonds: Assessment bonds are repaid from taxes collected from those who benefit from the project. The Improvement Bond Act of 1911 and 1915 authorize the City to form assessment districts for imposing special-assessment liens on properties within the districts. Projects must distinguish between and identify parcels being assessed and specific benefits received. A majority of the property owners within the district must approve both the formation of the district and the issuance of the bonds. Approval occurs through the submission of assessment ballots weighted according to the amount of each property's proposed assessment.
- Mello-Roos Bonds: The Mello-Roos Community Facilities District Act of 1982 authorizes a public entity to form a Community Facilities District (a "CFD"). Once formed, the district can finance facilities and provide services. Upon approval by a two-thirds vote of the registered voters or landowners within the district, the district may issue bonds secured by the levy of special taxes. The special taxes are not assessments, and there is no requirement that the special tax be apportioned on the basis of benefit to property. CFDs are often developer initiated, whereby a developer seeks a public financing mechanism to fund public infrastructure required by the City in connection with development permits or agreements, and/or tentative subdivision maps. Initiated requests for District formation and debt issuance will be considered on a case-by-case basis when such requests address a public need or provide a public benefit.
- Marks-Roos Pooled Financings: The Marks-Roos Local Bond Pooling Act of 1985 permits two or more public agencies to form a joint-powers authority (JPA) to facilitate the financing of public capital improvements, working capital, or other projects when use of these provisions results in savings in effective interest rate, bond underwriting and issuance costs, or other significant public benefit can be realized.
- Tax Allocation Bonds: Tax Allocation Bonds are special obligations that are secured by the allocation of tax increment revenues that are generated by increased property taxes in the designated redevelopment area. Tax Allocation Bonds are not debt of the City. Due to changes in the law affecting California Redevelopment agencies with the passage of ABX1 26 (as amended, the Dissolution Act) as codified in the California Health and Safety Code, the Redevelopment Agency of the City of East Palo Alto (RDA) was dissolved as



of February 1, 2012, and its operations substantially eliminated but for the continuation of certain enforceable RDA obligations to be administered by the Successor Agency. The Successor Agency may issue Tax Allocation Bonds to refinance outstanding obligations of the RDA, subject to limitations included in the Dissolution Act.

- Multi-Family Mortgage Revenue Bonds: The City is authorized to issue mortgage revenue bonds to finance the development, acquisition, and rehabilitation of multi-family rental projects. The interest on the bonds can be exempt from Federal and State taxation. As a result, bonds provide below market financing for qualified rental projects. In addition, the bonds issued can qualify projects for allocations of Federal low-income housing tax credits, which can provide a significant portion of the funding necessary to develop affordable housing.
- State and Federal Loans: State Revolving Funds (SRFs) and the Water Infrastructure Finance and Innovation Act (WIFIA) programs make low-cost loans available to local agencies to fund certain public infrastructure projects.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

To maintain a predictable debt service burden, the City will give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is variable rate debt. The City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of securities. Generally, the City shall only undertake consideration of variable rate debt if the interest rate, liquidity, and remarketing risks are articulated and if the staff capacity exists to actively monitor and manage the debt throughout the time it is outstanding. Further, in making the determination to issue bonds in a variable rate mode, consideration will be given regarding the useful life of the project or facility being financed or the term of the project requiring the funding, market conditions, credit risk and third-party risk analysis, and the overall debt portfolio structure when issuing variable rate debt for any purpose. The maximum amount of variable-rate debt should be limited to no more than 15 percent of the total debt portfolio.

When considering the formation of assessment or special tax districts, there shall be a clearly articulated public purpose including findings by City Council as to the reasons and benefits of this form of financing over other funding options, such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.

The City will not employ derivatives, such as interest rate swaps, in its debt program. A derivative product is a financial instrument which derives its own value from the value of another instrument, usually an underlying asset such as a stock, bond, or an underlying reference such as an interest rate. Derivatives are commonly used as hedging devices in managing interest rate risk and thereby reducing borrowing costs. However, these products bear certain risks not associated with standard debt instruments.

D. Methods of Issuance

The City will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation. General Obligation Bonds and Tax and Revenue Anticipation Notes will be

issued on a competitive basis unless otherwise determined on a case-by-case basis that a negotiated sale is the most advantageous.

- Competitive Sale. In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest bid as long as the bid adheres to the requirements set forth in the published official notice of sale.
- Negotiated Sale. In a negotiated sale, the terms and price are negotiated by the City and the selected underwriter(s). The City recognizes that certain issuances are best sold through negotiation. In its consideration of a negotiated sale, the City shall assess the following circumstances:
 1. Bonds issued as variable rate demand obligations.
 2. A complex structure which may require strong pre-marketing effort.
 3. Size of the issue which may limit the number of potential bidders.
 4. Market volatility is such that the City would be better served by flexibility in timing a sale.
- Private Placement. From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the City relative to other methods of debt issuance.
- Issuance Method Analysis. The City shall evaluate each method of issuance on a net present value basis. Issuance of self-supporting revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.

The City shall comply with reporting requirements pursuant to California Government Code Sections 53583(c)(B), 54418, and 54400-54435 providing reasons for negotiated or private refunding or for negotiated or private sale of revenue bonds, as applicable.

E. Debt Ratio Guidelines

(i) General Purpose Debt

The City will carefully monitor its levels of general-purpose debt. Given the significant restrictions in California on local agency revenue sources, the City acknowledges the need to gauge the effect of ongoing debt service and other fixed obligations on its fiscal priorities over time. For General Obligation Bonds, the City shall strive to achieve and/or maintain Debt per capita (outstanding principal as a percentage of population) and debt as a percentage of assessed valuation at a low to moderate classification as generally viewed by the bond market. For debt supported by the General Fund, the City shall strive to maintain a "Debt Ratio" (annual debt service/lease payment as a percentage of total available general revenues) at or below 10%. The City shall also consider and evaluate the effects of significant long-term costs, such as pension obligations, on the City's General Fund when evaluating the capacity to increase General Fund debt levels.

(ii) Coverage Ratio for Revenue Bonds

Long-term obligations payable solely from specific pledged sources, in general, are not subject to a debt limitation. The coverage ratio, which is the ratio of available annual revenues to annual debt service, is one of the primary indicators of the ability of an enterprise to meet its annual operating expenses and debt service payments. Generally, legal covenants requiring a minimum coverage ratio are set forth in the bond documents.

State and Federal loans may also have certain coverage ratio requirements for enterprise funds which are pledged as revenue sources for repayment of the related loan. These coverage ratios are set forth in the financing agreements which are executed between the City and state or federal agency for each project.

F. Relationship of Debt to Capital Improvement Program and Budget

The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City recognizes its significant deferred infrastructure maintenance challenges and shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear, unless a specific revenue source has been identified for this purpose.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall strive to prioritize and plan for required debt issuance in a timely manner to avoid unplanned expenditures for capital improvements or equipment from its general fund.

The City shall seek to fund capital projects both through reasonable, planned pay-go methods and through assertive application of federal and state grant funding in conjunction with determining the City's capacity to leverage additional debt.

G. Policy Goals Related to Planning Goals and Objectives

The City is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual operating budget.

It is a policy goal of the City to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

Except as described in Section 2.A., when refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations minimum net present value debt service savings equal to or greater than 3% of the refunded principal amount.

H. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. The City will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12;
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- any required debt issuance disclosure or notices to California Debt and Investment Advisory Commission;
- the City's investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the City Manager or the Director of Finance.

I. Market Relationships

The City Manager and the Director of Finance shall be responsible for maintaining the City's relationships with credit rating agencies. In addition to general communication, the City Manager, Director of Finance, and other City staff as directed shall: (1) meet with credit analysts when requested, and (2) prior to each competitive or negotiated sale of bonds for which the City seeks a rating, offer conference calls with agency analysts in connection with the planned sale.

J. Waivers of Debt Policy

There may be circumstances from time to time when the City Council reasonably determines that strict adherence to a provision of this Debt Policy is not possible or in the best interests of the City and the failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the City in accordance with applicable laws.