EAST PALO ALTO CITY COUNCIL
REGULAR SESSION AMENDED AGENDA

Tuesday, July 7, 2026, 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/81265058189

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
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+ 1 301 715 8592

Webinar ID: 812 6505 8189

International numbers available: https://us06web.zoom.us/u/kbHK4dtrOa

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1. CALL TO ORDER AND ROLL CALL

2. APPROVAL OF THE AGENDA

3. APPROVAL OF CONSENT CALENDAR

3.1 Memorandum of Understanding with Bay Area Community Resources

Recommendation: Adopt a resolution:

1. Authorizing the City Manager to negotiate and execute a Memorandum of Understanding with Bay Area Community Resources (BACR), in a form approved by the City Attorney, for the recruitment of an 11-month limited term Sustainability Service Corps Fellow, in a match amount not-to-exceed $31,000.00.
2. Find that the action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it's not a "project" pursuant to 15378(b)(4) because it's a fiscal activity which doesn't involve any commitment to any specific project which may result in a potentially significant impact on the environment.

3.2 Execution of Cooperation Agreement with San Mateo County for participation in the Urban County for Fiscal Years 2027, 2028 and 2029

Recommendation: Recommendation

Adopt a resolution:

1. Authorizing the City Manager to execute Amendment No. 2 to the Cooperation Agreement (dated September 20, 2017, as previously amended in July 2023) between the City of East Palo Alto and San Mateo County for participation in the Urban County for fiscal years 2027, 2028, and 2029 and one subsequent three-year period thereafter.

2. Finding that the proposed action does not constitute a “project” within 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 Authorizing City Manager to Administer Affordable Housing Preservation Program

Recommendation: Recommendation

Adopt a resolution:

1) Directing the City Manager, or designee, to adopt the Affordable Housing Preservation guidelines to administer the City’s Affordable Housing Preservation Program and update the guidelines at the City Manager’s or designee’s discretion, provided that it is consistent with the resolution and its

purpose; and

2) Authorizing the City Manager, or designee, to issue a Notice of Funding Availability (NOFA) in the amount of $2,099,044 and disperse the funds according to the guidelines and the allocations in the FY 2026-2027 budget; and

3) Finding that the proposed is exempt from the California Environmental Quality Act (CEQA) as 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.

3.4

Monthly Cash Treasury Report for April 2026

Recommendation: Accept and file the Cash Treasury Report for the month of April 2026

3.5

Monthly Cash Treasury Report for May 2026

Recommendation:

Accept and file the Cash Treasury Report for the month of May 2026.

3.6 Independence Day

Recommendation: Present the proclamation.

3.7 City Council Meeting Minutes

Recommendation:

Adopt the July 7, 2026, City Council Meeting Minutes

3.8 City Anniversary Proclamation

Recommendation: Present the City Anniversary Proclamation.

4. CLOSED SESSION

5. PUBLIC COMMENT

6. INFORMATIONAL REPORTS

6.1 Climate Action Plan Implementation Report

Recommendation: Receive informational report.

7. SPECIAL PRESENTATIONS

8. POLICY AND ACTION

8.1 Measure HH Workforce Development Program Request for Proposals

Recommendation: Recommendation

1. Receive report on draft Request for Proposals for the City's Measure HH Workforce Development Program;

2. Provide input on the recommended enhancements to the Measure HH Workforce Development Program and on how staff should measure the success of the eventual consultants; and

Adopt a resolution:

a. Directing the City Manager to issue a request for proposals ("RFP") to continue the Measure HH Workforce Development Program in an amount not-to-exceed of $1.1 million, with recommended program, policy and operational enhancements; and

b. Finding that the proposed action does not constitute a "project" within 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.

9. PUBLIC HEARINGS

9.1 Temporary Housing Development Incentive Program Ordinance Introduction

Recommendation:

Recommendation

Staff recommends that the City Council:

Adopt a resolution to:

1. Waive the first reading and introduce an uncodified ordinance titled "Temporary Housing Development Incentive Program" ("THDIP") to encourage the construction of new housing by reducing inclusionary housing obligations for residential developments, including the residential component of mixed-use projects, effective until December 30, 2027 (with complete Vertical Building Permit application due by January 30, 2028), or until some other sunset date approved by the Council;

2. Direct the City Manager or designee to adopt Administrative Guidelines for the implementation of the THDIP; and

3. Find that the proposed actions do not constitute “projects” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15378(b)(4) and 15378(b)(5) (governmental, administrative or financial activity) and Section 15061(b)(3) (common sense).

Adopt another resolution to:

1. Appropriate an additional $13,300 from the Housing In Lieu Fund (Fund 207) and authorize the City Manager to amend the agreement with Street Level Advisors to add $13,300 for a new total not-to-exceed amount of $88,300; and

2. 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 15378(b)(5) (governmental, administrative or financial activity) and Section 15061(b)(3) (common sense).

9.2 Sand Hill Development Agreement Amendment (Woodland I)

9.3 Resolution Determining Necessity for, and Introduction (First Reading) of an Ordinance Ordering Submission to the Voters of, a $125,000,000 General Obligation Bond Measure for Civic, Recreational, Water, and Stormwater Improvements at the November 3, 2026 Consolidated General Election

10. ADJOURN CITY COUNCIL SPECIAL MEETING AND RECONVENE TO THE EAST PALO ALTO SANITARY DISTRICT

11. EPASD CONSENT CALENDAR

11.1 Award of Contract for EPASD design projects 1.1 and 1.2

Recommendation: Award a design contract to Freyer and Laureta to design EPASD projects 1.1 and 1.2

12. EPASD PUBLIC COMMENT

13. EPASD BOARD PUBLIC HEARINGS

13.1 Acceptance of East Palo Alto Sanitary District Sewer Capacity Fee Update Study and Adoption of Updated Sewer Capacity Fee

Recommendation:

Acceptance of East Palo Alto Sanitary District Sewer Capacity Fee Update Study and Adoption of Resolution to Update Sewer Capacity Fee

14. ADJOURN EAST PALO ALTO SANITARY DISTRICT BOARD MEETING AND RECONVENE TO THE CITY COUNCIL MEETING

15. COUNCIL REPORTS

15.1 Letter from Mayor Webster Lincoln

16. ADJOURNMENT

Upcoming meetings:

July 21, 2026	Regular Meeting	6:00 PM
July 28, 2026	Study Session	6:00 PM
September 1, 2026	Regular Meeting	6:00 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: June 26, 2026
AMENDED: June 29, 2026

ATTEST:

James Colin
City Clerk

CONSENT ITEM 3.1

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Humza Javed, Public Works Director
Jessica Felix, Management Analyst

SUBJECT: Memorandum of Understanding with Bay Area Community Resources

Recommendation

Adopt a resolution:

1. Authorizing the City Manager to negotiate and execute a Memorandum of Understanding with Bay Area Community Resources (BACR) in the amount of $31,000, in a form approved by the City Attorney, for the recruitment of an 11-month limited term Sustainability Service Corps Fellow, with a City match amount not-to-exceed $31,000.

2. Finding that 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.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Public Health, Safety, and Quality of Life

Background

On September 5, 2023, the City of East Palo Alto adopted the updated Climate Action Plan and Adaptation Strategies 2030 (CAP). The CAP has been implemented with the support of an ongoing

partnership with Bay Area Community Resources (BACR) and its Sustainability Service Corps (SSC) Program, which places early-career sustainability professionals at various host sites to increase staff capacity and advance environmental projects.

This program is made possible through AmeriCorps, a national service program that is partially funded by the United States federal government. BACR administers this competitive program, with 50% of the cost of the fellowship covered by federal funds. The City is responsible for the remaining 50% ($31,000).

The City has been in a partnership with BACR since September 2022 and has since applied annually to this competitive program. After funding delays due to unforeseen federal cuts from the Department of Government Efficiency (DOGE) in April 2025, BACR worked to secure funding for a fifth placement, and the City was notified of its selection for the 2026-2027 program year in July of 2026.

The recruitment phase of the SSC Program is expected to commence in early August. This program year, SSC is working to place fellows in sustainability-related fields across the Bay Area, including in other local government agencies, non-profits, and schools. The City of East Palo Alto will receive one of these fellows to fulfill the Sustainability Coordinator Fellowship role, and he or she will work with the Environmental Division under the Public Works Department.

Analysis

The City's Environmental Division is made up of one permanent full-time and one permanent part-time staff member. The Sustainability Coordinator Fellowship position allows permanent City staff to focus on Division priority projects while receiving support from the fellow on additional tasks related to sustainability, community outreach, and community event coordination. This year the City expanded the fellowship scope of work to include issues highlighted by the City Council. The fellow will work with Environmental Division staff on preparing and implementing a more robust illegal dumping outreach campaign as well as supporting flood resiliency education and the City's Federal Emergency Management Agency (FEMA) Community Rating System program.

These tasks will be undertaken by the fellow in addition to the existing scope of work that fellows have been supporting since 2022, including: assisting in the implementation of required provisions in Senate Bill 1383 (regarding mandatory organic waste collection), assisting in preparing the City's National Pollutant Discharge and Elimination System (NPDES) Permit annual report, continuing to support fleet electrification efforts, leading efforts to conduct additional bilingual outreach related to City sustainability programming, organizing and coordinating annual community events (including the Earth Day Festival), and identifying and applying for outside funding that may support the abovementioned programs and other programs in the CAP.

Fiscal Impact

A budget of $31,000, funded through the City's General Fund, was included in the adopted FY 2026/2027 annual Public Works Budget for the Environmental Division.

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

Finding that 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: Yes.

Analysis of Levine Act Compliance: The signatory for the MOU is the Director of National Service Adolfo Rivera for BACR. Staff is unaware of any other parties or participants relevant to the Commission's consideration of this item.

Attachments

1. Resolution
2. Draft Memorandum of Understanding

RESOLUTION NO. XX– 2026

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

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A $31,000 MEMORANDUM OF UNDERSTANDING WITH BAY AREA COMMUNITY RESOURCES, IN A FORM APPROVED BY THE CITY ATTORNEY, FOR THE RECRUITMENT OF AN 11-MONTH LIMITED TERM SUSTAINABILITY SERVICE CORPS FELLOW, WITH A CITY MATCH AMOUNT NOT-TO-EXCEED $31,000

WHEREAS, Bay Area Community Resources (BACR) collaborates with public and nonprofit organizations across the State of California to recruit, train, and place AmeriCorps Fellows at public and nonprofit organizations; and

WHEREAS, the City of East Palo Alto has applied for a Sustainability Service Corps Fellow to support the work of implementing the Climate Action Plan and Adaptation Strategies 2030 (CAP) and other environmental projects in the Public Works Department; and

WHEREAS, the City of East Palo Alto is dedicated to supporting the development of early career sustainability professionals and seeks to benefit from staff augmentation through the fellowship program; and

WHEREAS, BACR is committed to training and supporting the Fellow with a comprehensive training program, a variety of benefits and financial incentives and rewards; and

WHEREAS, the City intends to support the Fellow by providing supervision, direction, and meaningful inclusion in implementation of the City's sustainability, climate, and environmental projects.

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 are incorporated by this reference into this action;

2. Authorizes the City Manager to negotiate and execute a $31,000 Memorandum of Understanding with Bay Area Community Resources (BACR), in a form approved by the City Attorney, for the recruitment of an 11-month limited term Sustainability Service Corps Fellow, with a City match amount not-to-exceed $31,000.00; and

3. Finding that 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.

PASSED AND ADOPTED this 7th day of July, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

James Colin, City Clerk

APPROVED AS TO FORM:

John D. Lê, City Attorney

SUSTAINABILITY SERVICE CORPS
PLACEMENT AGREEMENT

This PLACEMENT AGREEMENT ("Agreement") is made and entered into as of [DATE SENT] by and between Bay Area Community Resources, EIN 94-2346815 (hereinafter referred to as "BACR") and City of East Palo Alto (hereinafter referred to as "PARTNER") to HOST Sustainability Service Corps (SSC) Fellows at PARTNER site(s). Collectively, BACR and PARTNER are hereinafter referred to as the "Parties."

RECITALS

The Sustainability Service Corps (SSC) is an initiative of California Volunteers, Office of the Governor (CV), designed to educate adults and youth about environmental stewardship and/or environmentally-conscious practices, support greenhouse gas reduction programs or other climate action projects, develop Greenhouse Gas Inventories, Climate Action Plans, and other capacity-building documents; and conduct outreach to raise community engagement.

BACR will collaborate with public agencies and nonprofit organizations across the state of California to recruit, train, and place Sustainability Service Corps Fellows, hereinafter referred to as "Fellow(s)."

1. The Sustainability Service Corps Fellowship provides Climate Education for Adults and Youth; Climate Action Projects; Community Outreach; and Volunteer Engagement, in California through service provided by AmeriCorps Fellows ("Fellows").
2. Fellows can only serve on contracted and allowable service activities.
3. The high-profile nature of the program necessitates Partner participation in timely outcome reporting, storytelling, and responsiveness to media engagement.
4. Partner desires to host Fellow(s), and BACR desires to provide Fellows' service to Partner. This document establishes the basic guidelines and expectations between the Partner and BACR.
5. The Partner and BACR enter into this Agreement in order to memorialize the terms of BACR's performance of the services and the Partner's obligations with respect thereto.

I. AGREEMENT

BACR has contracted with AmeriCorps (formerly Corporation for National and Community Service – CNCS) through California Volunteers to implement the Sustainability Service Corps Fellowship. **Fellows can only serve on contracted activities approved by AmeriCorps and California Volunteers and must abide by Federal guidelines for AmeriCorps program implementation.**

The objectives of the program are as follows:

- Partner will be able to report measurable outcomes of SSC Performance Measures, including: 1) Climate Education for Adults and Youth; 2) Climate Action Projects; 3)

Community Outreach; and 4) Volunteer Engagement, developed collaboratively by the Parties.

- Fellows will develop a practical skill set and expertise in climate change management at the community level.
- Communities served by Partner will increase community participation in local climate action needs and projects, and report a change in behavior to better protect the environment.
- Partner agrees that any Fellows assigned to the Partner will only participate in the activities described in the mutually agreed upon Scope of Work. The Scope of Work will be completed within 45 days of the Fellow being assigned to the site.

Fellows may raise resources directly in support of Partner's service activities. Examples of fundraising activities Fellows members may perform include, but are not limited to, the following:

(1) Seeking donations of books from companies and individuals for a program in which volunteers teach children to read;

(2) Writing a grant proposal to a foundation to secure resources to support the training of volunteers;

(3) Securing supplies and equipment from the community to enable volunteers to help build houses for low-income individuals;

(4) Securing financial resources from the community to assist in launching or expanding a program that provides social services to the members of the community and is delivered, in whole or in part, through the members of a community-based organization;

(5) Seeking donations from alumni of the program for specific service projects being performed by current members.

Fellows may not:

(1) Raise funds for living allowances or for an organization's general (as opposed to project) operating expenses or endowment;

(2) Write a grant application to AmeriCorps or to any other Federal agency.

(3) Spend more than 10% of their term of service performing fundraising activities.

In addition to only serving on contracted performance measure service activities, the following activities are prohibited (see 45 CFR § 2520.65):

1. Attempting to influence legislation;
2. Organizing or engaging in protests, petitions, boycotts, or strikes;
3. Assisting, promoting, or deterring union organizing;
4. Impairing existing contracts for services or collective bargaining agreements;

5. Engaging in partisan political activities or other activities designed to influence the outcome of an election to any public office;
6. Participating in or endorsing events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;
7. Engaging in religious instruction, conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytization;
8. Providing a direct benefit to:
    a. A business organized for profit;
    b. A labor union;
    c. A partisan political organization;
    d. A nonprofit organization that fails to comply with the restrictions contained in section 501(c)(3) of the Internal Revenue Code of 1986 related to engaging in political activities or a substantial amount of lobbying except that nothing in these provisions shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative; and
    e. An organization engaged in the religious activities described above;
9. Conducting a voter registration drive;
10. Providing abortion services or referrals for the receipt of such services; and
11. Such other activities that AmeriCorps may prohibit.

SSC Fellows, like other private citizens, **may** participate in the above-listed activities **on their own time, at their own expense, and on their own initiative.** However, the AmeriCorps and Sustainability Service Corps logos **must not** be worn while doing so.

Additionally, per the Code of Federal Regulations § 2540.100, the following restrictions apply:

A. *Supplantation.* AmeriCorps assistance may not be used to replace State and local public funds that had been used to support programs of the type eligible to receive CNCS support. For any given program, this condition will be satisfied if the aggregate non-Federal public expenditure for that program in the fiscal year in which support is to be provided is not less than the previous fiscal year.
B. *Religious use.* AmeriCorps assistance may not be used to provide religious instruction, conduct worship services, or engage in any form of proselytization.
C. *Political activity.* AmeriCorps assistance may not be used by program participants or staff to assist, promote, or deter union organizing; or finance, directly or indirectly, any activity designed to influence the outcome of a Federal, State or local election to public office.
D. *Contracts or collective bargaining agreements.* AmeriCorps assistance may not be used to impair existing contracts for services or collective bargaining agreements.
E. *Nonduplication.* AmeriCorps assistance may not be used to duplicate an activity that is already available in the locality of a program. And, unless the requirements of paragraph (f) of this section are met, AmeriCorps assistance will not be provided to a private nonprofit entity to conduct activities that are the same or

substantially equivalent to activities provided by a State or local government agency in which such entity resides.

F. *Nondisplacement.*
    1. An employer may not displace an employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such employer of a participant in a program receiving AmeriCorps assistance.
    2. An organization may not displace a volunteer by using a participant in a program receiving AmeriCorps assistance.
    3. A service opportunity will not be created under this chapter that will infringe in any manner on the promotional opportunity of an employed individual.
    4. A participant in a program receiving AmeriCorps assistance may not perform any services or duties or engage in activities that would otherwise be performed by an employee as part of the assigned duties of such employee.
    5. A participant in any program receiving assistance under this chapter may not perform any services or duties, or engage in activities, that—
        i. Will supplant the hiring of employed workers; or
        ii. Are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.
    6. A participant in any program receiving assistance under this chapter may not perform services or duties that have been performed by or were assigned to any—
        i. Presently employed worker;
        ii. Employee who recently resigned or was discharged;
        iii. Employee who is subject to a reduction in force or who has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures;
        iv. Employee who is on leave (terminal, temporary, vacation, emergency, or sick); or
        v. Employee who is on strike or who is being locked out.

Per Federal guidelines and BACR policies, the Sustainability Service Corps Fellowship must follow equal opportunity employment requirements and be accessible to persons with disabilities by providing reasonable accommodation. In support of this:

1. BACR and Partner will comply with Equal Opportunity Employment guidelines.
2. BACR and Partner will endeavor to make reasonable accommodations to known physical or mental limitations of Fellows with disabilities unless the accommodation would impose an undue hardship on the program operations.
3. BACR and Partner will endeavor to accommodate the sincere religious beliefs of Fellows to the extent such accommodation does not pose an undue hardship on the Organization's operations.
4. BACR and Partner will not allow any form of retaliation against individuals who raise issues of equal employment opportunity or reasonable accommodation.

5. BACR, as the implementing agency of the program, is the only party that can write up or terminate a Fellow. Partners must work with SSC staff to address disciplinary issues, but cannot issue a warning or terminate a Fellow themselves.
6. BACR, as the implementing agency, supports the Fellows through BACR's Human Resources Department, People and Culture (P&C). Partners who want to involve Human Resources for disciplinary concerns or accommodations must defer to BACR People and Culture. Partner's HR department can work with BACR People and Culture, but cannot address HR concerns without including BACR.

II. Scope of Services

BACR will perform the following services:

General Program Responsibilities

1. BACR will recruit and screen Fellow(s).
2. Conduct mandatory background checks prior to the Fellows' start date.
3. Be the official employer-of-record for the Fellow(s), which includes providing the living stipend bi-weekly (7th and 22nd of each month), as well as coverage options for healthcare, childcare, and student loan deferment.
    a. Any payment made to BACR pursuant to this Agreement shall be the full and complete compensation to which BACR and BACR's offices, employees, agents, and subcontractors are entitled for performance of any work by Fellow(s) under this Agreement. Neither BACR nor BACR's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the Partner. The Partner will not make any federal or state tax withholdings on behalf of BACR. The Partner shall not be required to pay any workers' compensation insurance on behalf of BACR. BACR shall pay, when and as due, any and all taxes incurred as a result of BACR's payment hereunder, including estimated taxes, and shall provide Partner with proof of such payments upon request.
4. Assign a Regional Supervisor to support Partner site and Fellow during the term of service.
5. Provide clear guidelines to Fellows regarding program regulations and expectations.
6. Work to support and guide Fellows, addressing any concerns that might develop during the service year.
7. Work to provide support and guidance for Partners, addressing any concerns that might develop during the service year, in conjunction with SSC staff and CV.
8. Provide HR support through BACR's People and Culture department.
9. BACR provides statutory Workers' Compensation and Employer's Liability, and Commercial General Liability insurance for all SSC Fellows in accordance with Section VII BACR Insurance Requirements.
10. BACR reserves the right to terminate a SSC Fellow for cause at its sole discretion. Under no circumstances may partner sites terminate or release a Fellow from their service term except for personal injury, bodily injury, or property damage to third parties by SSC Fellow. Any performance or conduct concerns must be reported to BACR, which will handle all disciplinary actions in alignment with program policy.

11. **BACR reserves the right to remove SSC Fellows from Partners should the placement become unsuitable or unsafe for Fellows or Partners violate the terms of this Agreement. Partner reserves the right to remove SSC Fellows should the placement become unsuitable or unsafe for Partner. BACR will make reasonable attempts to address and appropriately mitigate concerns with Partners.**

Expectations for Regional Supervisor (BACR staff)

1. Offer monthly check-in meetings, email support, professional development resources, and conflict resolution (if needed).
2. Provide virtual supervision meetings attended by Fellow(s), Site Supervisor, and the Regional Supervisor.
3. Conduct two (2) Fellowship performance reviews which include surveys completed by Partner site and Fellow. Debrief conversations over the results of the review will be facilitated by the Regional Supervisor.
4. Define metrics for the Fellow, including: 1) Climate Education for Adults and Youth; 2) Climate Action Projects; 3) Community Outreach; and 4) Volunteer Engagement, developed collaboratively by the Parties.

Fellow Responsibilities

1. Pass a state, national, and National Sex Offender Public Website (NSOPW) background check before starting their service year.
2. Complete at least 170 hours, and no more than 340 hours, of training through dedicated SSC Fellow training, development, and service days.
    a. If a Fellow is unable to complete the expected number of hours by the end date in their contract (i.e. Member Service Agreement) due to allowable unforeseen circumstances that disrupt their term they may, at the discretion of BACR and Partner, be allowed time to complete their hours at Partner site, or at another approved agency.

    The last day Fellows are eligible to earn hours for the 2026-27 program year will be August 31, 2027.
3. Serve an average of 40 hours per week for 11 months, serving a minimum of 1,700 total hours.
4. Fellows must consistently strive for an average of 40 hours per week of service. Fellows cannot serve part-time hours with the intention of not completing the program.
5. If BACR is not able to secure an adequate number of placement sites to allow all Fellows to be placed in a 1,700 hour term, they may be offered a shorter term (e.g. 1,200 hours or 900 hours) depending on availability. SSC staff will reach out to impacted Fellows to coordinate term lengths if/when these circumstances occur.
6. Participate in days of national service, including, but not limited to: Martin Luther King, Jr. Day of Service.
7. Comply with guidelines for performance measures and abide by regulations on prohibited activities described in Section I above.

III. Partner Requirements, Responsibilities, and Expectations

In order to provide a clear and well-defined service experience for participating Fellows, Partner shall meet and uphold the following requirements to host a Fellow:

Partner Responsibilities:

1. Interview and select Fellows from the pool of pre-screened and qualified candidates provided by SSC staff. Partner staff must make time to meet with candidates and select Fellows who will be a good fit for the program and their site.
    a. Cannot select SSC Fellows who are related to any employees of Partner who are in the supervision chain or would be working with the Fellow.
2. Identify one staff member to act as the "Site Supervisor" (SS) for the project who will act as the point person for both the Fellows and SSC staff. SS must understand and agree to follow all program requirements and expectations. Partners are responsible for communicating with their intended Site Supervisor about AmeriCorps regulations, program scope, and requirements.
3. **Follow BACR's disciplinary procedure** for the Fellow(s), if necessary, which includes verbal warnings (up to two issued by the Site Supervisor to the Fellow(s) and reported to the Regional Supervisor), a written Performance Improvement Plan signed by all Parties (includes clear expectations and consequences for improvement within a minimum of two weeks), and a final review by BACR before terminating the Fellow(s).
4. **Prohibit all forms of discrimination and harassment** based on the protected categories of race, color, national origin, sex, age, religion, sexual orientation, disability (mental or physical), political affiliation, marital or parental status, pregnancy, reprisal, genetic information (including family medical history), or military service. Partners must be free from all forms of discrimination and harassment as articulated in the AmeriCorps Program Civil Rights and Non-Harassment Policy.
5. For those situations where it is determined teleservice is appropriate or when a number of a Fellow's service hours can properly be accrued through teleservice;
    a. Teleservice is appropriate only when the activity can be meaningfully supervised and hours verified independently. Additionally, Fellows **must live within the community they are serving through teleservice.** If it is determined that Fellows will be allowed to teleserve, Partner must provide an established agreement.
    - The agreement must state that Fellows **cannot** perform teleservice full-time; only **hybrid** (part-time teleservice, part-time in-person) will be approved.
    - The agreement must specify an in-person schedule with a set location, including a minimum of one **in-person meeting per week**.
    b. Remote service - where the Fellow **is not located** within the commuting area of the geographic community where the service is to occur and is not expected to be physically present at the service site and/or community events, is **not allowed.**
    c. Virtual service site - organizations with no physical location are **not allowed.**

6. Provide an office location for Fellows to meet, with adequate professional workspace for at least one (1) day of on-site, in-person service each week. At a minimum, this includes a desk, workspace, computer, bathrooms, adequate break areas, a private meeting space for Regional Supervisor check-ins, and other workplace essentials for Fellows to support the intended project. Ensure that the site and workplace are accessible to individuals with disabilities if needed.
7. Provide at least one (1) specific climate action project that aligns with SSC's AmeriCorps objectives that the Fellow(s) can support and accomplish during their term of service. Initiatives must be well-defined, approved for implementation, and include specific emissions, water, waste, or energy reduction, and/or education, community outreach, or capacity-building targets.
8. Provide workplace safety training and personal protective equipment, review of emergency procedures, and safety equipment as applicable to the Fellow's service. Provide an on-site first aid kit. Provide specialized training, support, and resources for high-risk safety duties (e.g., operating equipment) or hazardous conditions. It is strongly encouraged that Fellows serving with site-specific staff are trained in basic first aid and CPR. SSC will provide this training to Fellows during their orientation.
9. Adhere to Cal/OSHA's heat illness prevention standards when duties and/or job worksites are outdoors.
10. Provide a site-specific email address to Fellows for communication throughout the term.
11. Must provide an average of 40 hours of project work each week throughout the program term that is focused on district climate action within the parameters of the site's approved project. **Administrative tasks are not allowed.**
12. Familiarize Fellows with the host organization's culture, resources, and project scope, including safety procedures and protocols.
13. Publicly display "AmeriCorps Member Serving Here" sign, provided physically and digitally by Program staff.
14. If Partner allows Fellows to drive vehicles owned/leased by the organization, Partner will assume liability for any auto accidents.

<u>Expectations for Site Supervisors</u>

Site Supervisors (SS) are the primary coaches and managers for SSC Fellows throughout the program. They guide, direct, and evaluate Fellows in all service projects and professional development, and are responsible for Fellows on a day-to-day basis.

Each SS should expect to spend an average of **4 hours per month per Fellow**. With guidance from the team at BACR, each SS must commit to the following:

1. Complete a draft Scope of Work within 45 days and onboarding checklist before the Fellows' term.
2. Meet weekly with Fellows, for at least one hour, to direct their service projects. This Fellowship is a professional development program and not a job. Many Fellows are new workforce entrants with limited professional experience. Site Supervisors are strongly encouraged and may be required to meet more frequently with their Fellows, depending on the needs of each individual. Site Supervisors are expected

to play an active role in each Fellow's professional development. They should expect to provide coaching throughout the term, in addition to the regular direction for service projects.

3. Complete monthly verbal reporting to BACR via Regional Supervisor check-in meetings, indicating whether progress is being made on the initiatives and how the Fellow(s) is integrating into the workplace and advancing their professional development goals.
4. Manage Fellows' service hours and timesheets, including verifying on a bi-weekly basis, with support from SSC staff.
5. Provide time for Fellows to complete all program requirements, separate from their service projects. At a minimum, this will include 170 hours of training and professional development (10% of their SSC Fellowship term), including 3-6 hours of training provided by BACR staff each month, University of California Climate Stewards coursework (or equivalent) for a total of 40-50 hours of live classes and asynchronous coursework, and other professional development training. **Monthly training provided by BACR is typically held on the second Friday of each month from 9:00 AM - 5:00 PM**. Training and professional development hours provided by BACR and Partner site cannot exceed 340 hours or 20% of their term.
6. Provide feedback on the Fellow(s)' performance: two times a year, fill out and submit an evaluation form to provide feedback on Fellow activities, performance, and professional development goals.
7. Attend all training, monthly meetings, and information sessions organized by SSC before and during the program term. At a minimum, this will include a 1-hour monthly check-in with SSC Fellows and SSC staff.
8. Commit to working with Fellows to complete their timecards by the 15th and 30th of each month and approve all Fellow timecards by the 16th and 1st of each month.
9. Seek opportunities to integrate Fellows' professional goals into project activities.
10. As appropriate, facilitate Fellows' transition at the end of their service term by introducing Fellows to relevant colleagues and networks.
11. **If the Site Supervisor changes during the program term, outgoing SS will complete the transfer process provided by BACR with incoming SS.**

<u>Reporting and Collective Impact Responsibilities</u>

Support BACR's tracking and collection of project metrics by offering data on specific outcomes or greenhouse gas reduction targets;

In order to support success, realize the Fellowship's desired collective impact, and assist with demonstrating California's commitment to service, Partner shall:

1. Advance community climate goals by developing defined project scope(s) to be completed before the service term. Defined scopes shall:
    a. Ensure service activities are consistent with the defined scope and aligned with Program goals.
    b. Keep SSC staff apprised of project developments and/or challenges, redefine project scope(s) and goals as necessary, and specify Fellow roles in advancing projects.

   c. Identify climate action and education or outreach targets, tracking, and reporting methods.
2. Support broader storytelling and collective impact by
   a. Supporting any additional project reporting as requested by SSC staff.
   b. Allowing BACR to share all reporting results with California Volunteers for required grant reporting.
   c. Sharing climate action activities and outcomes through social media and press as appropriate and tagging BACR, Sustainability Service Corps, and CV communications teams where relevant.

Key Officials

The individuals listed below are identified as key personnel considered essential to the project being performed under this Agreement.

For BACR

Job Title:	Director of National Service
Name:	Adolfo Rivera
Address:	11175 San Pablo Ave, El Cerrito, CA 94530
Phone Contact:	(510) 559-5550
Email Contact:	arivera@bayac.org

For Host Agency:

Job Title:	Public Works Director
Name:	Humza Javed
Address:	1960 Tate Street, East Palo Alto, CA 94303
Phone Number:	650-853-3130
Email Contact:	hjaved@cityofepa.org

No change in key officials will be made by either BACR or Host Agency without written notification thirty (30) days in advance of the proposed change. The notification will include a justification in sufficient detail to permit evaluation of the impact of such a change on the scope of work.

State of Emergency

California Volunteers, Office of the Governor (CV), may declare an emergency during the Agreement. During a state-declared emergency, CV reserves the right to redirect Fellow resources to support the state's disaster response and recovery efforts.

If a service activity is disrupted due to an emergency, Partner must first redirect Fellows to help support state/local emergency needs identified by CV, unless such service opportunities are not available where the Fellow resides.

Fellow Recruitment and Early Hiring Termination Penalty

1. If Partner fails to select a Fellow from the list of applicants deemed qualified by BACR, Partner will pay BACR a $2,500 fee. Penalty fee covers the cost of recruiting efforts by BACR and must be paid within 15 days of receipt of invoice.
2. The Parties will explore reasonable next steps for recruitment in the event that BACR is unable to place a qualified Fellow at Partner site by the final possible start date. Next steps include a shorter term of service, with corresponding lower payment amount of matching funds (dependent on availability), postponement to a future term of service, or whatever solution is deemed most beneficial to the Parties.
3. In the event that the Fellow(s) is placed after the start of the program, the full match will still be required. All full-time AmeriCorps Members receive the same benefits and are expected to finish the term of service regardless of their start date so the cost remains the same.
4. Partner agrees not to hire the Fellow as a full-time employee until, and unless, the Fellow completes their entire term of service described in this Agreement. If the Partner hires the Fellow before the end of the program year, Partner is required to pay the entirety of the cost per Fellow, as outlined in Matching Funds Enclosure. Partner will not be reimbursed for payments already made to BACR. If Partner hires the Fellow prior to the end of the term, Partner should be aware that BACR may choose to discontinue the partnership with Partner.

Other Requirements

1. Not displace Partner staff or volunteers through the use of Sustainability Service Corps Fellows, nor have Sustainability Service Corps Fellows perform any services or duties that would supplant the hiring of employed workers.
2. Not offer the Sustainability Service Corps Fellow part-time work that is substantially similar to their Fellowship scope of work, nor offer them full-time employment with a start date prior to the Service Term end date.
3. If challenges arise (related to professionalism, work performance, managing expectations, etc.), provide specific written feedback to the Fellow and share it with SSC staff in a timely manner. SSC staff can then assess the challenges and intervene as needed. Partners cannot issue warnings or terminate Fellow(s). BACR, as the implementing agency, must be involved in all performance-related conversations.
4. As applicable to project activities and SSC Fellow roles, Partner is required to follow local, state and/or federal health guidelines to ensure appropriate COVID-related training, resources, and safety measures for Fellows and to avoid placing them in unsafe conditions or asking them to conduct activities without appropriate safety management protocols in place.

IV. Reimbursable Expenses

Neither BACR, as employer of the Fellow(s), nor Partner, as the Host Agency, shall be obligated to cover any expenses related to the service.

V. Non-appropriation of Funds

This Agreement is subject to the budget and fiscal policies, regulations and practices of the federal government, and approval and appropriation of funds for this Agreement. If funds are appropriated for only a portion of a fiscal year, this Agreement will terminate, without penalty, at the end of the period for which funds are appropriated. Partner's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

VI. Mutual Indemnification

To the fullest extent permitted by law, each Party shall be solely responsible for any and all claims, demands, suits, liabilities, proceedings, actions, causes of action, losses, expenses, damages, fines, and penalties (collectively, "Claims") to the extent arising out of the negligent acts, errors, omissions, or willful misconduct of that Party, its officers, directors, employees or agents in the performance of this Agreement.

Nothing in this Agreement shall be construed to obligate one Party to indemnify, defend, or hold harmless the other Party, its officers, employees, or agents, for any Claims arising from the other Party's own acts, omissions, negligence or willful misconduct.

Where both Parties are public entities, the provisions of California Government Code sections 895-895.6 shall govern their respective responsibilities for Claims arising under this Agreement.

VIII. BACR Insurance Requirements

BACR shall procure and maintain for the duration of this Agreement the following insurance coverage at its own cost and expense:

Commercial General Liability (CGL) Insurance with coverage at least as broad as Insurance Services Office (ISO) CG 00 01 with limits not less than $2,000,000 per occurrence and $4,000,000 general aggregate. The City, its officers, officials, employees, and agents shall be named as additional insureds using ISO additional insured endorsement form CG 20 10 (or equivalent). The policy shall allow and be endorsed as primary and not seek contribution from the City's coverage. Coverage shall provide and be endorsed to include a waiver of subrogation in favor of the City and its officers, officials, employees, and agents.

Automobile Liability Insurance covering owned, hired, and non-owned vehicles using ISO Business Auto Coverage form CA 00 01 (or equivalent), with limits not less than $1,000,000 each accident. The policy shall be endorsed naming City, its officers, officials, employees, and agents as additional insureds. Coverage shall provide and be endorsed to include a waiver of subrogation in favor of the City and its officers, officials, employees, and agents.

Workers' Compensation Insurance as required by California law, including Employer's Liability coverage with limits of not less than $1,000,000 each accident or disease. Coverage shall provide and be endorsed to include a waiver of subrogation in favor of the City and its officers, officials, employees, and agents.

Certificates of Insurance (COI) and endorsements evidencing the above coverage shall be provided to the City prior to the commencement of any services under this Agreement and shall remain in effect throughout the term.

VIII. Correction and Termination

1. Either Party may terminate this Agreement upon thirty (30) calendar days' written notice to the other Party, with or without cause.

2. If, in either Party's reasonable discretion, the other Party has failed to meet the material requirements applicable to it under this Agreement, the non-breaching Party may deliver to the breaching Party a Letter of Corrective Action specifying (a) the deficiencies in performance, (b) the manner in which such deficiencies shall be corrected, and (c) a reasonable period of time in which to correct such deficiencies.

   If the breaching Party has not demonstrated in writing to the reasonable satisfaction of the non-breaching Party, within the time period specified in the Letter of Corrective Action, that it has either (i) corrected the deficiencies specified in the Letter or (ii) if such correction cannot reasonably be accomplished within such time period, taken steps to correct such deficiencies as quickly as possible, the non-breaching Party shall have the right to terminate this Agreement immediately upon written notice.

3. In cases where deficiencies are severe and the non-breaching Party reasonably believes that urgent action is necessary, the non-breaching Party may terminate this Agreement immediately upon written notice, without use of a Letter of Corrective Action.
4. The terms of this section are cumulative to any other termination right set forth in this Agreement, including but not limited to the termination provision under Section VIV (Default) below.

IX. Default

This Agreement depends upon the continued availability of funds awarded by the funder. If, for any reason, the funder fails to appropriate funds or the funds become unavailable, this Agreement will be terminated by BACR without further cause. Provided, however, BACR shall use best efforts to provide Partner with prompt written notice of any termination of this Agreement due to the unavailability of funds as described above.

Termination can be originated by either Party for cause with no less than thirty (30) days written notice of the decision to terminate. The 30-day notice may be waived in the event of extenuating circumstances that constitute grounds for immediate termination.

If this Agreement is terminated due to Default, the non-breaching Party may terminate all other Agreements with the breaching Party without further cause.

Events of Default

- Failure to follow AmeriCorps Civil Rights and Non-Harassment Policy.
- Requiring Fellow(s) to perform unallowed activities.
- Failure to follow guidance on the use of BACR People and Culture department for Human Resource matters.
- Incoming Site Supervisor does not follow BACR Site Supervisor transition plan. Please see Item 11 under Expectations for Site Supervisors.
- The Sustainability Service Corps program is terminated or otherwise ceases Operations.
- The Fellow(s) is unable to complete the service term as a direct result of program interruption or discontinuation that is outside the control of either Party.

X. Publicity and Acknowledgment(s)

Neither Party may publicize quotes, videos, pictures, and any other media associated with services performed under this Agreement, or depicting the other Party's staff, volunteers, Fellows, or program participants and their families without the prior written consent of the other Party. Requests for such consent shall be submitted to the contact designated by each Party in Section III "Key Officials" above.

XI. Amendment

This Agreement may be amended through writing and upon signature by an authorized representative of each of the parties hereto.

XII. Entire Agreement

This Agreement, [and any exhibits attached hereto,] is the entire, final, complete, and fully integrated agreement between BACR and Partner with respect to the subject matter hereof and supersedes any prior or other agreements and communications between BACR and Partner, whether written, oral, electronic, or otherwise.

XIII. Governing Law; Jurisdiction and Venue; Non-Waiver

This Agreement shall be governed by the laws of the State of California, as applied to contracts to be performed entirely within such State. For the purpose of any action or proceeding arising out of or relating to this Agreement, each Contractor and Subcontractor irrevocably submits to the exclusive jurisdiction of the state courts of California and to the jurisdiction of the United States District Court for the District of Northern California. Time is of the essence of this Agreement and of each and every provision hereof. The failure of either Party to exercise any of its rights under this Agreement shall not be deemed a waiver of such rights.

XIV. Assignment

This Agreement and each of the rights and duties hereunder may not be assigned, in whole or in part, by either Party, without the express written consent of the other Party,

which consent may be withheld for any reason.

XV. Attorney's Fees

In the event of any controversy, claim, or dispute between the Parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing Party shall be entitled, in addition to any other relief, to recover its reasonable attorneys' fees and costs incurred in connection with such action. For purposes of this section, "prevailing Party" mean the Party that substantially obtains the relief sought, whether by settlement, judgment, or dismissal. This provision is intended to operate in a manner consistent with, and not to expand or limit, the Parties' respective obligations under the mutual indemnification provisions of this Agreement.

XVI. Force Majeure

Neither Party shall be liable for the failure or delay in performance of its obligations under this Agreement if such delay or failure is caused by force majeure. "Force majeure" means an occurrence that is beyond the control of the Party affected and occurs without the Party's fault or negligence. Force majeure may include, but is not limited to, acts of nature, acts of government (including, but not limited to, political subdivisions, school districts, or local education agencies that authorize and oversee School's charter petition) not related to breach of any legal or regulatory obligation by either Party, fire, earthquake, strike, lockout, civil disorder, war or commandeering by any agency of government, epidemics, and quarantine restrictions. Partner and BACR shall work cooperatively to address any issues of force majeure that result in the inability to operate the SSC Fellowship.

XVII. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

XVIII. Term of the Agreement

The term of this Agreement shall commence on **September 01, 2026, and end on August 31, 2027**, unless sooner terminated in accordance with the terms hereof.

XVII. CONCLUSION

In Witness Whereof, the parties signify and approve their agreement:
Signatory:
DATED:

{{TableStart:AuthorizingContact}}
{{CONTACT}}
{{CONTACT_TITLE}}
{{ACCOUNT_NAME}}
{{TableEnd:AuthorizingContact}}

Implementing Agency:
DATED:

Adolfo Rivera
Director, National Service Programs
Bay Area Community Resources

MATCHING FUNDS

PARTNER will provide BACR with $32,000 per Fellow, also known as the "Host Agency Match." PARTNER will receive an invoice one (1) month prior to the scheduled payment date of the matching funds. Timely payments of invoices are required. Failure to pay invoices will result in a re-evaluation of the partnership, and if payment cannot be resolved, the cancellation of Fellow placements at the Partner site.

Total amount in matching funds required is $32,000 (see calculation below)

Total number of Fellows: **1**

(1) x $32,000 = **$32,000**

PARTNER payment will be made according to the following schedule.

Payment #	Due Date	Amount
#1	November 30, 2026	**$16,000.00 -** (50%)
#2	January 31, 2027	**$8,000.00 -** (25%)
#3	March 31, 2027	**$8,000.00 -** (25%)

Matching payments are required by California Volunteers and are used throughout the year for AmeriCorps Member stipends, benefits, training, and programmatic costs.

Refund Procedure
In the event that the Fellow(s) leave the program for any reason aside from being offered employment by the Host Agency prior to the end date in the Fellow's contract (i.e. Member Service Agreement), a prorated amount will be issued for match funds up until April 30, 2027. All match funds will have been absorbed by the program by April 30, 2027, no refunds will be issued after that date.

Prorated amounts are determined by the following equation:
Total # of stipends received by Fellow divided by the total # of stipends for the term (22). Multiply by $32,000 and then subtract the total amount of Partner match paid to date.
In some cases, the Partner may be asked to pay BACR additional matching funds to cover the stipends already awarded to Fellow that were not covered in the payment installments to date.

Signatory:

DATED:

CONSENT CALENDAR 3.2

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Yajaira Morales, Interim Housing & Economic Development Manager
Karen Camacho, Interim Community & Economic Development Director
Shiri Klima, Assistant City Manager

SUBJECT: Execution of Amendment No. 2 to the Cooperation Agreement with San Mateo County for participation in the Urban County for Fiscal Years 2027, 2028 and 2029

Recommendation

Adopt a resolution:

1. Authorizing the City Manager to execute Amendment No. 2 to the Cooperation Agreement (dated September 20, 2017, as previously amended in July 2023) between the City of East Palo Alto and San Mateo County for participation in the Urban County for fiscal years 2027, 2028, and 2029 and one subsequent three-year period thereafter.

2. Finding that the proposed action does not constitute a "project" within 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: Comprehensive Housing
Priority: Land Use, Economic and Workforce Development

Background

The four largest cities in the County, including Daly City, South San Francisco, San Mateo and Redwood City, have populations of over 50,000 and receive a direct allocation of Community Development Block Grant (CDBG) funds from U.S. Department of Housing and Urban Development (HUD). The smaller cities in the County are considered "non-entitlement" jurisdictions and do not receive a direct allocation of funding from HUD: Atherton, Belmont, Brisbane, Burlingame, Colma, East Palo Alto, Foster City, Half-Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, San Bruno, San Carlos and Woodside. Instead, these smaller cities must participate in what HUD called an "Urban County" to access CDBG, HOME Investment Partnership Program (HOME) and Emergency Solutions Grant (ESG) Program funds.

The County of San Mateo (County) with participation of small, non-entitlement cities like East Palo Alto qualifies as an Urban County and therefore is an "entitlement jurisdiction." The County is entitled to receive annual allocations of funding from HUD for CDBG, HOME, and ESG programs.

To maintain Urban County status, the County must requalify with HUD every three years and enter into a cooperation agreement with all non-entitlement cities, including East Palo Alto, to solicit their cooperation and co-participation in the Urban County housing and community development programs.

Analysis

The County has elected to amend the existing Cooperation Agreement (dated September 20, 2017, as previously amended in July 2023), by way of Amendment No. 2, with East Palo Alto and other non-entitlement jurisdictions, to ensure that all HUD requirements for the Urban County Cooperation Agreements are met. The Cooperation Agreement shall remain in effect for the three-year program period of Federal Fiscal Years 2027, 2028 and 2029, and until funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor any city may terminate, withdraw, or be removed from the program during the three-year program period. The Agreement will renew automatically for participation in one successive three-year Urban County qualification period (Federal Fiscal Years 2030, 2031, and 2032), unless any city or the County provides written notice to the other party that it elects not to participate in a new qualification period. The terminating party shall send a copy of the notice of termination to the HUD field office by the date specified on the HUD Exchange Urban Counties website. The County will notify the relevant city in writing of its right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD Exchange Urban Counties website.

An unsigned copy of the Amendment No. 2 to the Cooperation Agreement (dated September 20, 2017, as previously amended in July 2023) is attached for informational purposes only. Upon approval of the County Board of Supervisors and the participating non-entitlement jurisdictions,

the Cooperation Agreement will be executed by all parties. The County's deadline for jurisdiction to send signed agreements is July 15, 2026.

Approval of this action contributes to the City's goals of supporting activities designed to help vulnerable residents secure and maintain affordable housing and access services that contribute to a sustainable quality of life.

Fiscal Impact

There is no direct cost to the General Fund and no fiscal impact associated with the execution of this Amendment itself, as the City pledges no City funds. Participation in the Urban County is, however, the sole means by which the City accesses CDBG, HOME, and ESG funding; declining or failing to execute the Amendment by the County's July 15, 2026 deadline would forfeit the City's eligibility for these federal funds for the FY2027–2029 qualification period. Funding amounts are determined annually by HUD formula allocation and pass through the County to the City. Staff time associated with administering funded activities is absorbed within existing budgeted resources.

Public Notice

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

Environmental

The proposed action does not constitute a "project" within 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. In the alternative, the action is exempt under the "common sense" exemption (CEQA Guidelines section 15061(b)(3)) because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment. Any specific physical project subsequently funded with CDBG, HOME, or ESG funds will be subject to its own environmental review under CEQA and the National Environmental Policy Act (NEPA) at the time it is proposed. No Notice of Exemption is required for a determination that an action is not a project.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action involves an agreement between governmental entities.

Analysis of Levine Act Compliance: Not applicable.

CONSENT CALENDAR 3.2

Attachments

1. Resolution
2. Cooperative Agreement

RESOLUTION NO. XX– 2026

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

AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE COOPERATION AGREEMENT WITH SAN MATEO COUNTY FOR PARTICIPATION IN THE URBAN COUNTY FOR FISCAL YEARS 2027, 2028 AND 2029 AND ONE SUBSEQUENT THREE-YEAR PERIOD THEREAFTER

WHEREAS, staff recommends authorizing a Cooperation Agreement with San Mateo County to secure and award federal funds through the process of Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) Program to eligible public entities;

WHEREAS, public entities that do not otherwise come within the definition of an eligible public agency may cooperate and participate with an eligible public entity such as urban county; and

WHEREAS, the County of San Mateo has heretofore qualified as an urban county under the Act, the County again solicits the cooperation and co-participation of public entities such as City in its application for federal assistance under the Act for the Federal Fiscal Years 2027, 2028 and 2029 and subsequent three-year periods thereafter; and

WHEREAS, a Cooperation Agreement by and between City and County establishes the formal relationship to cooperate and co-participate and is specifically authorized under the provisions of Government Code Section 6502 and 26227; and

WHEREAS, City has previously, by an official act of pronouncement, expressed its intent and desire to cooperate and participate with County in its plan application and to engage in housing and community development activities within its incorporated limits thereunder; and

WHEREAS, City understands that in becoming part of the Urban County, City automatically participates in the CDBG, HOME and ESG Programs, which provide eligible local jurisdictions with federal funds for affordable housing activities; and

WHEREAS, the City's adoption of this Resolution and execution of the Amendment do not constitute agreement to comply with, or to certify compliance with, any term or condition that is unlawful or that has been enjoined, including the federal funding conditions enjoined in King County et al. v. Turner et al., No. 2:25-cv-00814-BJR (W.D. Wash.), and the City reserves all rights and defenses with respect to any such term or condition.

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

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

2. Authorizes the City Manager to execute Amendment No. 2 to the Cooperation Agreement (dated September 20, 2017, as previously amended in July 2023) with San Mateo County for

participation in the Urban County for fiscal years 2027, 2028, and 2029 and one subsequent three-year period thereafter; and

3. Declares that the City's adoption of this Resolution and execution of the Amendment are subject to, and incorporate, the reservation of rights set forth in the recitals above, and authorizes the City Attorney to take such actions as may be necessary to preserve the City's rights and defenses with respect to any unlawful or enjoined federal funding condition; and

4. Finds that the proposed action does not constitute a "project" within 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 7th day of July 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

James Colin, City Clerk

APPROVED AS TO FORM:

John D. Lê, City Attorney

Cooperation Agreement dated September 20, 2017 **Amendment Number**: 2 (Second)
Cooperation Agreement Amendment #1 dated July 2023

Agreement between the COUNTY OF SAN MATEO and the CITY OF EAST PALO ALTO

THE AGREEMENT IS CHANGED AS FOLLOWS

I. Witnesseth Section is hereby ☐ added ☒ amended as follows:

Adds the following emboldened, italicized phrase:

WHEREAS, the County of San Mateo has heretofore qualified as an urban county under the Act, the County again solicits the cooperation and co-participation of public entities such as the City in its application for federal assistance under the Act for ***Federal Fiscal Years 2027, 2028 and 2029 and one subsequent three-year period thereafter***; and

II. Witnesseth Section is hereby ☐ added ☒ amended as follows:

Adds the following as a new Whereas provision:

WHEREAS, the City Executive of the City is authorized to execute this Amendment on the City's behalf, and the County Executive is authorized to execute this Amendment on the County's behalf.

III. Section 1 (Purpose) is hereby ☐ added ☒ amended as follows:

Replaces the first sentence with the following emboldened, italicized phrase:

"***The County and City agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities in and for the benefit of the City, as approved or authorized between the parties in the CDBG Agreements, including the Consolidated Plan.*** This Agreement includes..."

IV. Section 2 (Term), 1 is hereby ☐ added ☒ amended as follows:

Amends and restates the first paragraph in its entirety as follows:

"This Agreement shall remain in effect for the three-year program period of Federal Fiscal Years 2027, 2028 and 2029, and until funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor the Municipality may terminate, withdraw, or be removed from the program during the three-year program period. The Agreement will renew automatically for participation in one successive three-year Urban County qualification period (Federal Fiscal Years 2030, 2031, and 2032), unless the Municipality or the County provide written notice to the other party that it elects not to participate in a new qualification period. The terminating party shall send a copy of the notice of termination to the HUD field office by the date specified on the HUD Exchange Urban Counties website. The County will notify the Municipality in writing of the Municipality's right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD Exchange Urban Counties website."

V. Section 3 (County's Responsibilities as Applicant) is hereby ☐ added ☒ amended as follows:

Amends and restates Paragraphs 4 and 5 of Subsection a. in their entirety as follows:

"Therefore, the County and City agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities in and for the benefit of the City, as approved or authorized between the parties in the CDBG Agreements, including the Consolidated Plan. The County and City will also strictly adhere to the Consolidated Plan as approved and to all assurances and certifications provided to HUD, including taking all actions necessary to comply with the Urban County's certifications under Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, that the grant will be conducted and administered in conformity with:

- Title VI of the Civil Rights Act of 1964, implementing regulations at 24 CFR Part 1; and
- the Fair Housing Act, and implementing regulations at 24 CFR Part 100 and will comply with the obligation to affirmatively further fair housing; and
- Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 6, which incorporates: Section 504 of the Rehabilitation Act of 1973, and the
- implementing regulations at 24 CFR Part 8; and
- Title II of the Americans with Disabilities Act of 1974, and the implementing regulations at 28 CFR Part 35; and
- the Age Discrimination Act of 1975, and the implementing regulations at 24 CFR Part 146; and
- Section 3 of the Housing and Urban Development Act of 1968; and
- Uniform Relocation and Real Property Policies Act of 1970 and the implementing regulations at 49 CFR Part 24; and
- Section 104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 42; and
- all other applicable laws and regulations.

The Parties acknowledge that the Urban County is a plaintiff in King County et al. v. Turner et al., 2:25-cv-00814-BJR (W.D. Wash.) and through this litigation has obtained a Preliminary Injunction against HUD. To the extent that this Agreement purports to impose terms or conditions that are enjoined pursuant to that Preliminary Injunction, the Urban County is not bound to those enjoined terms or conditions.

The Parties agree that Urban County funding in no event will be used for activities in, or in support of, any cooperating unit of general local government that impedes the County's actions to comply with the County's fair housing certification and duty to affirmatively further fair housing. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e. the Urban County) that can, in turn, provide cause for funding sanctions or other remedial actions by the Department."

VI. Section 3 (County's Responsibilities as Applicant), is hereby ☐ added ☒ amended as follows:

Amends and restates Subsection c. in its entirety as follows:

"Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Municipality, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended."

VII. Section 5 is hereby ☐ added ☒ amended as follows:

Adds the following italicized and underlined language:

The City and County has each adopted and is enforcing:

a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations;

b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.

VIII. Section 8 (County's Responsibility to City), is hereby ☒ added ☐ amended as follows:

Adds the following new Subsection d.:

"d. The Urban County agrees that the CDBG funds that the Municipality is entitled to will be utilized to benefit the Municipality."

IX. Section 10 (Program Income) is hereby ☐ added ☒ amended as follows:

Amends and restates Subsection e. in its entirety as follows:

"e. The County and Municipality shall not terminate or withdraw from the Agreement while it remains in effect. The County may transfer the program income to the Municipality, upon its termination of Urban County participation, provided that the Municipality begins participating as an independent CDBG Entitlement grantee and agrees to use the program income in its own CDBG Entitlement program."

X. Section 13 (Minor Amendments to the Agreement) is hereby ☐ added ☒ amended as follows

Amends and restates Section 13 in its entirety as follows:

13. Amendments to the Agreement.

"The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the Agreement for such qualification period."

Other changes: None

I hereby certify that the requested changes are required per the United States Department of Housing and Urban Development.

_____	June 4, 2026	Karen Coppock
Requestor Signature	**Date**	**Requestor Name (please print)**
County of San Mateo		County of San Mateo
		HCD Supervisor
		Requestor Title (please print)

This change is effective as of: July 1, 2027

ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT REMAIN UNCHANGED.

In witness of and in agreement with this Amendment's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For City:

_____	_____	_____
Signature (City Manager)	**Date**	**Name (please print)**

For County:

_____	_____	_____
Signature (County Executive)	**Date**	**Name (please print)**

CONSENT CALENDAR 3.3

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Yajaira Morales, Interim Housing & Economic Development Manager
Alex Waggoner, HEART Consultant
Jazmin Gonzalez, Partnership for the Bay's Future Fellow
Karen Camacho, Interim Community & Economic Development Manager
Shiri Klima, Assistant City Manager

SUBJECT: Authorizing City Manager to Administer Affordable Housing Preservation Program

Recommendation

Adopt a resolution:

1) Directing the City Manager, or designee, to adopt the Affordable Housing Preservation guidelines to administer the City's Affordable Housing Preservation Program and update the guidelines at the City Manager's or designee's discretion, provided that it is consistent with the resolution and its purpose; and

2) Authorizing the City Manager, or designee, to issue a Notice of Funding Availability (NOFA) in the amount of $2,099,044 and disperse the funds according to the guidelines and the allocations in the FY 2026-2027 budget; and

3) Finding that the proposed is exempt from the California Environmental Quality Act (CEQA) as 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.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Comprehensive Housing

Background

The Affordable Housing Preservation Program ("Program") is designed to purchase, and deed restrict existing properties as units affordable to low-income families. These could be multi-family buildings, single-family homes, or properties with existing affordability restrictions that are close to expiration. Funds allocated to this program could be combined with other funding sources, such as State or federal funds, to expand the number of projects supported by the Program. Affordable housing preservation has become a popular supplement to the production of affordable housing, as it can more quickly and cheaply create deed-restricted affordable units. The City of East Palo Alto is well-positioned to utilize affordable housing preservation as another tool to protect residents against rising rent and home prices and displacement.

The recommendation to establish an Affordable Housing Preservation Program is rooted in three existing City policy documents:

1. The 2024-2028 Affordable Housing Strategy (adopted February 6, 2024), which prioritizes affordable housing preservation as a core objective.
2. The 2023-2031 Housing Element (adopted March 19, 2024; certified April 29, 2024), which identifies preservation as a tool to meet the City's Regional Housing Needs Allocation (RHNA) and maintain affordability.
3. The Fiscal Year 2025-2029 Strategic Priorities includes a Comprehensive Housing strategic priority to increase the City's housing stock at all income levels (from affordable to market rate), facilitate pathways to homeownership, and prevent displacement of existing residents.

Analysis

The City's Affordable Housing Preservation Program is designed to prevent the loss of low-cost housing stock by providing financial assistance to affordable housing developers, community land trusts, and mission-driven nonprofits that can acquire and preserve both currently unsubsidized market-rate housing that serves low-income residents and subsidized housing at risk of losing affordability restrictions.

The program will offer flexible, accessible subsidies through a streamlined, over-the-counter process, allowing applicants to move quickly in competitive markets. Preservation strategies include: converting market-rate housing to income-restricted housing; extending expiring affordability restrictions on existing subsidized housing; and enabling homeowners at risk of foreclosure to retain their homes or purchase market-rate homes and convert them to Below Market Rate units to support low-income homeownership.

This preservation-based approach is aimed at helping the City reduce displacement and retain affordable housing opportunities in East Palo Alto, especially for low-income and vulnerable populations.

Policy Guidance for Affordable Housing Preservation Program

City Council set policy and funding goals in the 2024-2028 Affordable Housing Strategy that are summarized below:

Table 1. Housing Programs and Funding Sources

Housing Element Policy/Program	5 Year Funding Amount	Expected Outcomes	Funding Sources
• Policy 2.3: Support tenant or community purchase of properties. • Policy 4.3: Develop a preservation strategy • Policy 4.6: Create and fund a City housing rehab program for preservation.	$2,157,000 goal ($2,099,044 allocated)	Assist acquisition and income restriction of 2 single family homes and 1 multi-family home	• Housing In-Lieu Fund; • County of San Mateo's Equity Innovation Fund (EIF) (new as of 2025)

In further alignment with these policies, the City Council directed staff at the March 21, 2023, City Council meeting to pursue external funding and to continue advancing preservation work in anticipation of launching a formal program.

City Efforts to Date

The City has already laid substantial groundwork to implement the program. The City successfully applied to the third round of the Partnership for the Bay's Future Program and was paired with a fellow to carry forward the Affordable Housing Preservation Program in January 2025. In early 2024, the City secured a grant from the County of San Mateo's Equity Innovation Fund (EIF) to support development of program guidelines and a Notice of Funding Availability (NOFA).

On April 23, 2024, the City issued an RFP and subsequently entered into a contract with Anjanette Scott, LLC on May 21, 2024, to develop the program framework. Through summer and fall 2024, the consultant conducted research on similar programs and drafted the Preservation Program Guidelines and NOFA. The City hosted two key engagement events:

- December 12, 2024: A stakeholder forum with 11 housing organizations (in partnership with HEART).
- April 9, 2025: A community meeting with more than 50 residents (in partnership with the Partnership for the Bay's Future Fellow).

On May 6, 2025, City Council appropriated $2,050,000 from the Housing In-Lieu Fund (Fund 207) via Resolution No. 36-2025 to the Affordable Housing Preservation Fund. In June 2025, the County issued the City with a $49,043.52 check in seed funding for the City's Affordable Housing Preservation Fund. The EIF grant was intended to conclude in June 2025; however, the County provided a five-year extension to allow the City to expend the seed funding.

City staff gathered input from developers and members of the public. During the December 12, 2024, developer's forum, Enterprise, BAHFA, BRIDGE, Alta Housing, Abode, LISC, Onyx Equity Partners, and MidPen Housing provided feedback on the guidelines.

On April 9, 2025, City Staff, in conjunction with HEART and the PBF Fellow, hosted a Preservation Funding Community Input Meeting at the YMCA in East Palo Alto. At this meeting, staff presented on the Affordable Housing Preservation Program, gave an overview of the specific program guidelines, and held small group discussions with staff and members of the public. Mayor Lincoln attended the meeting.

Based on those conversations and outreach events, City staff and HEART incorporated community and stakeholder feedback into the evaluation criteria of the draft guidelines. Key highlights include:

- Create and enforce standards for conditions and quality of housing preserved through the Affordable Housing Preservation Program
- Ensure that there are relocation payments for renovations necessary to preservation
- Enforce relocation policy, local preference policy, and first right of return
- Allow for co-operative ownership of housing as an option for preservation properties
- Ensure that nonprofits are local to the area, have an understanding of the East Palo Alto community, and are in control of the properties
- Allow for funds to be used by existing homeowners to prevent foreclosure

Next Steps

If the City Council approves the Guidelines and reallocation of funds, staff will finalize and publish the program Guidelines and NOFA; and launch the Affordable Housing Preservation Program. This action would further East Palo Alto's leadership in equitable housing solutions and affirm the City's commitment to protecting vulnerable households from displacement through various

anti-displacement housing strategies.

Fiscal Impact

A total of $2,099,043.52 for the Affordable Housing Preservation Program is included in the Fiscal Year 2026-27 Housing Budget. This amount consists of $2,050,000 previously appropriated from the Housing In-Lieu Fund (Fund 207) through Resolution No. 36-2025 and $49,043.52 in seed funding received from the County of San Mateo's Equity Innovation Fund.

Public Notice

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

Environmental

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) as 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 does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution

RESOLUTION NO. _____-2026

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

AUTHORIZING THE CITY MANAGER TO ADOPT GUIDELINES AND ADMINISTER THE CITY'S AFFORDABLE HOUSING PRESERVATION PROGRAM AND AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO ISSUE A NOTICE OF FUNDING AVAILABILITY (NOFA) IN THE AMOUNT OF $2,099,044 AND DISPERSE THE FUNDS ACCORDING TO THE GUIDELINES

WHEREAS, the 2024-2028 Affordable Housing Strategy, adopted on February 6, 2024, has, among its goals, sought to establish a program to preserve affordable housing through the deed restriction of housing and the preservation of existing deed-restricted housing; and

WHEREAS, the 2023-2031 Housing Element, adopted on March 19, 2024, has three policies related to preserving affordable housing, namely: Policy 2.3: Support tenant or community purchase of properties; Policy 4.3: Develop a preservation strategy; and Policy 4.6: Create and fund a City housing rehab program for preservation; and

WHEREAS, with the help of an Equity Innovation Fund (EIF) grant from the County of San Mateo, available through June 30, 2025, guidelines for an Affordable Housing Preservation Program have been drafted; and

WHEREAS, on May 6, 2025, via Resolution No. 36-2025, City Council appropriated Two Million Fifty Thousand Dollars ($2,050,000) from the Housing In-Lieu Fund (Fund 207) to an Affordable Housing Preservation Program; and

WHEREAS, in June 2025, the County provided $49,043.52 in seed funding toward the City's Affordable Housing Preservation Program through the Equity Innovation Fund grant contingent on the City's own allocation of funds toward such a program; and

WHEREAS, the EIF grant was intended to conclude in June 2025; however, the County provided a five-year extension to allow the City to expend the seed funding; and

WHEREAS, on June 23, 2026, the City Council reallocated a total of $2,099,044 toward the Affordable Housing Preservation Fund in the Fiscal Year 2026-2027 budget; and

WHEREAS, the Affordable Housing Preservation Program's primary objectives are to: serve vulnerable populations at-risk of displacement; provide opportunities for resident-controlled housing through community land trusts, cooperatives, and/or homeownership; help non-profits and tenants buy market-rate properties and deed-restrict them; and preserve properties occupied with low-income households; and

WHEREAS, the types of rental projects that may be funded by the Affordable Housing Preservation Program include, but are not limited to the purchase of unrestricted rental properties (including single-family homes) where all or some of the units will be income restricted; and/or extending the affordability term of deed-restricted rental property; and

WHEREAS, the types of homeownership opportunity projects that may be funded by the Affordable Housing Preservation Program include, but are not limited to: the purchase of an unrestricted rental building, where the building is converted to cooperative or condominium ownership units; and/or

the purchase of an unrestricted single-family home that is then income restricted and resold at an affordable price, to an income-eligible homebuyer; and/or protecting an existing homeowner from displacement resulting in long term affordability; and

WHEREAS, the types of resident-controlled housing opportunities that may be funded by the Affordable Housing Preservation Program include, but are not limited to: assisting tenants of a property to organize and work with a non-profit partner to form a limited equity cooperative or similar resident ownership structure where the tenants collectively own and manage the building or property instead of owning the individual units; purchasing an unrestricted property and placing it in a community land trust; and/or creation of an homeowners' association or condominium where all units are or will be income restricted and owner occupied.

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. Directs the City Manager, or designee, to adopt the Affordable Housing Preservation Guidelines to administer the City's Affordable Housing Preservation Program and update the Guidelines at the City Manager's or designee's discretion, provided that the Guidelines are consistent with the resolution and its purpose;
3. Authorize the City Manager, or designee, to issue a Notice of Funding Availability (NOFA) in the amount of $2,099,044 and disperse the funds according to the guidelines and the allocations in the Fiscal Year 2026-2027 budget; and
4. 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 7th day of July 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SIGNED:

_____
Webster Lincoln, Mayor

ATTEST:

_____
James Colin, City Clerk

APPROVED AS TO FORM:

_____
John D. Lê, City Attorney

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 07, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

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

SUBJECT: Monthly Cash Treasury Report for April 2026

Recommendation

Accept and file the Cash Treasury Report for the month of April 2026.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

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

Analysis

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

Report does not include petty cash, or the California State Community Infrastructure Program (SCIP) bond proceeds held by a trustee in the name of the City. For investment purposes, City cash is pooled, except for bond proceeds held by a trustee. The City does not have, nor is it legally required to have, separate bank accounts for each individual fund. However, all cash is segregated in the City's accounting records. Monthly cash transactions for the monthly period ending April 30, 2026, are as follows:

Account	Beginning Balance	Receipts	Disbursements	Interest Allocation	Inter-Account Transfers	Ending Balance
Wells Fargo Bank	1,792,207.82	5,388,206.46	(6,721,418.45)		3,000,000.00	3,458,995.83
LAIF	24,260,807.61	-	-	228,743.77	-	24,489,551.38
San Mateo County Pool	53,341,488.20	7,069,740.23	-	534,460.56	-	60,945,688.99
CAMP	103,059,950.72	-	-	315,797.15	(3,000,000.00)	100,375,747.87
Total	**182,454,454.35**	**12,457,946.69**	**(6,721,418.45)**	**1,079,001.48**	**-**	**189,269,984.07**

The Wells Fargo cash balance reflects the book value balance (i.e., total outstanding checks not cashed are deducted from the account balance). The month-to-date cash and investment balance increased by approximately $6.8M compared to the balance as of March 31, 2026.

April receipts totaled approximately $12.5M, consisting primarily of Current Secured Property Tax ($6.9M), grant reimbursement from the San Mateo County Transportation Authority (SMCTA) for the University Avenue/101 Project ($2.6M), HDL ($0.9M), other tax distributions ($0.4M), Transient Occupancy Tax from the Four Seasons Hotel ($0.3M), PG&E franchise fee and surcharge ($0.3M), Veolia payments ($0.2M), and other various receipts.

April disbursements totaled approximately $6.7M, consisting primarily of CalPERS unfunded liability employer contributions ($3.0M), payroll costs ($1.2M), the fourth-quarter operations and maintenance (O&M) payment for the Regional Water Quality Control Plant (RWQCP) and Sludge Dewatering Facility State Revolving Fund (SRF) loan repayment to City of Palo Alto ($0.6M), CWS Construction for City facility improvements at Tate and the Police Department ($0.6M) and other recurring operating expenditures.

The table below reflects recent treasury yield comparisons up to five-year notes since that is the maximum maturity the City may invest[1]:

	Apr-26	Mar-26	Apr-25
6-Month Treasury Bill	3.58	3.60	4.04
2-Year Treasury Note	3.88	3.79	3.60
5-Year Treasury Note	4.02	3.92	3.72

Local Agency Investment Fund (LAIF) average monthly effective yields were 3.81% in April 2026 compared to 3.83% in March 2026. San Mateo County monthly gross earnings for April 2026 were 4.14% compared to 4.03% in March 2026. The estimated County Pool earnings for FY 25-26 are 3.75%. As of April 2026, the current annualized yield for California Asset Management Program (CAMP) is 3.78% compared to 3.80% in March 2026.

[1] Daily US Treasury Yield Curve. Treasury.gov

Staff believes the City has investment liquidity and anticipated revenues to meet the City's anticipated expenditure requirements for the ensuing six months. The following table shows a breakdown of cash and investment balance by fund type.

Summary April 30, 2026		
	Deposit Value	Market Value
General Fund (Inc. Petty cash of $10,800)	$ 48,506,552	$ 48,506,552
General Sub-Funds (Commited/Restricted)	$ 18,500,718	$ 18,500,718
City Funds Restricted and Committed	$ 121,275,105	$ 121,275,105
Successor Agency Trust	$ 1,723,265	$ 1,723,265
Unrealized Gain/(Loss) on Investment Pools	$ -	$ 410,264
	$ 190,005,640	**$ 190,415,905**

The deposit market value totals $190,415,905 including an unrealized gain[2] of $472,647, reflecting treasury yields during the calendar year. All except for the General Fund balance is restricted by either City Council or external parties for specific purposes. Unrestricted cash and investment balance under General Fund ($48,506,552) may be used at Council discretion.

Fiscal Impact

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

Public Notice

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

Environmental

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

Government Code § 84308

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

Analysis of Levine Act Compliance: Not applicable.

[2] Investment Fair Market Value (FMV) factor is provided on a quarterly basis. Thus, as of March 31, 2026, FMV factor is used to calculate Unrealized Gain/(Loss) on Investments.

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 07, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

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

SUBJECT: Monthly Cash Treasury Report for May 2026

Recommendation

Accept and file the Cash Treasury Report for the month of May 2026.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

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

Analysis

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

Report does not include petty cash, or the California State Community Infrastructure Program (SCIP) bond proceeds held by a trustee in the name of the City. For investment purposes, City cash is pooled, except for bond proceeds held by a trustee. The City does not have, nor is it legally required to have, separate bank accounts for each individual fund. However, all cash is segregated in the City's accounting records. Monthly cash transactions for the monthly period ending May 31, 2026, are as follows:

Account	Beginning Balance	Receipts	Disbursements	Interest Allocation	Inter-Account Transfers	Ending Balance
Wells Fargo Bank	3,458,995.83	1,869,488.85	(4,991,317.51)		6,800,000.00	7,137,167.17
LAIF	24,489,551.38	-	-	-	-	24,489,551.38
San Mateo County Pool	60,945,688.99	2,355,183.64	-	-	-	63,300,872.63
CAMP	100,375,747.87	-	-	314,763.86	(6,800,000.00)	93,890,511.73
Total	**189,269,984.07**	**4,224,672.49**	**(4,991,317.51)**	**314,763.86**	**-**	**188,818,102.91**

The Wells Fargo cash balance reflects the book value balance (i.e., total outstanding checks not cashed are deducted from the account balance). The month-to-date cash and investment balance decreased by approximately $0.5M compared to the balance as of April 30, 2026.

May receipts totaled approximately $4.2M, consisting primarily of Current Secured Property Tax-Clean-Up Apportionment ($1.6M), AB26 distribution ROPS 26-27A ($0.7M), other tax distributions ($0.4M), Veolia payments ($0.3M), Transient Occupancy Tax from the Four Seasons Hotel ($0.2M) and other various receipts.

May disbursements totaled approximately $5M, consisting primarily payroll costs for three pay periods ($1.7M), the third-quarter payment to Recology for refuse collection and recycling services ($0.9M), May and June medical contribution to Kaiser ($0.3M), West Bay Sanitary District for March and April maintenance services ($0.3M), County of San Mateo for the Minor Home Repairs Program ($0.1M), January to April street sweeping services ($0.1M) and other recurring operating expenditures.

The table below reflects recent treasury yield comparisons up to five-year notes since that is the maximum maturity the City may invest[1]:

	May-26	Apr-26	May-25
6-Month Treasury Bill	3.63	3.58	4.17
2-Year Treasury Note	3.98	3.88	3.89
5-Year Treasury Note	4.13	4.02	3.96

Local Agency Investment Fund (LAIF) average monthly effective yields were 3.81% in May 2026 which remained the same from April 2026. San Mateo County monthly gross earnings for May 2026 were 4.01% compared to 4.14% in April 2026. The estimated County Pool earnings for FY 25-26 are 3.75%. As of May 2026, the current annualized yield for California Asset Management Program (CAMP) is 3.76% compared to 3.78% in April 2026.

Staff believes the City has investment liquidity and anticipated revenues to meet the City's

[1] Daily US Treasury Yield Curve. Treasury.gov

anticipated expenditure requirements for the ensuing six months. The following table shows a breakdown of cash and investment balance by fund type.

Summary May 31, 2026		
	Deposit Value	Market Value
General Fund (Inc. Petty cash of $10,800)	$ 48,324,300	$ 48,324,300
General Sub-Funds (Commited/Restricted)	$ 18,570,203	$ 18,570,203
City Funds Restricted and Committed	$ 121,312,304	$ 121,312,304
Successor Agency Trust	$ 1,720,610	$ 1,720,610
Unrealized Gain/(Loss) on Investment Pools	$ -	$ 410,264
	$ 189,927,418	**$ 190,337,682**

The deposit market value totals $190,337,682 including an unrealized gain[2] of $410,264, reflecting treasury yields during the calendar year. All except for the General Fund balance is restricted by either City Council or external parties for specific purposes. Unrestricted cash and investment balance under General Fund ($48,324,300) may be used at Council discretion.

Fiscal Impact

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

Public Notice

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

Environmental

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

Government Code § 84308

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

Analysis of Levine Act Compliance: Not applicable.

[2] Investment Fair Market Value (FMV) factor is provided on a quarterly basis. Thus, as of March 31, 2026, FMV factor is used to calculate Unrealized Gain/(Loss) on Investments.

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: James Colin, City Clerk

SUBJECT: Independence Day Proclamation

Recommendation

Present the Independence Day Proclamation.

Attachments

1. Proclamation

CITY OF EAST PALO ALTO
INDEPENDENCE DAY PROCLAMATION

WHEREAS, on July 4, 1776, the Continental Congress adopted the Declaration of Independence, establishing the United States of America as a free and sovereign nation founded on the principles of liberty, equality, and self governance; and

WHEREAS, Independence Day stands as one of our nation's most cherished civic holidays, inviting all Americans to reflect on the ideals of freedom and democracy that continue to guide our country, and to recognize the ongoing work of building a more just and inclusive society for all; and

WHEREAS, the City of East Palo Alto is home to a vibrant and diverse community whose residents, regardless of background or origin, share in the values of liberty and opportunity that this day represents, and the observance of Independence Day brings residents together through community gatherings, public celebrations, and family traditions that strengthen civic pride; and

WHEREAS, the City of East Palo Alto honors the men and women, past and present, who have served and continue to serve this nation, and recognizes that the freedoms celebrated on this day were secured through their sacrifice; and

WHEREAS, the City Council of East Palo Alto joins residents, businesses, and community organizations in celebrating this important occasion and encourages all community members to celebrate safely and to reflect on the responsibilities that come with the freedoms we share;

NOW, THEREFORE, I, Webster Lincoln, Mayor of the City of East Palo Alto, on behalf of the City Council, do hereby call upon all residents to join in commemorating this day with appropriate community activities and observances.

Date: July 7, 2026

_____

Webster Lincoln, Mayor

CONSENT ITEM 3.7

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE:	July 7, 2026
TO:	Honorable Mayor and Members of the City Council
VIA:	Melvin E. Gaines, City Manager
BY:	James Colin, City Clerk
SUBJECT:	City Council Meeting Minutes

Recommendation

Adopt the June 23, 2026, City Council Meeting Minutes.

Attachments

1. June 23, 2026, Minutes

EAST PALO ALTO CITY COUNCIL
SPECIAL MEETING MINUTES

Tuesday, June 23, 2026, 6:30 PM
EPA Government Center
2415 University Avenue, First Floor
East Palo Alto, CA 94303

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1. CALL TO ORDER AND ROLL CALL

Mayor Lincoln called the East Palo Alto City Council Special Meeting to order at 6:35 PM. City Clerk James Colin confirmed a quorum was present.

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

2. APPROVAL OF THE AGENDA

Motion: Councilmember Dinan moved, Councilmember Barragan seconded, to approve the agenda. Motion carried unanimously.

3. PUBLIC COMMENT

The following speakers provided public comments: Gail Dixon, Ayesha Raymond, Tiffany Hautau, Centro, and Ethan Avina.

4. ADJOURN CITY COUNCIL SPECIAL MEETING AND RECONVENE TO THE JOINT SUCCESSOR AGENCY SPECIAL BOARD MEETING

Mayor Lincoln adjourned the City Council Special Meeting and reconvened the Joint Successor Agency Special Board Meeting.

5. JOINT SUCCESSOR AGENCY BOARD PUBLIC HEARING

5.1 Adoption of FY 2026-27 Successor Agency Budget

Finance Director Tomo Oku presented the Fiscal Year 2026-27 Successor Agency Budget. No public comments were received.

Motion: Councilmember Dinan moved, Councilmember Barragan seconded, to adopt a resolution approving the FY 2026-27 Successor Agency Budget. Motion carried unanimously.

6. ADJOURN JOINT SUCCESSOR AGENCY BOARD SPECIAL MEETING TO THE EAST PALO ALTO SPECIAL MEETING

The Joint Successor Agency Board Special Meeting was adjourned, and the East Palo Alto City Council Special Meeting was reconvened.

7. PUBLIC HEARINGS

7.1 Adoption of the Fiscal Year 2026-27 Budget, Fiscal Years 2026-27 and 2027-28 Capital Improvement Program (CIP), and Fiscal Year 2026-27 Capital Budget

Finance Director Tomo Oku presented the budget.

The following speakers provided public comments:

- Berenice Nunez
- Priscilla Prasad
- Jose Sanchez
- Gail Dixon
- Mario
- Nadine Rambu
- Alicia Gutierrez

Following Council discussion, the following budget modifications were approved:

- $175,000 for YMCA weekend wellness and youth programming.
- $100,000 for EPA CENTER arts and cultural programming.
- Increase city-sponsored event funding from $24,000 to $60,000 and add Mama Dee Day as a fifth city-sponsored event.
- Maintain Council training and travel budget at the prior year level.
- Add up to $5,000 for official Council member clothing bearing the City seal.

Motion: Councilmember Dinan moved, Councilmember Barragan seconded, to adopt resolutions approving the FY 2026-27 Budget and the FY 2026-27 and 2027-28 Capital Improvement Program, as amended. Motion carried unanimously.

7.2 Establishing the Fiscal Year 2026-27 Appropriation Limit

Finance Director Oku presented the FY 2026-27 Appropriation Limit.
No public comments were received.

Motion: Councilmember Barragan moved, Councilmember Dinan seconded, to adopt a resolution establishing the FY 2026-27 Appropriation Limit of $45,312,635. Motion carried unanimously.

5. CLOSED SESSION

6.1 Conference with Legal Counsel — Existing Litigation (Government Code Section 54956.9(d).) County of San Mateo, et al. v. State of California, et al., San Francisco Superior Court Case No. CPF-25-519270

The Council convened in closed session. Upon returning to open session, Mayor Lincoln reported no reportable action.

6. ADJOURNMENT

Mayor Lincoln adjourned the meeting at 9:51 PM.

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: James Colin, City Clerk

SUBJECT: City Anniversary Proclamation

Recommendation

Present the City Anniversary Proclamation.

Attachments

1. Proclamation

PROCLAMATION OF THE CITY OF EAST PALO ALTO CELEBRATING THE 43rd ANNIVERSARY OF THE CITY OF EAST PALO ALTO

WHEREAS, East Palo Alto is proudly celebrating the 43rd anniversary of its incorporation as a city in San Mateo County, a milestone that reflects the enduring determination and vision of the community that fought to govern itself; and

WHEREAS, East Palo Alto is a vibrant and resilient community of approximately 30,000 residents beautifully situated between the shores of the San Francisco Bay and the neighboring communities to the west, offering a unique blend of natural beauty, cultural richness, and geographic distinction within the heart of the San Francisco Peninsula; and

WHEREAS, East Palo Alto is a community where the legacy and love of its original city mothers and fathers are celebrated and honored to this day, among them Mayor Barbara Moulton, its current Councilmember Ruben Abrica, former Mayor James Blakey, Jr., F.J. "Omowale" Satterwhite, and Gertrude Wilkes, whose courage, sacrifice, and civic commitment laid the foundation upon which the City continues to grow and thrive; and

WHEREAS, the City of East Palo Alto was incorporated through the extraordinary grassroots efforts of residents who believed deeply in the power of self-determination, and whose activism and perseverance secured for this community the right to shape its own destiny and direct its own future; and

WHEREAS, in the 43 years since incorporation, East Palo Alto has demonstrated remarkable growth and resilience, expanding its tax base, achieving dramatic improvements in public safety, and investing in the infrastructure and institutions that define a thriving city, including the new EPACenter, the re-opened Senior Center, the Historical Archive, and a jobs center designed to connect residents with the opportunities presented by the high-technology economy flourishing within and around the City's borders; and

WHEREAS, East Palo Alto has continued to invest in the natural environment and recreational quality of life for its residents through the development of new parks at Cooley Landing, expanded access to the Bay Trail, and ongoing planning efforts aimed at preserving and enhancing the City's unique ecological assets along the San Francisco Bay; and

WHEREAS, East Palo Alto remains committed to equitable development, ensuring that the benefits of regional prosperity are accessible to all residents regardless of background or income, and that the City's growth continues to reflect the values of inclusion, dignity, and opportunity that inspired its founding; and

WHEREAS, East Palo Alto is a community overflowing with civic pride, cultural diversity, and community involvement, and looks toward the next 43 years and beyond with optimism, unity, and an unwavering commitment to becoming an even stronger, more prosperous, and more connected city for all who call it home.

NOW THEREFORE, BE IT RESOLVED THAT the City Council of East Palo Alto hereby recognizes the City's remarkable achievements over 43 years of incorporation, honors the memory and service of its founding leaders, reaffirms its commitment to ongoing civic duty and equitable progress, and joyfully celebrates this milestone anniversary on behalf of all East Palo Alto residents, past, present, and future.

Dated: July 7, 2026

_____

Webster Lincoln, Mayor

POLICY AND ACTION 8.1

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Yajaira Morales, Interim Housing & Economic Development Manager
Karen Camacho, Interim Community & Economic Development Director
Shiri Klima, Assistant City Manager

SUBJECT: Measure HH Workforce Development Program Request for Proposals

Recommendation

1. Receive report on draft Request for Proposals for the City's Measure HH Workforce Development Program;

2. Provide input on the recommended enhancements to the Measure HH Workforce Development Program and on how staff should measure the success of the eventual consultants; and

3. Adopt a resolution:

    a. Directing the City Manager to issue a request for proposals ("RFP") to continue the Measure HH Workforce Development Program in an amount not-to-exceed of $1.1 million, with recommended program, policy and operational enhancements; and

    b. Finding that the proposed action does not constitute a "project" within 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.

POLICY AND ACTION 8.1

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Land Use, Economic and Workforce Development

Background

Program Initiation – Pilot Workforce Development Program

Measure HH is a parcel tax approved by East Palo Alto voters in 2018 to address two critical community needs: affordable housing and local workforce development opportunities. Measure HH revenues are restricted to three purposes: (1) affordable and supportive housing (minimum 35 percent of revenues), (2) workforce development programs focused on STEM and building trades careers, and (3) administration (maximum 15 percent of revenues).

To expand access for East Palo Alto residents to high-quality, living-wage employment opportunities, the City Council allocated $775,215 in November 2022 to launch the Measure HH Pilot Workforce Development Program ("Pilot Program"). Following a competitive RFP process, the City Council approved agreements with three community-based workforce development organizations (JobTrain, Live In Peace, and StreetCode Academy) to implement the Pilot Program. These organizations were selected based on their strong community connections and demonstrated success in providing workforce training and job placement services, particularly for underrepresented groups.

The Pilot Program commenced in March 2023 with an initial 18-month pilot period. On September 3, 2024, the City Council extended the pilot period through May 31, 2025, and allocated an additional $366,418 to support continued programming. Subsequently, on June 17, 2025, the City Council further extended the pilot period through December 31, 2025, to allow participating organizations to complete expenditures and facilitate extended participant tracking and outcome monitoring.

Table 1. Measure HH Pilot Workforce Development Program Allocations

	Pilot Phase I Allocation	Pilot Phase I Targeted EPA Participants	Pilot Phase II Allocation	Pilot Phase II Targeted EPA Participants	Total Allocation (2022-2025)
Live In Peace	$300,030	20	$137,267	10	**$437,297**
JobTrain (Building Trades)	$135,803	20	$59,813	10	**$195,616**
JobTrain (STEM)	$102,682	20	$50,988	10	**$153,670**
StreetCode Academy	$236,700	20	$118,350	10	**$355,050**
Total	**$775,215**	**80**	**$366,418**	**40**	**$1,141,633**

The City Council established the following performance targets for the Pilot Program:

- 85 percent course completion rate;
- 75 percent job placement rate within three months of program completion;
- Average starting wages of $22 to $25 per hour; and
- Achievement of a local living wage within 36 months of program completion.

For reference, the living wage for a single adult without children in San Mateo County was approximately $28 per hour in 2023.

Quarterly performance reports from the Pilot Program are available on the City's website: https://www.ci.east-palo-alto.ca.us/econdev/page/measure-hh-pilot-workforce-development-program.

Third-Party Evaluation

When establishing the Pilot Program, the City Council expressed interest in obtaining an independent consultant to comprehensively evaluate the results at the end of the pilot period and recommend program and operational enhancements. Following a competitive procurement process, the City Council approved an agreement with Informing Change on July 16, 2024, to conduct a comprehensive evaluation of the pilot program.

Informing Change's scope of services included:

- Outcome assessment,
- Program improvement recommendations,
- A workforce development landscape scan, and
- Development of a wage assessment tool.

The evaluation was conducted between August 2024 and April 2025 and included interviews, focus groups, site visits, and quantitative data analysis. During this period, a City Council subcommittee provided additional input regarding the evaluation process. The evaluation framework was developed based on background research, stakeholder interviews, and Councilmember feedback. The City Council reviewed and accepted the evaluation framework on January 7, 2025.

On July 15, 2025, Informing Change presented its findings and recommendations to the City Council (Attachment 1). The Evaluation incorporated feedback from the Council subcommittee, findings from a landscape scan of workforce development programs (see Appendix C of the Evaluation), and comments from City staff and the three participating organizations.

Key recommendations included:

- Expanding eligible training opportunities in STEM and the building trades;
- Strengthening employer engagement and hiring partnerships;
- Increasing access to paid internships and apprenticeship opportunities;

- Enhancing wraparound services to improve participant access and success;
- Improving data collection and long-term outcome tracking;
- Establishing clear performance metrics and accountability measures; and
- Promoting collaboration, alumni engagement, and continuous program improvement.

In addition to Informing Change's recommendations, the City Council directed staff to incorporate the following priorities into future workforce development programming:

Program Scope & Eligible Pathways:

- Expand beyond traditional technology occupations to include applied STEM, life sciences, biotechnology, and skilled trades occupations.
- Clearly identify career pathways that lead to high-demand, living-wage employment opportunities.

Employer & Workforce Partnerships:

- Require strong partnerships with employers, labor unions, and pre-apprenticeship programs.
- Create paid, structured pathways (e.g., internships, apprenticeships) with clear expectations and shared value.

Data, Evaluation & Accountability:

- Implement robust data collection, including longitudinal tracking of wages and career trajectories.
- Incorporate stakeholder and City Council input into evaluation and continuous improvement.

Equity & Access:

- Prioritize participation among underrepresented groups, including women and non-English-speaking residents.
- Recognize bilingual and transferable skills as workforce assets.

Funding Strategy & Leverage:

- Encourage leveraging private-sector and external funding sources.
- Clearly define eligible supportive services and prohibit subsidizing exploitative labor practices.

Policy Alignment & Governance:

- Ensure program alignment with Measure HH requirements.
- Consider formal advisory or subcommittee oversight to guide strategic implementation.

POLICY AND ACTION 8.1

Economic Development Strategic Plan

In January 6, 2026, the City Council adopted the Economic Development Strategic Plan (EDSP). The EDSP identified several strengths of the City's existing workforce development programs, including technology training and entry-level career preparation for youth and young adults. However, it also identified several gaps, including limited pathways into advanced manufacturing, biotechnology, healthcare, green jobs, and other emerging industries.

The EDSP also identified opportunities to strengthen workforce development efforts through expanded partnerships with employers, regional educational institutions, workforce development organizations, entrepreneurship support programs, and economic mobility initiatives. Priority Action 2B.1 of the EDSP specifically recommends that the City collaborate with workforce development partners to provide industry-aligned training opportunities that connect East Palo Alto residents to emerging economic opportunities.

Since adoption of the EDSP, staff have worked to develop the draft Request for Proposals included as Attachment 2.

Analysis

Proposed Request for Proposals

The proposed RFP incorporates recommendations received from the City Council, pilot program participants, Informing Change, and the Economic Development Strategic Plan. It expands services into four Service Areas (see Section III – Scope of Work in Attachment 2):

1. STEM and Life Sciences Training

This service area would support education, workforce training, and pre-apprenticeship programs that prepare East Palo Alto residents for careers in STEM, life sciences, biotechnology, and related fields. Programs should respond to labor market demand, provide equitable access and supportive services, and incorporate employer partnerships that offer work-based learning and employment opportunities.

Staff anticipates serving approximately **40 to 60 participants over a two- to three-year period**.

2. Building Trades Training

This service area would support education, workforce training, and pre-apprenticeship programs that prepare residents for careers in the construction trades and related industries. Programs should include industry partnerships, work-based learning opportunities, and supportive services designed to reduce barriers to participation.

Staff anticipates serving approximately **40 to 60 participants over a two- to three-year period**.

3. Master Contractor

The proposed Master Contractor would coordinate workforce development partnerships among employers, labor organizations, educational institutions, community organizations, and Measure HH contractors. Responsibilities would include:

- Expanding work-based learning opportunities;
- Facilitating internships and apprenticeships;
- Coordinating employer and alumni engagement activities;
- Administering fellowship and scholarship opportunities;
- Supporting participant transitions into living-wage careers;
- Coordinating outreach efforts; and
- Supporting longitudinal tracking and program improvement.

During the initial implementation period, the Master Contractor would also assist with quarterly reporting, invoice processing, and participant engagement activities.

4. Program Evaluator

The Program Evaluator would develop and administer a standardized system for program evaluation, data collection, performance measurement, and longitudinal tracking. Responsibilities would include:

- Establishing performance metrics and reporting protocols;
- Conducting periodic evaluations;
- Tracking employment and wage outcomes;
- Preparing reports and presentations for the City Council; and
- Providing technical assistance to contractors and City staff.

The proposed structure is intended to strengthen accountability, improve participant outcomes, increase employer engagement, and support long-term evaluation of workforce development investments funded through Measure HH.

Measuring Success

Staff recommends continuing to measure the success of the training programs (Service Areas 1 and 2) using the performance framework established during the Measure HH Pilot Workforce Development Program, with modifications based on lessons learned during implementation and recommendations from the third-party evaluation. Staff is seeking City Council feedback on the proposed performance measures and contract structure described below. Following Council direction, staff will work with the selected Program Evaluator to finalize reporting requirements and performance standards for future agreements.

1. **Participant Demographics and Equity Outcomes:** Contractors would be required to collect and report non-confidential demographic information for program participants, including age, gender, race/ethnicity, educational attainment, employment status,

language proficiency, and other relevant characteristics. These data would be used to evaluate the extent to which programs are successfully serving East Palo Alto residents and reaching populations that have historically experienced barriers to workforce participation and advancement.

2. **Program Outreach and Recruitment:** Contractors would report on outreach and recruitment activities, including the types of outreach conducted, populations targeted, partnerships established, and the number of individuals reached. Consistent with City Council direction, staff recommends emphasizing coordinated and culturally responsive outreach strategies to maximize awareness and participation among East Palo Alto residents.

3. **Career Development and Employment Services:** Contractors would report on career counseling, job readiness services, employer engagement activities, internships, apprenticeships, and job placement services provided to participants. The City's objective remains to connect participants to career pathways that lead to living-wage employment opportunities.

4. **Supportive Services:** Recognizing that participants often face barriers to training completion and employment, contractors would report on supportive services provided, including but not limited to transportation assistance, childcare support, technology access, language services, mentoring, and case management. Staff recommends continuing to prioritize supportive services that improve participant access and program completion.

5. **Performance Metrics:** .Staff recommends continuing to utilize the core performance metrics established during the pilot program, while refining data collection and longitudinal tracking methods through the Program Evaluator.
    a. ***Program Completion Rate:*** Contractors would be expected to achieve an aspirational goal of an 85 percent program completion rate, measured from participant enrollment through successful completion of the training or certification program. During the pilot program, this performance measure was linked to contract compensation, with unexpended funds available to support additional participants if completion targets were not achieved.
    b. ***Job Placement Rate:*** Contractors would be expected to achieve an aspirational goal of placing at least 75 percent of program graduates into employment within three months of completing their training program.
    c. ***Starting Wages & Living Wage Progression****:* Staff recommends continuing to measure both participants' starting wages and their progression toward achieving a living wage. While workforce development providers noted that many participants may not initially enter employment at a living wage, training programs should demonstrate clear career pathways and wage progression opportunities. Contractors would therefore be expected to document participants' wage trajectories and progress toward achieving a living wage within 36 months of program completion.

6. **Performance Assessment:** Contractors would be required to provide periodic assessments of program performance, including program successes, challenges encountered, lessons learned, recommended improvements, and proposed modifications to program delivery. These assessments will support continuous improvement and allow the City to adapt workforce investments to changing labor market conditions and participant needs.

7. **Program Evaluation and Feedback:** Contractors would also be required to evaluate the effectiveness of their programs and provide recommendations regarding program design, implementation, and outcomes. Staff recommends that participant satisfaction surveys and feedback mechanisms be coordinated through the proposed Master Contractor and Program Evaluator to improve response rates and data consistency.

8. **Program Expenditures and Payment Structure:** During the Pilot Program, funds were initially disbursed with 50 percent provided upon participant enrollment and the remaining 50 percent upon successful completion of the training program. Based on contractor feedback that the initial payment amount was insufficient to cover upfront staffing and administrative costs, the City adjusted the payment structure during the Pilot Phase II period to provide 60 percent upon enrollment and 40 percent upon completion. Staff recommends continuing the 60/40 payment structure for future contracts, as it provides contractors with sufficient operating capital while preserving incentives for successful participant completion and program outcomes.

Proposed Contract Terms

Staff is also seeking City Council direction on the proposed contracts structure for the providers under Service Areas 1 and 2. Based on lessons learned during implementation of the Pilot Program, staff recommends modifying several contract provisions to improve accountability, participant tracking, and program effectiveness. Table 2 below summarizes the recommended terms for Service Areas 1 and 2 based on the lessons learned from the pilot program.

Table 2. Lessons Learned and Recommended Contract Terms for Service Areas 1 and 2

Item	Pilot I Program/Lessons Learned	Recommended Future Program Terms
Contract Term	The initial 18-month term provided insufficient time to track employment outcomes after participants completed training. The City also approved multiple extensions and supplemental funding allocations during the pilot period.	Establish an initial three-year contract term, with the option for one to two one-year extensions, subject to Council approval. Conduct a new competitive procurement process every three years rather than providing supplemental funding during an active contract period.
Aspirational Goals and	The pilot program established aspirational goals of 85% program completion, 75% job placement	Continue using the pilot performance framework, with updated starting wage targets of $23–$26 per hour,

Performance Metrics	within three months, average starting wages of $22–$25 per hour, and attainment of a living wage within 36 months. These metrics provided useful performance benchmarks.	depending on the occupational field, while maintaining the existing completion, placement, and living wage goals.
Compensation (per program enrollee)	The initial payment structure of 50% upon enrollment and 50% upon completion created cash flow challenges for providers. The revised 60%/40% structure better supported program operations while maintaining accountability for participant outcomes.	Continue the 60% payment upon enrollment and 40% payment upon successful program completion model.
Unexpended Funds	Allowing providers to redirect funds from participants who did not complete training to additional enrollees improved program flexibility and maximized use of available resources.	Continue allowing unexpended participant funds to be reassigned to additional eligible program participants.
Monitoring and Reporting (program enrollees)	Quarterly reporting provided adequate oversight; however, providers experienced challenges conducting participant satisfaction surveys and collecting consistent outcome data.	Continue requiring quarterly performance reports and invoices, along with a final evaluation report. Utilize the Master Contractor and Program Evaluator to support participant surveys and standardized data collection.
Post-Agreement Tracking	Providers experienced difficulty maintaining contact with participants after program completion, limiting the City's ability to evaluate long-term outcomes.	Assign the Master Contractor responsibility for supporting longitudinal tracking of employment, wage progression, and career advancement outcomes for up to 36 months following program completion.
Support Resources (program enrollees)	Supportive services were critical in helping participants overcome barriers to enrollment, completion, and employment.	Continue requiring contractors to provide and report on supportive services that reduce barriers to participation and employment.
Outreach to East Palo Alto Residents	Contractors conducted extensive outreach activities, but coordination among providers was limited.	Continue requiring outreach reporting while utilizing the Master Contractor to coordinate citywide outreach and recruitment efforts targeting East Palo Alto residents.
Program Staff	Regular reporting on staffing levels and changes helped monitor contractor capacity and program delivery	Continue requiring reporting on staffing levels, staffing changes, and program delivery capacity throughout the contract term.

Next Steps

Staff will incorporate Council's additional input on the recommended enhancements to the Measure HH Workforce Development Program in the draft RFP and aim to release it this Summer 2026.

The proposed implementation timeline is as follows:

- Summer 2026: Develop new RFP language and issue RFP. Review proposals (based on the four listed criteria in the RFP, which are experience – 40 points, capacity to perform – 30 points, cost effectiveness – 15 points, familiarity with EPA – 5 points, and references – 5 points), conduct interviews, and prepare recommendation to the City Council.
- Fall 2026: Come to City Council for contract approval and draft and execute contracts with Master Contractor and Program Evaluator.
- Winter 2027*:* Draft and execute contracts with STEM/Life Sciences Fields Training and Building Trades training contractors.
- Ongoing (2026 and beyond): Monitor implementation, convene partners and employers, collect and analyze data, post-performance reports, and report outcomes to City Council. Convene advisory groups and begin outreach to employers and unions.

Fiscal Impact

On June 23, 2026, the City Council adopted the Fiscal Year 2026-27 budget, which allocated up to $1.1 million in Measure HH funds to continue the Workforce Development Program. The funds will be awarded to selected organizations upon completion of the RFP process.

At the end of June 2026, the estimated balance in the Measure HH Fund is approximately $8.2 million. Sufficient funds are available to fund future contracts after issuance of an RFP, for continuation of the Measure HH Workforce Development Program.

It should be noted, however, that the fund is not intended to be used exclusively for creating job opportunities. A minimum of 35 percent of the fund must be reserved to support the production of affordable housing, which would benefit from a build-up of the fund balance. On February 6, 2024, with adoption of the 2024-2028 Affordable Housing Strategy, the City Council discussed allocating 50 percent of Measure HH funds to affordable housing projects for the next five years. On June 16, 2026, the City Council also budgeted $4 million in Measure HH funds for an Affordable Housing Production Notice of Funding Availability ("NOFA") to be released in Winter 2026/2027. As City staff develops the program to solicit funding opportunities for affordable housing projects, proposals will be brought to the Council through a separate process.

The Measure HH special tax, set at $2.50 per square foot on commercial office space of 25,000 square feet or more, generates approximately $1,677,000 annually. However, fluctuating financial and market conditions may affect the annual revenue generated.

Public Notice

The public was provided notice by making the agenda and report available on the City's website

and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

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

Government Code § 84308

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

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Evaluation of Measure HH Pilot Workforce Development Program
2. Draft Request for Proposals
3. Resolution

ATTACHMENT 1

INFORMING CHANGE

Measure HH Pilot Workforce Development Program Evaluation Report

JUNE 2025

Prepared for:
The City of East Palo Alto

Prepared by:
Informing Change

Acknowledgments

Informing Change would like to acknowledge and express our gratitude to those who participated in our study. This includes East Palo Alto residents who participated in evaluation interviews and focus groups, staff from Measure HH partners—JobTrain, Live In Peace, and StreetCode Academy—who participated in sensemaking sessions, coordinated interviews and provided data to the evaluation, and East Palo Alto city staff and City Council members who guided the evaluation to inform the ongoing evolution of the Measure HH Pilot Workforce Development Program to support East Palo Alto residents.

THIS REPORT WAS PREPARED BY:

- **Evan Gattozzi**, Senior Associate, Informing Change
- **Rebekah Blume,** Associate, Informing Change
- **Inti Chomsky,** Associate, Informing Change
- **Amy Chu,** Research Assistant, Informing Change
- **Johnny Du**, Writer/Editor, Informing Change
- **Michael P. Arnold,** PhD, MSW, MPH, Partner & Co-Executive Director, Informing Change

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Introduction

MEASURE HH & THE PILOT WORKFORCE DEVELOPMENT PROGRAM

The influx of large companies into Silicon Valley—primarily from the technology sector—has brought benefits and challenges to long-time East Palo Alto (**EPA**) residents. Concerned that new economic development would lead to rising rents and displacement without creating accessible employment opportunities for current residents, over 75% of EPA voters approved **Measure HH** in Fall 2018. Measure HH is a revenue source for the City of East Palo Alto (**the City**) funded through an annual parcel tax of $2.50 per square foot on commercial office spaces of 25,000 square feet or more. The funds can only be used to create or maintain programs that (a) provide affordable or supportive housing or (b) facilitate access to job opportunities in EPA in the science, technology, engineering, and mathematics (**STEM**) sectors and building trades, and strengthen the City's First Source Hiring Program.[1,2]

In 2020, the City engaged Brightline Defense Project (**Brightline**), a Bay Area consulting team, to identify strategies to maximize the use of Measure HH funds to facilitate access to job opportunities for EPA residents. Brightline's final 2021 report highlighted promising sectors with upwardly mobile jobs and identified potential initiatives to support EPA residents in obtaining those jobs. In the report, they recommended that the City support job training and career certification opportunities in the building trades, technology and STEM (science, technology, engineering, mathematics), life sciences and biotech, or entrepreneurship sectors in partnership with local organizations that currently administer such programs. Brightline proposed eight initiatives. Although they emphasized the importance of training opportunities such as pre-apprenticeships and internships, they acknowledged these typically cost more than less-intensive workforce development (**WFD**) models.

With these considerations, the City designed the Measure HH Pilot Workforce Development Program (**the pilot**) to provide job training to EPA residents in the STEM and building trades sectors. In early 2022, the City issued a Request for Proposals (**RFP**) to identify organizations to receive Measure HH funding and partner in the pilot. These organizations would provide training opportunities to residents and support their access to jobs that offer a living wage (defined by the City Council as a minimum of $28 an hour in 2022 for a single adult without children).

In March 2023, the City entered into 18-month contracts with three local organizations (**partners**) to execute the pilot program: **JobTrain**, **Live In Peace**, and **StreetCode Academy** **(StreetCode)**. These organizations met the recommendations put forth to the City Council and demonstrated a consistent track record of providing WFD services in EPA. In September 2024, the City Council extended the initial pilot program for six months to February 2025 (referred to as Phase I) and allocated additional Measure HH funds to the three organizations to continue the pilot program (referred to as Phase II) to May 2025. The Phase II allocation allowed the pilot program to continue while Informing Change was conducting its evaluation.

[1] https://www.ci.east-palo-alto.ca.us/econdev/page/workforce-development
[2] A maximum of 15% of Measure HH funds can also be used to pay for the cost to the City of administering and reporting on the ordinance.

THE EVALUATION

In Spring 2024, the City issued an RFP for a third-party, external organization to evaluate the pilot program and commissioned Informing Change in August 2024 as the independent, third-party evaluator. The evaluation has three key goals (see **Appendix A** for the questions that guided the evaluation):

1. Understand the pilot's initial, short-term outcomes (and progress toward outcomes), particularly related to supporting residents' access to jobs and career mobility in high-tech STEM sectors and building trades.
2. Inform improvements to the pilot.
3. Inform the East Palo Alto City Council about evaluating future wage outcomes and the potential for wage growth.

We intend this evaluation to inform the City Council on highlights, insights, and lessons about the Measure HH pilot program and its potential to meet the employment needs of East Palo Alto residents. We include recommendations to consider when refining the program and allocating Measure HH funds beyond the pilot period.

Methods

We conducted the evaluation activities from August 2024 through April 2025, and included the following methods and data:

Interviews & Focus Groups

We interviewed or facilitated focus groups with 14 EPA residents who participated in Measure HH-funded programs, nearly meeting our initial goal of 15 interviews: JobTrain (9), Live In Peace (2), and StreetCode (3). Eight of these residents attended trades programs, and six attended STEM programs.

We also interviewed four (4) employer partners in the trades and technology sectors. At least one of the employer partners' companies employed an EPA resident who had attended Measure HH-funded programs.

Site Visits

We visited each program partner's site to understand their context further and learn firsthand about the programs being offered. We also conducted an on-site participant focus group.

Field Research

We researched comparable WFD programs to understand their structures, outcomes, and processes. This learning helped us identify similarities and differences and understand benchmarks to make recommendations and contextualize evaluation results.

Background Documents & Program Data Analysis

We reviewed RFPs, council meeting notes, and the partners' quarterly performance reports on the Measure HH pilot program. We also aggregated and analyzed data from these quarterly reports and additional data from partners about residents participating in their Measure HH-funded programs.

Exploratory Interviews with City Staff & Partners

At the outset of the evaluation, we conducted six (6) exploratory interviews: three (3) with City staff and City Council Measure HH evaluation subcommittee members and three (3) with Measure HH partners.

Sensemaking Sessions

We held two (2) sensemaking sessions to contextualize and refine preliminary findings. One session included City staff and program partners, and the other included City staff and City Council evaluation subcommittee members.

Strengths & Limitations

We used a mixed-methods approach in our evaluation, examining qualitative and quantitative data to provide a holistic understanding of the pilot model and initial outcomes. We gathered multiple perspectives, including residents participating in Measure HH-funded programs, employers, city staff, and Measure HH partners.

There are a few key limitations to the evaluation:

1. JobTrain graduates are overrepresented in our interview data, as we interviewed nearly twice as many (9) compared to Live In Peace and StreetCode graduates combined (5).

2. Evaluation resources allowed for five interviews with employer partners. We fell one interview short of our intended goal, as few employers were responsive to interview requests. More employer partner interviews are needed to provide greater representation.

3. Background and wage data are not consistently available for all EPA residents receiving training via Measure HH funding. Partners collected pre-program employment data for most participating residents (81 of 97) and post-program employment data for about half (49 of 97). Given logistic and capacity constraints, partners did not consistently collect pre-program wage data prior to the evaluation. We are therefore unable to provide this information. Future attempts to track and collect pre-program wages will need to account for this task's labor- and time-intensive nature and the sensitivity required to prevent discouraging program participation while encouraging ongoing communication between participants and program staff.

4. Due to the evaluation's short time frame, we are unable to provide longitudinal data on employment attainment, job growth, and wage growth. Future data collection and analysis will be required to understand these long-term Measure HH outcomes for residents fully.

REPORT OVERVIEW

In this report, we share evaluation findings about the Measure HH Workforce Development Pilot Program and considerations for the program's evolution. We organize the report into the following sections:

1. **Pilot Findings:** Includes data and findings about the backgrounds and characteristics of EPA residents participating in Measure HH-funded programs, pilot outcomes about employment, wages, and other benefits, and factors that support or inhibit outcomes.

2. **Discussion & Recommendations:** Offers evaluation insights, reflections, and recommendations for city staff and the City Council to consider in the next phase of the pilot program.

3. **Appendices**: Includes Evaluation Questions (**Appendix A**), Measures of Interest (**Appendix B**), and Landscape Scan (**Appendix C**).

Pilot Findings

REACH & RESIDENTS

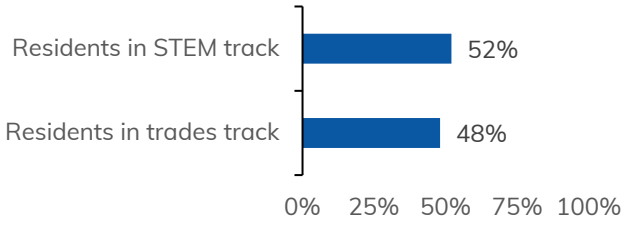
To ensure Measure HH-funded programs were reaching a diverse selection of residents in East Palo Alto, the City asked its partners to collect and report on select demographic and employment data about participating residents. While the pilot phase agreement terms set goals for program completion rates and post-program wages, there were no specific demographic targets for Measure HH-funded programs other than requiring that funding support EPA residents.[3] At the time of the evaluation, not all data points were available for all residents participating in Measure HH-funded programs. Throughout this report, we summarize the available data collected by partners and indicate the number of residents represented in each chart and table.

The Measure HH Pilot Workforce Development Program funded job training for 97 East Palo Alto residents in three local training programs (Exhibit 1). Residents were slightly more likely to choose STEM than trades training opportunities (**Exhibit 2**). Program partners noted that much of their recruitment happens through word of mouth, friends and family members, resources at school, and community reputation.

EXHIBIT 1
Participation by Partner Program (N=97)

PARTNER PROGRAM	EPA PARTICIPATING RESIDENTS
JobTrain	48
Live In Peace	30
StreetCode Academy	19
TOTAL	97

EXHIBIT 2
Program Track (N=97)



"I heard about [the training] through my family, sister, and brother. I think my mother also came through here doing different programs."[4]

STEM & TRADES WORKFORCE DEMOGRAPHIC DATA

Blue boxes throughout the Reach & Residents section include demographic data about the STEM and trades workforce to set additional context and comparisons to the pilot's reach.

Research shows the US STEM workforce gradually diversified between 2011-21, with increased representation of women and underrepresented racial/ethnic groups.[5] Even so, disparities persist. Construction industry statistics, where women, Black, and Asian workers are underrepresented, tell a different story about diversity in the trade.

[3] "Table 1. Pilot Phase I Agreement Terms," from East Palo Alto City Staff Report, by Karen Camacho, Housing and Economic Development Manager; Hanson Hom, Deputy Manager Special Projects; and Amy Chen, Community and Economic Development Director (September 3, 2024).
[4] All quotes in blue are from interviews conducted with EPA residents who participated in Measure HH-funding programs.
[5] National Center for Science and Engineering Statistics (NCSES), Directorate for Social, Behavioral and Economic Sciences, National Science Foundation. (2023). Diversity and STEM. Women, Minorities, People with Disabilities. Retrieved May 21, 2025 from https://www.luminafoundation.org/wp-content/uploads/2023/02/Diversity.and_.STEM_.2023.pdf

Race/Ethnicity

The racial/ethnic backgrounds of East Palo Alto residents participating in Measure HH-funded programs are similar to the overall EPA population (Exhibit 3).[6] The proportion of residents participating in Measure HH-funded programming compared to the general EPA population is slightly lower for those identifying as Hispanic/Latino, white, or multi-racial, and slightly higher for those identifying as Black or Pacific Islander.

EXHIBIT 3

Program Participant & EPA Census Data Race/Ethnicity

RACE / ETHNICITY	MEASURE HH RESIDENTS (N=97)	EAST PALO ALTO CENSUS DATA (N=30,034)
Hispanic or Latino	57%	66%
Black	20%	11%
Pacific Islander	17%	7%
Multi-Racial	8%	15%
White (non-Hispanic)	6%	12%
Decline to state	2%	-

EPA is majority Hispanic or Latino, and just over half its residents (52%) speak Spanish at home.[7] As such, program partners, City staff, and City councilmembers emphasized the importance of reaching Spanish-speaking residents via Measure HH-funded programs. JobTrain regularly offers English classes for Spanish speakers to increase their language proficiency and support their success in JobTrain's courses, which are currently offered only in English.[8] During the pilot, StreetCode added opportunities to meet Spanish-speaking residents' needs by translating their website into Spanish and adding a Spanish-language class in 2025 via Measure HH.[9]

RACE/ETHNICITY & THE STEM & TRADES WORKFORCE

- In 2021, **Hispanic** workers represented 15%, **Asian** workers 10%, and **Black** workers 9% of the total STEM workforce compared to 18%, 6%, and 11%, respectively, of the general workforce.[10]
- The proportion of **Hispanic** workers in the construction industry increased from 20% in 2003 to 30% in 2020, compared to 18% of the general workforce. **Black** (5%) and **Asian** (2%) workers are underrepresented in the construction industry, compared to 11% and 6% of the general workforce, respectively.[11]
- In 2020, Hispanic, Black, and American Indian or Alaska Native STEM workers had **lower median earnings** than white or Asian STEM workers.[12]
- In 2020, the median weekly earnings for unionized construction workers were $1,254, compared to $920 for non-union construction workers.[13] However, **union membership varies by race**, with white (15%) and Black (12.7%) workers more likely to be in unions compared to Hispanic (8.7%) and Asian (7.6%) workers.[14]

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[6] East Palo Alto Census Data is drawn from: US Census Bureau. (2020). RACE. *Decennial Census, DEC Demographic and Housing Characteristics, Table P8*. Retrieved April 7, 2025, from https://data.census.gov/table/DECENNIALDHC2020.P8?g=160XX00US0620956. The US Census counts Hispanic or Latino identification separately from race. Due to this, the total percentage in the EPA Census Data column exceeds 100%.

[7] US Census Bureau, 2020 Decennial Data. (2020). Populations and People. Retrieved May 1, 2025, from https://data.census.gov/vizwidget?g=160XX00US0620956&infoSection=Language+Spoken+at+Home.

[8] The specific English classes offered for Spanish speakers include basic and intermediate English, as well as computer skills in Spanish: https://www.jobtrainworks.org/english-education-evening-classes/

[9] Interested residents can view StreetCode's website in Spanish (https://streetcode.org/es/), but there is no option to filter programming options by language of instruction (https://streetcode.org/es/classes/).

[10] National Center for Science and Engineering Statistics (**NCSES**), Directorate for Social, Behavioral and Economic Sciences, National Science Foundation. (2023). Diversity and STEM. Women, Minorities, People with Disabilities. Retrieved May 21, 2025 from https://www.luminafoundation.org/wp-content/uploads/2023/02/Diversity.and_.STEM_.2023.pdf

[11] US Bureau of Labor Statistics (2022).The Construction Industry: Characteristics of the Employed, 2003–20. Retrieved May 23, 2025 from https://www.bls.gov/spotlight/2022/the-construction-industry-labor-force-2003-to-2020/home.htm .

[12] *Supra*, note 10.

[13] *Supra*, note 11.

[14] *Ibid.*

Gender

The proportion of female-identifying residents participating in Measure HH-funded training is lower than the overall EPA population (Exhibit 4).[15]

EXHIBIT 4
Program Participant & EPA Census Data Sex

SEX	MEASURE HH RESIDENTS (N=97)	EAST PALO ALTO CENSUS DATA (N=29,143)
Female	30%	52%
Male	68%	48%
Decline to state	2%	-

Nearly all female residents whose training was funded through Measure HH chose the STEM track rather than the trades track. Program partners adopted a range of approaches to recruit and support women in their programs, including those in the trades. For example, JobTrain partners with organizations like Women in Construction to promote gender diversity in classes and on-site resources like daycare that help ease barriers for parents, especially women. StreetCode reported that their new Spanish-language programming attracted primarily female residents.

Regarding female participants' limited participation in trades programs, partners emphasized that they respect all participants' expressed interests and hope to assist them in choosing the right job or career pathway that suits them. While partners provide opportunities for career exploration, exposure, and education in STEM, trades, and other sectors, they intentionally avoid directing participants down a path that does not align with participants' preferences and choices.

GENDER & THE STEM & TRADES WORKFORCE

- In 2023, the **gender** gap in STEM remains significant, with women making up only 28% of the STEM workforce.[16]
- In 2020, women had **lower median earnings** than men in multiple STEM occupations, including those in science, engineering, science-related, engineering-related, and middle-skill occupations.[17]
- In 2020, about 11% of employees in the construction industry identified as **women**, similar to recent years.[18]

[15] US Census Bureau, US Department of Commerce. (2023). Age and Sex. *American Community Survey, ACS 5-Year Estimates Subject Tables, Table S0101*. Retrieved April 7, 2025, from https://data.census.gov/table/ACSST5Y2023.S0101?g=160XX00US0620956. Percentages do not add up to 100% due to rounding.
[16] Professional Education. The Gender Gap in STEM: Still Gaping in 2023. Retrieved May 21, 2025, from https://professionalprograms.mit.edu/blog/leadership/the-gender-gap-in-stem/.
[17] *Supra*, note 10..
[18] US Bureau of Labor Statistics (2022).The Construction Industry: Characteristics of the Employed, 2003–20. Retrieved May 23, 2025 from https://www.bls.gov/spotlight/2022/the-construction-industry-labor-force-2003-to-2020/home.htm .

Age

Participating residents skew slightly younger than the overall EPA population over 17 years of age (Exhibit 5).[19] Participant residents ranged from 17 to 57 years of age, with an average (mean) of 26.0 years.

EXHIBIT 5
Program Participant & EPA Census Data Age

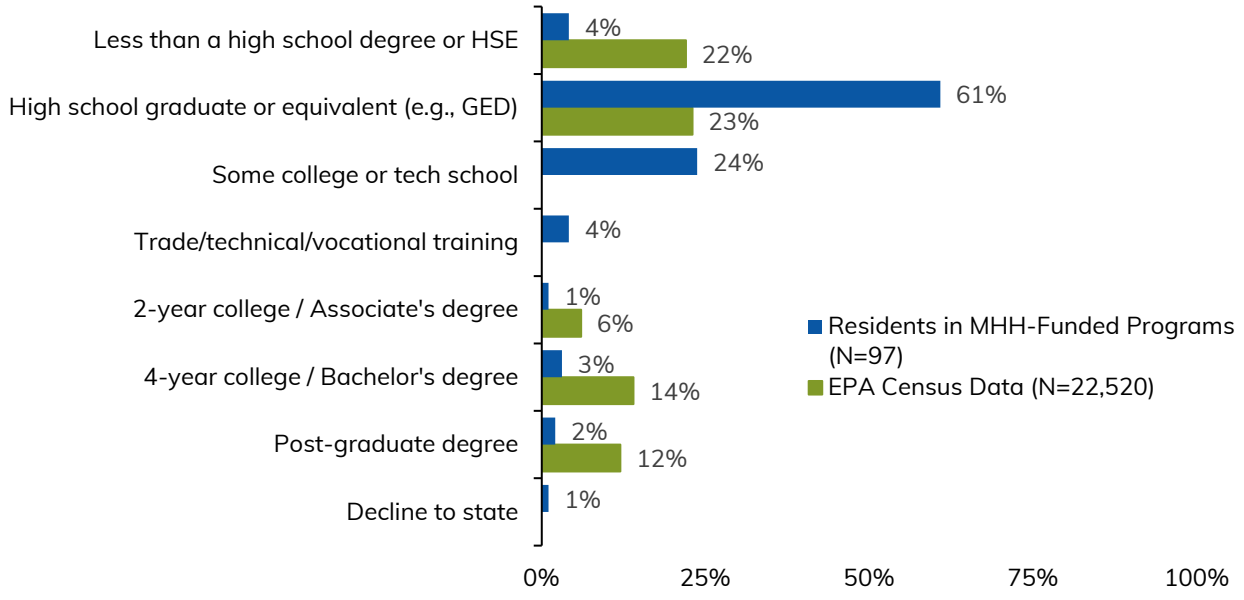
AGE RANGE	MEASURE HH RESIDENTS (N=73)	EAST PALO ALTO CENSUS DATA (N=29,143)
0-14	0%	17%
15-17	1%	5%
18-24	59%	10%
25-44	36%	32%
45-64	4%	25%
65+	0%	10%

Over half (60%) of participating residents are under 25 years old compared to 32% of all EPA residents. Live In Peace specifically serves young people 24 years old and younger, which contributes to Measure HH partners serving a larger percentage of young people compared to the overall age distribution of the EPA population. JobTrain and StreetCode are not focused on serving specific ages.

Education Level

Participating residents are more likely to hold a high school diploma or equivalent and less likely to hold a 2-year, 4-year, or post-graduate degree than the overall EPA population (Exhibit 6).[20]

EXHIBIT 6
Program Participant & EPA Census Data Highest Education Level Completed



[19] Supra, note 15.
[20] Census data about residents in trade/technical/vocational educational opportunities is not available.

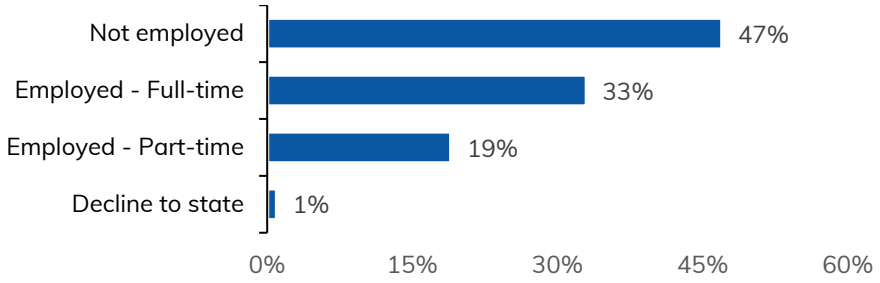
EDUCATIONAL ATTAINMENT & THE STEM & TRADES WORKFORCE

- A higher portion of STEM **workers with a high school diploma or less are employed in STEM occupations that require credentials** like certificates or an associate's degree (i.e., middle-skill occupations), while a larger portion of those with a **bachelor's degree or higher work in science- and engineering-related occupations**.[21]
- Construction workers have "the **lowest levels of education** among all industries except for agriculture."[22] About 40% of construction workers had some college attainment, compared to about 65% of the general workforce.[23] Educational attainment is likely higher for the one in five industry workers employed in management, business, and financial operations positions rather than in production.[24]
- The Center for Education and the Workforce projects that, by 2031, **over half (52%) of construction jobs will require a high school diploma or less**, 30% will require **additional middle-skill training**, and 18% will require a **bachelor's degree**.[25] The Center for Construction Research & Training notes that "most construction knowledge is learned on the job or from special courses, licensing, or certification requirements and apprenticeships" rather than through formal education, and that many construction jobs have historically had no formal education requirements.[26] However, this might change as more industry workers are encouraged to attend apprenticeship programs, trade or vocational schools, association training classes, or community college.[27]

Employment Status

Nearly half of the participating residents were not employed when they began their Measure HH-funded training (Exhibit 7). The proportion of participants unemployed at entry (47%) is overrepresented compared to the proportion in the overall EPA population (4%).[28]

EXHIBIT 7
Pre-Program Employment
(n=81)



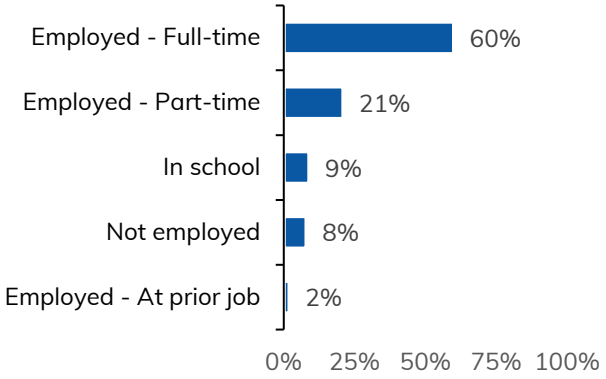
[21] National Science Board. (2024). The STEM Labor Force: Scientists, Engineers, and Skilled Technical Workers. Retrieved May 21, 2025 from https://ncses.nsf.gov/pubs/nsb20245.
[22] CPWR - The Center for Construction Research and Training. (2018). Chart Book (6th edition): Education and Training – Educational Attainment and Internet Usage in Construction and Other Industries. Retrieved May 21, 2025 https://www.cpwr.com/research/data-center/the-construction-chart-book/chart-book-6th-edition-education-and-training-educational-attainment-and-internet-usage-in-construction-and-other-industries/
[23] *Ibid.*
[24] *Supra*, note 18.
[25] Carnevale, A. P., Smith, N., Van Der Werf, M., & Quinn, M. C. (2023). National Report - After Everything: Projections of Jobs, Education, and Training Requirements through 2031. Retrieved May 21, 2025 https://cew.georgetown.edu/cew-reports/projections2031/
[26] *Supra*, note 22.
[27] *Supra*, note 22.
[28] East Palo Alto, CA Unemployment Rate (I:EPACAUR) 3.60% for March 2025: https://ycharts.com/indicators/east_palo_alto_ca_unemployment_rate#:~:text=East%20Palo%20Alto%2C%20CA%20Unemployment%20Rate%20is%20at%203.60%25%2C.long%20term%20average%20of%209.18%25.

EMPLOYMENT OUTCOMES

Partners shared post-program employment data for 53 of 97 (55%) participating residents. Of these 53, 81% were employed after completing a Measure HH-funded program (**Exhibit 8**), most in a field related to their training. Post-program employment rates were similar across the two tracks. Notably, **the group not employed fell from 47% pre-program to 8% post-program** in both STEM and trades sectors**.** All participating residents who were unemployed at the start of the program and for whom we have pre- and post-program employment data were employed at least part-time by the end of the program (13 residents).

> "I learned from working—hands on, helping my family [with] construction … But I need to know safety basics, how to use the tools, apply to the city code, and stuff like that … I learned a lot from [the training] about mathematics and how to properly use the tools."

EXHIBIT 8
Post-Program Employment (n=53)



Residents who completed Measure HH-funded training were hired for jobs in fields related to their training. For example, residents have been hired as certified nursing assistants, sheet metal workers, electricians, plumbers, property managers, and drywallers, and some within union trades and others non-union. One resident pursued entrepreneurship and started their own photography business. Other residents are working in construction, IT, or tech companies. Data on specific jobs and responsibilities was unavailable.[29] Partners support younger residents who may be building skills for their first job and older adults looking to start a second career or upskill in their current job or industry.[30]

WAGE OUTCOMES

At the time of the evaluation, partners reported wage data for all but two residents from whom post-program data were collected (51 of 53). **The average (mean) hourly wage of participating residents employed full-time after completing their respective programs was $26.68.**

Exhibit 9 on the following page shows the hourly wage outcomes for participating residents working full- and part-time in the STEM and trades industries after their Measure HH-funded training. Additionally, residents not employed before receiving Measure HH-funded training now earn an average hourly wage of $24.16 in STEM and $23.33 in trades.[31]

[29] These examples are not exhaustive. Measure HH partners collect residents' employment data individually and in various ways. The pilot program does not require partners to collect or report the data consistently so that data can be cleanly aggregated and reported.
[30] Some examples of participants in more mature age categories are featured on JobTrain's website: https://www.jobtrainworks.org/meet-our-clients/. Similarly, StreetCode's Work Innovation Program is open both to people new to work in the technology sector, and to those aiming to "Upgrade [their] Tech Skills in [their] Current Line of Work" in order to "Land a Higher-Payer Job": https://streetcode.org/wip/
[31] Partners collected pre-program employment data for 81 of 97 participating residents (84%). Pre-program wage data is not available for all participants for whom we have pre-program employment data. However, we know that almost half of these residents were not employed when they started a Measure HH-funded program (**Exhibit 7**). The available data shows that the post-program average hourly wage of all those previously unemployed is $23.68.

EXHIBIT 9
Post-Program Average Hourly Wages
(n=49)

EMPLOYMENT STATUS AFTER MEASURE HH TRAINING	AVERAGE HOURLY (MEAN) WAGE		
	STEM	Trades	Overall
Employed – Full-time	$28.29	$25.87	$26.68
Employed – Part-time	$21.25	$21.93	$21.68
Employed – At prior job	N/A	$17.00	$17.00
Overall Average	**$26.13**	**$24.47**	**$25.02**

For the Measure HH Pilot Workforce Development Program, the City set a target post-program minimum hourly wage using MIT's Living Wage Calculator.[32] In 2021, the living wage estimate in San Mateo County **for a single adult without children** was $28 per hour. For 2025, the estimate for the same household type is $34.76. Living wage estimates are calculated based on household size, as discussed later in this report. Measure HH also defines program success as residents earning this target wage no longer than 36 months after completing their training program.

Using the 2021 target of $28 per hour:

- The average hourly wage for participating residents employed full-time after completing their respective programs is 95% of the City's target wage ($26.68, unadjusted for household size and number of wage earners).
- The average hourly wage for participating residents working full-time in the STEM sector ($28.29) exceeds the City's unadjusted target wage.
- The average hourly wage for participating residents working full-time in the trades sector is 92% of the City's unadjusted target wage ($25.80).

Compared to the updated 2025 living wage estimate of $34.26 for a single adult without children, the average hourly wage for participating residents employed full-time after completing their respective programs is 81% of the City's unadjusted target wage, 77% for those working in STEM, and 74% for those working in the trades.

Employment and wage outcomes are intertwined. Participating residents credit their newly acquired skills and knowledge for supporting their access to new jobs and increased wages. They are optimistic about their future earning potential. Among the participating residents we interviewed, many shared that their hourly wages increased after their training and that they expect to earn even higher wages after they complete more training and obtain additional certifications.

One interviewee, now a union apprentice, is very optimistic about her future earning potential now that she is a union member and on a clear career path. She credits her Measure HH-funded training for supporting her in reaching this point. While involved in this program, she learned about and applied to the union pre-apprenticeship program. After her first application attempt was unsuccessful, she practiced her interview skills with the leaders of the Measure HH-funded program and was accepted on her second attempt.

[32] Living Wage Calculation for San Mateo County, California: https://livingwage.mit.edu/counties/06081.

> "[The Measure HH-funded program] knew I needed a little push, so that's what they did. It helped that they brought in people from [the union] to speak to us … [Measure HH-funded program leaders] don't let go of your hand until you've made it. Even then […] they'll try to make sure that you're okay."

A second interviewee went from earning $18-$19 to $25 an hour after their training, saying the training "helped a lot to get me to that level" by providing construction experience. This participant plans to pursue an HVAC certificate to increase their earning potential further.

A third interviewee working in the trades shared that his experience finding a job required initiative and early morning drives to dozens of construction sites to job hunt. Thanks to his Measure HH-funded experience, construction portfolio from the program, and received certifications, he secured employment, making an initial $22 an hour with growth potential, $2 more than he was previously making in a field with limited growth potential. Still, he feels the pressure regarding the seasonal nature of non-union construction jobs that aren't readily available. On the other hand, union jobs are more challenging to secure and have long wait times or require years of apprenticeship and experience.

None of these three interviewees had formal experience in or knowledge of the trades before receiving Measure HH-funded training. These interviewees now earn a higher hourly wage than in their prior jobs, with potential for longer-term stability and growth opportunities.

OTHER BENEFITS FOR PARTICIPATING RESIDENTS

Residents completing Measure HH-funded training experience many benefits beyond employment, including skill and knowledge gains, exposure to different career paths, and increased confidence and motivation to continue growing.

> "Reflecting on how my participation in [the Measure HH-funded program] has impacted my outlook: it's been instrumental in shaping my confidence regarding career growth and income potential. [The program] has provided me with valuable resources, skills, and networking opportunities that expanded my understanding of what's possible. Learning from peers and mentors in the program has not only improved my technical abilities but reinforced the importance of pursuing sustainable career paths that align with my passions."

Interviewees named **industry-specific skills, knowledge, and certifications** gained through training as immediately useful for helping their resumes stand out to potential employers. Participating residents experienced **career exploration** and found career paths that meet their skills, interests, and needs. Interviewees also reported developing the **skills they needed for job application processes**, such as creating their resumes, and interviewing practice that helped residents present themselves in a polished and professional manner. Interviewees reported increased confidence and said they now have marketable experience to employers. Going through a Measure HH-funded program inspired some interviewees to pursue certificates to **build additional skills** and **increase wages.**

FACTORS SUPPORTING & INHIBITING OUTCOMES

> "[The Measure HH-funded program] offers students or people like me the opportunity to see that there is other work. We just have to know where it is or where to look."

Five key factors supporting resident success in Measure HH-funded programs emerged through our evaluation:

1. The pilot effectively **removes financial barriers to access**. When asked if they would consider other job-training programs or why they were attracted to those funded by Measure HH, many interviewees noted that the free nature of these programs was a significant factor in their decision.

2. Partners **foster welcoming and encouraging environments with high-quality staff and educators** who promote learning, community connection, and confidence-building. Interviewees described how the trainers and teachers, whom they characterized as knowledgeable and compassionate, created nurturing learning environments where residents feel safe and encouraged to explore career paths. Interviewees also appreciated the programs' efforts to connect residents with trainers, such as offering meals, checking in regularly, and providing open office hours.

3. Partners **offer multiple program modalities** to appeal to different needs and learning styles. During our interviews, we heard two distinct perspectives: one interviewee preferred self-guided programming with only occasional in-person meetings, while another preferred a more structured environment where all participating residents attended the same course and received instruction simultaneously. Providing a variety of program formats can help meet the preferences and scheduling needs of EPA's diverse community members.

4. All three Measure HH partners **offer different career counseling approaches to help participating residents determine a pathway** aligned with their interests and goals. Interviewees learned about potential pathways to start and grow their careers (e.g., union and non-union options in construction, plumbing, electrical, other trades, property management, cybersecurity, entrepreneurship, and pursuing additional certifications to increase income). StreetCode offers "exposureships" during which tech company representatives meet participating residents to give them a sense of whether they might like to work in a specific job, field, or profession. At JobTrain's Project Build, the program instructor provides insight into different trades pathways, the pros and cons of joining unions, and entrepreneurship. Live In Peace emphasizes helping youth find the right career path rather than rushing them into a particular trajectory, reporting, "We are working with individuals as they figure out their career paths, which is what Live In Peace does best." They acknowledge that from the outside, "this can look like a slow process" and that one common challenge of working with youth is that "they aren't sure what career path they want to follow yet."[33]

5. Besides job training services, Measure HH partners **offer wraparound supports and services** to address residents' holistic needs and encourage program completion. Interviewees were often aware of the available services and resources. Several discussed utilizing services to facilitate travel to and from job training programs, access necessary technology for learning, connect with other residents and community members during meals, and address their most pressing needs. For instance, legal services were critical to one interviewee who received assistance resolving a legal issue during a background

[33] From "Measure HH Grant - Quarterly Report, Q3, January 31, 2024" by Live In Peace, Inc: https://www.cityofepa.org/sites/default/files/fileattachments/community_amp_economic_development/page/22178/live_in_peace_quarterly_report_january_2024_redacted.pdf

check. In their quarterly reports, partners reported that they provide the wraparound supports to EPA residents (**Exhibit 10**) and all of their job-training participants to address barriers to program outcomes and completion, including navigating legal issues and the legal system, experiencing divorce, addressing mental health challenges, being flagged during a background check, etc. Interviewees expressed a desire for more legal services and mental health support.

EXHIBIT 10
Wraparound Supports Provided by Measure HH Partners

JOBTRAIN	LIVE IN PEACE	STREETCODE ACADEMY
• Help with government benefits applications (e.g., CalFresh, Medi-Cal, WIC, disability insurance) • Legal services • Onsite preschool for children ages 3-5 (sliding scale based on income) • A job center and student lounge • Transportation assistance • Tutoring and academic assistance (e.g., GED support) • Access to an alumni network • Beginning and Intermediate English classes for non-native speakers • Spanish-language basic computer skills courses	• Necessary prerequisites for training programs, such as driver's licenses, stable housing, and transportation, and tutoring for exams/tests • Tutoring, life coaching, career counseling • Scholarships and stipends • Daycare • Mental health support • Supplies	• Connecting local innovators-in-residence with dedicated career coaches • Shadowship opportunities in diverse corporate environments • Transportation assistance • Childcare assistance • Free loaned tech devices • Community building opportunities

> "Participating in [the training] has opened my eyes to community. There are actually people and programs that actually care for and provide opportunities for people in the community … I believe [the training] provides the tools and opportunities to achieve greater income and greater opportunities to achieve more income."

The residents we spoke to acknowledged that many factors influence their ability to secure jobs with a living wage. While they are generally hopeful that their experience in the Measure HH-funded programs—including training, certifications, and career exposure—will help them in the long run, they observe a competitive job market that requires a lot of individual initiative. For some, personal challenges, sometimes sensitive in nature, can introduce challenges to employment.

Residents build important skills and gain necessary experience to apply for STEM and trades jobs. However, the pilot does not guarantee employment or paid internships following program completion, which can create an earnings gap that is difficult for participating residents to navigate. Interviewees identified a handful of additional contextual factors that impeded prompt access to employment opportunities. Interviewees described:

- **A general economic downturn during interviews in winter 2025**, which City Council also discussed in fall 2024, affected both the STEM and trades sectors. Tech company **layoffs** around a similar timeframe mean more workers compete for fewer opportunities.

- Trades jobs follow a **seasonal calendar**. Residents may complete their training during a time with fewer job opportunities.
- STEM jobs with fixed wages and predictable career paths may be declining, as interviewees, partners, and subcommittee members see the sector **shifting toward freelancing and gig work and increasing its reliance on artificial intelligence** (**AI**).
- Applicants interested in trade unions face **long waits to join a union**.

Residents described challenges landing their first entry-level job, especially in STEM fields. One interviewee working in STEM described challenges securing good IT jobs because they often require prior experience, which is difficult to obtain for entry-level positions. Residents saw the most success related to employment when the Measure HH program partner directly connected them to a potential employer.

> "It's that Catch-22 problem. [Employers] won't take you because you don't have experience, and you can't get experience because they won't take you."

> "I looked into getting into the trades. A lot of the places that hire for the trades require you to have experience right off the bat …. They said that the easiest way to get experience would be a pre-apprenticeship, which was [the Measure HH-funded program]."

Discussion & Recommendations

Although the Measure HH Pilot Workforce Development Program is achieving many of its desired outcomes, there is room for growth as it moves into its next pilot phase. We offer the following recommendations for the program's ongoing evolution based on the evaluation data and findings.

> "Before the [training], my feelings towards IT were, 'Oh, that could never be me.' You have to grow up playing with or loving tech, and that wasn't my experience. I was always told, 'Don't touch the computer.' That was my feeling towards technology. 'Don't break that, don't touch that.' When I went the IT route, I still struggled with those feelings because … it's burned into my memory. It's very empowering to be in this field, and that's ultimately what I want to do and where I want to be."

1. IMPROVING ACCESS TO EMPLOYMENT OPPORTUNITIES

A key goal of the voter-approved Measure HH is to facilitate access to job opportunities for city residents, particularly considering the recent influx of large employers. Our findings and discussions with partners, City staff, and local employers highlighted the need to strengthen employer engagement to achieve this goal. Multiple ways exist for Measure HH funds and resources to expand EPA residents' access to job opportunities.

Recommendation 1.1: The City of East Palo Alto can do more to boost the visibility of this program among local employers and increase employer buy-in.

Interviewees, partners, and City Council subcommittee members discussed how finding employment is often heavily relational, based on connections, familiarity, and having the necessary skills and qualifications. Measure HH partners have relationships with local employers and regularly connect their training participants and employers, and at least one partner convenes a local employer advisory group that offers insights into the local employment landscape and collaborates with employers to create and update curricula to ensure programs promote industry standards. Another partner collaborates with local employers to provide participants with exposureships. Employers we interviewed were often unaware of the Measure HH pilot, indicating a potential opportunity for the City to raise the program's profile and connect partner organizations and residents to local employers.

Partners frequently expressed their desire for the City to support connections and networking with employers. One partner expressed that the City Council can send a powerful message to employers by elevating EPA's local talent. Our field research suggests employer engagement is critical to supporting positive outcomes via job training programs. The City has the opportunity to engage employers directly via the pilot and through Measure HH-funded partners. **Appendix C** includes practices for partnering with employers that support positive outcomes via job training programs.

The City could also explore convening potential employers and residents for peer connection and networking opportunities. City staff could facilitate these networks or provide funding to partners via a revised RFP to propose how they could support coordination with employers.

Recommendation 1.2: Support an apprenticeship model or paid internships with local employers to expand access to job opportunities.

Our research of other WFD programs showed that many successful programs offer direct access to apprenticeship and internship opportunities as a benefit of completing the training. Both apprenticeships and internships can lead to long-term employment. Apprenti[34] offers paid tech apprenticeships that allow participants to learn while working and earning an income. Employers are asked to have a job ready for apprentices, as long as the apprentice demonstrates growth and can perform the job duties after completing the apprenticeship. Year Up United guarantees an internship with a corporate partner for its participants as part of their programming; relatedly, 80% of Year Up United graduates are employed within four months of completing the program.[35] The City or county could leverage relationships to offer internships and forge new relationships with private companies' talent acquisition specialists to effectively build potential inroads. Directly supporting apprenticeships and internships, in addition to sector-specific technical skills, can expand the potential to support EPA residents. Entrepreneurial training would also provide a new avenue, and could be enhanced by mentorship and networking with other entrepreneurs. Any of these approaches would require the City to consider new approaches to funding training (e.g., how to fund internships and apprenticeships with business or organizations).

Recommendation 1.3: Maximize first-source hiring practices for city-funded projects and make direct connections for residents pursuing Measure HH-funded training.

The City adopted a first-source hiring ordinance alongside the Measure HH parcel tax to expand employment opportunities for residents.[36] However, there have been fewer opportunities than hoped to implement the policy. The City might consider improving the implementation of the first-source hiring policy for City-funded projects by actively facilitating partnerships between residents and contractors. Partners believe the City Council can be instrumental in connecting residents to these job opportunities by promoting residents' talent.

Recommendation 1.4: Maximize relationships between unions and programs funded through Measure HH.

Unions may be able to prioritize membership opportunities for graduates of local training programs. Exploring this avenue could provide several program graduates with access to union membership and guaranteed wages. Foothill College also offers a trades apprenticeship program connected to California unions, which could serve as another pathway to skill-building and employment.[37]

2. SUSTAINING & STRENGTHENING MEASURE HH PILOT WORKFORCE DEVELOPMENT PROGRAM APPROACHES

Although many residents may have the requisite skills for entry-level and higher-level job openings with EPA employers, others will benefit from access to job training, career readiness, and career exposure opportunities. Successful career readiness and job training programs are grounded in relationship building, community building, career counseling, and career exploration. Multiple ways exist for Measure HH funds and resources to sustain and strengthen WFD approaches and outcomes for EPA residents.

[34] https://apprenticareers.org/
[35] Year Up United. Student FAQs. Retrieved May 1, 2025 from https://www.yearup.org/students/student-faqs#module-6
[36] City of East Palo Alto California. First Source Hiring Ordinance. Retrieved May 1, 2025 from https://www.ci.east-palo-alto.ca.us/econdev/page/first-source-hiring-ordinance.
[37] https://foothill.edu/apprenticeships/

Recommendation 2.1: Continue funding programs that provide work-ready skill development and wraparound supports, and expand funding to account for recruitment costs and costs associated with matching residents to programs and opportunities best aligned with their skills and interests.

EPA residents in Measure HH-funded programs have various needs and face challenges in their daily lives, affecting their ability to complete training and access jobs. Wraparound supports, including (but not limited to) legal resources, resume building, and interview practice, help residents address these needs and their overall well-being, and support their ability to complete job training, build confidence, and access jobs. Wraparound supports and work-ready skill development are common among workforce development programs, and something Measure HH should continue to help residents achieve employment goals.

Partners also discussed the administrative efforts needed to recruit and match participants to the program and pathway that would best support participant goals. Upfront funding could help partners cover these administrative and marketing costs to reach residents and employers alike.

Recommendation 2.2: Fund more Spanish-language and multilingual training to reach East Palo Alto's majority Spanish-speaking population.

Partners currently offer a few opportunities for Spanish-speakers in Spanish (e.g., JobTrain hosts Spanish-language computing classes, and StreetCode expanded its offerings to include a Spanish-language course) or for residents to improve their English literacy (e.g., JobTrain). Consider how Measure HH can further support this population by funding Spanish-language classes and training.

Councilmembers and program staff discussed the importance of offering programming in multiple languages with us. They reflected that multilingualism is a marketable skill in fields relevant to the Measure HH pilot and may open access to additional employment and advancement opportunities.

Our research provides insight into multiple options for English Language Learners (**ELLs**). For example, organizations and community colleges provide bilingual training or training for ELLs geared toward specific learning or career pathways.

- **GOAL (Growing Opportunities in America for Latinos)** (Indianapolis, IN)[38] is a bilingual English/Spanish manufacturing bridge program for adults. Run by the Labor Institute for Training, which secured $3.2 million in Department of Labor funding through the TechHire Grant in 2016, the program aims to grow advanced manufacturing technical skills for residents with limited English proficiency. It offers free credentialling in Safety, Quality Practices and Measurement, Manufacturing Processes and Production, and Maintenance Awareness.

- The **Spanish American Committee for a Better Community** (Cleveland, OH) offers bilingual job-readiness and soft skills training through their workforce development program. The organization hosts a 6-week bilingual (English-Spanish) construction course, the Latino Construction Program, which provides bilingual training for Spanish speakers to help them overcome language barriers and earn a free Occupational Safety and Health Administration (**OSHA**) certification.

- **Foothill College** (Los Altos Hills, CA) offers multiple ESL pathways, including bridges to college and mathematics, and advanced offerings[39] which can help ELLs advance through Foothill's STEM and other career pathways. [40]

[38] Joy, L, Toglia, J. 2020. Growing Opportunities in Manufacturing through Bilingual Upskilling. Jobs for the Future. Retrieved June 1, 2025 from https://www.jff.org/idea/growing-opportunities-manufacturing-through-bilingual-upskilling/.
[39] https://www.foothill.edu/esl/
[40] https://foothill.programmapper.com/academics/interest-clusters/1caa9223-79ad-4e43-817c-6d06e629a41f

California-based organizations and community colleges also offer ESL classes emphasizing general English language acquisition, computer skills, and workforce preparation:

- **City College of San Francisco** offers a one-year SL Vocational Office Training Program[41] to help students develop computer skills, build skills needed to start and boost careers, and enhance English skills. While not specific to STEM or trades, it helps ELLs learn current technology and prepare for jobs.
- **North Orange Continuing Education** (Anaheim) provides an example of offering language development and workforce preparation that provides English Language Learners with the skills to get a job and move into higher-wage jobs faster.[42]

Recommendation 2.3: Apply an expansive definition of STEM training and jobs to the Measure HH Pilot Workforce Development Program and fund multiple pathways to access STEM training.

We heard from partners and participating residents that their successes are expansive and include entrepreneurship within STEM or jobs requiring STEM knowledge, even if they do not work directly in a STEM field. The US Bureau of Labor Statistics notes many definitions of what can be considered a STEM occupation.[43] Job search website Indeed notes that STEM fields continue evolving and expanding.[44] Applying a broad definition of STEM to Measure HH will allow EPA residents to pursue a pathway to STEM-related employment that best fits their skills and interests.

Sensemaking session participants suggested shifting Measure HH funding to support community college scholarships for intensive tech training would offer an additional avenue for residents to develop and expand their skills for tech-based jobs.

Recommendation 2.4: Support collaboration across partners.

Partners shared that while they coordinate informally, Measure HH could support their formal collaboration to ensure residents are paired with a best-fit job training program. Collaboration across the three pilot contractors could also help connect residents to wraparound supports, increasing eligibility for services from any Measure HH-funded programs that meet individual residents' needs.

3. MONITORING WAGES & OTHER OUTCOMES

The final evaluation goal is to inform the East Palo Alto City Council about evaluating future wage outcomes and the potential for wage growth.[45] Leveraging our experience and drawing on field research and partner reflections, we compiled promising practices supporting data collection and analysis related to wages among multiple organizations. We provide reflections on how the Measure HH Pilot Workforce Development Program can enhance practices that City staff have already implemented.

[41] https://www.ccsf.edu/degrees-certificates/esl-vocational-office-training-program
[42] https://www.noce.edu/programs/english-citizenship/english/
[43] The US Bureau of Labor Statistics (**BLS**) uses varying definitions of STEM across publications. One source defines STEM occupations as "computer and mathematical, architecture and engineering, and life and physical science occupations, as well as managerial and postsecondary teaching occupations related to these functional areas and sales occupations requiring scientific or technical knowledge at the postsecondary level." A second report separates STEM occupations into two major domains, each with two sub-domains.
[44] Indeed. (2024) What Are Stem Fields? Retrieved June 1 2025, from https://www.indeed.com/career-advice/career-development/stem-fields.
[45] Forecasting expected or potential wages by sector or individual was not an expectation of the current contract or Evaluation plan. Should City Council be interested in this type of forecast, we recommend issuing an RFP and contracting with a firm specialized in that.

Recommendation 3.1: Enhance the City's already established data reporting requirements by accounting for varied data capacity amongst partners and the need for standardized data reporting.

The City could improve the data process by providing partners with an easy-to-use reporting template/database (e.g., via Excel, Microsoft Forms). A shared tool will provide partners with greater clarity about how information should be reported, yielding clearer information and analysis via consistent reporting. While the City currently lacks a centralized grants reporting database, it may wish to consider implementing one as part of its ongoing technological improvements.

Recommendation 3.2: Prepare for and fund longitudinal assessments that clearly define a process and align with analysis goals.

Exploring long-term wage growth requires gathering wage data at multiple periods and over time (e.g., 6, 12, 24, and 36 months after training). Setting these goals in advance and informing partners about the frequency is important for defining expectations and collecting consistent data. In one evaluation, WFD programs provided employment services to participants for up to 12 months following program completion or job placement, allowing for regular data updates.[46] One study determined that three years post-program are needed for impact to materialize.[47] Measure HH partners are not funded to support participant residents over time or track outcomes long-term, though they are expected to do so as part of their Measure HH funding agreements. Our experience evaluating similar WFD programs and alumni networks shows that it takes considerable time to maintain connections with alumni; the longer alumni have been out of a program, the harder it is to reach them. Measure HH funding could be directed to support these long-term efforts.

Recommendation 3.3: The City can enhance established data measures to align with Measure HH's goals and partners' program objectives.

One study suggested program completion, job placement, employment retention, and starting wages as "standard measures of workforce development success."[48] These measures are included in Measure HH reporting. However, the program's approach could improve by including data about confounding factors, covariates, and correlates to wages, and allowing for variation among partners that wished for additional data collection measures to show interim progress toward employment goals (i.e., partners differentiated progress based on a client's barriers to employment). Measure HH partners currently provide select personal background information—employment and wage histories, racial/ethnic and language backgrounds, and highest level of education—that can have differential impacts on estimates of wages and wage growth, thus informing the analysis. Additional measures—prior employment sector, occupation, and position—must be gathered and stored alongside wage information for the most robust analysis.

Recommendation 3.4: Fund a staff position to coordinate data sharing and analysis, including establishing formal data-sharing agreements.

Data collection, reporting, and analysis are time-intensive and require a specific skill set. A role dedicated to this process can help ensure data accuracy and integrity and a smooth process for contractors.

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[46] Juniper, C., Boswell, T., & Cumpton, G. (2023). An Evaluation of the City of Austin Investments in Workforce Development. The University of Texas at Austin Lyndon B. Johnson School of Public Affairs. Retrieved from https://sites.utexas.edu/raymarshallcenter/files/2024/07/FINAL_City-of-Austin-Rpt_12-15-2023.pdf.

[47] Rothstein, J., Santillano, R., Von Wachter, T., Khan, W., & Yang, M. (2022). CAAL-Skills: Study of Workforce Training Programs in California. California Policy Lab. Retrieved from https://cwdb.ca.gov/wp-content/uploads/sites/43/2022/08/FINAL-CAAL-Skills_report_ACCESSIBLE.pdf.

[48] Weigensberg, E., Schlecht, C., Laken, F., Goerge, R., Stagner, M., Ballard, P., & DeCoursey, J. (2012). *Inside the Black Box: What Makes Workforce Development Programs Successful?* Chicago: Chapin Hall at the University of Chicago. https://www.researchgate.net/publication/265083339

Contracts between the lead organization (the City of East Palo Alto, in the case of the pilot) and program partners should include formal data-sharing commitments to ensure data safety. Data collection should reflect data that organizations already collect and use for meaning-making or to demonstrate impact, which can increase partner buy-in. It should also reflect sensitivity to residents participating in Measure HH programs and respect their privacy by allowing them to opt out of data collection partially or entirely.

Recommendation 3.5: Be attentive to the increasing cost of living and living wage standards. Consider that it may take longer than initially hoped to earn at the increasing rate.

San Mateo County's living wage has increased since residents voted on Measure HH; the figure also varies by household makeup, considering the number of children and working adults in a household (**Exhibit 11**). Sensemaking participants highlighted that the cost of living will only continue increasing and emphasized that residents who access new jobs after Measure HH-funded training may not immediately earn at the City's target. Long-term tracking is necessary to understand growth toward earning a wage aligned with the City's target.

EXHIBIT 11

2025 San Mateo County Hourly Living Wave based on Household Makeup[49]

	NO CHILDREN	1 CHILD	2 CHILDREN	3 CHILDREN
1 adult	$34.76	$67.89	$89.18	$114.70
2 adults (1 working)	$47.81	$58.01	$62.66	$73.98
2 adults (2 working)	$23.90	$36.16	$46.95	$59.28

CONCLUSION & LOOKING FORWARD

In its initial pilot phase, the Measure HH Pilot Workforce Development Program's partners improved access to employment opportunities, including those in STEM and trades, via training, wraparound support, and attending to well-being for East Palo Alto residents. There is an opportunity for the City to continue offering funding within this current structure and simultaneously expand its approach to include different strategies to achieve similar goals (e.g., connecting with employers, pre-apprentice programs, scholarships).

As we conclude this evaluation, we encourage City staff and Councilmembers to answer the following questions as they coordinate the pilot's next phase:

- How can City Council and City staff elevate Measure HH's profile amongst potential employers and champion EPA residents?
- What types of jobs in STEM and trades align with City Councilmembers' expectations of programmatic outcomes? How do those expectations align with or diverge from the job landscape and the jobs residents are seeking and securing after attending Measure HH-funded training?
- What measures or metrics are most helpful to City staff and City Councilmembers as they assess program results and make decisions for the future? What measures or metrics are important to partners? What needs to shift to collect and synthesize these measures or metrics regularly?

[49] *Supra*, note 32.

We greatly appreciate the City Council's commitment to building the Measure HH Workforce Development Program to meet the needs and aspirations of East Palo Alto residents, and their openness to adapting the program based on evaluation and learning.

Appendix A: Evaluation Questions

This report addresses the following four evaluation questions we developed with input from the City Council evaluation subcommittee and City staff to address the evaluation goals. In some instances, findings relate to multiple evaluation questions or goals.

1. **Outcomes**: What are the initial outcomes of the Measure HH Pilot Workforce Development Program? What supports and barriers drive and impede progress toward achieving programmatic outcomes? *(Goals 1, 2, 3)*

2. **Resources & Implementation**: How are Measure HH resources being used to support local workforce development? What are we learning about what it takes to implement and expand this work? *(Goals 1, 2)*

3. **Field Learning**: What can be learned from other programs similar to the Measure HH Pilot Workforce Development Program? *(Goal 2)*

4. **Wage Mobility**: What is important to consider in understanding the potential for longer-term career and wage growth related to the Measure HH Pilot Workforce Development Program? *(Goal 3)*

Appendix B: Measures of Interest

The East Palo Alto City Council asked Informing Change to report on 40 measures of interest, listed here by evaluation question for reference. We used the measures as a guide while developing data collection tools. The measures are not exhaustive, and we did not expect to collect consistent data about each measure. Instead, the measures organized the learning priorities discussed during background interviews and planning conversations and uplifted key Measure HH staff, partners, and City councilmembers' perspectives. These measures also reflect the spheres of influence closest to Measure HH and the Pilot Workforce Development Program (primarily participating residents and Measure HH partners).

EVALUATION QUESTION 1 (OUTCOMES)

Specific interest in the following measures for individuals:	**Specific interest in the following measures for contractors:**
• Skill and knowledge acquisition; trade/field competency/proficiency • Certificates or other formal training completed • Preparedness for available jobs • Awareness of and access to employment opportunities in tech or trades (such as related fields following program completion) • Number and type of jobs, internships, and apprenticeships obtained • Sustainability of employment opportunities (jobs with a living wage, defined as a minimum of $28/hour for a single individual) • Wages after program completion • Wages at 6, 12, 18, and 24 months after program completion • Area of residence (such as within the City of East Palo Alto, outside the City of East Palo Alto but within California, outside California) • Feeling of belonging in tech or trades • Feeling of belonging in East Palo Alto and Silicon Valley • Improved overall well-being • Conditions that drive or inhibit outcomes	• Diversity of and increase in student enrollment • Access to funding and contribution to organizational stability • Staff capacity and responsiveness to serve East Palo Alto residents (such as for multi-lingual service provision) • Employer-trainer engagement and collaboration • Partnerships with employers • Conditions that drive or inhibit outcomes • Others identified during the evaluation

EVALUATION QUESTION 2 (RESOURCES & IMPLEMENTATION)

- Number of student placements funded through Measure HH
- Program completion rates
- Characteristics and prior experiences of students (e.g., gender, age, race/ethnicity, level of education, prior employment experience, involvement in the foster system or justice system, language situation/languages spoken)
- Supports contractors provide to students
- Program cost
- Type and benefit of referrals or references contractors provide for students
- Measure HH funding structure, related strengths, and limitations

EVALUATION QUESTION 3 (FIELD LEARNING)

- Program costs
- Funding sources
- Range of supports and approaches provided, from workforce development programs or employers
- Challenges and how they are addressed
- Program results and outcomes
- Conditions that support or inhibit participant success or employee success once hired (such as competition in the tech field)
- Market conditions that support or inhibit participant success
- Forecast of future job landscape and required skills to access those jobs, including market strength and opportunities in STEM compared to building trades
- Current/projected wage levels for different jobs in tech and trades sectors

EVALUATION QUESTION 4 (WAGE MOBILITY)

- Wages prior to program participation (if employed)
- What compels or inhibits employers from providing a living wage
- Skills, roles, etc., associated with wage growth and mobility
- Conditions within the tech and trades sector that support or inhibit wage or career growth

Appendix C: Landscape Scan

PROMISING PRACTICES

Through our field research and experience, we offer promising practices for implementing workforce development programs. Other findings related to collecting data from a portfolio of organizations are incorporated throughout the report.

For Supporting Workforce Development Outcomes

- **Clearly define the participant audience to match individuals** with opportunities aligned with their skill levels and interests.
- **Conduct intake assessments to identify** participant knowledge, skill, commitment level, and any support services needed.
- **Focus training on industry-relevant certifications and skills**, including those in demand by target industries in the region.
- **Provide soft skills and job readiness skill development.**
- **Provide financial compensation** for program participation and completion to encourage participants to stay in training and help reduce financial burden.
- **Offer wraparound services** to address multifaceted needs.
- **Support career navigation to bridge the gap between skill-building and job placement,** such as, but not limited to, apprenticeships, guaranteed internships, and other connections to employers.
- **Build alumni networks** that create formalized ways for peers to connect during the program and after.

For Partnering with Employers

- **Seek committed partners** willing to be involved in different stages of the program, such as participating in advisory boards or giving feedback on the curriculum.
- **Work with employers to identify pre- and post-program participant attributes or skill sets.** Communicate these attributes with partners for effective outreach. Employers in other programs have expressed concerns about participant preparedness for on-site activities. A comprehensive intake assessment and communication of participant backgrounds can prevent unmet expectations.
- **Create a clear definition of employers' responsibilities** and encourage upfront hiring commitments.
- **Advocate and communicate with employers** on the benefits of WFD programs. A 2021 economic policy proposal by the Hamilton Project emphasized that WFD focusing on disadvantaged groups, especially after the COVID-19 pandemic, is cost-effective for employers in building a stronger worker

base.[50] Another article noted the benefit of regional workforce partnerships and local collaboration, in which local employers could recognize they face the same hiring issues and focus on strengthening regional talent pools and pathways.[51]

SOURCES

We reviewed the following sources to conduct the landscape scan for this evaluation.

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LANDSCAPE SCAN PROGRAMS FOR REFERENCE

Evaluation resources allowed for a preliminary field scan of workforce development programs inside and outside the Bay Area. We sought examples in two main categories:

1. Programs with a **similar focus** to Measure HH, primarily related to the population reached or technical field (i.e., STEM and trades).

2. Programs that offer **pathways different from Measure HH** (e.g., apprenticeships).

Our scope was limited to desk research, including publicly available information found online. Few organizations we researched provide outcome or evaluation-related information on their websites (e.g., completion rates, placement rates, wages). We provide what little data organizations have made available publicly.

Ultimately, these organizations share numerous promising practices for workforce development programs:

- Paid training opportunities
- Connecting trainees to employers via networking, internship, or apprenticeship opportunities
- Wraparound support to address basic needs and overall wellbeing
- Matching trainees to trainings, programs, or apprenticeships aligned with their skills and interests
- No cost to trainees
- Tailored job training and career readiness training (e.g., resume building, interview practice), and career exploration/coaching

Examples of General Workforce Development Programs Outside the Bay Area

We offer brief summaries of a selection of WFD programs **outside the Bay Area** that provide free, hands-on training to adults. Select trainings provide payment to trainees. Wraparound supports provide trainees with resources to meet their basic needs and enhance their overall well-being.

- **Inspiration Kitchens** (Chicago, IL) provides free hands-on culinary and food service training for low-income adults. The program provides additional services to help participants overcome barriers such as resume assistance, job search and placement support, and paid training.

- **Instituto del Progreso Latino** (Chicago, IL) provides career pathways training for Chicago's Latino community. Training focus ranges, with opportunity for vocational ESL instruction, college prerequisites, digital literacy, and general support to advance their careers and increase pay. Instituto offers a specific healthcare career pathway, enabling students to become Basic Nursing Assistants and supporting tuition and other support to earn additional credentials to advance their careers. The program provides additional wraparound support to help students and their families meet their basic needs and support their overall well-being (e.g., applying for Medicaid/Medicare, SNAP, unemployment, childcare services).

- **JARC** (Chicago, Baltimore, Philadelphia, Providence) provides free manufacturing-related training for low-income adults. Participants can be trained in CNC Machinist, Welding, Mechanical Assembly, and 3D printing. Trainees in Chicago receive a monthly stipend. JARC also offers bilingual training in Spanish and English, a bridge program to help trainees complete coursework to prepare them for manufacturing jobs, financial coaching, public benefits registration, transportation stipends, and resources for food, childcare, and housing. JARC shares that 80% of trainees found a job after or while in training, and 64% of JARC grads double their salary in their first year of employment after graduating.

Examples of Apprenticeship Programs

- **Apprenti** (based in Issaquah, WA, with national reach) is a free tech apprenticeship for adults across the US. Applicants must pass a competency test and receive 40 hours of weekly training once accepted. After completing their technical training, apprentices transition into their on-the-job apprentice positions with a hiring partner. Apprenti asks that hiring partners have full-time positions available for each apprentice they take on, but do not require employers to retain graduated apprentices. Apprenti offers training and opportunities in a range of tech occupations, including software and web development, IT infrastructure and support, business operations and support, cybersecurity, business and data analysis, and other specialized roles. Apprenti shares that they have placed 4,500+ apprentices in living wage jobs across the US and 89% of graduates are retained by their employer.

- **Foothill College** (Los Altos Hills, CA) offers a trade apprenticeship program through local union training offices. Foothill offerings are free to apprenticeship students. Apprentices earn income while learning from a master journeyman and attend Foothill courses up to two nights a week. Apprentices must be over 18 and hold a high school diploma or GED and valid CA driver's license.

Examples of Workforce Development Programs Run or Supported by City/County Workforce Development Offices & Boards

- **Work2Future** (with locations in San José, North San José, and Gilroy and also serving Campbell, Morgan Hill, Saratoga, Los Gatos, Los Altos Hills, Monte Sereno and unincorporated areas of Santa Clara County) is part of the America's Job Centers of California network of federally funded job centers and supported by the Silicon Valley Workforce Development Board. Work2Future provides free job training, workshops, and apprenticeships, as well as offerings in digital literacy, resume development, job search support, interview support, and other job training skills. Currently, Work2Future offers a trades program, through which 80% of graduates go on to employment or admission into an apprenticeship program, and a PG&E PowerPathway entry to an Electrical Operations program, after which 87% of graduates are employed in the construction-utility industry. Paid apprenticeships are available with select partner companies such as **Applied Materials**, **Enablence**, **Infinera**, and **Western Digital.**

- **East Bay Works** is also part of the America's Job Centers of California network and is supported by city and county WFD boards for employers and job seekers. It offers a range of self-directed (e.g., job search workshops and computer classes) and staff-assisted services (e.g., 1-1 career counseling, skills assessment, job training, on-the-job training, job placement, workshops, networking, and skills certification). Offerings are available at no cost to job seekers. Job readiness training includes digital literacy, typing certification, drop-in support, resume review, interview workshop, and more. Training opportunities are available for office career training, certified nursing assistant training, and medical assistant training.

- The **San Francisco Office of Economic and Workforce Development** (**OEWD**) funds the **TECH SF Program,** which offers free tech training through eight local tech organizations. Each organization has its own key audience (e.g., all adults, youth ages 17-24, formerly incarcerated adults, immigrants and refugees with a bachelor's degree). Training focus varies by program (e.g., digital marketing, producing/editing, Google IT certificate training, career exploration and readiness, web design and coding), as does post-program access to career pathways (e.g., mentorship, apprenticeships). OEWD also supports the **TechSF apprenticeship** opportunity, connecting employers to pre-screened, trained candidates. Tech training providers for the 2024-2025 grant year include **BAVC Media**, **Dev/Mission**, **Five Keys**, **Goodwill Comprehensive Job Center**, **Jewish Vocational Services**, **MEDA**, **MissionBit**, and **Upwardly Global**.

- **Regional Occupation Programs**, such as Eden Area ROP (Hayward, CA) and Mission Valley ROP (Fremont, CA), offer career preparation courses for adults. Eden Area ROP offers multiple career-preparation courses for adults. Current offerings include dental assisting and apprenticeship, direct support professionals, electrical training, medical assisting, and welding. Mission Valley offers a pharmacy technician program. Students pay to attend the courses of their choosing. Some ROPs have scholarship opportunities. ROPs do not offer job placement services.

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REQUEST FOR PROPOSALS (RFP)

Measure HH
Workforce Development Programs

Date Released: Monday, July 20, 2026
Deadline: Monday September 14, 2026 at 12pm (noon)

Section I Overview

Section II Background

Section III Scope of Work

Section IV Key Items to Address In Response

Section V Selection Criteria

Section VI Submittal and Review Process

Section VII Additional Disclosures and Requirements

CITY OF EAST PALO ALTO
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT
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DRAFT

I. OVERVIEW

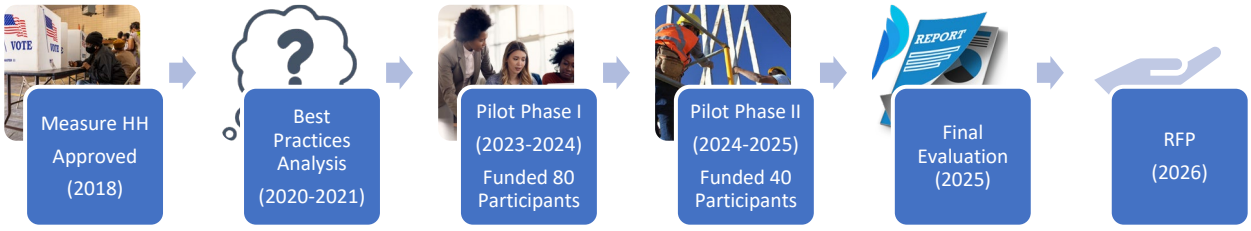
The City of East Palo Alto requests proposals from qualified agencies and organizations to provide job training and workforce program development services to East Palo Alto residents in the STEM (science, technology, engineering, and mathematics) and building trades fields. This Request for Proposals (RFP) is based on the City's desire to fulfill the intent of Measure HH, a tax approved by voters in November 2018, expected to generate $1.7 million annually. The proposed training programs should demonstrate: a clear "career ladder," or a job-by-job career path; a plan for employer partnerships; a plan to provide support services and reduce barriers to program participation; the ability to leverage outside resources; and estimated growth in earnings over time.

Through this RFP process, the City intends to enter into **multiple agreements** with two or more qualified agencies and organizations for the services being sought (see Section III – Scope of Work). These contracts will be multi-year contracts with the possibility of one or two one-year extensions if funds are not fully expended by the end of the contract, based on need and satisfaction of service criteria. **No additional funding will be allocated after the contract term ends, until a new RFP is issued and agencies or organizations are selected through a competitive procurement process.**

The City Council has allocated 1,100,000 of Measure HH Funds in FY 26-27. The City seeks by way of this RFP to obtain the listed services in a manner that maximizes the quality of services while also maximizing value and outcomes. Proposers must be able to show that they can perform the services requested. Such evidence includes, but is not limited to, the respondent's demonstrated competency and experience in delivering services of a similar scope and type and availability of the proposer's personnel resources.

City Council will review recommended proposals and reserves the right to change budget amounts as they see fit. Annual funding allocations are subject to City Council approval and reevaluation, based on the availability of funds.

Measure HH revenue is not intended to fund the full administration of job training programs, but rather to augment resident participation in programs run by partner agencies and organizations. Successful Respondents will demonstrate an ability to leverage outside funding or existing resources and, where applicable, the broader regional ecosystem of training programs.



II. BACKGROUND

About Measure HH

On November 6, 2018, 79.58% of voters of East Palo Alto approved Measure HH, an annual parcel tax of $2.50 per square foot on commercial office space of 25,000 square feet or more. Measure HH is expected to generate nearly $1,700,000 annually, although funding may vary from year to year depending on economic trends and development activity in East Palo Alto. Allowable Measure HH uses include funding projects and programs related to affordable and supportive housing (emphasizing net new housing), and access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics ("STEM") sectors and building trades. Specifically, a minimum of 35% of all revenues generated by Measure HH must be used to construct new, affordable housing stock, and a maximum of 15% of revenue may be used for city staff and overhead costs to administer Measure HH funds.

For more information, visit: https://www.cityofepa.org/econdev/page/workforce-development.

Report on Best Practices

In early 2020, after passage of Measure HH, the City competitively contracted with Brightline Defense Project ("Brightline") to develop strategies for maximizing Measure HH funding. During study sessions with Brightline in July and November 2021, the City Council expressed special interest in pre-apprenticeships and alternative STEM career pathways.

Launch of Pilot Measure HH Pilot Workforce Development Program

The City launched an 18-month Measure HH Pilot Workforce Development Program in March 2023 ("Pilot Phase I"), awarding JobTrain, Live In Peace, and StreetCode Academy a total of $775,215 after a competitive process to provide job training, job placement, and support services to an initial eighty (80) East Palo Alto residents. In September 2024, the City Council extended the program into a Pilot Workforce Development Program Phase II ("Pilot Phase II") period through December 2025, and allocated additional funds to the three organizations totaling $366,418, to continue providing services to an additional forty (40) residents, for a total funding commitment of $1,141,633 over three years.

The City Council set aspirational metrics for the pilot periods, including: 85 percent course completion, 75 percent job placement within three months, an average starting wage of $22–$25/hour, and achievement of a living wage within 36 months of program completion. Note: in 2023, the living wage was approximately $28/hour in San Mateo County based on a single adult without children.

The pilot programs' quarterly performance reports are available on the City's website: https://www.ci.east-palo-alto.ca.us/econdev/page/measure-hh-pilot-workforce-development-program.

Pilot Program Evaluation

City Council expressed deep interest in program evaluation. The March 19, 2024 mid-year program evaluation demonstrated the great need for workforce development funding, as 61% ($471,932.25) of the total funds had already been expended within one year of the program, between March 2023 and March 2024.

In August 2024, the City competitively contracted with Informing Change to conduct a third-party evaluation of the Pilot Workforce Development Program. From August 2024 to April 2025, Informing Change evaluated the efficacy of the pilot program through interviews, focus groups, site visits, and data analysis. Informing Change recommended areas of improvement and developed criteria to use for evaluating wage impacts of the program, to be implemented in the 36 months after the completion of the training courses. Informing Change's evaluation and conclusions may be found in the July 15, 2025 City Council staff report.

Summary of Pilot Program Accomplishments

1. Program Participants

a. The Pilot Program (Phases I & II) funded job training and support services to a total of 97 East Palo Alto residents.
b. Demographics:
    - The racial/ethnic backgrounds of participants were similar to the overall East Palo Alto population.
    - The proportion of female-identifying residents participating in the Pilot Program were lower than the overall East Palo Alto population.
    - Participants skewed slightly younger than the overall East Palo Alto population.
    - Participants were more likely to hold a high school diploma or equivalent and less likely to have college or advanced education than the overall East Palo Alto population. Nearly half of the participants were unemployed when they began their training.

2. Outcomes

a. Of the participants who completed the program, post-program data is available for 53 participants. Of those 53.81% were hired for jobs related to their training.
b. The unemployed group fell from 47% pre-program to 8% post-program.
c. The average hourly wage of participants employed full-time after completing their respective program was $26.68.
d. Participants credited their newly acquired skills and knowledge for supporting their access to new jobs and increased wages. They were optimistic about their future earning potential.
e. Participants identified benefits beyond employment, including skills and knowledge gains, exposure to different career paths, and increased confidence and motivation to continue growing.

3. Key Factors Affecting Participants' Success

a. Program Benefits:
   - Removal of financial barriers to participation
   - Welcoming and encouraging environment with high-quality staff and educators
   - Multiple program modalities and options
   - Different career counseling approaches to help participants determine a pathway
   - Offer of wraparound support services

b. Employment Challenges:
   - Recent downturn in job market
   - Seasonal nature of work (e.g., trades jobs)
   - Shift of STEM jobs toward freelancing and gig work
   - Wait-time to join a union

Continued Needs in Workforce Development

On December 17, 2024, the City Council adopted the Ravenswood Business District/4 Corners (RBD) Specific Plan, superseding the 2013 RBD Plan. Given that the development in the Specific Plan area is anticipated to include substantial office and R&D/lab uses, it will be essential to invest in workforce training to ensure that residents can take advantage of these new jobs. Currently, there is a mismatch between the educational attainment and occupations of residents and the projected occupations/skill requirements of new jobs in the Specific Plan area. Future R&D/life science uses are likely to include occupations that pay livable wages and would be accessible to residents without Bachelor's or advanced degrees through technical and on-the-job training. See the Final RBD Update here.

In June 2025, the East Palo Alto City Council adopted its Strategic Priorities for FY 2025-2029 and a focused Work Plan for FY 2025-2027 that prioritized initiating an ongoing workforce development program.

Later in January 6, 2026, the City Council also adopted its first Economic Development Strategic Plan (EDSP), which identified existing program strengths, including training in tech and entry-level skills for youth andyoung adults and critical gaps such as preparing residents for employment in advanced manufacturing and tech beyond coding fundamentals such as biotech jobs. It also identified emerging opportunities such as training for jobs in healthcare, green jobs, and with counseling/mentorship, as well as under-tapped and new opportunities such as employer partnerships, regional educational institutions, center for economic mobility, new City-operated entrepreneurship center, and regional institutions/providers. The EDSP recommends the City invest in workforce development to connect East Palo Alto residents to new economic opportunities and expand the City's appeal for opportunity sectors. One of the initiatives listed in the EDSP, Priority Action 2B.1, is to work with workforce development partners to provide industry-aligned trainings.

III. SCOPE OF WORK

Organizations and firms responding to the City's RFP (Respondents) must submit their proposals that thoroughly describe their experience, capacity, and ability to perform the services being sought by the City, listed in Table 1 below. Respondents must submit a separate proposal for each Service Area they are interested in, or a portion of one of the training programs based on existing organizational capacity (e.g. training for 10 students annually instead of 40 students), which will be ranked/rated separately by Service Area. If submitting a proposal for more than one Service Area, combined benefits or economies of scale should be described, if applicable.

Respondents for the first three Service Areas listed in Table 1 should highlight how they will **target outreach** to residents who may benefit from the services, how they will **reduce barriers** to accessing the services (including translation and interpretation services, among other things), and how they will **rapidly enroll** and **maintain engagement** of new program participants beyond the training period, and how they will **collect quantitative and qualitative data** to report to the City. Respondents may show how they are able to partner with other organizations and leverage outside funding to expand their services.

Table 1: Service Areas, Funding/Target, Scope of Work Summary and Contract Terms

Service Area	Funding or Target	Scope of Work Summary	Contract Term
1. **STEM/Life Sciences Fields Training**	40-60 students total in 2-3 years *Subject to Council approval.*	Education, training and/or pre-apprenticeship program to provide career pathways to living-wage jobs in the STEM/Life Sciences sectors. Program should respond to current labor market needs, provide accessible and equitable services—including wraparound supports and multilingual access—and incorporate employer partnerships that offer work-based learning experiences and pathways to employment.	2-3 years, with 1-2 one-year extension(s) *Subject to Council approval.* *Anticipated contract(s) start date: Winter/ Spring 2027, to be determined*
2. **Building Trades Training**	40-60 students total in 2-3 years *Subject to Council approval.*	Education, training and/or pre-apprenticeship program to provide entry into living-wage jobs in the building trades. Program should respond to current labor market needs, provide accessible and equitable services—including wraparound supports and multilingual access—and incorporate employer partnerships that offer work-based	2-3 years, with 1-2 one-year extension(s). *Subject to Council approval.* *Anticipated contract(s) start date: Winter/*

		learning experiences and pathways to employment.	*Spring 2027, to be determined*
3. **Master Contractor**	Approx. $200,000 every 2 years *Subject to Council approval.*	The Master Consultant will strengthen workforce development outcomes by building and managing partnerships among employers, training providers, unions, community organizations, and Measure HH contractors to expand career exploration, work-based learning, internships, apprenticeships, and employment opportunities. The consultant will coordinate employer and alumni engagement activities, facilitate collaboration across partners, administer fellowship and scholarship opportunities, and support participants' successful transitions into living-wage careers. During the first two years, if applicable, the consultant will also oversee quarterly reporting and invoice processing, and in the final two years, will focus on developing alumni networks and conducting longitudinal tracking to measure employment, wage, and career outcomes, while ensuring continuous improvement and responsiveness to workforce needs.	6 years, with 1-2 one-year extension(s) *Subject to Council approval.* *Anticipated contract start date: October 2026, to be determined*
4. **Program Evaluator**	Approx. $100,000 every 2 years *Subject to Council approval.*	The organization will develop and manage a standardized system for data collection, reporting, program evaluation, and longitudinal tracking to measure participant outcomes, ensure accountability, and support continuous improvement across Measure HH-funded programs. Responsibilities include establishing performance metrics and data-sharing protocols, evaluating program effectiveness, tracking employment and wage outcomes over time, preparing evaluation reports and presentations, and providing technical assistance to contractors and City staff.	6 years, with 1-2 one-year extension(s) *Subject to Council approval.* *Anticipated contract start date: October 2026, to be determined.*

Based on Informing Change's findings and the input from the pilot program organizations, the City is seeking proposals with the following qualities:

1. **Service Areas 1&2 – STEM & Building Trades Training: Labor Market Alignment, Eligible Training Programs, and Living-Wage Career Pathways:** The City seeks proposals that are responsive to current and emerging labor market conditions and that prepare participants for careers with strong earning potential and opportunities for advancement. Proposals should demonstrate how training programs align with workforce demand, industry trends, and living-wage employment opportunities.
    1. Labor Market and Economic Alignment
        a. Demonstrate an understanding of current and projected workforce needs, including emerging industries, occupations, and technologies that are expected to create employment opportunities for residents in the STEM and building trades fields.
        b. Utilize, to the extent possible, labor market analysis and economic data to ensure program offerings are responsive to changes in the regional economy, workforce demand, and technological advancements, including the growing impact of artificial intelligence and other emerging technologies.
    2. Expanded Eligible Training and Employment Opportunities
        a. Within the parameters of Measure HH, propose training and employment pathways that prepare participants for a broad range of STEM and building trades careers that can lead to living-wage employment.
        b. The City will allow consideration of training and employment programs that cover a broader range of STEM and building trades skills jobs that could achieve a living wage. For example, where STEM training opportunities focused on high-tech, software or computing programming categories, the City will now allow additional jobs in tech, life sciences, or STEM fields, such as but not limited to, entrepreneurship, including contractor law and small STEM business formation, artificial intelligence, and other STEM-related careers. In addition, the City is allowing training related to building trades such as, but not limited to, project development and technical support in building trades jobs.
        c. All proposed occupations and training pathways must receive written approval from the City.
    3. Living-Wage Outcomes and Career Advancement
        a. Demonstrate how proposed training programs lead to careers that provide wages sufficient to meet living wage goals.
        b. As best as possible, identify expected wage outcomes, employment opportunities, and advancement potential associated with each proposed training pathway.
    4. Career Pathways and Economic Mobility
        a. Demonstrate a clear career ladder for participants, including entry-level positions, opportunities for advancement, industry-recognized credentials, and projected wage growth over time.
        b. Describe how participants will be supported in progressing from training to employment and from initial employment to higher-skilled, higher-wage career opportunities.

2. **Service Areas 1&2 – STEM & Building Trades Training: Enhanced Program Accessibility, Wraparound Support, and Equity:** The City seeks proposals that demonstrate a comprehensive approach to reducing barriers to participation, increasing accessibility, and promoting equitable access to training, employment, and career advancement opportunities. Proposals should include the following:
   5. Expand Accessibility and Wraparound Supports:
      a. Provide or coordinate wraparound services that address barriers to participation, including childcare, transportation assistance, financial support, career counseling, case management, and other individualized supports.
      b. Offer flexible program delivery options, such as evening classes, shorter-term or modular training programs, and other scheduling accommodations that support working adults, caregivers, and participants with competing responsibilities.
      c. Monitor utilization and outcomes of support services and report on their effectiveness.
   6. Increase Language Access and Multilingual Learning Opportunities:
      a. Provide Spanish-language and other multilingual training and support services to better serve East Palo Alto residents.
      b. Incorporate vocational English language instruction that is integrated into workforce training and workplace settings, rather than standalone language instruction alone.
      c. Offer language development opportunities that improve workplace communication, including sector-specific English instruction and, where appropriate, Spanish-language learning opportunities.
   7. Ensure Accessibility for Participants with Diverse Learning and Support Needs:
      a. Implement accommodations for participants with physical disabilities, learning differences, and other accessibility needs.
      b. Provide technology access and support, including laptops, internet connectivity, assistive technology, recorded instruction, and alternative learning formats when appropriate.
      c. Incorporate diverse instructional approaches, including hands-on learning opportunities and specialized educational support, to ensure participants with varying learning styles can succeed.
   8. Advance Equity and Inclusion:
      a. Develop targeted outreach, recruitment, and retention strategies to increase participation among populations that are underrepresented in STEM and building trades careers and representative of East Palo Alto demographics.
      b. Demonstrate how program design, partnerships, and support services will improve equitable access to training, employment, and career advancement opportunities.
   9. Support Employer Engagement and Work-Based Learning:
      a. Demonstrate employer engagement strategies and partnerships that create internships, job shadowing opportunities, apprenticeships, and other work-based learning experiences for participants.

b. Describe how employer partnerships will support participant skill development, career exploration, and successful transitions into employment.

3. **Service Area 3 – Master Contractor: Deepened Employer and Alumni Engagement, Partnerships and Workforce Connections**: The City seeks a Master Contractor that will deepen employer engagement, strengthen partnerships and collaboration, and expand student learning and workforce opportunities. The selected organization will:

   1. Establish an Employer Advisory Council:
      a. Convene a standing group of local employers from STEM and building trades sectors to provide input on workforce needs, program design, participant preparedness, and hiring trends.
      b. Schedule quarterly meetings and incorporate employer feedback into program improvements and job placement strategies.
   2. Facilitate Employer Engagement and Direct Connections:
      a. Increase program visibility among local employers and build employer buy-in.
      b. Organize biannual networking events, employer showcases, and job fairs connecting participants with local employers.
      c. Actively broker introductions between Measure HH partners, employers, contractors, and industry associations.
      d. Connect participants and contracted organizations with additional free training programs, workforce resources, and employment opportunities.
   3. Secure Hiring, Internship, and Apprenticeship Opportunities:
      a. Develop and maintain partnerships with employers to create internships, pre-apprenticeships, apprenticeships, and employment opportunities for participants and alumni.
      b. Support contractors in implementing employer engagement strategies and identifying hiring partners.
      c. Consider incentive-based approaches that encourage employer participation and successful job placement outcomes.
   4. Leverage First Source Hiring and Union Pathways:
      a. Support implementation of the City's First Source Hiring Ordinance by connecting participants with City contractors, grantees, and employers and recommending qualified candidates for available positions.
      b. Strengthen relationships between Measure HH-funded programs, construction companies, labor unions, and trade associations.
      c. Recruit or partner with a trades association or similar organization to facilitate pathways into union membership and apprenticeship programs that lead to stable, living-wage careers.
   5. Establish Fellowships, Scholarships, and Work-Based Learning Opportunities:
      a. Design and administer City-funded fellowship and/or scholarship programs, with an initial budget not to exceed $80,000.
      b. Support participants in obtaining paid internships, apprenticeships, exposureships, or other work-based learning opportunities with the City or partner employers.

c. Provide scholarships that support continued education through local colleges, technical programs, or industry-recognized training in STEM and building trades fields.
d. Administer stipends, as appropriate, to expand access to internships and apprenticeship opportunities.

6. Facilitate Collaboration Across Partners:
    a. Support coordinated intake, assessment, counseling, mentorship. interviewing, and referral processes to ensure applicants are connected to programs that best match their interests and goals.
    b. Convene regular partner meetings to share updates, outcomes, best practices, and lessons learned.
    c. Foster collaboration among contractors, training providers, employers, and community partners.
7. Build Alumni Networks and Longitudinal Support:
    a. Support the development of formal alumni networks that provide peer mentorship, professional networking, career support, and program feedback.
    b. Coordinate alumni events and networking opportunities across contracted organizations.
    c. Maintain participant engagement after program completion and facilitate connections between alumni and potential employers.
8. Support Longitudinal Tracking and Data Reporting:
    a. Standardize data collection and reporting requirements through shared templates, reporting protocols, and data-sharing agreements.
    b. Collect participant information and track employment, wage, and career outcomes at 6, 12, 24, and 36 months after program completion.
    c. Update wage benchmarks annually to reflect current living-wage standards in San Mateo County.
    d. Support participating organizations in collecting and reporting longitudinal outcome data.
9. Solicit Ongoing Feedback and Program Improvement:
    a. Implement regular participant, alumni, employer, and partner satisfaction surveys.
    b. Analyze feedback and outcome data to recommend program improvements and support continuous quality improvement across all contracted organizations.

4. **Service Area 4 - Program Evaluator: Improved Data Collection, Reporting, and Longitudinal Tracking:** The City seeks an organization that will support data collection, reporting, longitudinal tracking, and program evaluation activities to strengthen accountability, measure outcomes, and inform continuous program improvement. The selected organization will:
    1. Develop Data Infrastructure and Reporting Systems
        a. Before program implementation, develop and implement standardized data collection and reporting processes, including shared reporting templates and/or a centralized database for all contractors.

   b. Ensure consistent collection of participant demographics, enrollment, completion rates, credential attainment, job placements, wage outcomes, and other performance indicators.

1. Establish Data-Sharing and Privacy Protocols:
   a. Develop formal data-sharing agreements and protocols across contractors and partners to facilitate comprehensive program evaluation while ensuring participant privacy and compliance with applicable laws, regulations, and best practices (including but not limited to those related to cybersecurity).
   b. Coordinate data collection, data quality assurance, and information sharing across participating organizations.
4. Establish Performance Metrics and Accountability Measures:
   a. Develop feasible, measurable, and standardized performance metrics aligned with Measure HH goals and objectives.
   b. Establish targets related to participant enrollment, completion, job placement, wage attainment, credential attainment, and long-term career outcomes.
   c. Monitor contractor performance and provide recommendations for continuous improvement.
5. Conduct Longitudinal Tracking and Outcomes Analysis:
   a. Track participant outcomes over time, including employment, wage progression, education attainment, and career advancement.
   b. Maintain participant engagement and conduct periodic follow-up activities to collect longitudinal outcome data and assess program effectiveness.
   c. Analyze trends and outcomes across contractors and participant populations to identify successes, challenges, and opportunities for improvement.
6. Conduct Program Evaluation and Research:
   a. Develop a comprehensive evaluation plan that includes project initiation activities, stakeholder engagement, evaluation methodologies, timelines, and reporting deliverables.
   b. Conduct participant interviews, focus groups, surveys, landscape scans, program assessments, and reviews of relevant reports and documentation.
   c. Conduct site visits and training program shadowing activities to observe program implementation and participant experiences.
   d. Summarize findings and observations to inform program improvements and future funding decisions.
7. Prepare Evaluation Reports and Present Findings:
   a. Facilitate sensemaking sessions with City staff and stakeholders to review findings and identify recommendations every year.
   b. Prepare interim and final evaluation reports that summarize program outcomes, lessons learned, and recommendations for strengthening workforce development investments.
   c. Present findings to City staff, advisory bodies, and the City Council, including attendance at up to two virtual City Council meetings or presentations.
8. Provide Ongoing Technical Assistance and Support:

a. Participate in regular project meetings with City staff and internal project coordination activities.
b. Provide technical assistance and additional program support, as needed, related to data collection, reporting, evaluation, performance management, and continuous improvement efforts.
c. Administer evaluation-related activities, including participant incentives, interview transcription services, and other necessary project support functions

IV. KEY ITEMS TO ADDRESS IN RESPONSE

1. **Cover Letter.** Include a cover letter with the proposal that includes, at a minimum:

   a. Contact information
   b. Title of the RFP
   c. Interest in the Service Area*
   d. Summary of proposed budget (with annual cost estimate and annual projected deliverables)
   e. Declarative statement that the Respondent has reviewed all aspects of the City's Contractor and Professional Services Agreement, including the City's insurance requirements, and agrees with these documents. If the Respondent has concerns about the City's standard forms, those concerns shall be identified in the cover letter. Any proposal that does not acknowledge the City's insurance and contracting requirements will be deemed **ineligible**.

   ***Note: A separate proposal is required for each Service Area the Respondent is interested in.**

2. **Organization Introduction.** Include information on the organization, such as form of organization, length of time in business, office location(s), number of staff and a general summary of qualifications documenting the strengths and soundness of the organization, areas of expertise and licensing (if applicable). Include any subcontractors that will be assisting on the project.

3. **Relevant Experience.** Narrative describing experience and expertise in the Service Area. Specific examples of similar work completed or underway shall be provided, in addition to an overview of the organization's performance in providing the particular services (performance metrics may include number of people served, and other quantitative or qualitative metrics). If more than one entity is partnering to respond to the City's RFP, Respondent shall provide a narrative that includes the comprehensive experience of both entities.

   Provide a complete listing of all related work undertaken or completed in the past five (5) years, in an easily comprehensible format. The listings must include:
   - Project name, location, contract value, and description (describe

relevance to this project);
- Role of the project manager in the effort; and
- Timeliness in completing projects.

4. **Knowledge**. Identify familiarity with economic development, workforce development, existing employment trends and opportunities, local and regional partnerships, diversity and equity, and working with local governments.

5. **Client References.** Include at least three references from agencies to whom the firm has provided similar services.

6. **Description of Services and Detailed Staffing Plan.** Provide a detailed explanation of your approach to delivering the services and reporting requirements. Items to address include:
    - Description of proposed services.
    - Anticipated timeline, and if applicable, length of the program(s), including initiation date(s) and end date(s) for program competition.
    - Staffing and other resources to be allocated to deliver the services.
        - Identify the team organization, staffing plan, and key staff, including the individual proposed as the project manager, and the relevant experience and role of the key individuals.
        - Include resumés of key staff and organization chart.
        - Include contact information (i.e. email address and phone number) of the project manager, to be publicized on the City website if selected.
    - Plan and organization-specific methods for collecting student information and reporting to the City in the quarterly reports, annual reports, and the 6, 12, 24, and 36 months after program completion.
    - Respondents for the first three Service Areas listed in Table 1 should address:
        - Number of individuals the Respondent could support with City funding;
        - Description of how and where the services will be delivered (e.g. in person in East Palo Alto, in person outside the City and/or virtual);
        - Description of how outreach to residents will be conducted;
        - Description of how barriers to accessing the services (including translation and interpretation services, among other things) will be reduced;
        - Description of how participants will be recruited, enrolled and maintained engaged beyond the training period;
        - Description of how the participants will be connected to real employment;
        - Description of how relationships to job generators will be fostered;
        - Description of how participants will be set on a path to living wage compensation (at least $38 an hour according to MIT's most recent Living Wage Calculation for San Mateo County;

feasible wages by field will be assessed by the Program Evaluator);

- Description of how quantitative and qualitative data will be collected and what metrics may be used for reporting purposes; and
- Description of how partnerships with other organizations and outside funding will be leveraged to expand their services.

7. **Budget & Cost Structure.** Respondent shall submit an itemized time and materials budget to accomplish the service delivery plan. The budget should include a detailed schedule of hourly rates for all staff positions that would be assigned to the proposed tasks, and a breakdown of where the City's investment would contribute from point of entry to program completion. The City requests that, if applicable for Service Areas 1-2, the Respondent include per-participant costs and describe the process of what will happen if a participant drops out of the program.

   Once the City has selected a contractor for each Service Area, staff and the selected Respondent(s) will work together to finalize the appropriate scope of work and budget subject to City Council's approval.

   Measure HH revenue is not intended to fund the full administration of job training programs, but rather to augment resident participation in programs run by partner organizations. Successful Respondents should demonstrate an ability to leverage outside funding and, where applicable, the broader regional ecosystem of training programs.

8. **Outcomes and Evaluation.** Identify program deliverables and performance measures your organization realistically has the capacity to provide, and performance measures and outcomes that your organization may be able to provide, but with additional resources. Respondents offering training services shall provide quarterly invoices and reports, annual reports, and wage reports 6, 12, 24, and 36 months after program completion. At minimum, the City is seeking the deliverables in Exhibit A - Performance Report Outline (to be finalized during contract negotiation), however, the Master Contractor and Program Evaluator will support the City in finalizing reporting requirements.

V. SELECTION CRITERIA

A selection committee will review and rank all the proposals received. The top-ranked Respondents may be asked to participate in an in-person or virtual interview. The selection committee will make a recommendation through the City Manager to the City Council for final decision.

Though it is conceivable that one organization may be able to perform all services desired, it is possible that proposers will have areas of expertise better suited to one of the services listed in Section III – Scope of Work. As such, the City reserves the right

to offer a contract to an organization to deliver services for only a part of the service areas included in its proposal. The City may select more than one consultant in each service area to meet its needs.

The successful organization will be selected on the basis of professional qualifications and demonstrated competence. The following will be considered during evaluation of proposals:

1. Experience, qualifications, performance and availability of proposed project manager
2. Proposed project approach and use of best management practices
3. Budget
4. Ability to meet reporting requirements
5. Review of references
6. Agreement to enter into the Sample Agreement for Services contract or a list of proposed changes for City review

Proposals will be evaluated solely based on the Respondent's ability and capacity to perform the work outlined in the RFP. Respondents applying for more than one Service Area will be rated/ranked separately for each category.

Table 2: Evaluation Rubric

Evaluation Areas	Description	Possible Points
Experience	Respondents shall demonstrate experience providing the services outlined in the RFP with successful results. If applicable, Respondents shall have at least 10 years of experience.	40
Capacity to Perform	Respondents shall demonstrate the capacity to provide the services and: • Identify eligible participants; • Collect information and data for longitudinal reporting; • Reduce barriers and increase accessibility; • Respond to the participants, the City, and other stakeholders in a timely manner; • Leverage other partnerships, funding, and resources (if applicable); and • Utilize existing personnel.	30
Cost Effectiveness	Respondents shall demonstrate the ability to leverage additional funding and resources. Respondents that can bring the City's per participant cost down or create economies of scale may receive higher points in this section.	15
Familiarity with East Palo Alto	Respondents will be scored based on knowledge and experience working in the City of East Palo Alto and/or with community groups that currently service residents in the City.	5

References	Respondents will be scored based on the reviews from references.	5

VI. SUBMITTAL AND REVIEW PROCESS

Below is the timeline for RFP, contract and program. The City reserves the right to modify any of the dates in the schedule as deemed necessary.

Table 3: Dates and Deadlines	
Event	**Date**
RFP Released	Monday, July 20, 2026
Intent to Respond Email	Monday, July 27, 2026
Deadline for Questions	Thursday, July 30, 2026 (12 PM)
Pre-Bid Conference	Friday, July 31, 2026 (1 PM)
Response to Questions	Monday, August 10, 2026
Submission Deadline for Proposals	**Monday, September 14, 2026 (12 PM)**
City's Internal Evaluation of Proposals	Week of September 14, 2026
Potential Interviews of Respondents	Week of September 21, 2026
Scopes of Work Refined	October 2026
City Council Consideration of Selected Contractors and Budget Allocation	Anticipated October 20, 2026 or later
Execution of Contract(s)	Anticipated between 30-60 days

1. **Number of copies.** One (1) Word and one (1) PDF file of the proposal is required.

2. **Maximum Page Count.** Each proposal should have a maximum page count of ten (10), excluding resumés.

3. **Deadline.** Proposals must be submitted no later than 8 weeks after the RFP release date, before 12:00 PM noon (see Table 3). Only email submittals will be accepted. The date stamp on the email will reflect the time the submittal is received by the City of East Palo Alto. Respondents will receive prompt confirmation of receipt of the proposal.

4. **Optional Intent to Respond Email.** Respondents may, but are not required to, submit an email to CED@cityofepa.org with an Intent to Respond, listing the Service Area(s) of interest, to receive an invitation to the Pre-Bid Conference. The link to join the Pre-Bid Conference will also be made available on the City's RFPs and Bids page: https://www.cityofepa.org/rfps.

5. **Questions.** Written questions are due no later than 10 calendar days after the RFP release date. Direct all questions regarding the RFP in writing via email to

CED@cityofepa.org. The subject of the email shall be: "Questions regarding RFP for East Palo Alto's Measure HH Workforce Development Program." The City will publish an addendum to the RFP with responses to questions submitted prior to the deadline no later than 10 calendar days after questions are due.

6. **Pre-Bid Conference.** The City will host a non-mandatory virtual Pre-Bid Conference no later than 11 calendar days after the RFP release date (see Table 3). Staff will provide a brief overview of the RFP and answer questions live. The meeting will be recorded and posted with the addendum. Any unanswered questions will be published with the aforementioned addendum.

7. **Send Submittals.** One (1) e-mail copy of the RFP Response shall be sent electronically to CED@cityofepa.org. The subject of the email shall be: "Proposal regarding RFP for East Palo Alto's Measure HH Workforce Development Program." Submission of a proposal indicates acceptance by the organization of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of East Palo Alto and the consultant selected.

8. **Interviews.** 60-minute interviews will be conducted at the end of September, or later. Please indicate in a cover letter the potential dates and times you are available.

9. **Changes.** If changes to the RFP are warranted, they will be made in writing, clearly marked as addenda to the RFP, and posted to the website at **https://www.cityofepa.org/rfps**. It is the responsibility of each proposer to check the website for changes and/or clarifications to the RFP prior to submitting a response, and a proposer's failure to do so will not provide a ground for protest.

VII. ADDITIONAL DISCLOSURES AND REQUIREMENTS

1. CONTRACTOR AND PROFESSIONAL SERVICE AGREEMENT

All services shall be provided in accordance with the City's **Standard Consulting Services Agreement (see Attachment 1).** Prospective contractors shall be familiar with, and willing to execute, all terms contained in the Agreement before submitting a proposal. If the Respondent has concerns about the City's standard forms, those concerns shall be identified in the response cover letter.

2. INSURANCE REQUIREMENTS

The City will enter into multi-year agreements with consultants selected for each service area. Prior to entering into an agreement with the City, Respondent must provide evidence demonstrating compliance with the City's insurance requirements (**See Exhibit C to the Standard Agreement, and Sample COI, Attachment 2**).

3. **DISCRETION AND LIABILITY WAIVER**

The City reserves the right to reject all proposals or to request and to obtain, from one or more of the Respondents, supplementary information as may be necessary for City staff to analyze the submissions. The City may require Respondents to participate in additional rounds of more refined submittals before the final selection is made. The City may negotiate with one or more Respondents and may contract with one or more Respondents as the City deems appropriate.

The City reserves to solicit additional proposals at any point should it fail to negotiate a reasonable fee with the initially selected Respondent(s), or should that Respondent fail to execute the City's agreement. The City may alter the selection process in any lawful way, postpone the selection process for its own convenience at any time, and waive any non- substantive defects in this RFP or the proposals.

4. **DISCLOSURE OF RESPONSES**

All responses to this RFP accepted by the City of East Palo Alto shall become the exclusive property of the City. If disclosure is required or permitted under the California Public Records Act or otherwise by law, the City shall not in any way be liable or responsible for the disclosure of any such records or part thereof.

5. **CITY COUNCIL CONSIDERATION**

A committee will review and evaluate any timely submitted proposals and will recommend proposal(s) for award to the City Council on **October 20, 2026 or later**.

Attachments

1. Attachment 1. City's Standard Consulting Services Agreement
2. Attachment 2: Sample Certificate of Insurance (COI)

EXHIBIT A – Draft Performance Report Outline

1. Program Enrollees: description and status of East Palo Alto resident enrollees in each program (e.g., age, gender, racial composition, special needs, education and/or employment status)

    a. Continuing enrollees reported in prior quarterly reports
    b. New enrollees for this quarterly report
    c. Enrollees who are no longer enrolled in program

2. Program Outreach: description of outreach activities and events (e.g., community groups targeted and number of attendees or participants).

3. Career Development: description of career development and job placement services provided to program enrollees.

4. Support Services: description of supportive services requested or provided to program enrollees.

5. Performance Metrics *(may not be not applicable for first quarterly report)*

    a. Program Completion Rate
    b. Job Placement Rate
    c. Starting Wage
    d. Living Wage
    e. Other applicable performance metrics by Contractor

6. Performance Assessment (as applicable)

    a. Program successes and outcomes
    b. Program challenges
    c. Areas for improvement or follow-up
    d. Program refinements and modifications

7. Final Performance Report: *(may not be not applicable for first quarterly report)*
    a. Summary and conclusions on program outcome and accomplish ments (include both qualitative and quantitative assessment)
    b. Observations and recommendations to improve Measure HH Wor kforce Development Program

RESOLUTION NO. XX– 2026

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

DIRECTING THE CITY MANAGER TO ISSUE A REQUEST FOR PROPOSALS TO CONTINUE THE CITY OF EAST PALO ALTO MEASURE HH WORKFORCE DEVELOPMENT PROGRAM IN AN AMOUNT NOT-TO-EXCEED OF $1.1 MILLION, WITH RECOMMENDED PROGRAM, POLICY AND OPERATIONAL ENHANCEMENTS

WHEREAS, on November 6, 2018, the residents of East Palo Alto approved Measure HH, a parcel tax on commercial office space of 25,000 square feet or more, to fund affordable housing and workforce development programs for East Palo Alto residents; and

WHEREAS, on November 15, 2022, the City Council appropriated an amount not to exceed $775,215 from the Measure HH Fund to fund a Measure HH Pilot Workforce Development Program ("Pilot Program") and authorized the City Manager to enter into agreements with Live In Peace, JobTrain, and StreetCode Academy for job training, job placement services, and support resources for East Palo Alto residents for Phase I of the Pilot Program, with initial contract terms commencing on March 1, 2023, and subsequent extensions approved by Council through May 30, 2025; and

WHEREAS, on July 16, 2024, the City Council authorized the City Manager to enter into an agreement with Informing Change to conduct a third-party evaluation of the Pilot Program and recommend program refinements, and appropriated an amount not to exceed $120,000 for the evaluation; and

WHEREAS, on September 3, 2024, the City Council appropriated an additional $366,418 from the Measure HH Fund to fund Phase II of the Pilot Program and authorized the City Manager to execute amendments to the existing agreements with JobTrain, Live In Peace, and StreetCode Academy to increase the not-to-exceed amounts and to extend the contract terms through May 30, 2025; and

WHEREAS, on January 7, 2025, the City Council considered and accepted the evaluation plan submitted by Informing Change which outlined the scope. approach, and schedule for conducting the evaluation; and

WHEREAS, on June 17, 2025, the City Council extended the contract term for the Pilot Program through December 31, 2025, with the possibility of up to a one-year extension at the City Manager's discretion, to provide sufficient time for JobTrain, StreetCode Academy, and Live In Peace to complete all program activities and report program outcomes.

WHEREAS, on June 17, 2025, the City Council adopted the Fiscal Year 2025-26 which included allocating up to $850,000 in Measure HH funds to continue the Workshop Development Program; and

WHEREAS, Informing Change submitted an evaluation report, dated June 2025, that contains findings and recommendations for improving the Pilot Program based on input received through meetings with staffs from the City, JobTrain, Live In Peace, and StreetCode Academy, interviews with program participants, employers, and trade organizations, and meetings with a City Council subcommittee; and

WHEREAS, on July 15, 2025, the City Council considered and accepted the evaluation report from Informing Change, considered input from JobTrain, Live In Peace, and StreetCode Academy, and

considered staff recommendations for continuing and enhancing the Measure HH Workforce Development Program; and

WHEREAS, on July 15, 2025, the City Council voted to add to the resolution policy enhancements that identify what STEM fields can be covered under Measure HH, and authorized the City Manager to issue a Request for Proposals to accept proposals from agencies and organizations to continue the Measure HH Workforce Development Program with recommended program, policy and operational enhancements; and

WHEREAS, on July 7, 2026, the City Council reviewed the draft Request for Proposals and provided further program, policy and operational enhancements.

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. Directs the City Manager to issue a Request for Proposals to continue the Measure HH Workforce Development Program, in an amount not-to-exceed of $1.1 million, with recommended program, policy and operational enhancements; and

3. Finds that the proposed action does not constitute a "project" within 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 7th day of July 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

James Colin, City Clerk

APPROVED AS TO FORM:

John D. Lê, City Attorney

PUBLIC HEARING 9.1

EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 7, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager
Yajaira Morales, Interim Community & Economic Development Manager

BY: Elena Lee, Planning Manager
Karen Camacho, Interim Community Development Director
Shiri Klima, Assistant City Manager

SUBJECT: Temporary Housing Development Incentive Program Ordinance Introduction

Recommendation

Staff recommends that the City Council:

1. Adopt a resolution to:

   a. Waive the first reading and introduce an uncodified ordinance titled "Temporary Housing Development Incentive Program" ("THDIP") to encourage the construction of new housing by reducing inclusionary housing obligations for residential developments, including the residential component of mixed-use projects, effective until December 30, 2027 (with complete Vertical Building Permit application due by January 30, 2028), or until some other sunset date approved by the Council;

   b. Direct the City Manager or designee to adopt Administrative Guidelines for the implementation of the THDIP; and

   c. Find that the proposed actions do not constitute "projects" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines sections 15378(b)(4) and 15378(b)(5) (governmental, administrative or financial activity) and Section 15061(b)(3) (common sense).

2. Adopt another resolution to:

    a. Appropriate an additional $13,300 from the Housing In Lieu Fund (Fund 207) and authorize the City Manager to amend the agreement with Street Level Advisors to add $13,300 for a new total not-to-exceed amount of $88,300; and

    b. 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 15378(b)(5) (governmental, administrative or financial activity) and Section 15061(b)(3) (common sense).

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Comprehensive Housing
Priority: Land Use, Economic, and Workforce Development

Executive Summary

On March 24, 2026, the City Council hosted a study session regarding the City’s Inclusionary Housing Ordinance (IHO0. The discussion included three primary topics. First, staff provided an overview of the San Mateo County Grand Nexus and Feasibility Study, a countywide effort evaluating the financial feasibility of development requirements across multiple jurisdictions, including East Palo Alto. The study is anticipated to be completed in late spring 2027 and will inform future updates to the City’s housing policies.

Second, staff reviewed the City’s existing inclusionary housing ordinance, including current requirements, program outcomes, and comparisons to nearby jurisdictions. Finally, the staff presented the concept of a Temporary Housing Development Incentive Program (“THDIP”), which would temporarily reduce the inclusionary housing requirements to encourage housing production while the Grand Nexus and Feasibility Study is completed. Following the discussion, the City Council directed staff to return with a draft THDIP ordinance for consideration.

On June 9, 2026, staff presented the draft THDIP ordinance, along with additional information requested by the City Council regarding housing needs, housing affordability, development pipeline projects, and related housing policy considerations With four Councilmembers present, the Council did not reach consensus on the proposed THDIP and did therefore did not introduce the ordinance. Council discussion focused on the program’s duration, eligibility of Development Agreement projects, SB 330 projects and off-

site compliance projects, exemptions for smaller residential developments, and the extent of potential reductions to onsite affordability requirements.

Because no consensus was reached on key policy components, the draft ordinance before the Council remains substantially unchanged and includes bracketed options for major program elements. Staff is seeking Council direction on these policy choices and requesting introduction of the THDIP ordinance.

Proposed THDIP Program Components

Component	Staff Recommendation
Purpose	Temporarily incentivize new housing production by reducing inclusionary housing requirements while the City completes the Grand Nexus and Feasibility Study and considers permanent updates to the Inclusionary Housing Ordinance.
Program Duration	Effective until **December 30, 2027** (with complete Vertical Building Permit application due by January 30, 2028).
Rental Projects	60% IHO Reduction - Developers may provide either **8% of units at 50% AMI (Very Low Income)** or **15% of units at 60% AMI (Low Income)**.
Ownership Projects	60% IHO Reduction - Developers may provide either **7% of units at 80% AMI (Median Income)** or **9% of units at 120% AMI (Moderate Income)**.
Small Project Exemption	Projects with **10 units or fewer** would be exempt from inclusionary housing requirements.
SB 330 Projects	Eligible to participate if they amend their inclusionary obligations and become subject to current development impact fees; alternatively, they may retain existing obligations.
Development Agreement Projects	Excluded from THDIP and would require separate Council action to modify existing obligations.
Off-Site Compliance Projects	Excluded from THDIP due to the project-specific nature of their affordability agreements.
Eligibility Requirements	Projects must obtain approval of a THDIP amendment, apply for a qualifying vertical building permit, and pay applicable permit fees before the program expires.
Program Elements Unchanged	Existing rules related to affordability monitoring, in-lieu fee calculations, unit standards, construction timing, and long-term affordability restrictions remain in effect.

Implementation of the THDIP and the broader review of the City's Inclusionary Housing Ordinance has required additional consultant support beyond the scope originally contemplated in the City's agreement with Street Level Advisors (SLA) and Community Planning Collaborative (CPC). The City entered into a $75,000 agreement with SLA on January 7, 2026, to assist with oversight of the Grand Nexus and Feasibility Study,

community engagement, evaluation of the City's inclusionary housing policies, and preparation of recommended updates to the IHO and associated guidelines.

Following Council direction at the March 24, 2026 study session, staff requested additional policy analysis, staff report preparation, meeting participation, and ordinance development assistance related to the THDIP. While staff was able to accommodate initial work through a reallocation of resources within the existing contract budget, subsequent Council direction to prepare, refine, and present the THDIP has resulted in work that exceeds the original contract scope and budget.

To support participation in the July 7, 2026 public hearing and ensure sufficient consultant resources remain available to complete the original scope of work associated with the Grand Nexus and Feasibility Study and future IHO updates, staff recommends amending the SLA agreement budget by $13,300, increasing the contract amount from $75,000 to $88,300. The additional funding would support project management, policy analysis, hearing preparation, Council briefings, public hearing participation, implementation support, and limited additional assistance related to future ordinance updates.

Accordingly, staff recommends that the City Council introduce the THDIP ordinance and approve the budget appropriation and contract amendment necessary to support completion of the ongoing inclusionary housing policy review and implementation effort.

Background

Inclusionary Housing Policies Generally and East Palo Alto's Ordinance Specifically

Inclusionary housing policies typically require residential developers to provide a percentage of units at below-market prices or rents as part of new development. The City's Inclusionary Housing Ordinance ("IHO") is codified in Chapter 18.37 of the East Palo Alto Municipal Code. The IHO was originally adopted in 1994 and has been amended several times, most recently in 2019, with minor amendments in 2025. The City of East Palo Alto ("City" or "EPA") first adopted Inclusionary Housing guidelines ("Guidelines") as a companion document to the IHO on October 20, 2020. The last update to the Guidelines was July 16, 2025. The Guidelines are intended to assist developers by addressing the key components of the IHO.

Chapter 18.37 applies to newly constructed residential development, including the residential component of mixed-use projects, subject to certain exemptions. Accessory dwelling units and lot split projects developed pursuant to Senate Bill 9 are currently exempt.

For residential developments consisting of five or more units, the IHO requires that 20 percent of the units be provided as inclusionary units on the same site as the development

unless the City Council approves an alternative compliance option (such as paying in-lieu fees). For developments with fewer than five units, the developer chooses to either pay an in-lieu fee or provide one inclusionary unit.

Rental projects must provide inclusionary units at multiple income levels, including units affordable to households at approximately 35 percent, 50 percent, and 60 percent of area median income ("AMI"). Ownership projects must provide units affordable to households at approximately 80 percent and 120 percent of AMI. Affordability restrictions are generally required in perpetuity.

The IHO allows alternative compliance options with City Council approval, including off-site construction, payment of in-lieu fees, accessory dwelling units, or other methods that provide an equivalent or greater public benefit. When alternative compliance is approved, the required percentage increases to 25 percent.

Table 2 in Attachment 1 compares the current program to the proposed THDIP.

Analysis

This section reviews the draft THDIP uncodified ordinance. The discussion is organized by topic and correlates to Tables 1 and 2 in Attachment 1, which provides a summary of staff's recommendations and options for Council's consideration. For each topic, there is an overview, a review of regional trends, notes about current pipeline projects, staff's recommendation, and some alternatives for Council's consideration. Pipeline projects consist of projects with an approved or entitled application, or a pending application or pre-application, that are not yet built. In some instances, discussion of regional trends will reference the cities of Redwood City and the City/County of San Francisco's temporary incentive programs, which were discussed in more detail on March 24th. In other instances, it will reference County or regional inclusionary housing trends.

Topic 1: Duration of the THDIP

THDIP is a temporary program, intended to incentivize development for an interim period. To provide opportunity and certainty for new or pipeline projects, the expiration of the THDIP should have a certain end date that provides applicants opportunity to utilize the program. The THDIP is intended to provide a development incentive for the interim period while the Grand Nexus and Feasibility Study and related legislative amendments are developed. Staff anticipate legislative updates to be considered in late spring of 2027. Legislative changes could be effective mid- to late-summer 2027, or later.

THDIP is targeting projects that are initiating construction, not simply advancing through the permitting process. To advance a project under the THDIP, projects must apply for a THDIP Amendment, apply for a Vertical Building Permit, and pay the relevant building permit fees before the program expires. The term Vertical Building Permit refers to

foundation and/or core/shell, excluding grading and demolition permits. Generally, these permits require measurable investment in design fees and strongly signal the start of construction.

For administrative purposes, the THDIP also provides an additional 30-day period, whereby applicants must complete the qualifying Vertical Building Permit application, if deemed incomplete at application. The 30-day period is intended to remedy any unforeseen administrative burden.

Regional Trends: The City of Redwood City's Affordable Housing Incentive Program, which offered a temporary reduction to inclusionary requirements starting November 2025, expires on June 30th, 2027. Redwood City allows projects entitled after the effective date of the ordinance to participate.

The City and County of San Francisco ("San Francisco")'s program sunsets May 1, 2029, approximately 5.5 years after the effective date. However, the San Francisco program is limited to projects that were fully entitled prior to the effective date.

> **Staff Recommendation:** The duration of the THDIP can be through December 30, 2027 (with application completion by staff by January 30, 2028), past the Grand Nexus and Feasibility timeline, to provide certainty and eliminate interface with Council deliberations on changes to the IHO.

Alternatives: Council could limit the program to twelve months after the effective date or extend the program beyond staff's recommended timeframe.

Topic 2 & 3: Housing Projects or Mixed-Use Projects that May Not Avail Themselves of the THDIP

Projects that are entitled under SB 330, also known as the Housing Crisis Act of 2019, codified in Government Code Chapter 654, are afforded certain rights including limiting the number of hearings, shortening of Permit Streamlining Act timelines, and exemption from any ordinances, policies, and standards adopted after the preliminary application was submitted pursuant to Section 65941.1, except where the housing development has not commenced construction within two and one-half years following the date that the project received final approval. SB 330, however, does not prevent localities from reducing fees or other obligations, subsequent to the project's approval.

Applicants who want additional certainty that their entitlements would be subject to the policies, rules, regulations, and conditions of approval applicable to the project at the time of approval, can also request a Development Agreement ("DA"). The DA, which is both an ordinance and a contract with the City, would lock in those provisions regardless of any subsequent changes to City policies, rules, and regulations after project approval. Generally, these agreements include a carefully crafted set of agreements, including site-

specific inclusionary housing requirements. The DA and entitlements are typically approved concurrently by the City Council. The City has two projects that have DAs: Woodland Park Euclid Improvements and the University Circle Office project. Only the former includes housing.

Similarly, projects proposing to fulfill their inclusionary housing requirements through off-site compliance would require Council approval due to the site-specific nature of these agreements.

Regional Trends: The City of Redwood City excluded several project types from their temporary incentive program including: development projects requiring special discretionary approval, initiated by City Council, that involved General Plan Amendments; projects regulated by development agreements; and projects that have already paid development impact fees.

The City/County of San Francisco ("San Francisco") excluded several project types from their temporary incentive program including projects regulated by development agreements; projects that chose to comply through land dedication; projects that have already paid impact fees; and projects that are approved after November 1, 2023.

Neither jurisdiction identified unique requirements for projects entitled under SB 330.

San Francisco is also considering a plan to reduce their inclusionary housing requirements from 15 percent to 5 percent and exempt projects with 25 or fewer units from providing on-site affordable housing altogether. This plan would be paired with a ballot initiative that would more than double San Francisco's annual contribution to its Housing Trust Fund, used to finance and preserve affordable units. If approved by voters, San Francisco would increase its annual budget for affordable housing from $52 million to $125 million.

Development Pipeline Considerations: As of June 23, 2026, East Palo Alto has a total of seven SB 330 projects in the pipeline, five of which are in pre-application proposing entitlements under SB 330 and two of which already have secured entitlement approvals under SB 330.

There is only one residential project that is controlled by a DA. In the existing DA for this project, the developer selected and the Council approved an offsite inclusionary housing option, which requires the developer to ensure the production of 78 studio and one-bedroom units for seniors at income levels ranging from 35 to 60 percent of the area median income. Stating financial difficulty meeting this obligation, the developer is proposing amendments to the DA that, among other things, would modify the inclusionary housing obligation. This item came before the City Council on June 16, 2026, and has been continued by Council to July 7, 2026.

Staff Recommendations: Provide two options for projects entitled under SB 330:

1. Maintain current entitlements including their existing inclusionary housing compliance plans; or

2. Update their entitlement obligations to the inclusionary housing requirements in the THDIP but then be subject to current development impact fees.

THDIP projects that are controlled by DAs or elect to fulfill inclusionary requirements by providing units off-site would be excluded. These projects may seek site-specific amendments to their site-specific agreements from Council.

Alternatives: The City Council could not allow projects entitled under SB 330 to seek reductions under the THDIP program, or the Council could allow projects entitled under SB 330 to qualify for the THDIP with no additional requirements. The City Council could also include projects controlled by DAs, projects electing to fulfill inclusionary requirements by providing off-site units, or both.

Topics 4 and 5: Exempting Smaller Projects

Currently, Chapter 18.37 (EPA's IHO) applies to most projects with one or more units. In contrast, many programs in the region exempt smaller projects from inclusionary requirements. The THDIP could temporarily exempt projects below a certain unit count from the inclusionary requirements to incentivize this construction type. To exempt smaller projects, the City Council must define exactly which projects are exempt.

Regional Trends: In San Mateo County, most jurisdictions exempt smaller projects from inclusionary housing requirements; however, the definitions of smaller projects vary.

- 9 jurisdictions exempt projects less than 5 units
- 5 jurisdictions exempt projects less than 7 to 11 units
- 3 jurisdictions exempt projects less than 20 or 25 units

Recently, the regional planning body Metropolitan Transportation Commission ("MTC") established regional standards for inclusionary housing programs which suggested that programs should apply to all projects with more than 10 units.

Development Pipeline Considerations: As of June 23, 2026, more than half the projects in the City's pipeline propose a total of 25 units or less. Most of these projects are under ten units. While the proposed temporary exemption for smaller projects would apply to half of the projects in the pipeline, it would only exempt a small number of the total units in the pipeline (3%). Temporarily exempting smaller projects could enable these projects to move forward; however, it would not meaningfully reduce the ratio of affordable and market-rate units in the pipeline.

The table in Attachment 2 provides an overview of the inclusionary compliance options currently selected by each pipeline project, based on their proposed Inclusionary Housing Plan submittals or IHO requirements.

> **Staff Recommendation:** Staff recommends the THDIP temporarily exempt projects with 10 units or fewer from the IHO. This would exempt 14 of the 29 pipeline projects. Considering existing Inclusionary Housing Plans, nearly 10 affordable units and nearly $2 million in affordable housing fees (where fees assessed at FY 2025-26 rates) would be forfeited.

Alternatives: On March 24th and again on June 9th, the City Council discussed the concept of exempting smaller projects. During that discussion a variety of thresholds were mentioned. Council did not reach a consensus. Council can set this limit at any amount it wishes.

Topics 6 & 7: Onsite Affordability Requirements

The affordability level and percentage of total affordable units both impact the total program costs. The goal of the THDIP is to reduce costs and optimally incentivize new residential development. At the March 24th study session, Councilmembers expressed a variety of policy goals related to the onsite affordability requirements. Also, Councilmembers asked questions about the affordability needs and production in EPA. This section builds on that discussion and suggests a new framework for considering the appropriate reductions available under THDIP.

The City was on track to meet 27% of its State-mandated Regional Housing Needs Assessment ("RHNA") 6 housing goals by the end of 2025 (which count RHNA numbers at the building permit issued stage). Consistent with nearly every jurisdiction in the State, the City could meet the goals by the end of the cycle if development market conditions improve. The 27% is not spread out evenly across income levels. As previously shown, the City has permitted 54% of its required Extremely Low ("ELI") and Very Low-Income ("VLI") housing (collectively), as well as over 100% of its required Low-Income housing ("LI"). In contrast, the City has only permitted 9% of its required Moderate-Income ("MOD") housing and 5% of its required Above-Moderate-Income ("Above-MOD") housing.

Table A: RHNA 6 Progress

Income Level	RHNA 6 Allocation	2023	2024	2025	Total Progress	Percentage by Income Category
ELI (<30% AMI)	165	0	0	41	41	**54%**
VLI (31% - 50% AMI)		0	26	22	48	
LI	95	5	8	84	97	**102%**

(51% - 80% AMI)						
MOD (81% - 120% AMI)	159	2	7	5	14	**9%**
Above-MOD (>120% AMI)	410	7	8	6	21	**5%**
Total	**829**	**14**	**49**	**158**	**221**	**27 %**

*Note that Colibri Commons, aka 965 Weeks, received a building permit in 2023 that was previously unaccounted for, and received a certificate of occupancy in December 2025, so it is now being accounted for in the 2025 Annual Progress Report ("APR").

San Mateo County Trends: Compared to all other programs in the County, the City of East Palo Alto's existing IHO requires the highest share of affordable housing and the deepest levels of affordability. If all other development factors were equal, the City's program would have the highest costs of compliance in the County.

Figure B. San Mateo County Inclusionary Programs

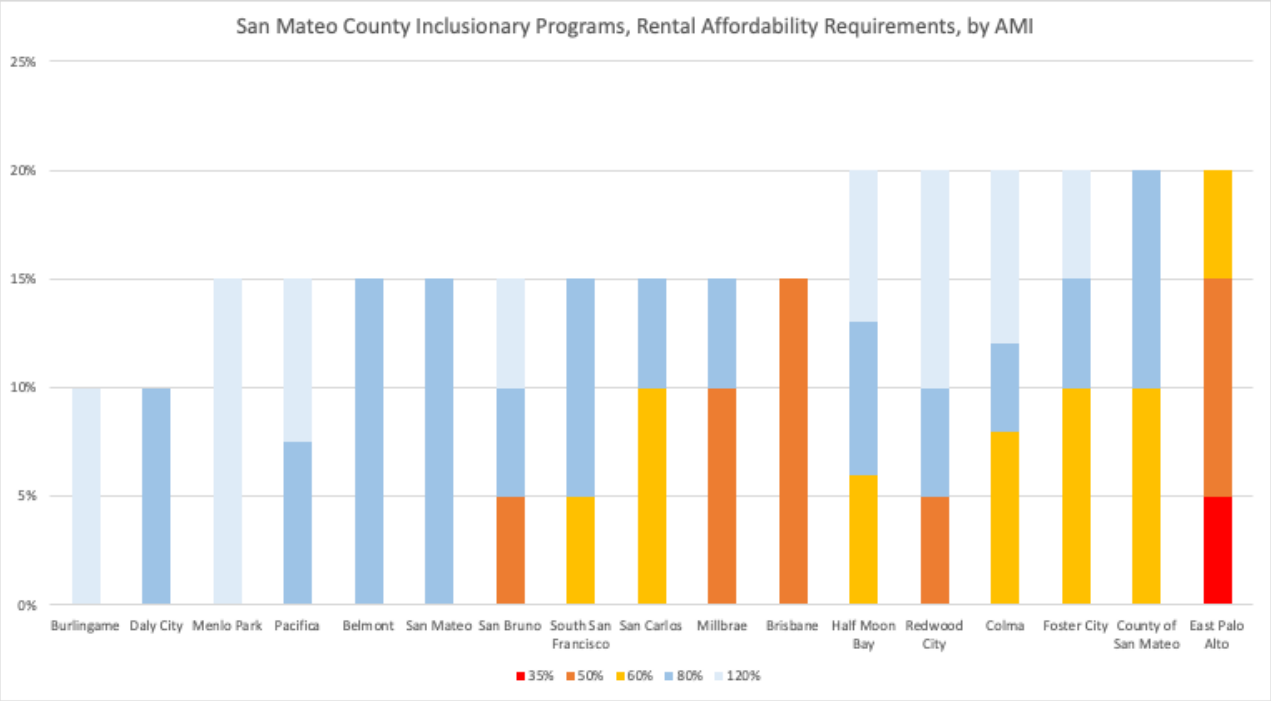


Figure B represents the percentage of affordable units (and affordability levels) required for rental projects by jurisdictions. The graph is roughly organized from least to most costly compliance. Millbrae, near the middle of the chart, requires 10% of the units to be affordable to households at 50% AMI and 5% of units to be affordable at 80% AMI.

Absent a market-specific feasibility analysis, we can only observe some key differences in EPA's market that can inform the THDIP design. First, many jurisdictions in the County require affordable rental units at 80% or 120% AMI. Generally, higher AMIs for affordable units make sense where market rate rents are meaningfully above what 80% or 120% AMI households can afford. However, based on a preliminary review of recent market rents in

East Palo Alto, market rents are very close to the rental rates for 80% AMI units, even if we limit the comparison to newer, higher-amenity rental opportunities. This indicates that households seeking a rental affordable at 80% AMI are already served by the private market. Further, it would be difficult for developers to fill 80% AMI rental units, as households would have a preference for units that do not require income qualification if available. That is why the maximum income for rental households targeted by the existing IHO and the proposed THDIP is Low Income, or 60% of AMI.

Second, no other jurisdiction in the County requires onsite inclusionary units at 35% AMI. There are programmatic and feasibility reasons for this policy trend. The cost of subsidizing 35% AMI households through inclusionary requirements is extremely high. Generally, inclusionary programs are more effective at generating affordable housing at deep levels of affordability with in-lieu fees, which are then used to leverage State and federal dollars to provide more affordable units at deeper levels of affordability. Often, the affordable housing generated with in-lieu fees include targeted amenities and services. The THDIP can meaningfully reduce the cost of compliance and still generate affordable housing if it eliminates the requirement to provide housing at the deepest levels of affordability.

Using a methodology of calculating the costs to subsidize inclusionary units compared to the potential market rate income, we were able to measure the relative costs of compliance of various potential alternatives. First, we tested a 25% reduction in costs, like the temporary program at Redwood City. To maximize flexibility for potential projects, the THDIP can offer two equivalent compliance options for rental projects (i.e. 15% at Very Low Income or 30% at Low Income) and two equivalent compliance options for ownership projects (i.e. 13% at Median Income or 15% at Moderate Income):

Tables C and D: Affordability Requirements for a 25% a THDIP Reduction

Rental Recommendation - 25% Reduction	Very Low Income[1]	Low Income[2]
Rental Option A	15%	
Rental Option B		30%

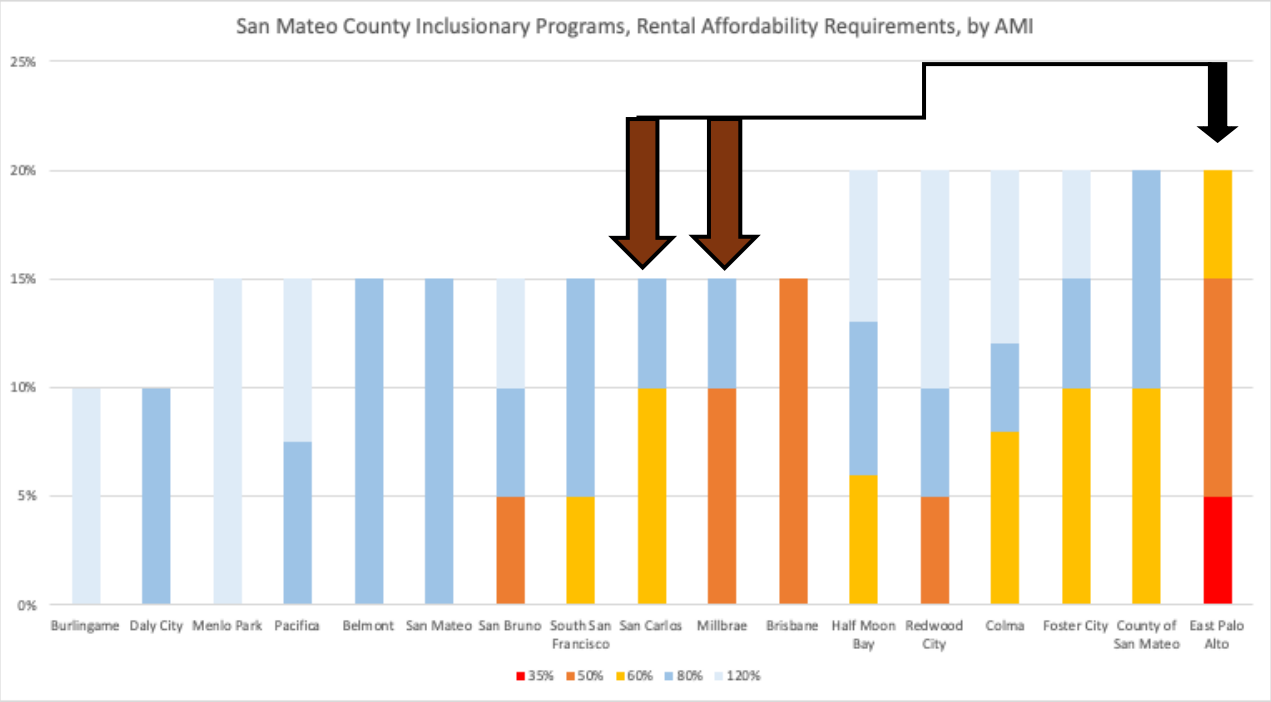
Ownership Recommendation - 25% Reduction	Median Income[3]	Moderate Income[4]
Ownership Option A		15%
Ownership Option B	13%	

[1] Very Low Income in this rental context is defined as households earning up to 50% AMI.
[2] Low Income in this rental context is defined as households earning up to 60% AMI.
[3] Median Income in this ownership context is defined as households earning up to 80% AMI. Though the City has already exceeded its RHNA goal for lower income units (specifically, for units at or below 80% AMI), the City's intent is to provide maximum flexibility on inclusionary housing compliance, so staff recommends offering developers this option.
[4] Moderate Income in this ownership context is defined as households earning up to 120% AMI.

Given factors outside the City's control, including current market conditions, a 25% reduction in the City of East Palo Alto's existing inclusionary requirements may not, by itself, sufficiently reduce overall compliance cost from a developer's perspective and for that reason result in the production of additional inclusionary units beyond those otherwise anticipated.

Next, we asked, what percentage costs in reduction would make the City's THDIP map to roughly the middle of the cost of compliance of all County programs. With a 60% reduction in compliance costs, the City's THDIP would map roughly to the middle of the cost of compliance of various inclusionary housing programs in the County.

Figure E. San Mateo County Inclusionary Programs and 60% THDIP Reduction



Again, the THDIP can offer two equivalent compliance options for rental projects and two equivalent compliance options for ownership projects. This option would allow a developer to produce 8% VLI rental units, 15% LI rental units, 9% Moderate Income ownership units, or 7% Median Income ownership units. In other words:

Tables F and G: Affordability Requirements for a 60% THDIP Reduction

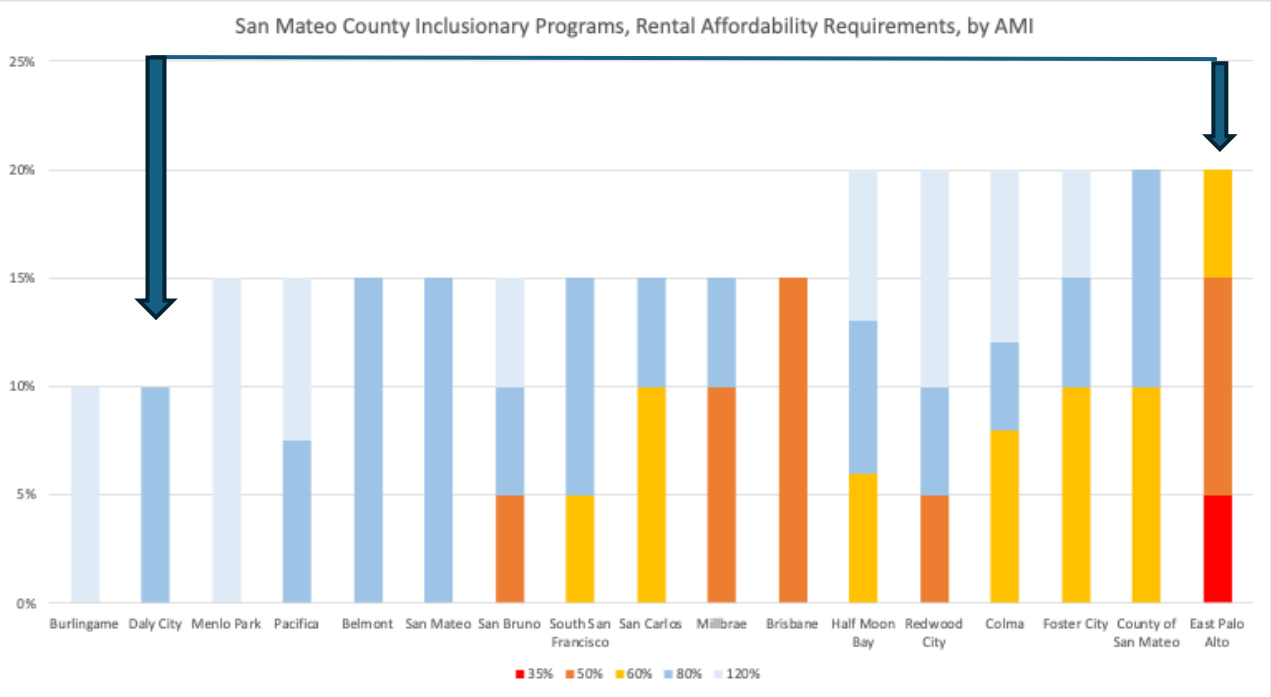
Rental Recommendation - 60% Reduction	Very Low Income	Low Income
Rental Option A	8%	
Rental Option B		15%

Ownership Recommendation - 60% Reduction	Median Income	Moderate Income
Ownership Option A		9%
Ownership Option B	7%	

To understand the housing outcomes of a 60% IHO reduction under THDIP, staff offers two examples. If a 40-unit rental project were to advance under this THDIP option, it would have to provide 3 VLI units or 6 LI units, and accordingly, either 37 or 34 market rate units. A 25-unit ownership project would be required to provide 2 moderate- or median-income units and 23 market rate units.

To swing the pendulum in the complete opposite direction as the current IHO, and to be the most drastic in the City's THDIP without completely removing all inclusionary requirements, a 90% reduction in compliance costs would map roughly to below the costs of South San Francisco or San Bruno's inclusionary housing programs. A 90% reduction in the City of East Palo Alto's program would require fewer affordable units than those jurisdictions.

Figure H. San Mateo County Inclusionary Programs and 90% THDIP Reduction



Once more, here are two equivalent compliance options for rental projects and two equivalent compliance options for ownership projects. Under this option, the developer

would be required to produce 2.5% VLI rental units, 5% LI rental units, 2.5% Moderate Income ownership units, or 2% Median Income ownership units. In other words:

Tables I and J: Affordability Requirements for a 90% THDIP Reduction

Rental Recommendation - 90% Reduction	Very Low Income	Low Income
Rental Option A	2.5%	
Rental Option B		5%

Ownership Recommendation - 90% Reduction	Median Income	Moderate Income
Ownership Option A		2.5%
Ownership Option B	2%	

Going back to the examples, if a 40-unit rental project were to advance under this THDIP option, it would require 1 VLI unit or 2 LI units, and accordingly, either 38 or 39 market rate units. A 25-unit ownership project would be required to provide 1 moderate- or median-income unit and 24 market rate units.

> **Staff Recommendation:** A 25% reduction does not seem to meet the City Council's goal of incentivizing developers to build by meaningfully reducing the cost of compliance. However, a 90% reduction all but eliminates inclusionary housing in the City, which Council has not said it wishes to do. Staff understands Council's goal to be to meaningfully reduce the cost of compliance to incentivize housing production while preserving inclusionary housing. If this understanding is correct, staff recommends the THDIP reduce the overall costs of compliance for rental and ownership by 60%. Also, a 60% reduction in compliance costs would map roughly to the middle of the cost of compliance of various inclusionary housing programs in the County.

Alternatives: The City Council can consider a range of reductions to the program. Additionally, the City Council can also choose to provide only one compliance option for each tenure.

Program Administration

In order to participate in the THDIP, there are a few steps:

1. Developer must apply for and receive approval of a THDIP Amendment to Inclusionary Housing Plan and/or Agreement.
2. Developer must *apply* for a Vertical Building Permit and pay the necessary fee(s).
3. Developer must receive notice from the City that the application is deemed complete within 30 days (note that application completion does not equate application approval).

The THDIP would temporarily amend some projects' inclusionary housing obligations, with the intent of incentivizing housing development. Other than the elements explicitly called out in the draft THDIP, the inclusionary program would continue to operate consistent with the current IHO. The existing IHO components that would remain consistent with THDIP include: most of the definitions; the methodology for calculating the number of inclusionary units, affordable rents, affordable for-sale prices, and in-lieu fees; comparability and housing standards including unit sizes, design, location, and amenities; the timing of construction of inclusionary units; developers' option to request alternative compliance options; all application and review procedures; and continued affordability.

Economic Considerations

To provide an assessment of the economic impact of projects moving forward, staff has analyzed the typical one-time fiscal impact and property taxes from development, assuming that they may more likely occur due to the incentive of the temporary ordinance.

Without proposing an exact fiscal impact of the THDIP, we have approximated potential net fiscal impact for a theoretical 10-unit project and 40-unit project. The approximations rely on data from a more detailed study of the Euclid Improvements Project completed for the City in 2020.

One-time fiscal impacts of new residential development include new jobs, taxes and fees related to construction activities. One-time revenues would include permit fees, employment taxes, business taxes, purchase of good and services by construction workers for the duration of the construction period and related sales tax revenues. Additionally, impact fees for Parks and Trails, Public Facilities, Transportation Infrastructure, water capacity and storm drainage, would generate roughly $343,000 for a theoretical 10-unit project and $1.37 million for a theoretical larger project.

The ongoing fiscal impacts of new residential development include an increase in property tax and sales tax revenues. Assuming an average assessed value of $750,000 per unit, East Palo Alto's share of property tax revenues could be $25,000 annually for a 10-unit ownership project. Assuming an average assessed value of $500,000 for rental units, East Palo Alto's share of property tax revenue could be roughly $66,000 annually for 40-unit rental project, depending on the assessed value of the units. New residents could also spend money in our restaurants and retail shops.

Next Steps

If the City Council votes to introduce the ordinance today, staff will return shortly with a second reading and adoption of the ordinance. That ordinance would take effect thirty days after adoption; in the interim, staff would update the City website and create some materials summarizing the program, including administratively adopting THDIP program guidelines for implementation.

Contract Amendment

On January 7, 2026, the City contracted with Street Level Advisors (SLA) and Community Planning Collaborative (CPC) to provide oversight and project management of the Grand Nexus and Feasibility Study results, to conduct robust community outreach, to review, evaluate, and recommend improvements to the City's IHO and program guidelines, and to update the Inclusionary Housing Ordinance (IHO) and Guidelines. That original contract was for $75,000, and thus it fell within the City Manager's authority. Nonetheless, staff received City Council approval to proceed with contracting SLA at the December 16, 2025, City Council meeting.

Following the City Council's direction on the March 24, 2026 study session to review the current inclusionary zoning ordinance, staff requested additional assistance from SLA. They indicated that this work constituted a new task beyond the original scope of services. To accommodate this request, staff amended the contract scope of work, reallocating the outreach budget toward further policy analysis support within the existing contract budget. Although the contract amount remained unchanged, a first amendment to the contract was made to make room for SLA to prepare the Staff report and participate in the March 24 Study session. Additionally, the City Council directed staff to return with a temporary housing development incentive program, and again, SLA helped draft the staff report and participate in the June 9, 2026 City Council meeting. Now, upon staff's request that SLA participate in this public hearing on July 7, 2026, SLA has requested an amendment to its contract to add $7,800 for project management and administration, virtual hearing attendance, hearing preparation, Council briefings, coordination with staff, and implementation support, as well as an additional optional $1,500 for Rick Jacobus' attendance and expertise at the July 7, 2026, hearing, and $4,000 for optional additional hours to meet with staff for the ordinance update in 2027 (for a new contract total amount of $88,300). Given that the additional public hearing will leave an insufficient amount on the contract for the original scope of work, staff is seeking a budget allocation of an additional $13,300.

Fiscal Impact

If the Council appropriates the additional $13,300 in Housing In-Lieu Funds (Fund 207) toward the SLA contract, staff will amend the contract for a new not-to-exceed of $88,300.

Adoption of the ordinance itself does not have an immediate fiscal impact. However, implementation of the THDIP may reduce future inclusionary housing in-lieu fee revenue and affordable housing obligations associated with qualifying development projects. The extent of any such reduction depends on the number and type of projects that utilize the program.

The purpose of the THDIP is to incentivize residential development activity during the temporary program period. While additional development activity could generate future economic and fiscal benefits to the City, including potential increases in property tax and other revenues, any attempts to quantify those impacts at this time are speculative.

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. Additionally, notice of the public hearing for June 2 was published in the local newspaper: San Mateo Daily Journal on May 22, 2026. On May 28, 2026, the public was noticed that the June 2, 2026, public hearing was continued to June 9, 2026.

Environmental

The Temporary Housing Development Incentive Program (THDIP) Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5). CEQA Guidelines Section 15061(b)(3), commonly referred to as the "common sense exemption," provides that CEQA applies only to projects that have the potential to result in a significant effect on the environment, and that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. CEQA Guidelines Section 15378(a) provides that a project under CEQA is one that "has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." Section 15378(b) provides that administrative and organizational activities that will not result in direct or indirect physical changes in the environment are not projects for purposes of CEQA.

The proposed Ordinance establishes a Temporary Housing Development Incentive Program, applicable to Smaller Projects, Pipeline Projects, and projects entitled pursuant to SB 330 that meet the applicability criteria. The Ordinance applies exclusively to residential and mixed-use development projects that have already secured the necessary land use entitlements and that have either completed environmental review under CEQA

or are consistent with previously certified, adopted, or otherwise relied-upon CEQA documentation. The Ordinance does not approve or authorize any specific development project, nor does it expand development potential or introduce new land use entitlements beyond those previously analyzed.

The Ordinance temporarily modifies the implementation of existing affordable housing requirements contained in Chapter 18.37 of the East Palo Alto Development Code by establishing a framework through which eligible projects may request a THDIP Amendment. As provided in the Municipal Code, the program allows for administrative adjustments to inclusionary housing requirements, in-lieu fee obligations, and related affordability provisions, consistent with the objective standards of the ordinance.

The Ordinance does not result in any direct or indirect physical changes to the environment, as it governs administrative procedures and financial obligations associated with affordable housing compliance rather than land use intensity, site configuration, or construction activity. All participating projects are required to have received "Final Approval," as defined by the ordinance, and therefore have undergone, or are consistent with, environmental review as required under CEQA. Because the Ordinance does not have the potential to have a significant effect on the environment, it can be seen with certainty that no such impacts would occur. Because the Ordinance governs administrative procedures and financial obligations and does not result in, or have the potential to result in, direct or indirect physical changes to the environment, it does not constitute a "project" under CEQA pursuant to CEQA Guidelines Sections 15378(b)(4) and (b)(5).

Government Code § 84308

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

Analysis of Levine Act Compliance: Not applicable.

Attachments

Attachment 1. THDIP Staff Recommendation and Alternatives Guide
Attachment 2. Pipeline Project Table and Inclusionary Requirements
Attachment 3. 2026 Area Median Incomes and Rent Levels (please note: the County just released this 2026 chart)
Attachment 4. Resolution to Introduce Draft THDIP Ordinance
Attachment 5. Draft THDIP Ordinance
Attachment 6. Original Contract with Street Level Advisors and First Amendment
Attachment 7. Resolution to Allow City Manager to Amend Contract with Street Level Advisors

Attachment 1. THDIP Staff Recommendation and Alternatives Guide
Table 1: New Terms for Proposed Temporary Housing Development Incentive Program

Topic #	Topic	Purpose	Staff Recommendation	Alternatives for Council Consideration	Notes
1	Duration of THDIP	Defines the period that THDIP would be available to projects	Projects must apply for and receive a THDIP Amendment, apply for a vertical building permit and pay related permit fees on or before **December 30, 2027** (with complete Vertical Building Permit application due by January 30, 2028). Ordinance also requires vertical building permit application be deemed complete within 30 days.	If introduced today and adopted on June 16, 2026, the THDIP could end any date thereafter.	Staff recommends the program be effective for roughly 18 months. Redwood City's program is also effective for ~18 months. Council will likely consider changes to Chapter 18.37 in spring 2027 following completion of the feasibility study.
2	SB 330 Projects	Defines a subset of pipeline projects by entitlement approvals to enable unique application of THDIP, including off-site compliance provisions	Eligible for THDIP with additional conditions; project must comply with then-current impact fees.	Ineligible for THDIP; or eligible with no additional conditions.	
3	DA Entitlements & Off-site Compliance		Project not eligible for THDIP; requires Council approval to modify.	Eligible for THDIP with or without additional conditions.	One project in the pipeline with off-site approved; it is through a DA, and the developer has separately requested changes
4	Smaller Projects Exempt	Defines projects that would be temporarily exempt from inclusionary	10 total units or less exempt from all IHO requirements	5, 8, 10, 12, 20, or 25 units or less exempt from all IH requirements	

Table 2. Comparing the Current EPA Inclusionary Housing Ordinance with the Proposed THDIP

Topic #	Requirement Topic	Current Ordinance	Staff THDIP Recommendation	Alternatives for Council Consideration	Notes
5	Affordability Requirements for Smaller Projects	20% Overall Requirement At range of AMIs for rental or ownership	0%	0 to 75% reduction in costs	
6	On-site Affordability Requirements for Ownership Projects	20% Overall Requirement 10% of units restricted to Median Income ("MED" or 80% AMI households); and 10% of units restricted to Moderate Income ("MOD" or 120% AMI households)	~60% reduction in costs 7% at 80% AMI; or 9% at 120% AMI;	0 to 75% reduction in costs: 4% to 13% at 80% AMI or 6% to 17% at 120% AMI	Staff recommend a single AMI per project to minimize fractional unit considerations.
7	On-site Affordability Requirements for Rental Projects	20% Overall Requirement 5% of units restricted to 35% AMI households; and 10% of units restricted to Very Low Income ("VLI" or 50% AMI households); and 5% of units restricted to Low Income ("LI" or 60% AMI households)	~60% reduction in costs 8% at 50% AMI or 15% at 60% AMI	0 to 75% reduction in costs: 5% - 18% at 50% AMI or 4% to 13% at 60% AMI	A single AMI will minimize fractional unit considerations. 80% AMI for rental is not recommended; too close to market rents in EPA. 35% AMI has high costs; may be better served through 100% affordable funded by in-lieu fee.

Attachment 2. Pipeline Project Table and Inclusionary Requirements (current as of 6/23/26)

Year	Project Name	Area	Total Unit Count	Total Unit Count with ADUs	Market Rate Units	Affordable Units (included in the Total unit count)	Tenure	Stage	Inclusionary Requirement	Inclusionary/ Affordable Agreement Status	In-Lieu Fee Payment Amount (if applicable)	State Bill Invoked
2022	1215 Cypress		1	TBD	TBD	TBD	Ownership	Building	In-Lieu Fee equivalent to 1*20% or 1 unit	Pending Inclusionary Housing Plan	$53,760	N/A
2022	805 Runnymede		2	TBD	TBD	TBD	Ownership	Building	In-Lieu Fee equivalent to 1*20% or 1 unit	Pending Inclusionary Housing Plan	$53,760	N/A
2019	924 Runnymede St.		3	3	2	1	Rental	Complete d	1 affordable unit onsite	Approved Inclusionary Housing Plan & Recorded Agreement Plan	$0	N/A
2019	812 Green St		4	4	4	0	Ownership	Planning/ Building	In-Lieu Fee equivalent to 4*20% = .8	In-Lieu Fee	$215,040	N/A
2020	120-126 Maple Lane		4	4	4	0	Ownership	Building	In-Lieu Fee equivalent to 4*20% = .8	In-Lieu Fee (Approved)	$215,040	N/A
2020	842 Green St / Subdivision		4	4	4	0	Ownership	Planning	In-Lieu Fee equivalent to 4*20% = .8	In-Lieu Fee (under review)	$215,040	N/A
2025	1269 Westminster		4	4	4	0	Ownership	Building	In-Lieu Fee equivalent to 4*20% = .8	Inclusionary Housing Plan Approved	$215,040	N/A
2022	755 Schembri Lane and 739		4	6	4	0	Rental	Building	In-Lieu Fee equivalent to 4*.20%= .8 units	In-Lieu Fee (Approved)	$239,360	N/A

	Schembri Lane										
2020	990 Garden St	7	7	7	0	Ownership	Building	In-Lieu Fee equivalent to 7*25% = 1.75	In-Lieu Fee	$470,400	
2020	2340 Cooley Ave	8	8	7	1	Ownership		1 affordable unit and In-Lieu Fee equivalent to 4*25%in-lieu fee payment	In-Lieu Fee	$268,800	
2020	547 Runnymede Street	8	8	8	TBD	Ownership	Planning	1.6 affordable units onsite or 8*25% in-lieu fee payment	Pending Inclusionary Housing Plan	TBD	N/A
2021	1062 Runnymede St	8	8	8	TBD	TBD	Planning	1.6 affordable units onsite or 8*25% in-lieu fee payment	Pending Inclusionary Housing Plan	TBD	N/A
2020	760 Weeks St	10	10	10	2	Ownership	Building	2 affordable units onsite	Approved Inclusionary Housing Plan	0	SB35
2025	1010 Runnymede	10	10	8	2	Ownership	Planning	2 affordable units onsite or In-Lieu Fee equivalent to 10*25%	Pending Inclusionary Housing Plan	TBD	N/A
2025	717 Donohoe St	14	14	12	2	Ownership	Building	1 median-income & 1 moderate-income unit; in-Lieu Fee equivalent to 0.8	In-Lieu Fee (Approved)	$43,008	N/A

2025	801 Donohoe		17	17	16	4	Ownership (Multifamily Co-Op)	Planning	4 affordable units onsite	Plan submitted, developer providing 20% requirement	$0	SB330
2023	1201 Runnymede	RBD	20	20	17	3	Ownership	Building	4 affordable units onsite	Pending Inclusionary Housing Agreement	TBD	N/A
2025	1933 Pulgas Ave		58	58	49	9	Ownership	Map	5 median-income and 4 moderate-income	Pending Inclusionary Housing Agreement		SB330
2020	1804 Bay Rd	RBD	75	75	75	TBD	TBD	Planning	15 affordable units onsite			
2023	851 Weeks Street (offsite for Woodland 1)		79	79	1 manager's unit	78	Rental	Building	None – see Woodland I Apartment Expansion / Euclid Improvements	Pending	TBD	
2020	Harvest: The Landing - Eden Offsite BMR Component	RBD	95	95	0	95	Rental	Planning	19 affordable units onsite	Off-site component	$0	N/A
2024	4 Corners Townhome (1675 Bay)	RBD	106	106	95	11	Ownership	Building	10% affordable units at 120% AMI approved by Council	Pending Inclusionary Housing Agreement	$0	SB 330
2025	1620 Bay Road - Design Review and Lot Merge	RBD	135	135	TBD	TBD	Rental	Planning		Pending Inclusionary Housing Plan	TBD	N/A
2024	4 Corners Mixed Use (1675 Bay)	RBD	168	168	143	25	Rental	Building	20% affordable units at 80%	Pending Inclusionary	$0	SB 330

									AMI approved by Council	Housing Agreement		
2024	EPA Waterfront Phase I	RBD	299	299		TBD	TBD	Planning	60 affordable units onsite			N/A
2023	2120-2160 Euclid Avenue		430	430	0	430	Rental	Planning	86 affordable units onsite	Pending Application review-they will resubmit in September	$0	SB330
2019	Woodland I Apartment Expansion / Euclid Improvements	West Side	550	550	550	78 off site units per DA (and 1 manager unit). Not included in total unit count	Rental	Planning/ Building	390 market rate units, 160 demolished RSO units replaced, and 79 units offsite	Pending Development Agreement Amendment		N/A
2025	Woodland Park III W. Bayshore Newell Improvement Project	West Side	772	772	641	129	Rental/Ownership	Planning	128 affordable units onsite	Pending Inclusionary Housing Plan	$0	SB330
2025	Woodland Park II	West Side	1071	1071	384	122	Rental/Ownership	Planning	TBD	Pending Inclusionary Housing Plan	$0	SB330

Attachment 3. 2026 Area Median Incomes and Rent Levels Relative to East Palo Alto Inclusionary Housing

Income Category	Income Limits by Family Size ($) 1	2	3	4	5
35% AMI	$ 51,470	$ 55,150	$ 66,180	**$ 73,540**	$ 79,420
Very Low (50% AMI)	$ 73,550	$ 84,050	$ 94,550	**$ 105,050**	$ 113,500
Low (60% AMI)	$ 88,260	$ 100,860	$ 113,460	**$ 126,060**	$ 136,200
Median (80% AMI)	$ 117,700	$ 134,500	$ 151,280	**$ 181,600**	$ 195,040
Moderate (120% AMI)	$ 168,650	$ 192,750	$ 216,850	**$ 240,950**	$ 260,250

Source: 2026 State Income Limits for San Mateo County and East Palo Alto Income Limits

Income Category	Maximum Affordable Rent Payment ($) SRO *+	Studio	1-BR	2-BR	3-BR	4-BR
Extremely Low *	771	1,028	1,101	1,322	1,527	1,704
Very Low *	1,378	1,838	1,970	2,363	2,731	3,047
Low HOME Limit*	1,378	1,838	1,970	2,363	2,731	3,047
High HOME Limit *	1,777	2,370	2,541	3,051	3,517	3,903
HERA Special VLI (50% AMI) ***	1,580	2,107	2,258	2,710	3,130	3,492
HERA Special Limit (60% AMI) ***	1,896	2,529	2,709	3,252	3,756	4,191
Low**	1,762	2,350	2,518	3,022	3,492	4,298
HUD Fair Market Rent (FMR)	**1,863**	**2,485**	**2,977**	**3,604**	**4,604**	**4,772**
Median **	2,202	3,916	4,196	5,036	5,820	6,492

Source: 2026 Maximum Affordable Rent Payment in San Mateo County, https://www.smcgov.org/housing/income-limits-and-rent-payments

ORDINANCE NO. _____ (UNCODIFIED)

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO

TEMPORARY HOUSING DEVELOPMENT INCENTIVE PROGRAM (THDIP) FOR SOME PROJECTS

WHEREAS, the City of East Palo Alto ("City") is experiencing a housing crisis. California has one of the most expensive housing markets and one of the highest rates of homelessness in the nation. The City Council has adopted Chapter 18.37 of the East Palo Alto Development Code (Inclusionary Housing) (hereinafter referred to as the "Inclusionary Housing Ordinance" or "IHO") in 2019, which was updated in 2025, in recognition of the need for homes affordable to lower income households in East Palo Alto and that Bay Area housing costs are high. The IHO's purpose is to increase the supply of affordable housing by imposing inclusionary requirements for residential developers to help meet the needs of all community members; and

WHEREAS, addressing the housing crisis requires a broad spectrum of land use and financing tools. For example, the Legislature has adopted State Density Bonus Law to address the financing gap by allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance in exchange for affordable units. The City has a role to play too; and

WHEREAS, City staff has identified that certain residential and mixed-use projects have received their land use planning entitlements, but have not pulled any building permits to begin construction (defined below as "Pipeline Projects"). The applicants for these Pipeline Projects have raised a variety of concerns that the projects are not financially feasible. Because these projects are typical of most of the housing production in East Palo Alto, this suggests that residential development more broadly is not financially feasible under current economic conditions. Economic conditions that render residential and mixed-use development infeasible threaten several important policy priorities of the City, including expansion of the City's housing supply well as the creation of jobs and growth of tax revenue; and

WHEREAS, as the IHO inclusionary housing requirements may affect the economic infeasibility of residential and mixed-use development, temporarily reducing the IHO requirements, such as reducing the inclusionary housing percentage rates required for rental and ownership projects, as set forth in Section 4 below ("Temporary Housing Development Incentive Program for Some Projects"), may stimulate residential and mixed-use development, increase production of housing, create jobs, and grow tax revenue; and

WHEREAS, on June 9, 2026, the City Council held a duly-noticed public hearing on the proposed Temporary Housing Development Incentive Program ("THDIP") as required by State law and the East Palo Alto Development Code, but the Council did not take any action on this date; and

WHEREAS, on July 7, 2026, the City Council held another duly-noticed public hearing on the proposed THDIP; and

WHEREAS, after the public hearing, the City Council has considered the whole of the record for the THDIP, including all relevant testimony, and determined that it desires to adopt the THDIP by the ordinance below.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO DOES ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS

A. The City Council hereby finds that all the foregoing recitals are true and correct and incorporated herein by reference.

B. The City Council further finds that the THDIP is consistent with the City's General Plan and housing priority policies for the reasons set forth in the staff report associated herewith and the Council adopts such reasons as its own.

C. The City Council further finds the proposed ordinance will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

D. The City Council further finds that the THDIP, in which the Inclusionary Housing Ordinance requirements in Chapter 18.37 are temporarily amended to reduce the affordable housing requirements for some Projects, is a programmatic regulatory adjustment that will uniformly provide an incentive for projects to advance to the construction stage which furthers the City's housing and other policy priorities.

SECTION 2. CEQA COMPLIANCE

The City Council finds that the THDIP Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5). CEQA Guidelines Section 15061(b)(3), commonly referred to as the "common sense exemption," provides that CEQA applies only to projects that have the potential to result in a significant effect on the environment, and that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. CEQA Guidelines Section 15378(a) provides that a project under CEQA is one that "has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." Section 15378(b) provides that administrative and organizational activities that will not result in direct or indirect physical changes in the environment are not projects for purposes of CEQA.

The proposed Ordinance establishes a THDIP, applicable to Smaller Projects, Pipeline Projects, and projects entitled pursuant to SB 330 that meet the applicability criteria. The Ordinance applies exclusively to residential and mixed-use development projects that have already secured the necessary land use entitlements and that have either completed environmental review under CEQA or are consistent with previously certified, adopted, or otherwise relied-upon CEQA documentation. The Ordinance does not approve or authorize any specific development project, nor does it expand development potential or introduce new land

use entitlements beyond those previously analyzed.

The Ordinance temporarily modifies the implementation of existing affordable housing requirements contained in Chapter 18.37 of the East Palo Alto Development Code by establishing a framework through which eligible projects may request a THDIP Amendment. As provided in the Municipal Code, the program allows for administrative adjustments to inclusionary housing requirements, in-lieu fee obligations, and related affordability provisions, consistent with the objective standards of the ordinance.

The Ordinance does not result in any direct or indirect physical changes to the environment, as it governs administrative procedures and financial obligations associated with affordable housing compliance rather than land use intensity, site configuration, or construction activity. All participating projects are required to have received "Final Approval," as defined by the ordinance, and therefore have undergone, or are consistent with, environmental review as required under CEQA. Because the Ordinance does not have the potential to have a significant effect on the environment, it can be seen with certainty that no such impacts would occur. Because the Ordinance governs administrative procedures and financial obligations and does not result in, or have the potential to result in, direct or indirect physical changes to the environment, it does not constitute a "project" under CEQA pursuant to CEQA Guidelines Sections 15378(b)(4) and (b)(5).

SECTION 3. ADOPTION OF UNCODIFIED ORDINANCE

The following language, titled "Temporary Housing Development Incentive Program for Some Projects" is hereby adopted as follows:

UNCODIFIED ORDINANCE. TEMPORARY HOUSING DEVELOPMENT INCENTIVE PROGRAM FOR SOME PROJECTS

XXXX.01 Purpose

A. The purpose of this chapter is to temporarily provide development incentives for some residential and mixed-use development projects, to help meet the City's regional share of housing needs, during an interim period of the effective date until **(December 30, 2027, or any other date)**.
B. To encourage construction of certain residential projects subject to the Inclusionary Housing Ordinance, the following Temporary Housing Development Incentive Program shall apply to eligible projects that meet the applicability requirements.
C. The City Council of the City of East Palo Alto does hereby adopts an uncodified ordinance that has the effect of temporarily amending the Development Code, such that this section supersedes all relevant requirements in Chapter 18.37 of the East Palo Alto Development Code, to effectuate the purposes set forth herein.

XXXX.02 Definitions

This Chapter shall rely on the definitions of Chapter 18.37.020 and also the definitions below:

A. "Final Approval" shall mean that the residential or mixed-use development project has received all necessary entitlements to be eligible to apply for, and obtain, a building permit or permits and either of the following is met: (i) The expiration of all applicable appeal periods, petition periods, reconsideration periods, or statute of limitations for challenging that final approval, or (ii) If a challenge is filed, that challenge is fully resolved or settled in favor of the housing development project. Consistent with 65589.5(o)(2)(D).

B. "Smaller Projects" shall mean any residential or mixed-use project with less than (**6, 10, 11, 13, or 26**) units.

C. "Pipeline Projects" means those residential development projects, including the residential mixed-use projects, that either: (a) have received all required land use planning entitlements as of the adoption of this Ordinance but have not yet obtained Vertical Building Permits for all residential components of the project, regardless of the building permit status for that project's non-residential components or for one or more separate residential or mixed-use buildings or phases, or (b) have received all required land use planning entitlements after the adoption of this Ordinance with appeal period running prior to a request for THDIP amendment.

Notwithstanding the foregoing, **Pipeline Projects shall not include: (a) any project entitled under SB 330, relying on the streamlining provisions by filing a Pre-Application, (b) any project regulated by a development agreement, (c) any project that has already paid housing impact fees or in lieu fees, or (d) any project that elect to comply with Chapter 18.37 of the Development Code through offsite construction of inclusionary units.**

D. "Projects entitled under a Development Agreement" shall mean projects that have a City-Council approved development agreement as obtained in compliance with applicable law, including Government Code Section 65864 and East Palo Alto Municipal Code Chapter 18.108.

E. "Projects entitled under SB 330" shall mean projects that invoked State Bill 330, also known as the Housing Crisis Act of 2019, codified in Government Code Chapter 654, for entitlement of the development project.

F. "THDIP Amendment" shall mean a City Manager, or their designee, approved amendment to a project's Inclusionary Housing plan and agreement (Chapter 18.37.090(A) & (B)) consistent with Chapter XXXX.04, for any projects meeting the eligibility requirements stated in XXXX.02.

G. "Vertical Building Permit" shall mean foundation and/or core/shell, excluding grading permits and demolition permits.

XXXX.02 Applicability

The provisions of this chapter shall apply to:

A. Projects that: apply for a THDIP Amendment for the residential or mixed-

use development, apply for a Vertical Building Permit for the residential or mixed-use development, and pay necessary permit fees by **(December 30, 2027, or any other date);** and the Vertical Building Permit application is deemed complete by the City within 30 days, and no later than **(January 30, 2028, or any other date).**

B. Projects that fail to file for a THDIP Amendment, file for a Vertical Building Permit or pay the associated building permit fee in full for the residential or mixed-use development by **(December 30, 2027, or any other date),** or have the Vertical Building Permit application deemed complete within 30 days, and no later than **(January 30, 2028, or any other date),** shall automatically revert to the then current affordable housing requirements of Chapter 18.37.

XXXX. 03 Exclusions

The provisions of this chapter shall not apply to:

A. Projects entitled under a development agreement shall seek City Council approval for any changes to the agreement, including any related documents, including changes to the Inclusionary Housing requirements, Inclusionary Housing Plan, and/or the Inclusionary Housing Agreement.

B. Projects that elected to comply with Chapter 18.37 of the Development Code through offsite construction of inclusionary units are exempted from this ordinance.

XXXX.04 Temporary Housing Development Incentive Requirements

Provided that projects meet the applicability requirements of this section XXXX.02, Affordable Housing Requirements in section 18.37.050 shall be temporarily superseded by the following:

A. Temporary Housing Development Incentive for Smaller Projects. For Smaller Projects, as defined herein, the applicant may request a THDIP Amendment whereby the residential or mixed-use development would be exempt from Chapter 18.37 of the East Palo Alto Development Code and instead subject to the provisions of this Chapter.

B. Temporary Housing Development Incentive Program for Pipeline Projects. Applicants of Pipeline Projects, as defined herein, may request a THDIP Amendment, whereby the residential or mixed-use development be subject to the following temporarily reduced affordable housing requirements rather than the requirements set forth in Chapter 18.37.050:

1. Temporary On-site inclusionary requirement.
   a) Ownership residential or mixed-use development shall provide one of the following:
      i **(2.5*% - 15%)*** of the proposed residential units in an ownership residential or mixed-use development project shall be affordable to Moderate-Income households, or
      ii ***(2% - 13%)*** of proposed residential units in an ownership

residential or mixed-use development project shall be affordable to Median-Income households.

b) Rental residential or mixed-use development shall provide one of the following:

i **(*5% - 30%)*** of the proposed residential units in a rental residential or mixed-use development project shall be affordable to Low-Income households. or

ii **(*2.5% - 15%)*** of the proposed residential units in a rental residential or mixed-use development project shall be affordable to Very Low-Income households,

2. Temporary Alternative Compliance, In-lieu Fee.

a) Ownership residential or mixed-use development in-lieu fee shall be 5% greater than the onsite requirements for On-site moderate income ownership units (XXXX.04(B)1.a.i).

b) Rental residential or mixed-use development in-lieu fee shall be 5% greater than the onsite requirements for On-site low-income rental units (XXXX.04(B)1.b.i).

C. Temporary Housing Development Incentive Program for residential or mixed-use projects entitled under SB 330. Projects entitled under SB 330 at or before the effective date of this ordinance that meet the applicability requirements detailed in XXXX.02 (A) have the following options:

1. Maintain project's entitlement rights and obligations as detailed in the project's entitlements under SB 330, including affordable housing requirements per Chapter 18.37.050.
2. Request a change to the project's entitlements, which would include both:

a. A THDIP amendment request, which would amend a project's affordable housing compliance plan, to the requirements detailed in Chapter XXXX.05(B) and

b. A signed affidavit requesting and agreeing to opt into the City of East Palo Alto's then current Development Impact Fees, including but not limited to Parks & Trails, Public Facilities, Transportation, Storm Drainage, and Water Capacity as approved by City Council on March 4, 2025, or subsequently updated by action of City Council.

2. Projects entitled under SB 330 subsequent to the effective date of this ordinance may request a THDIP Amendment.

XXXX.05 Implementation

A. Eligible applicants may request the City Manager or their designee grant a THDIP amendment for specific development projects**.**

B. Notwithstanding any Development Code provisions to the contrary, in order to implement the Temporary Housing Development Incentive Program established by this Chapter, the City Manager or their designee is hereby authorized to review, approve, and modify, without a public hearing for discretionary review, the Inclusionary Housing plan and agreement (Chapter 18.37.090(A) and (B)), consistent with this Chapter, including:

1. The applicable percentage of affordable housing units required by Chapter 18.37.050 in a manner consistent with this Chapter;

2. The applicable fee required by Section 18.37.080 in a manner consistent with this Chapter;

3. The number and/or affordability levels of units provided for projects that elected to develop using the State Density Bonus Laws (Government Code Section 65915 *et seq*.) and required findings related to eligibility for a density bonus, concessions and/or waivers and parking reductions, in a manner consistent with this Chapter. However, any such modification must ensure that Projects that receive any State Density Bonus benefits (e.g., additional density, concessions, waivers, and/or parking reductions) continue to meet the minimum affordability requirements and all applicable requirements under the State Density Bonus Law (Gov't Code § 65915 et seq.) for the full affordability term to maintain those benefits;

4. The conditions of approval related to the City's requirements for affordable housing;

5. The affordable housing plan and/or affordable housing agreement; (The affordability covenants;)

6. The "no net loss" findings required under Government Code Section 65863; and/or

7. Any and all related affordable housing documentation that may be necessary to ensure compliance with Chapter 18.37 or other applicable laws.

Any modification to entitlements made pursuant to this Ordinance shall include a condition that a Project must secure and pay for a Vertical Building Permit on residential or mixed use development on or before **(December 30, 2027, or any other date)**, that this permit application must be deemed complete by the City by **(January 30, 2028, or any other date),** and that the developer must commit to pay all other City impact fees applicable to the affordability levels of the units (e.g., Parks & Trails, Public Facilities, Transportation, Storm Drainage, and Water Capacity Impact Fees), and if an applicant fails to do so, the affordable housing requirements applicable to the project shall automatically revert to the then current affordable housing requirements of Chapter 18.37.

All terms of Chapter 18.37 not explicitly temporarily superseded by this Chapter shall apply to residential or mixed-use projects that seek a THDIP Amendment.

C. Continued Validity of Inclusionary Housing Ordinance. Except as expressly provided for in this Ordinance, all provisions of Chapter 18.37 shall remain in full force and effect.

SECTION 4. SAVINGS CLAUSE

If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The City Council hereby declares that it would have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

SECTION 5. CONSISTENCY

Any provision of the East Palo Alto Municipal Code inconsistent with this uncodified Ordinance, to the extent of such inconsistencies and no further, is hereby inapplicable and the provisions of this Ordinance control to the extent necessary to effectuate this Ordinance.

SECTION 6. PUBLICATION

The City Clerk shall publish this Ordinance as an uncodified ordinance in accordance with applicable law.

SECTION 7. EFFECTIVE DATE AND SUNSET PROVISION

This Ordinance shall be effective thirty (30) days after its adoption. This Ordinance shall expire by operation of law on (**January 30, 2028, or any other date**), unless extended by an amendment of this ordinance by the City Council before that date.

PASSED AND ADOPTED this ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Webster Lincoln, Mayor

ATTEST:

_____
James Colin, City Clerk

APPROVED AS TO FORM:

_____
John D. Lê, City Attorney

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CONTRACTOR AND PROFESSIONAL SERVICES AGREEMENT

This Contractor and Professional Services Agreement ("Agreement") is made by and between the City of East Palo Alto, a municipal corporation ("City"), as authorized by the East Palo Alto City Council via Resolution No. 95-2025, and Street Level Advisors, LLC, hereinafter referred to as “Contractor”, who agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the City professional services as specified in Exhibit A, entitled “Scope of Work.”

2. Payment. City shall pay Contractor for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B, entitled “Compensation.” The payments specified in Exhibit B shall be the only payments to be made to Contractor for services rendered pursuant to this Agreement.

3. Term. The term of this Agreement shall commence on January 7, 2026 and shall continue in full force and effect for a period of two (2) years, ending on January 7, 2028, unless earlier terminated. The term may be extended for up to one (1) additional year at the sole discretion of the City, subject to written approval of the City Manager.

4. Facilities and Equipment. Contractor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

5. Indemnification. Contractor shall indemnify, defend (with independent counsel approved by the City), and hold harmless the City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney’s fees, Contractor’s fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Contractor’s operations, or any subcontractor’s operations, to be performed under this Agreement, for the fullest extent permitted by law, with the exception of the sole active negligence or willful misconduct of the City. The provisions of this section shall survive the expiration or termination of this Agreement and are not limited by any provisions relating to insurance in this Agreement.

6. Insurance Requirements. Contractor agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled “Insurance Requirements for Contractor.” Failure to maintain required insurance at all times shall constitute a default and material breach.

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7. Accident Reports. Contractor shall immediately report (as soon as feasible, but not more than 24 hours) to the City any accident or other occurrence causing injury to persons or property during the performance of this Agreement. The report shall be made in writing and shall include, at a minimum: (a) the names, addresses, and telephone numbers of the persons involved, (b) the names, addresses and telephone numbers of any known witnesses, (c) the date, time and description of the accident or other occurrence.

8. Conflict of Interest. Contractor warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Contractor's family, business, real property or financial interests and the services to be provided under this Agreement. Contractor shall comply with the City of East Palo Alto Conflict of Interest Code and not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Contractor's family, business, real property or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Contractor shall disclose such conflict in writing to City.

9. Independent Contractor. Contractor is an independent contractor. Neither Contractor nor any of Contractor's officers, employees, agents or subcontractors, if any, is an employee of City by virtue of this Agreement or performance of any services pursuant to this Agreement. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Contractor accomplishes services pursuant to this Agreement.

10. Licenses, Permits, Etc. Contractor represents and warrants to City that all Contractor services shall be provided by a person or persons duly licensed by the State of California to provide the type of services to be performed under this Agreement and that Contractor has all the permits, qualifications and approvals of whatsoever nature which are legally required for Contractor to practice its profession. Contractor represents and warrants to City that it shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Contractor to practice its profession.

11. Business License. Contractor, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Contractor until such business license(s) has been obtained.

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12. Standard of Performance. Contractor shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised under similar conditions by a member of Contractor's profession currently practicing in California.

Contractor is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work, and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred or, beyond a project budget approved or amended by the City Manager or his or her designee.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Contractor is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Contractor of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Contractor.

Contractor's responsibilities under this section shall not be delegated. Contractor shall be responsible to City for acts, errors, or omissions of Contractor's subcontractors.

13. Force Majeure. Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause by circumstances beyond either party's reasonable control, such as war, riots, strikes, lockouts, work slow down or stoppage, acts of God, such as floods or earthquakes, and electrical blackouts or brownouts. In the event that the Contractor is unable to meet the completion date or schedule of services, Contractor shall inform the City Representative of the additional time required to perform the work and the City Representative may adjust the schedule.

14. Time is of the Essence. Time is of the essence in this Agreement. Any reference to days means calendar days, unless otherwise specifically stated.

15. Personnel. Contractor agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

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The payment made to Contractor pursuant to this Agreement shall be the full and complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Contractor nor Contractor's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Contractor. The City shall not be required to pay any workers' compensation insurance on behalf of Contractor. Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

16. Prevailing Wages for Public Works Projects. For public works projects, Contractor shall comply with all provisions of California laws dealing with prevailing wages, apprentices, and hours of work. Contractor shall also comply with provisions of Labor Code section 1720 as applicable. Contractor shall maintain certified payroll records evidencing such payment of prevailing wages as required by law.

17. Contractor Not Agent. Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Contractor shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

18. Termination or Abandonment by City. The City has the right, at any time and in its sole discretion, to immediately terminate or abandon any portion or all of the services to be provided under this Agreement by giving notice to Contractor. Upon receipt of a notice of termination, Contractor shall perform no further work except as specified in the notice. Before the date of termination, Contractor shall deliver to City all work product, whether completed or not, as of the date of termination and not otherwise previously delivered.

The City shall pay Contractor for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Contractor for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Contractor for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

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19. Products of Consulting Services. The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Contractor resulting from services rendered pursuant to this Agreement, shall become the property of City. Contractor agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Contractor makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

20. Cooperation by City. City shall, to the extent reasonable and practicable, assist and cooperate with Contractor in the performance of Contractor's services hereunder.

21. Assignment and Subcontracting. Contractor shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of the City Manager or his or her designee in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without said consent shall be void and of no effect.

If subcontracting of work is permitted, Contractor shall pay its subcontractor within ten (10) days of receipt of payment by City for work performed by a subcontractor and billed by the Contractor. Use of the term subcontractor in any other provision of this contract shall not be construed to imply authorization for Contractor to use subcontractors for performance of any service under this Agreement.

The City is an intended beneficiary of any work performed by Contractor's subcontractor for purposes of establishing a duty of care between the subcontractor and City.

22. Successors and Assigns. All terms, conditions, and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this section is intended to affect the limitation on assignment.

23. Non-Discrimination/Fair Employment Practices. Contractor shall comply with all applicable federal, state and local laws, rules and regulations in regard to non-discrimination and non-harassment in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, sexual orientation, medical condition or physical handicap. Contractor agrees to abide by the City's Policy Against Discrimination, Harassment and Retaliation as set out in attached Exhibit D.

24. Official Notices. All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City:	Melvin E. Gaines City Manager City Manager's Office 2415 University Avenue East Palo Alto, CA 94303
If to Contractor:	Rick Jacobus Principal Street Level Advisors 1717 Webster St, Unit 1722 Oakland, CA 94612

Any party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section. Routine administrative communications shall be made pursuant to section 1 of Exhibit A.

25. Integration Clause. This Agreement, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. This Agreement shall not be amended or modified except by a written agreement executed by each of the parties hereto.

26. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

27. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of San Mateo County in the State of California or in the United States District Court, Northern District of California, San Francisco/Oakland Division,

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California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

28. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

29. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

30. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

31. Compliance with Laws. Contractor will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

32. Confidentiality. Contractor shall treat all records and work product prepared or maintained by Contractor in the performance of this Agreement as confidential and shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City records on information to any third party, other than its own employees, agents or subcontractors who have a need for the City records or information for the performance of services under this Agreement. A violation by Contractor of this section shall be a material violation of this Agreement and will justify legal and/or equitable relief.

Contractor agrees and acknowledges that this confidentiality provision does not limit the City's disclosure as required by law, pursuant to a subpoena, the California Public Records Act, or Order of the Court.

33. News and Information Release. Contractor agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from City through the City Representative.

34. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

35. Authority. The person signing this Agreement for Contractor hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Contractor.

36. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A, entitled "Scope of Work," including any attachments.
Exhibit B, entitled "Compensation," including any attachments.
Exhibit C, entitled "Insurance Requirements," including any attachments.
Exhibit D, entitled "Policy Against Discrimination, Harassment and Retaliation"

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

Street Level Advisors LLC

Signed by:
By: Rick Jacobus
4A2AE0360F14416...
Rick Jacobus
Principal

DATE: 3/31/2026

18308611
East Palo Alto Business License No.

CITY OF EAST PALO ALTO,
a municipal corporation

DocuSigned by:
By: Melvin Gaines
4A361DD749224BE...
Melvin E. Gaines
City Manager

DATE: 4/8/2026

APPROVED AS TO CONTENT:

DocuSigned by:
Elena Lee
8ADB28E9FC504D0...
Interim Director of Community & Economic Development

APPROVED AS TO FORM:

DocuSigned by:
2E2F160D4492472...
John D. Lê
City Attorney

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EXHIBIT A

SCOPE OF WORK

1. Representatives.

City Representative:

Yajaira Morales
Housing Project Manager
Community and Economic
Development Department
1960 Tate Street
East Palo Alto, CA 94303
Telephone: (650) 853-3189
Email: ymorales@cityofepa.org,
cc housing@cityofepa.org

Contractor's Representative:

Rick Jacobus
Principal
Street Level Advisors
1717 Webster St, Unit 1722
Oakland, CA 94612
Telephone: (510) 653-2995
Email: rick@streetleveladvisors.com

All routine administrative communications between the parties will be between the above named representatives and may be by personal delivery, mail, facsimile transmission or electronic mail as agreed between the Contractor Representative and City's Representative.

2. Services and Schedule.

The services provided shall be as set forth in Attachment 1 of Exhibit A, attached hereto and incorporated herein by this reference and performed according to the schedule set forth therein. Contractor will complete all services by the end of the two-year contract period, or the end of any granted extensions.

3. Phased Performance.

If the schedule calls for the services to be performed in phases or discrete increments, Contractor shall not proceed from one phase or increment to the next without written authorization from the City's Representative.

4. Additional Services. Additional services are those services related to the scope of Services of Contractor as set forth in Exhibit A but not anticipated at the time of execution of this Agreement ("Additional Services"). Additional Services shall be provided only when authorized by an amendment to this Agreement and approved by the City Manager, or his or her designee. City reserves the right to perform any Additional Services with its own staff or to retain other Contractors to

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perform said Additional Services. Any costs incurred due to the performance of Additional Services prior to the execution of an amendment will not be reimbursed under this Agreement or an amendment. .

Contractor's compensation for Additional Services shall be based on the total number of hours spent on Additional Services multiplied by the employees' appropriate billable hourly rate as established below. City, at its option, may negotiate a fixed fee for some or all Additional Services as the need arises. Where a fixed fee for Additional Services is established by mutual agreement between City and Contractor, compensation to Contractor shall not exceed the fixed fee amount.

5. Key Personnel. All of the individuals identified below are necessary for the successful prosecution of the services due to their unique expertise and depth and breadth of experience. There shall be no change in the personnel listed below, without written approval of the City Representative. Contractor recognizes that the composition of this team was instrumental in the City's decision to award the work to Contractor and that compelling reasons for substituting these individuals must be demonstrated for the City's consent to be granted. Any substitutes shall be persons of comparable or superior expertise and experience. Failure to comply with the provisions of this section shall constitute a material breach of Contractor's obligations under this Agreement and shall be grounds for termination.

Key personnel:

- Rick Jacobus, Principal, Street Level Advisors
- Kearstin Dischinger, Project Lead, Street Level Advisors
- Joshua Abrams, Principal, Community Planning Collaborative
- Sam Dolgoff, Project Manager, Community Planning Collaborative
- Kristy Wang, Advisor, Community Planning Collaborative
- Graphic Artist/Associate Planner

EXHIBIT A

Attachment 1

Specific Scope of Work for Consultant Services for the Inclusionary Housing Ordinance Analysis and Update

Activity & Description	Deliverables/Objectives
Task 1: Project Management 1.1 Maintain close communication and coordination with City staff via online check-in meetings monthly (or as appropriate). 1.2 Report on the Grand Nexus Study work team to share its interim findings and to work collaboratively with City staff to determine additional analysis needs, edits to work products, and outreach to decision makers. 1.3 Prepare slide decks to facilitate discussions and present updates or new findings (as appropriate).	Ongoing – • Kick Off Meeting within one week of start of contract • Six coordination meetings with agendas and notes • Monthly Team Meetings and minutes, as needed • Quarterly invoices • Shared project materials folder • Slide Decks
Task 2: Document Review & Policy Analysis Identify barriers and opportunities for improving program outcomes, including legal, financial, and administrative considerations. 2.1 Program Review. Review and analyze existing City inclusionary housing ordinance, procedures, annual fee calculation updates, and related documents 2.2 Policy Context. Review and incorporate policy direction from Housing Element, East Palo Alto's 2024-28 Affordable Housing Strategy, and City Council's Strategic Priorities. 2.3 Legal Context. Incorporate regulatory and legal environment analysis, including AB 1505, and the interface of inclusionary housing with the State Law.	Ongoing – • Summary of document review and policy analysis to be incorporated in draft Program Evaluation and Recommendations Report

Activity & Description	Deliverables/Objectives
Task 3: Program Evaluation and Data Analysis Assess effectiveness of current inclusionary housing requirements in producing affordable units, meeting fair housing goals, and meeting the Housing Element goal. 3.1 Review and Assess East Palo Alto Inclusionary Housing Program <u>Comprehensive Assessment</u>. Conduct a comprehensive multi-issue assessment of the program using a standard questionnaire (walking through 98 separate policies or practices). Compare East Palo Alto's results to successful programs in other areas	4 Weeks after Kick Off Meeting with City & Ongoing – • Completed Questionnaire • Summary of comprehensive assessment of existing ordinance and comparison to other programs to be incorporated in draft Program Evaluation and Recommendations Report
3.2 Participate in Grand Nexus Study and Review Materials Provide project oversite and review all outcomes of Grand Nexus Study. Advocate for the City's objectives. Participate in: Grand Nexus Kick Off Meeting (1), Work in Progress Meetings (2), Model Draft Report Group Meeting (1), One on One Meeting Specific Findings and Recommendations (1), Affordable Conversion Tool Meeting (1)	Ongoing – • Timely flow of information between Strategic Economics and the City • Review and comment on Grand Nexus Study products • Participation in six virtual Grand Nexus meetings • Written notes to City to inform and respond to Grand Nexus Study work

Activity & Description	Deliverables/Objectives
3.3. Program Evaluation and Recommendations <u>Analysis of Key Issues</u>: Evaluate key issues identified in Housing Element, Program Evaluation, Grand Nexus Study, or Community and stakeholder outreach. Provide recommended program modifications to advance City's goals.	Ongoing – • Draft Program Evaluation and Recommendations Report • Report to be organized and drafted with sections that are similar to standard staff reports with the goal of enabling staff to repurpose sections for future staff reports.
Task 4: Revised Ordinance and Inclusionary Housing Guidelines Draft amendments to Ordinance and Guidelines for: • Administrative review by the City staff and representatives • Public review by community members, developers, and task force/subcommittee • Final review and adoption by City Council	Ongoing - • Administrative Draft Inclusionary Housing Ordinance and Guidelines • Public Draft Inclusionary Housing Ordinance and Guidelines • Final Draft Inclusionary Housing Ordinance and Guidelines
Tasks 5: Stakeholder and Community Engagement 5.1 In coordination with City staff, develop and implement an engagement plan identifying target audiences and priority input areas. 5.2 Engagement Process Materials and Support 5.2 Design outreach materials and facilitation tools to engage diverse populations and synthesize key themes. May include materials for event types such as pop-up outreach and community meetings. Design and develop one online survey to broaden participation and collect measurable input EPA will conduct survey outreach to gather responses. • Take notes and synthesize engagement findings on community input	4 weeks after first Study Session • Stakeholder & Engagement Strategy • Online survey, associated outreach materials for EPA staff to distribute and simple survey results summary 8 weeks after first Study Session • Other engagement materials as defined by the Engagement Strategy Prior to first council hearing Two developer focus groups with notes Engagement Notes from events SLA or CPC attends.

Activity & Description	Deliverables/Objectives
Task 6: Public Hearings and Presentations 6.1 In coordination with City staff, prepare and deliver presentations for public meetings and hearings, including Planning Commission, City Council and joint study sessions. Presentations will summarize policy context (Housing Element, Grand Nexus), key policy tradeoffs, and recommended policies, using clear and engaging materials to support informed discussion and consensus-building. 6.2 Present or provide support for up to five (5) meetings, or as needed. Attend virtually. • Conduct Council outreach which may take the form of two (2) virtual meetings consisting of two City Councilmembers and potentially two Planning Commissioners for input prior to City Council meetings; OR individual briefings with all council members.	Ongoing - • Presentation and Participation in Study Session • Presentation and Participation in Policy & Action Meeting • Presentation and participation in Public Hearings • Conduct council outreach.

Detailed Deliverables & Schedule

Deliverable	Description	Schedule
Research and Community Engagement (Tasks 1-6)		
Timing of In-Lieu Fee Payments	Evaluate the implications of requiring in-lieu fee payments at Building Permit issuance versus Certificate of Occupancy; assess impacts on feasibility, compliance, and administrative efficiency; provide policy recommendations to establish clear and consistent timing standards.	Q2 2026 – Q1 2027
Establishment of a Limiting Principle for Alternative Compliance	Define parameters for limiting the use of Alternative Compliance Options, including circumstances under which such options may be proposed (e.g., demonstration of greater public benefit), frequency of use across projects, and consistency with the primary intent of the ordinance.	Q2 2026 – Q1 2027
Affordability Levels and Unit Comparability / Dispersion	Review affordability mix, unit comparability, and dispersion requirements for inclusionary units; evaluate whether a separate building located within a project site may qualify as regular compliance or alternative compliance, provided the primary intent of the ordinance is maintained.	Q2 2026 – Q1 2027
Stakeholder & Community Engagement	Design and implement engagement process including public meetings, stakeholder sessions, outreach forums, online surveys, and coordination with City staff to ensure diverse community input.	Q2 2026 – Q1 2027
Recommendations & Best Practices	Develop policy and procedural improvement recommendations; draft ordinance amendment language; draft guideline amendment language, as needed.	Q3 2026 – Q1 2027
Reporting & Presentations	Prepare educational presentation on inclusionary housing ordinances; prepare comprehensive written report; present findings to City staff, City Council, Planning Commission, and sub committee; provide supporting materials (data forms, surveys, sample reports).	Q1 2026 – Q2 2027
Ordinance and Guidelines Amendments (Tasks 1–6)		
Analysis Report	Comprehensive Program Evaluation and Recommendations Report summarizing findings, analysis, and recommendations.	Q2 2026 – Q1 2027

Deliverable	Description	Schedule
Administrative Draft Ordinance & Guidelines	Draft inclusionary housing ordinance and guidelines for administrative review.	Q3 2026 – Q1 2027
Public Draft Ordinance & Guidelines	Revised draft prepared for public review and engagement.	Q3 2026 – Q1 2027
Final Draft Ordinance & Guidelines	Final ordinance and guidelines incorporating public and City feedback.	Q3 2027
Meetings (Tasks 1, 5 & 6)		
Grand Nexus Study Meetings	Advocate for the City's objectives at approximately six (6) Grand Nexus Study meetings, or as needed.	Q1 2026 – Q1 2027
Study Session	Draft presentation to introduce the topic of inclusionary housing to the City Council. Present workplan.	Q1 2026 March 24, 2026
Developer / Stakeholder Focus Groups	One (1) to two (2) meetings with developers and other stakeholders to receive inclusionary housing input and present findings and recommendations, as needed.	Q3 2026 & Q1 2027
Community Meetings Notetaking	Attendance at one in person or two virtual public meetings to note take and synthesize community input.	Q32026-Q4 2026
Subcommittee or Task Force Meeting	Review findings and recommendations with designated subcommittee or task force before presenting to full City Council, maximum 2times, or as needed.	Q3 2026 – Q2 2027
Policy & Action Meeting(s)	One (1) to two (2) joint or separate Policy & Action meeting(s) with Planning Commission and/or City Council to review analysis and proposed ordinance amendments, and receive direction before working on Ordinance draft, as needed.	Q4 2026 – Q1 2027
First Reading(s)	Presentation(s) for draft Ordinance in one (1) to four (4) public hearing(s), or as needed.	Q2 2027 – Q3 2027\
Second Reading	Presentation for second reading (with potential public hearing presentation)	Q1 2027 - Q2 2027
Staff Meetings	Six (6) coordination meetings with City staff throughout the project monthly, or as needed	Q1 2026 – Q3 2027

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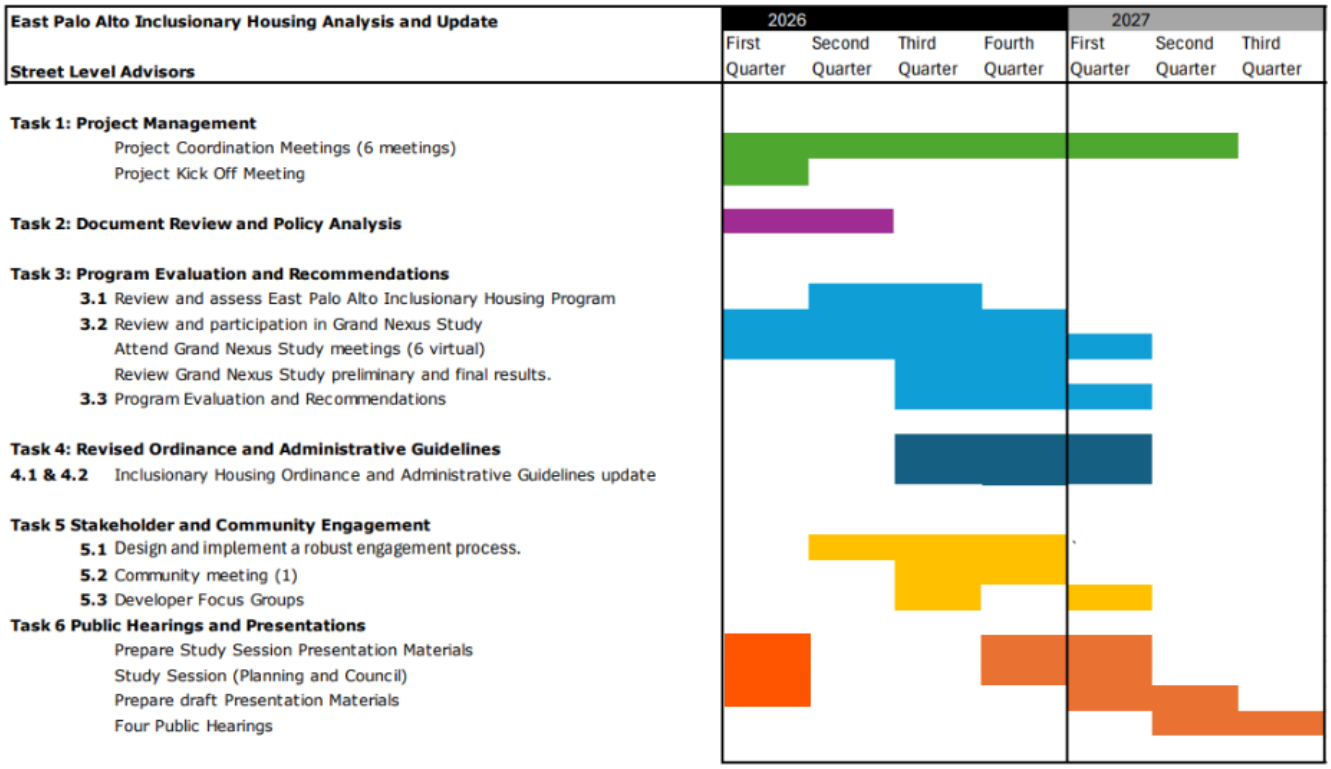
Schedule



EXIHIBIT A

Attachment 2

Invoices

Contractor shall submit invoices to the City on a quarterly basis in accordance with the following schedule:

Invoice #	Invoice Period 2026	Due Date
1	Q1 2026 (Jan–Mar 2026)	April 30, 2026
2	Q2 2026 (Apr–Jun 2026)	July 30, 2026*
3	Q3 2026 (Jul–Sep 2026)	October 30, 2026
4	Q4 2026 (Oct–Dec 2026)	January 30, 2027*
	2027	
5	Q1 2027 (Jan–Mar 2027)	April 30, 2027
6	Q2 2027 (Apr–Jun 2027)	July 30, 2027*
7	Q 3 2027 (Jul–Sep 2027)	October 30, 2027
8	Q4 2027 (Oct-Dec 2027)	January 30, 2028*
Total	**2-Year Contract**	

**Please note that due to internal deadlines, staff may request early invoicing.*

Please note that invoices shall be itemized and include detailed descriptions.

Contract Extensions

At least three months prior to expiration of the contract period, the Contractor shall submit a letter to housing@cityofepa.org indicating its interest in extending the contract term for an additional year, and indicating whether any additional funding will be needed for the administration in the additional year. While the contract may be extended administratively with City Manager approval, any requests for additional funding allocation must be reviewed and approved by City Council.

If the contract is extended for an additional one-year period, the invoicing will be as follows:

First 1-Year Contract Extension

Invoice #*	**Report Period 202**8	**Due Date**
	Q1 2028 (Jan–Mar 2028)	April 30, 2028
	Q2 2028 (Apr–Jun 2028)	July 30, 2028*
	Q3 2028 (Jul–Sep 2028)	October 30, 2028
	Q4 2028 (Oct–Dec 2028)-	January 30, 2029*

If the contract is extended for an additional and final one-year period, the reporting will be as follows:

Second One-Year Contract Extension

Invoice #*	**Report Period 2029**	**Due Date**
5	Q1 2029 (Jan–Mar 2026)	April 30, 2029
6	Q2 2029 (Apr–Jun 2026)	July 30, 2029*
7	Q3 2029 (Jul–Sep 2026)	October 30, 2029
8	Q4 2029 (Oct–Dec 2026)-	January 30, 2030*

EXHIBIT B

COMPENSATION

1. Contractor's Compensation.

A. City agrees to pay Contractor, at the rate(s) specified below, for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses, for a total not to exceed Seventy-Five Thousand Dollars and Zero Cents ($75,000).

Contractor shall notify City in writing no later than thirty (30) days prior to the estimated date when Contractor will have billed City the maximum payment amount permitted under this Agreement, and Contractor shall provide City with an estimate of the additional compensation required to complete the project.

2. Appropriate Billable Hourly Rates for Services and Additional Services.

The contractor will submit itemized invoices on quarterly basis per Attachment 2 of Exhibit A. Contractor's billable hourly rates shall be:

Name and Role	Hourly Rate
Rick Jacobus, Principal	$300
Kearstin Dischinger, Project Lead	$250
Josh Abrams, Principal	$275
Kristy Wang	$250
Sam Dolgoff, Project Manager	$175
Associate/Graphic Designer	$145

Contractor will perform the services according to the fee schedule and cost estimate below.

East Palo Alto Inclusionary Housing Analysis and Update
Street Level Advisors

		Rick Jacobus	Kearstin Dischinger	Kristy Wang	Sam Dolgoff	Associate	Subtotoal	Task Total
		Principal	Project Lead	Principal	Project Manager	Graphic Design		
		300	250	250	175	145		
Task 1: Project Management								
	Project Initiation & Set up	1	3				$1,050	
	Project Coordination Meetings (6 meetings)	3	12	1	1		$4,325	
	Project Management		10				$2,500	
	Project Kick Off Meeting	1	3	1	1		$1,475	
							$0	$9,350
Task 2: Document Review and Policy Analysis							$0	
	Review Existing ordinance, procedures, policies and related documents.		6		2		$1,850	
	Review regulatory and legal environment of inclusionary.		2				$500	
							$0	$2,350
Task 3: Program Evaluation and Recommendations							$0	
3.1	**Review and Assess East Palo Alto Inclusionary Housing Program**						$0	
	Comprehensive Assessment		6		5		$2,375	
3.2	**Grand Nexus Study, participate in project and review materials**						$0	
	Attend Grand Nexus Study meetings (6 virtual)		12				$3,000	
	Review Grand Nexus Study preliminary and final results.		16				$4,000	
3.3	**Program Evaluation and Recommendations**						$0	
	Program Evaluation Report and Policy Recommendations	5	14		10		$6,750	
							$0	$16,125
Task 4: Revised Ordinance and Administrative Guidelines							$0	
4.1	**Inclusionary Housing Ordinance**						$0	
	Administrative Draft Ordinance	1	12		3		$3,825	
	Public Draft		2		2		$850	
	Final Draft	1	3		3		$1,575	
4.2	**Administrative Guidelines update**						$0	
	Administrative Draft Guidelines	1	10		6		$3,850	
	Public Draft		2		2		$850	
	Final Draft	1	3		2		$1,400	
								$12,350
Task 5: Stakeholder and Community Engagement								
5.1	**Design a robust engagement process**			2	8		$1,900	
	Coordination with EPA on outreach strategy and implementation			1	6	4	$1,880	
5.2	**Engagement Process Materials and Support**							
	Online survey design and development (max 2 min), digital only.		1	1	8	5	$2,625	
	Engagement materials and tools			2	12	24	$6,080	
	Staffing, one inperson or 2 virtual meetings				5		$875	
	Engagement Summary Notes, where consultant particpates.				2	6	$1,220	
5.3	**Developer Outreach Meetings (2)**	5	5				$2,750	
								$17,330
Task 6: Public Hearings and Presentations								
6.1	Prepare Presentation for Study session	1	6		5		$2,675	
	Discuss materials with staff	1	2				$800	
	Revise materials		2				$500	
	Participate in One Study Session	4	4				$2,200	
	Prepare one Presentation for public hearings	1	3				$1,050	
	Discuss materials with staff	1	2				$800	
	Revise materials		2				$500	
6.2	Four Public Hearings (Planning Commission, City Council (2))	4	10				$3,700	
6.3	Counil Outreach (indvidual or two sub committee meetings)	2	10	2	5	5	$5,200	
							$0	$17,425
	Total	*33*	*163*	*10*	*88*	*44*	$74,930	$74,930

3. Contractor's Reimbursable Expenses.

Reimbursable Expenses shall be limited to actual reasonable expenditures of Contractor for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by City.

4. Payments to Contractor.

A. Payments to Contractor shall be made within a reasonable time after receipt of Contractor's invoice, said payments to be made in proportion to services performed. Contractor may request payment on a monthly basis. Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

B. All invoices submitted by Contractor shall contain the following information:

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date

C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to Contractor for correction. City shall not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above.

5. Accounting Records of Contractor.

Contractor shall maintain for three (3) years after completion of all services hereunder, all records under this Agreement, including, but not limited to, records of Contractor's direct salary costs for all Services and Additional Services performed under this Agreement and records of Contractor's Reimbursable Expenses, in accordance with generally accepted accounting practices. Contractor shall keep such records available for audit, inspection and copying by representatives of the City's Finance Department or other government agencies during regular business hours upon twenty four (24) hours notice.

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The obligations of Contractor under this section shall survive this Agreement.

6. Taxes.

Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request. Contractor hereby agrees to indemnify and defend City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section pursuant to the Indemnification provisions of this Agreement.

7. Taxpayer Identification Number. Contractor shall provide City with an IRS Form W-9, Request for Taxpayer Identification Number and Certification, containing an original signature and any other State or local tax identification number requested by City.

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EXHIBIT C

INSURANCE REQUIREMENTS

I. TYPES OF INSURANCE

A. Commercial General Liability Insurance: Contractor's General Liability insurance shall include contractual liability coverage. Contractor shall take out and maintain during the life of this Agreement 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 by this Agreement 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 Contractor's operations under this Agreement, whether such operations be by Contractor or by any sub-Contractor 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.

B. Automobile Liability Insurance: CONTRACTOR shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars ($1,000,000.00) per accident for bodily injury and property damage.

C. Worker's Compensation and Employer's Liability Insurance: Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor 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 before commencing the performance of the work of this Agreement".

D. Professional Liability Insurance: Contractor 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 Contractor pursuant to this Agreement, in the amount of not less than One Million Dollars ($1,000,000) per claim. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

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II. ADDITIONAL REQUIREMENTS

A. Broader Insurance Coverage: In the event that Contractor maintains broader coverage and/or higher limits than the City's minimum requirements, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance shall be called upon to protect it as a named insured.

B. Additional Insured Status: The City of East Palo Alto, its subsidiary agencies, directors, officers, employees, agents, independent contractors and volunteers shall be named as additional insureds on any such policies of comprehensive general and automobile liability insurance.

C. Primary and Non-Contributory Coverage: Except for professional liability and worker's compensation insurance, the policies shall also contain a provision that the insurance afforded to the City, its subsidiary agencies, and their directors, officers, employees, agents, independent contractors and volunteers based on additional insured status shall be primary and non-contributory 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.

D. Verification of Coverage: Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause).

E. Notice of Cancellation: Contractor shall provide thirty (30) days' notice, in writing, to the City, at 2415 University Avenue, East Palo Alto, CA 94303, of any pending change or cancellation of the policy.

F. Deductibles or Self-Insured Retentions: Prior to the execution of this Agreement, any deductibles or self-insured retentions must be declared to and approved by City.

G. Breach: In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, City, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

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EXHIBIT D

CITY OF EAST PALO ALTO'S POLICY AGAINST DISCRIMINATION, HARASSMENT AND RETALIATION

EFFECTIVE DATE: 12/21/2004
REVISED DATE: 1/12/07
ADOPTED BY CITY COUNCIL: 12/21/2004

I. PURPOSES

The purposes of this policy are to emphasize the City's commitment to keeping its workplace free of harassment, discrimination and retaliation, to define and provide examples of the conduct that is prohibited, to summarize the respective responsibilities for preventing, reporting, investigating, and responding to violations and to give clear warning of the serious consequences that violators will face.

A copy of this policy shall be provided to all persons who are subject to it, and shall be posted on City bulletin boards in all City facilities.

II. POLICY

All of the following are prohibited by this Policy:

- Discrimination or harassment in any aspect of City employment based on any legally protected characteristic or status, including sex, gender, sexual orientation, race, color, national origin, language, ancestry, religion, age, marital status, domestic partner, physical disability, mental disability, or medical condition.

- Retaliation for opposing, filing a complaint about, or participating in an investigation of, any such harassment or discrimination.

- Aiding, abetting, inciting, compelling, or coercing or any such discrimination, harassment or retaliation, or attempting to do so.

The City will take all reasonable steps necessary to prevent such misconduct from occurring, and to remedy and punish any occurrence. Any City employee, Council member, member of any advisory body, including any Commissioner, Committee member, or Board member found having engaged in any such misconduct will be subject to disciplinary action up to and including termination or censure or removal and will be deemed to have acted outside the course and scope of his or her employment.

This policy applies to all City employees, volunteers, interns, vendors, and contractors as well as to all applicants for City positions.

The policy shall not be interpreted or applied in any manner that would be inconsistent with any applicable State or Federal law or regulation, or increase the legal liability of the City.

III. DESCRIPTION AND EXAMPLES OF PROHIBITED HARASSMENT

Harassment on the basis of sex is unlawful, and is prohibited by this policy. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when:

- An individual's submission to such conduct is made explicitly or implicitly, a term or condition of that individual's employment; or,

- An individual's submission to or rejection of such conducts is used as the basis for an employment decision affecting that individual; or,

- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, abusive, or offensive work environment.

Sexual harassment need not be motivated by sexual desire or gratification, and may include nonsexual conduct motivated by the violator's hostility towards the victim's gender, or towards the victim's nonconformity to gender stereotypes. Sexual harassment includes not only conduct motivated by gender, but also by pregnancy, childbirth, or a related condition. A harasser may be either male or female, and the victim may either be the same sex or the opposite sex. Even a person who is not the intended target of harassment may be harassed by it if he or she witnesses it.

Sexual harassment may be verbal, visual, or physical. For example:

- Verbal harassment may consist of derogatory, threatening, or intimidating comments, epithets, slurs or jokes; references to gender, physical appearance, attire, sexual prowess, marital status, or pregnancy; or sexual advances, propositions, or demands.

- Visual harassment may consist of displaying or circulating derogatory or offensive posters, cartoons, drawings, photographs, pin-ups, computer images, or electronic media transmissions.

- Physical harassment may consist of assault, battery, or unwelcome, unnecessary and offensive touching (kissing, hugging, patting, rubbing, pinching, brushing against), stating, leering, gesturing, whistling or making noises, impeding or blocking movement, or physical interfering with normal work or movement.

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In addition to prohibiting harassment based on sex or gender, this policy also prohibits harassment based on sexual orientation, or upon any other legal protected characteristic or status, such as race, religion, creed, color, national origin, language, ancestry, physical disability, mental disability, medical condition, marital status, domestic partner, or age.

Harassment on the basis of such factors is subject to the principles applicable to sexual harassment, as stated above.

IV. REPORTING DISCRIMINATION, HARASSMENT OR RETALIATION

Any City employee, volunteer, intern, vendor, contractor, or applicant who becomes aware of any discrimination, harassment or retaliation prohibited by this policy shall report it immediately to their immediate supervisor, or higher ranking supervisor, or the Assistant City Manager. Under no circumstances shall such a report be required or expected to be made to the person who engaged in the misconduct that is subject to this report.

The responsibility to report conduct prohibited by this policy arises even if the conduct is directed toward someone else and even if the person toward whom it is directed does not want it reported.

Reports may be made orally or in writing, free of requirements as to form.

Because reports of conduct prohibited by this policy will be treated as serious charges, the making of a deliberately false report, or a report made with reckless disregard for its truth or falsity, may subject the maker to disciplinary action.

V. INVESTIGATION AND RESOLUTION

The City of East Palo Alto will investigate all reported violations of this policy. All employees, volunteers, interns, vendors and contractors, members of the City Council, or members of a City advisory body shall cooperate with any such investigation.

Any supervisor, manager department head, member of the City Council, or member of a City advisory body who receives a report of, or who becomes aware of, conduct prohibited by this policy shall promptly report it to the Personnel Officer. Upon receiving the report, the Personnel Officer shall direct any report that accuses a City Council member or appointee to the City Council for investigation and resolution. The City Council shall delegate the responsibility to conduct a prompt, full, and fair investigation to the qualified private investigator. Upon receiving a report regarding a non-City Council member or appointee, the Personnel Officer shall conduct a prompt, full, and fair investigation, or delegate

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that responsibility to a qualified City employee or private investigator. The person performing the investigation shall:

- Interview the complainant, the accused, and any other person the investigator believe to have knowledge relevant to the charges;
- Gather and review any documentary, electronic, or physical evidence relevant to the charges;
- Consult with legal counsel as needed;
- Determine whether the charges can or cannot be substantiated; and
- Develop recommendations for appropriate remedial and/or disciplinary action, if any.

VI. OUTSIDE ADMINISTRATIVE AGENCIES

In addition to the remedies described in this Policy, the U.S. Equal Employment Commission and the California Department of Fair Employment and Housing provide administrative complaint and investigation processes as to harassment, discrimination or retaliation on the basis of a protected status. The toll free telephone number for such office is listed below:

California Department of Fair Employment and Housing 1.800.233.3212
U.S. Equal Employment Opportunity Commission 1.800.669.4000

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April 27, 2026

Street Level Advisors
Attn: Rick Jacobus
1717 Webster St, Unit 1722
Oakland, CA 94612
To: Rick@streetleveladvisors.com
CC: Kearstinmd@gmail.com

Subject: **First Amendment to Street Level Advisors Agreement (Reso No. 95-2025)**
Re: Exercise to Amend Exhibit A, Attachment 1 "Scope of Work"

Dear Mr. Jacobus,

The City has received a request to amend Exhibit A, Attachment 1 of the Agreement, "Scope of Work," of the above-mentioned contract set to expire January 7, 2028, to include additional services that, while not anticipated at the time of execution, are an extension of the work already described in the Scope of Work, particularly as it relates to the ordinance.

As outlined in Section 4, "Additional Services," of the Agreement:

"Additional services are those services related to the scope of Services of Contractor as set forth in Exhibit A but not anticipated at the time of execution of this Agreement ('Additional Services'). Additional Services shall be provided only when authorized by an amendment to this Agreement and approved by the City Manager, or his or her designee. City reserves the right to perform any Additional Services with its own staff or to retain other Contractors to perform said Additional Services. Any costs incurred due to the performance of Additional Services prior to the execution of an amendment will not be reimbursed under this Agreement or an amendment."

In accordance with this provision, the City has approved the revised contract.

Please find relevant documents attached. If you have any questions, please feel free to contact me.

Thank you,

DocuSigned by:
Melvin Gaines 5/27/2026
4A361DD749224BE...
Melvin E. Gaines, City Manager

CC: Natasha Raiburn, Interim Community & Economic Dev't Director, nraiburn@cityofepa.org
Karen Camacho, Housing & Economic Dev't Manager, kcamacho@cityofepa.org
Yajaira Morales, Housing Project Manager, ymorales@cityofepa.org
Housing Division, housing@cityofepa.org
City Attorney's Office, cityattorney@cityofepa.org
Finance Office, AccountPayable@cityofepa.org

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Attachments:

1. First Amendment to Agreement

CONTRACTOR AND PROFESSIONAL SERVICES AGREEMENT

This Contractor and Professional Services Agreement ("Agreement") is made by and between the City of East Palo Alto, a municipal corporation ("City"), as authorized by the East Palo Alto City Council via Resolution No. 95-2025, and Street Level Advisors, LLC, hereinafter referred to as “Contractor”, who agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the City professional services as specified in Exhibit A, entitled “Scope of Work.”

2. Payment. City shall pay Contractor for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B, entitled “Compensation.” The payments specified in Exhibit B shall be the only payments to be made to Contractor for services rendered pursuant to this Agreement.

3. Term. The term of this Agreement shall commence on January 7, 2026 and shall continue in full force and effect for a period of two (2) years, ending on January 7, 2028, unless earlier terminated. The term may be extended for up to one (1) additional year at the sole discretion of the City, subject to written approval of the City Manager.

4. Facilities and Equipment. Contractor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

5. Indemnification. Contractor shall indemnify, defend (with independent counsel approved by the City), and hold harmless the City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney’s fees, Contractor’s fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Contractor’s operations, or any subcontractor’s operations, to be performed under this Agreement, for the fullest extent permitted by law, with the exception of the sole active negligence or willful misconduct of the City. The provisions of this section shall survive the expiration or termination of this Agreement and are not limited by any provisions relating to insurance in this Agreement.

6. Insurance Requirements. Contractor agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled “Insurance Requirements for Contractor.” Failure to maintain required insurance at all times shall constitute a default and material breach.

7. Accident Reports. Contractor shall immediately report (as soon as feasible, but not more than 24 hours) to the City any accident or other occurrence causing injury to persons or property during the performance of this Agreement. The report shall be made in writing and shall include, at a minimum: (a) the names, addresses, and telephone numbers of the persons involved, (b) the names, addresses and telephone numbers of any known witnesses, (c) the date, time and description of the accident or other occurrence.

8. Conflict of Interest. Contractor warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Contractor's family, business, real property or financial interests and the services to be provided under this Agreement. Contractor shall comply with the City of East Palo Alto Conflict of Interest Code and not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Contractor's family, business, real property or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Contractor shall disclose such conflict in writing to City.

9. Independent Contractor. Contractor is an independent contractor. Neither Contractor nor any of Contractor's officers, employees, agents or subcontractors, if any, is an employee of City by virtue of this Agreement or performance of any services pursuant to this Agreement. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Contractor accomplishes services pursuant to this Agreement.

10. Licenses, Permits, Etc. Contractor represents and warrants to City that all Contractor services shall be provided by a person or persons duly licensed by the State of California to provide the type of services to be performed under this Agreement and that Contractor has all the permits, qualifications and approvals of whatsoever nature which are legally required for Contractor to practice its profession. Contractor represents and warrants to City that it shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Contractor to practice its profession.

11. Business License. Contractor, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Contractor until such business license(s) has been obtained.

12. Standard of Performance. Contractor shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised under similar conditions by a member of Contractor's profession currently practicing in California.

Contractor is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work, and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred or, beyond a project budget approved or amended by the City Manager or his or her designee.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Contractor is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Contractor of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Contractor.

Contractor's responsibilities under this section shall not be delegated. Contractor shall be responsible to City for acts, errors, or omissions of Contractor's subcontractors.

13. Force Majeure. Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause by circumstances beyond either party's reasonable control, such as war, riots, strikes, lockouts, work slow down or stoppage, acts of God, such as floods or earthquakes, and electrical blackouts or brownouts. In the event that the Contractor is unable to meet the completion date or schedule of services, Contractor shall inform the City Representative of the additional time required to perform the work and the City Representative may adjust the schedule.

14. Time is of the Essence. Time is of the essence in this Agreement. Any reference to days means calendar days, unless otherwise specifically stated.

15. Personnel. Contractor agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

The payment made to Contractor pursuant to this Agreement shall be the full and complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Contractor nor Contractor's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Contractor. The City shall not be required to pay any workers' compensation insurance on behalf of Contractor. Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

16. Prevailing Wages for Public Works Projects. For public works projects, Contractor shall comply with all provisions of California laws dealing with prevailing wages, apprentices, and hours of work. Contractor shall also comply with provisions of Labor Code section 1720 as applicable. Contractor shall maintain certified payroll records evidencing such payment of prevailing wages as required by law.

17. Contractor Not Agent. Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Contractor shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

18. Termination or Abandonment by City. The City has the right, at any time and in its sole discretion, to immediately terminate or abandon any portion or all of the services to be provided under this Agreement by giving notice to Contractor. Upon receipt of a notice of termination, Contractor shall perform no further work except as specified in the notice. Before the date of termination, Contractor shall deliver to City all work product, whether completed or not, as of the date of termination and not otherwise previously delivered.

The City shall pay Contractor for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Contractor for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Contractor for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

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19. Products of Consulting Services. The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Contractor resulting from services rendered pursuant to this Agreement, shall become the property of City. Contractor agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Contractor makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

20. Cooperation by City. City shall, to the extent reasonable and practicable, assist and cooperate with Contractor in the performance of Contractor's services hereunder.

21. Assignment and Subcontracting. Contractor shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of the City Manager or his or her designee in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without said consent shall be void and of no effect.

If subcontracting of work is permitted, Contractor shall pay its subcontractor within ten (10) days of receipt of payment by City for work performed by a subcontractor and billed by the Contractor. Use of the term subcontractor in any other provision of this contract shall not be construed to imply authorization for Contractor to use subcontractors for performance of any service under this Agreement.

The City is an intended beneficiary of any work performed by Contractor's subcontractor for purposes of establishing a duty of care between the subcontractor and City.

22. Successors and Assigns. All terms, conditions, and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this section is intended to affect the limitation on assignment.

23. Non-Discrimination/Fair Employment Practices. Contractor shall comply with all applicable federal, state and local laws, rules and regulations in regard to non-discrimination and non-harassment in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, sexual orientation, medical condition or physical handicap. Contractor agrees to abide by the City's Policy Against Discrimination, Harassment and Retaliation as set out in attached Exhibit D.

24. Official Notices. All notices or instruments required to be given or delivered by law or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City:	Melvin E. Gaines City Manager City Manager's Office 2415 University Avenue East Palo Alto, CA 94303
If to Contractor:	Rick Jacobus Principal Street Level Advisors 1717 Webster St, Unit 1722 Oakland, CA 94612

Any party may change its address for receiving notices by giving written notice of such change to the other party in accordance with this section. Routine administrative communications shall be made pursuant to section 1 of Exhibit A.

25. Integration Clause. This Agreement, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. This Agreement shall not be amended or modified except by a written agreement executed by each of the parties hereto.

26. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

27. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of San Mateo County in the State of California or in the United States District Court, Northern District of California, San Francisco/Oakland Division,

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California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

28. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

29. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

30. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

31. Compliance with Laws. Contractor will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

32. Confidentiality. Contractor shall treat all records and work product prepared or maintained by Contractor in the performance of this Agreement as confidential and shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City records on information to any third party, other than its own employees, agents or subcontractors who have a need for the City records or information for the performance of services under this Agreement. A violation by Contractor of this section shall be a material violation of this Agreement and will justify legal and/or equitable relief.

Contractor agrees and acknowledges that this confidentiality provision does not limit the City's disclosure as required by law, pursuant to a subpoena, the California Public Records Act, or Order of the Court.

33. News and Information Release. Contractor agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from City through the City Representative.

34. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

35. Authority. The person signing this Agreement for Contractor hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Contractor.

36. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A, entitled "Scope of Work," including any attachments.
Exhibit B, entitled "Compensation," including any attachments.
Exhibit C, entitled "Insurance Requirements," including any attachments.
Exhibit D, entitled "Policy Against Discrimination, Harassment and Retaliation"

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

Street Level Advisors LLC

Signed by:
By: Rick Jacobus
4A2AE0360F14416...
Rick Jacobus
Principal

DATE: 3/31/2026

18308611
East Palo Alto Business License No.

CITY OF EAST PALO ALTO,
a municipal corporation

DocuSigned by:
By: Melvin Gaines
4A361DD749224BE...
Melvin E. Gaines
City Manager

DATE: 4/8/2026

APPROVED AS TO CONTENT:

DocuSigned by:
Elena Lee
8ADB28E9FC504D0...
Interim Director of Community & Economic Development

APPROVED AS TO FORM:

DocuSigned by:
2E2F160D4492472...
John D. Lê
City Attorney

EXHIBIT A

SCOPE OF WORK

1. Representatives.

City Representative:

Yajaira Morales
Housing Project Manager
Community and Economic
Development Department
1960 Tate Street
East Palo Alto, CA 94303
Telephone: (650) 853-3189
Email: ymorales@cityofepa.org,
cc housing@cityofepa.org

Contractor's Representative:

Rick Jacobus
Principal
Street Level Advisors
1717 Webster St, Unit 1722
Oakland, CA 94612
Telephone: (510) 653-2995
Email: rick@streetleveladvisors.com

All routine administrative communications between the parties will be between the above named representatives and may be by personal delivery, mail, facsimile transmission or electronic mail as agreed between the Contractor Representative and City's Representative.

2. Services and Schedule.

The services provided shall be as set forth in Attachment 1 of Exhibit A, attached hereto and incorporated herein by this reference and performed according to the schedule set forth therein. Contractor will complete all services by the end of the two-year contract period, or the end of any granted extensions.

3. Phased Performance.

If the schedule calls for the services to be performed in phases or discrete increments, Contractor shall not proceed from one phase or increment to the next without written authorization from the City's Representative.

4. Additional Services. Additional services are those services related to the scope of Services of Contractor as set forth in Exhibit A but not anticipated at the time of execution of this Agreement ("Additional Services"). Additional Services shall be provided only when authorized by an amendment to this Agreement and approved by the City Manager, or his or her designee. City reserves the right to perform any Additional Services with its own staff or to retain other Contractors to

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perform said Additional Services. Any costs incurred due to the performance of Additional Services prior to the execution of an amendment will not be reimbursed under this Agreement or an amendment. .

Contractor's compensation for Additional Services shall be based on the total number of hours spent on Additional Services multiplied by the employees' appropriate billable hourly rate as established below. City, at its option, may negotiate a fixed fee for some or all Additional Services as the need arises. Where a fixed fee for Additional Services is established by mutual agreement between City and Contractor, compensation to Contractor shall not exceed the fixed fee amount.

5. Key Personnel. All of the individuals identified below are necessary for the successful prosecution of the services due to their unique expertise and depth and breadth of experience. There shall be no change in the personnel listed below, without written approval of the City Representative. Contractor recognizes that the composition of this team was instrumental in the City's decision to award the work to Contractor and that compelling reasons for substituting these individuals must be demonstrated for the City's consent to be granted. Any substitutes shall be persons of comparable or superior expertise and experience. Failure to comply with the provisions of this section shall constitute a material breach of Contractor's obligations under this Agreement and shall be grounds for termination.

Key personnel:

- Rick Jacobus, Principal, Street Level Advisors
- Kearstin Dischinger, Project Lead, Street Level Advisors
- Joshua Abrams, Principal, Community Planning Collaborative
- Sam Dolgoff, Project Manager, Community Planning Collaborative
- Kristy Wang, Advisor, Community Planning Collaborative
- Graphic Artist/Associate Planner

EXHIBIT A

Attachment 1

Specific Scope of Work for Consultant Services for the Inclusionary Housing Ordinance Analysis and Update

Activity & Description	Deliverables/Objectives
Task 1: Project Management 1.1 Maintain close communication and coordination with City staff via online check-in meetings monthly (or as appropriate). 1.2 Report on the Grand Nexus Study work team to share its interim findings and to work collaboratively with City staff to determine additional analysis needs, edits to work products, and outreach to decision makers. 1.3 Prepare slide decks to facilitate discussions and present updates or new findings (as appropriate).	Ongoing – • Kick Off Meeting within one week of start of contract • Six coordination meetings with agendas and notes • Monthly Team Meetings and minutes, as needed • Quarterly invoices • Shared project materials folder • Slide Decks
Task 2: Document Review & Policy Analysis Identify barriers and opportunities for improving program outcomes, including legal, financial, and administrative considerations. 2.1 Program Review. Review and analyze existing City inclusionary housing ordinance, procedures, annual fee calculation updates, and related documents 2.2 Policy Context. Review and incorporate policy direction from Housing Element, East Palo Alto's 2024-28 Affordable Housing Strategy, and City Council's Strategic Priorities. 2.3 Legal Context. Incorporate regulatory and legal environment analysis, including AB 1505, and the interface of inclusionary housing with the State Law.	Ongoing – • Summary of document review and policy analysis to be incorporated in draft Program Evaluation and Recommendations Report

Activity & Description	Deliverables/Objectives
Task 3: Program Evaluation and Data Analysis Assess effectiveness of current inclusionary housing requirements in producing affordable units, meeting fair housing goals, and meeting the Housing Element goal. 3.1 Review and Assess East Palo Alto Inclusionary Housing Program <u>Comprehensive Assessment</u>. Conduct a comprehensive multi-issue assessment of the program using a standard questionnaire (walking through 98 separate policies or practices). Compare East Palo Alto's results to successful programs in other areas	4 Weeks after Kick Off Meeting with City & Ongoing – • Completed Questionnaire • Summary of comprehensive assessment of existing ordinance and comparison to other programs to be incorporated in draft Program Evaluation and Recommendations Report
3.2 Participate in Grand Nexus Study and Review Materials Provide project oversite and review all outcomes of Grand Nexus Study. Advocate for the City's objectives. Participate in: Grand Nexus Kick Off Meeting (1), Work in Progress Meetings (2), Model Draft Report Group Meeting (1), One on One Meeting Specific Findings and Recommendations (1), Affordable Conversion Tool Meeting (1)	Ongoing – • Timely flow of information between Strategic Economics and the City • Review and comment on Grand Nexus Study products • Participation in six virtual Grand Nexus meetings • Written notes to City to inform and respond to Grand Nexus Study work

Activity & Description	Deliverables/Objectives
3.3. Program Evaluation and Recommendations <u>Analysis of Key Issues</u>: Evaluate key issues identified in Housing Element, Program Evaluation, Grand Nexus Study, or Community and stakeholder outreach. Provide recommended program modifications to advance City's goals.	Ongoing – • Draft Program Evaluation and Recommendations Report • Report to be organized and drafted with sections that are similar to standard staff reports with the goal of enabling staff to repurpose sections for future staff reports.
Task 4: Revised Ordinance and Inclusionary Housing Guidelines Draft amendments to Ordinance and Guidelines for: • Administrative review by the City staff and representatives • Public review by community members, developers, and task force/subcommittee • Final review and adoption by City Council	Ongoing - • Administrative Draft Inclusionary Housing Ordinance and Guidelines • Public Draft Inclusionary Housing Ordinance and Guidelines • Final Draft Inclusionary Housing Ordinance and Guidelines
Tasks 5: Stakeholder and Community Engagement 5.1 In coordination with City staff, develop and implement an engagement plan identifying target audiences and priority input areas. 5.2 Engagement Process Materials and Support 5.2 Design outreach materials and facilitation tools to engage diverse populations and synthesize key themes. May include materials for event types such as pop-up outreach and community meetings. Design and develop one online survey to broaden participation and collect measurable input EPA will conduct survey outreach to gather responses. • Take notes and synthesize engagement findings on community input	4 weeks after first Study Session • Stakeholder & Engagement Strategy • Online survey, associated outreach materials for EPA staff to distribute and simple survey results summary 8 weeks after first Study Session • Other engagement materials as defined by the Engagement Strategy Prior to first council hearing Two developer focus groups with notes Engagement Notes from events SLA or CPC attends.

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Activity & Description	Deliverables/Objectives
Task 6: Public Hearings and Presentations 6.1 In coordination with City staff, prepare and deliver presentations for public meetings and hearings, including Planning Commission, City Council and joint study sessions. Presentations will summarize policy context (Housing Element, Grand Nexus), key policy tradeoffs, and recommended policies, using clear and engaging materials to support informed discussion and consensus-building. 6.2 Present or provide support for up to five (5) meetings, or as needed. Attend virtually. • Conduct Council outreach which may take the form of two (2) virtual meetings consisting of two City Councilmembers and potentially two Planning Commissioners for input prior to City Council meetings; OR individual briefings with all council members.	Ongoing - • Presentation and Participation in Study Session • Presentation and Participation in Policy & Action Meeting • Presentation and participation in Public Hearings • Conduct council outreach.

Detailed Deliverables & Schedule

Deliverable	Description	Schedule
Research and Community Engagement (Tasks 1-6)		
Timing of In-Lieu Fee Payments	Evaluate the implications of requiring in-lieu fee payments at Building Permit issuance versus Certificate of Occupancy; assess impacts on feasibility, compliance, and administrative efficiency; provide policy recommendations to establish clear and consistent timing standards.	Q2 2026 – Q1 2027
Establishment of a Limiting Principle for Alternative Compliance	Define parameters for limiting the use of Alternative Compliance Options, including circumstances under which such options may be proposed (e.g., demonstration of greater public benefit), frequency of use across projects, and consistency with the primary intent of the ordinance.	Q2 2026 – Q1 2027
Affordability Levels and Unit Comparability / Dispersion	Review affordability mix, unit comparability, and dispersion requirements for inclusionary units; evaluate whether a separate building located within a project site may qualify as regular compliance or alternative compliance, provided the primary intent of the ordinance is maintained.	Q2 2026 – Q1 2027
Stakeholder & Community Engagement	Design and implement engagement process including public meetings, stakeholder sessions, outreach forums, online surveys, and coordination with City staff to ensure diverse community input.	Q2 2026 – Q1 2027
Recommendations & Best Practices	Develop policy and procedural improvement recommendations; draft ordinance amendment language; draft guideline amendment language, as needed.	Q3 2026 – Q1 2027
Reporting & Presentations	Prepare educational presentation on inclusionary housing ordinances; prepare comprehensive written report; present findings to City staff, City Council, Planning Commission, and sub committee; provide supporting materials (data forms, surveys, sample reports).	Q1 2026 – Q2 2027
Ordinance and Guidelines Amendments (Tasks 1–6)		
Analysis Report	Comprehensive Program Evaluation and Recommendations Report summarizing findings, analysis, and recommendations.	Q2 2026 – Q1 2027

Deliverable	Description	Schedule
Administrative Draft Ordinance & Guidelines	Draft inclusionary housing ordinance and guidelines for administrative review.	Q3 2026 – Q1 2027
Public Draft Ordinance & Guidelines	Revised draft prepared for public review and engagement.	Q3 2026 – Q1 2027
Final Draft Ordinance & Guidelines	Final ordinance and guidelines incorporating public and City feedback.	Q3 2027
Meetings (Tasks 1, 5 & 6)		
Grand Nexus Study Meetings	Advocate for the City's objectives at approximately six (6) Grand Nexus Study meetings, or as needed.	Q1 2026 – Q1 2027
Study Session	Draft presentation to introduce the topic of inclusionary housing to the City Council. Present workplan.	Q1 2026 March 24, 2026
Developer / Stakeholder Focus Groups	One (1) to two (2) meetings with developers and other stakeholders to receive inclusionary housing input and present findings and recommendations, as needed.	Q3 2026 & Q1 2027
Community Meetings Notetaking	Attendance at one in person or two virtual public meetings to note take and synthesize community input.	Q32026-Q4 2026
Subcommittee or Task Force Meeting	Review findings and recommendations with designated subcommittee or task force before presenting to full City Council, maximum 2times, or as needed.	Q3 2026 – Q2 2027
Policy & Action Meeting(s)	One (1) to two (2) joint or separate Policy & Action meeting(s) with Planning Commission and/or City Council to review analysis and proposed ordinance amendments, and receive direction before working on Ordinance draft, as needed.	Q4 2026 – Q1 2027
First Reading(s)	Presentation(s) for draft Ordinance in one (1) to four (4) public hearing(s), or as needed.	Q2 2027 – Q3 2027\
Second Reading	Presentation for second reading (with potential public hearing presentation)	Q1 2027 - Q2 2027
Staff Meetings	Six (6) coordination meetings with City staff throughout the project monthly, or as needed	Q1 2026 – Q3 2027

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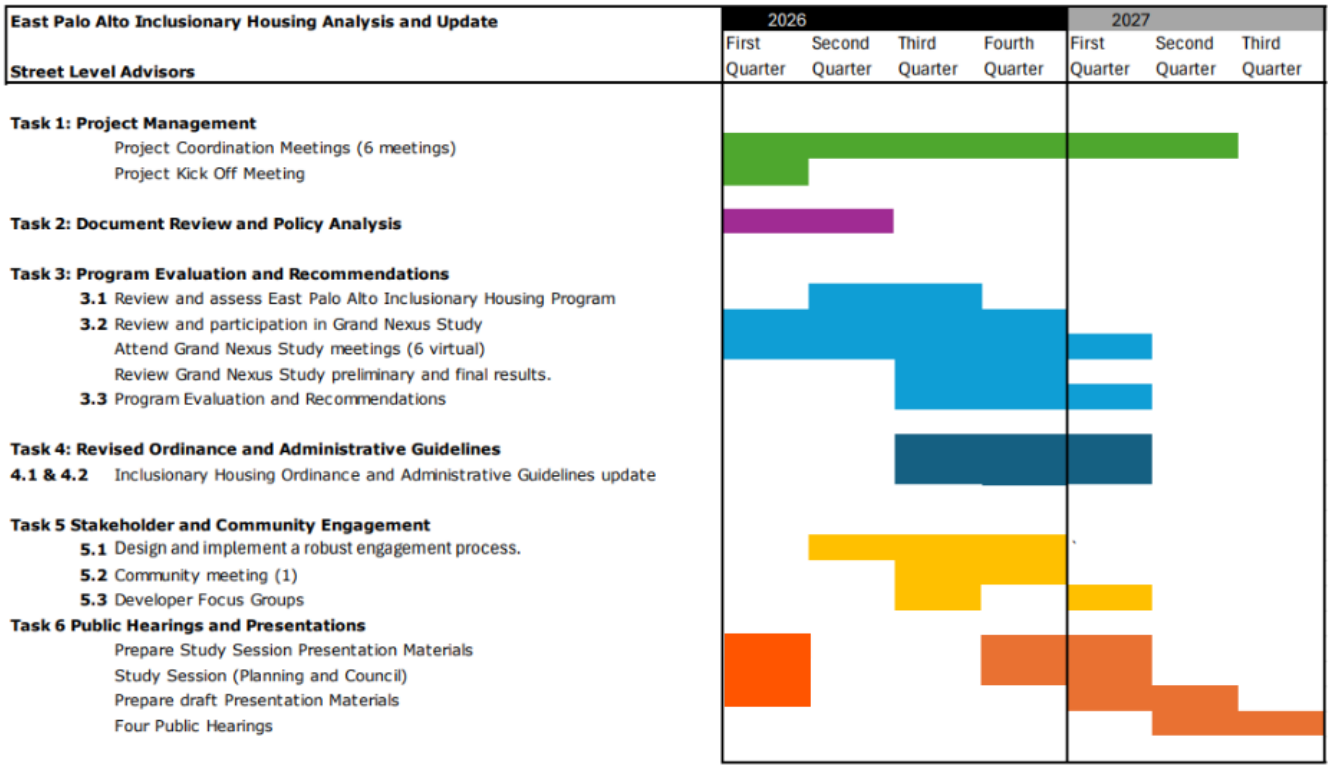
Schedule



EXIHIBIT A

Attachment 2

Invoices

Contractor shall submit invoices to the City on a quarterly basis in accordance with the following schedule:

Invoice #	Invoice Period 2026	Due Date
1	Q1 2026 (Jan–Mar 2026)	April 30, 2026
2	Q2 2026 (Apr–Jun 2026)	July 30, 2026*
3	Q3 2026 (Jul–Sep 2026)	October 30, 2026
4	Q4 2026 (Oct–Dec 2026)	January 30, 2027*
	2027	
5	Q1 2027 (Jan–Mar 2027)	April 30, 2027
6	Q2 2027 (Apr–Jun 2027)	July 30, 2027*
7	Q 3 2027 (Jul–Sep 2027)	October 30, 2027
8	Q4 2027 (Oct-Dec 2027)	January 30, 2028*
Total	**2-Year Contract**	

**Please note that due to internal deadlines, staff may request early invoicing.*

Please note that invoices shall be itemized and include detailed descriptions.

Contract Extensions

At least three months prior to expiration of the contract period, the Contractor shall submit a letter to housing@cityofepa.org indicating its interest in extending the contract term for an additional year, and indicating whether any additional funding will be needed for the administration in the additional year. While the contract may be extended administratively with City Manager approval, any requests for additional funding allocation must be reviewed and approved by City Council.

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If the contract is extended for an additional one-year period, the invoicing will be as follows:

First 1-Year Contract Extension

Invoice #*	**Report Period 202**8	**Due Date**
	Q1 2028 (Jan–Mar 2028)	April 30, 2028
	Q2 2028 (Apr–Jun 2028)	July 30, 2028*
	Q3 2028 (Jul–Sep 2028)	October 30, 2028
	Q4 2028 (Oct–Dec 2028)-	January 30, 2029*

If the contract is extended for an additional and final one-year period, the reporting will be as follows:

Second One-Year Contract Extension

Invoice #*	**Report Period 2029**	**Due Date**
5	Q1 2029 (Jan–Mar 2026)	April 30, 2029
6	Q2 2029 (Apr–Jun 2026)	July 30, 2029*
7	Q3 2029 (Jul–Sep 2026)	October 30, 2029
8	Q4 2029 (Oct–Dec 2026)-	January 30, 2030*

EXHIBIT B

COMPENSATION

1. Contractor's Compensation.

A. City agrees to pay Contractor, at the rate(s) specified below, for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses, for a total not to exceed Seventy-Five Thousand Dollars and Zero Cents ($75,000).

Contractor shall notify City in writing no later than thirty (30) days prior to the estimated date when Contractor will have billed City the maximum payment amount permitted under this Agreement, and Contractor shall provide City with an estimate of the additional compensation required to complete the project.

2. Appropriate Billable Hourly Rates for Services and Additional Services.

The contractor will submit itemized invoices on quarterly basis per Attachment 2 of Exhibit A. Contractor's billable hourly rates shall be:

Name and Role	Hourly Rate
Rick Jacobus, Principal	$300
Kearstin Dischinger, Project Lead	$250
Josh Abrams, Principal	$275
Kristy Wang	$250
Sam Dolgoff, Project Manager	$175
Associate/Graphic Designer	$145

Contractor will perform the services according to the fee schedule and cost estimate below.

East Palo Alto Inclusionary Housing Analysis and Update
Street Level Advisors

		Rick Jacobus	Kearstin Dischinger	Kristy Wang	Sam Dolgoff	Associate	Subtotoal	Task Total
		Principal	Project Lead	Principal	Project Manager	Graphic Design		
		300	250	250	175	145		
Task 1: Project Management								
	Project Initiation & Set up	1	3				$1,050	
	Project Coordination Meetings (6 meetings)	3	12	1	1		$4,325	
	Project Management		10				$2,500	
	Project Kick Off Meeting	1	3	1	1		$1,475	
							$0	$9,350
Task 2: Document Review and Policy Analysis							$0	
	Review Existing ordinance, procedures, policies and related documents.		6		2		$1,850	
	Review regulatory and legal environment of inclusionary.		2				$500	
							$0	$2,350
Task 3: Program Evaluation and Recommendations							$0	
3.1	**Review and Assess East Palo Alto Inclusionary Housing Program**						$0	
	Comprehensive Assessment		6		5		$2,375	
3.2	**Grand Nexus Study, participate in project and review materials**						$0	
	Attend Grand Nexus Study meetings (6 virtual)		12				$3,000	
	Review Grand Nexus Study preliminary and final results.		16				$4,000	
3.3	**Program Evaluation and Recommendations**						$0	
	Program Evaluation Report and Policy Recommendations	5	14		10		$6,750	
							$0	$16,125
Task 4: Revised Ordinance and Administrative Guidelines							$0	
4.1	**Inclusionary Housing Ordinance**						$0	
	Administrative Draft Ordinance	1	12		3		$3,825	
	Public Draft		2		2		$850	
	Final Draft	1	3		3		$1,575	
4.2	**Administrative Guidelines update**						$0	
	Administrative Draft Guidelines	1	10		6		$3,850	
	Public Draft		2		2		$850	
	Final Draft	1	3		2		$1,400	
								$12,350
Task 5: Stakeholder and Community Engagement								
5.1	**Design a robust engagement process**			2	8		$1,900	
	Coordination with EPA on outreach strategy and implementation			1	6	4	$1,880	
5.2	**Engagement Process Materials and Support**							
	Online survey design and development (max 2 min), digital only.		1	1	8	5	$2,625	
	Engagement materials and tools			2	12	24	$6,080	
	Staffing, one inperson or 2 virtual meetings				5		$875	
	Engagement Summary Notes, where consultant particpates.				2	6	$1,220	
5.3	**Developer Outreach Meetings (2)**	5	5				$2,750	
								$17,330
Task 6: Public Hearings and Presentations								
6.1	Prepare Presentation for Study session	1	6		5		$2,675	
	Discuss materials with staff	1	2				$800	
	Revise materials		2				$500	
	Participate in One Study Session	4	4				$2,200	
	Prepare one Presentation for public hearings	1	3				$1,050	
	Discuss materials with staff	1	2				$800	
	Revise materials		2				$500	
6.2	Four Public Hearings (Planning Commission, City Council (2))	4	10				$3,700	
6.3	Counil Outreach (indvidual or two sub committee meetings)	2	10	2	5	5	$5,200	
							$0	$17,425
	Total	*33*	*163*	*10*	*88*	*44*	$74,930	$74,930

3. Contractor's Reimbursable Expenses.

Reimbursable Expenses shall be limited to actual reasonable expenditures of Contractor for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by City.

4. Payments to Contractor.

A. Payments to Contractor shall be made within a reasonable time after receipt of Contractor's invoice, said payments to be made in proportion to services performed. Contractor may request payment on a monthly basis. Contractor shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

B. All invoices submitted by Contractor shall contain the following information:

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date

C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to Contractor for correction. City shall not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above.

5. Accounting Records of Contractor.

Contractor shall maintain for three (3) years after completion of all services hereunder, all records under this Agreement, including, but not limited to, records of Contractor's direct salary costs for all Services and Additional Services performed under this Agreement and records of Contractor's Reimbursable Expenses, in accordance with generally accepted accounting practices. Contractor shall keep such records available for audit, inspection and copying by representatives of the City's Finance Department or other government agencies during regular business hours upon twenty four (24) hours notice.

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The obligations of Contractor under this section shall survive this Agreement.

6. Taxes.

Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request. Contractor hereby agrees to indemnify and defend City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section pursuant to the Indemnification provisions of this Agreement.

7. Taxpayer Identification Number. Contractor shall provide City with an IRS Form W-9, Request for Taxpayer Identification Number and Certification, containing an original signature and any other State or local tax identification number requested by City.

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EXHIBIT C

INSURANCE REQUIREMENTS

I. TYPES OF INSURANCE

A. Commercial General Liability Insurance: Contractor's General Liability insurance shall include contractual liability coverage. Contractor shall take out and maintain during the life of this Agreement 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 by this Agreement 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 Contractor's operations under this Agreement, whether such operations be by Contractor or by any sub-Contractor 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.

B. Automobile Liability Insurance: CONTRACTOR shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars ($1,000,000.00) per accident for bodily injury and property damage.

C. Worker's Compensation and Employer's Liability Insurance: Contractor shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor 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 before commencing the performance of the work of this Agreement".

D. Professional Liability Insurance: Contractor 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 Contractor pursuant to this Agreement, in the amount of not less than One Million Dollars ($1,000,000) per claim. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

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II. ADDITIONAL REQUIREMENTS

A. Broader Insurance Coverage: In the event that Contractor maintains broader coverage and/or higher limits than the City's minimum requirements, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance shall be called upon to protect it as a named insured.

B. Additional Insured Status: The City of East Palo Alto, its subsidiary agencies, directors, officers, employees, agents, independent contractors and volunteers shall be named as additional insureds on any such policies of comprehensive general and automobile liability insurance.

C. Primary and Non-Contributory Coverage: Except for professional liability and worker's compensation insurance, the policies shall also contain a provision that the insurance afforded to the City, its subsidiary agencies, and their directors, officers, employees, agents, independent contractors and volunteers based on additional insured status shall be primary and non-contributory 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.

D. Verification of Coverage: Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause).

E. Notice of Cancellation: Contractor shall provide thirty (30) days' notice, in writing, to the City, at 2415 University Avenue, East Palo Alto, CA 94303, of any pending change or cancellation of the policy.

F. Deductibles or Self-Insured Retentions: Prior to the execution of this Agreement, any deductibles or self-insured retentions must be declared to and approved by City.

G. Breach: In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, City, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

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EXHIBIT D

CITY OF EAST PALO ALTO'S POLICY AGAINST DISCRIMINATION, HARASSMENT AND RETALIATION

EFFECTIVE DATE: 12/21/2004
REVISED DATE: 1/12/07
ADOPTED BY CITY COUNCIL: 12/21/2004

I. PURPOSES

The purposes of this policy are to emphasize the City's commitment to keeping its workplace free of harassment, discrimination and retaliation, to define and provide examples of the conduct that is prohibited, to summarize the respective responsibilities for preventing, reporting, investigating, and responding to violations and to give clear warning of the serious consequences that violators will face.

A copy of this policy shall be provided to all persons who are subject to it, and shall be posted on City bulletin boards in all City facilities.

II. POLICY

All of the following are prohibited by this Policy:

- Discrimination or harassment in any aspect of City employment based on any legally protected characteristic or status, including sex, gender, sexual orientation, race, color, national origin, language, ancestry, religion, age, marital status, domestic partner, physical disability, mental disability, or medical condition.

- Retaliation for opposing, filing a complaint about, or participating in an investigation of, any such harassment or discrimination.

- Aiding, abetting, inciting, compelling, or coercing or any such discrimination, harassment or retaliation, or attempting to do so.

The City will take all reasonable steps necessary to prevent such misconduct from occurring, and to remedy and punish any occurrence. Any City employee, Council member, member of any advisory body, including any Commissioner, Committee member, or Board member found having engaged in any such misconduct will be subject to disciplinary action up to and including termination or censure or removal and will be deemed to have acted outside the course and scope of his or her employment.

This policy applies to all City employees, volunteers, interns, vendors, and contractors as well as to all applicants for City positions.

The policy shall not be interpreted or applied in any manner that would be inconsistent with any applicable State or Federal law or regulation, or increase the legal liability of the City.

III. DESCRIPTION AND EXAMPLES OF PROHIBITED HARASSMENT

Harassment on the basis of sex is unlawful, and is prohibited by this policy. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when:

- An individual's submission to such conduct is made explicitly or implicitly, a term or condition of that individual's employment; or,
- An individual's submission to or rejection of such conducts is used as the basis for an employment decision affecting that individual; or,
- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, abusive, or offensive work environment.

Sexual harassment need not be motivated by sexual desire or gratification, and may include nonsexual conduct motivated by the violator's hostility towards the victim's gender, or towards the victim's nonconformity to gender stereotypes. Sexual harassment includes not only conduct motivated by gender, but also by pregnancy, childbirth, or a related condition. A harasser may be either male or female, and the victim may either be the same sex or the opposite sex. Even a person who is not the intended target of harassment may be harassed by it if he or she witnesses it.

Sexual harassment may be verbal, visual, or physical. For example:

- Verbal harassment may consist of derogatory, threatening, or intimidating comments, epithets, slurs or jokes; references to gender, physical appearance, attire, sexual prowess, marital status, or pregnancy; or sexual advances, propositions, or demands.
- Visual harassment may consist of displaying or circulating derogatory or offensive posters, cartoons, drawings, photographs, pin-ups, computer images, or electronic media transmissions.
- Physical harassment may consist of assault, battery, or unwelcome, unnecessary and offensive touching (kissing, hugging, patting, rubbing, pinching, brushing against), stating, leering, gesturing, whistling or making noises, impeding or blocking movement, or physical interfering with normal work or movement.

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In addition to prohibiting harassment based on sex or gender, this policy also prohibits harassment based on sexual orientation, or upon any other legal protected characteristic or status, such as race, religion, creed, color, national origin, language, ancestry, physical disability, mental disability, medical condition, marital status, domestic partner, or age.

Harassment on the basis of such factors is subject to the principles applicable to sexual harassment, as stated above.

IV. REPORTING DISCRIMINATION, HARASSMENT OR RETALIATION

Any City employee, volunteer, intern, vendor, contractor, or applicant who becomes aware of any discrimination, harassment or retaliation prohibited by this policy shall report it immediately to their immediate supervisor, or higher ranking supervisor, or the Assistant City Manager. Under no circumstances shall such a report be required or expected to be made to the person who engaged in the misconduct that is subject to this report.

The responsibility to report conduct prohibited by this policy arises even if the conduct is directed toward someone else and even if the person toward whom it is directed does not want it reported.

Reports may be made orally or in writing, free of requirements as to form.

Because reports of conduct prohibited by this policy will be treated as serious charges, the making of a deliberately false report, or a report made with reckless disregard for its truth or falsity, may subject the maker to disciplinary action.

V. INVESTIGATION AND RESOLUTION

The City of East Palo Alto will investigate all reported violations of this policy. All employees, volunteers, interns, vendors and contractors, members of the City Council, or members of a City advisory body shall cooperate with any such investigation.

Any supervisor, manager department head, member of the City Council, or member of a City advisory body who receives a report of, or who becomes aware of, conduct prohibited by this policy shall promptly report it to the Personnel Officer. Upon receiving the report, the Personnel Officer shall direct any report that accuses a City Council member or appointee to the City Council for investigation and resolution. The City Council shall delegate the responsibility to conduct a prompt, full, and fair investigation to the qualified private investigator. Upon receiving a report regarding a non-City Council member or appointee, the Personnel Officer shall conduct a prompt, full, and fair investigation, or delegate

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that responsibility to a qualified City employee or private investigator. The person performing the investigation shall:

- Interview the complainant, the accused, and any other person the investigator believe to have knowledge relevant to the charges;
- Gather and review any documentary, electronic, or physical evidence relevant to the charges;
- Consult with legal counsel as needed;
- Determine whether the charges can or cannot be substantiated; and
- Develop recommendations for appropriate remedial and/or disciplinary action, if any.

VI. OUTSIDE ADMINISTRATIVE AGENCIES

In addition to the remedies described in this Policy, the U.S. Equal Employment Commission and the California Department of Fair Employment and Housing provide administrative complaint and investigation processes as to harassment, discrimination or retaliation on the basis of a protected status. The toll free telephone number for such office is listed below:

California Department of Fair Employment and Housing 1.800.233.3212
U.S. Equal Employment Opportunity Commission 1.800.669.4000

Docusign Envelope ID: 523FB93D-75B1-8CC4-8104-1DB209D5507C

FIRST AMENDMENT TO AGREEMENT BETWEEN CITY OF EAST PALO ALTO AND STREET LEVEL ADVISORS (SLA)

This First Amendment to the Principal Agreement made and entered into on Janurary 7, 2026 hereafter referred to as Agreement, between Street Level Advisors, LLC, therein referred to as Contractor, and the City of East Palo Alto, a municipal corporation, therein referred to as City, is made and dated for reference this 16th day of December, 2025.

Contractor and City do mutually agree as follows:

1. Replaced Exhibit A, Attachment 1. Exhibit A, Attachment 1 of the Principal Agreement, which sets forth the services to be provided pursuant to the Principal Agreement is hereby removed and replaced to include the services as set forth in Exhibit A of this Amendment.

2. Integration. This Amendment, including all exhibits, if any, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Amendment. This Amendment shall not be amended or modified except by a written agreement executed by each of the parties hereto. Except as specifically revised herein, all terms and conditions of the Agreement, and all prior amendments, if any, shall remain in full force and effect, and Contractor shall perform all duties, obligations and conditions required under the Agreement.

3. Inconsistencies. In the event of any conflict or inconsistency between the provisions of this Amendment and the Agreement, and any prior amendment, if any, the provisions of this Amendment shall control in all respects.

4. Ambiguities. The parties acknowledge that they have had the opportunity to have this Amendment reviewed by their respective legal counsel, and that the terms and conditions of this Amendment are not to be construed against any party on the basis of such party's draftsmanship thereof.

5. Counterparts. This Amendment may be executed by the parties in one or more counterparts all of which collectively shall constitute one document and agreement.

6. Facsimile Signature; Electronic Signature. This Amendment shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party pursuant to the notice provision of the Agreement. The failure to send an original shall not affect the binding nature of this Amendment.

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7. Authority. The person signing this Amendment for Contractor hereby represents and warrants that he or she is fully authorized to sign this Amendment on behalf of Contractor.

IN WITNESS WHEREOF, the parties have entered into this First Amendment on the day and year first hereinabove appearing.

[Signatures on the following page]

Street Level Advisors
LLC

Signed by:
By: Rick Jacobus
4A2AE0300F14410...
Rick Jacobus
Principal

DATE: 5/5/2026

FEDERAL I.D. #: 47-5501079

18308611
East Palo Alto Business License No.

CITY OF EAST PALO ALTO,
a municipal corporation

DocuSigned by:
By: Melvin Gaines
4A361DD749224BE...
Melvin E. Gaines
City Manager

DATE: 5/27/2026

APPROVED AS TO CONTENT:

DocuSigned by:
Natasha Railey 5/5/2026
79403E5137FB489...
Interim Director of Community &
Economic Development

APPROVED AS TO FORM:

DocuSigned by:
5/19/2026
2E2F160D4492472...
John D. Lê
City Attorney

EXHIBIT A

Attachment 1

Specific Scope of Work for Consultant Services for the Inclusionary Housing Ordinance Analysis and Update

Activity & Description	Deliverables/Objectives
Task 1: Project Management 1.1 Maintain close communication and coordination with City staff via online check-in meetings monthly (or as appropriate). 1.2 Report on the Grand Nexus Study work team to share its interim findings and to work collaboratively with City staff to determine additional analysis needs, edits to work products, and outreach to decision makers. 1.3 Prepare slide decks to facilitate discussions and present updates or new findings (as appropriate).	Ongoing – • Kick Off Meeting within one week of start of contract • Six coordination meetings with agendas and notes • Monthly Team Meetings and minutes, as needed • Quarterly invoices • Shared project materials folder • Slide Decks
Task 2: Document Review & Policy Analysis Identify barriers and opportunities for improving program outcomes, including legal, financial, and administrative considerations. 2.1 Program Review. Review and analyze existing City inclusionary housing ordinance, procedures, annual fee calculation updates, and related documents 2.2 Policy Context. Review and incorporate policy direction from Housing Element, East Palo Alto's 2024-28 Affordable Housing Strategy, and City Council's Strategic Priorities. 2.3 Legal Context. Incorporate regulatory and legal environment analysis, including AB 1505, and the interface of inclusionary housing with the State Law.	Ongoing – • Summary of document review and policy analysis to be incorporated in draft Program Evaluation and Recommendations Report

Activity & Description	Deliverables/Objectives
Task 3: Program Evaluation and Data Analysis Assess effectiveness of current inclusionary housing requirements in producing affordable units, meeting fair housing goals, and meeting the Housing Element goal. 3.1 Review and Assess East Palo Alto Inclusionary Housing Program <u>Comprehensive Assessment</u>. Conduct a comprehensive multi-issue assessment of the program using a standard questionnaire (walking through 98 separate policies or practices). Compare East Palo Alto's results to successful programs in other areas	4 Weeks after Kick Off Meeting with City & Ongoing – • Completed Questionnaire • Summary of comprehensive assessment of existing ordinance and comparison to other programs to be incorporated in draft Program Evaluation and Recommendations Report
3.2 Participate in Grand Nexus Study and Review Materials Provide project oversite and review all outcomes of Grand Nexus Study. Advocate for the City's objectives. Participate in: Grand Nexus Kick Off Meeting (1), Work in Progress Meetings (2), Model Draft Report Group Meeting (1), One on One Meeting Specific Findings and Recommendations (1), Affordable Conversion Tool Meeting (1)	Ongoing – • Timely flow of information between Strategic Economics and the City • Review and comment on Grand Nexus Study products • Participation in six virtual Grand Nexus meetings • Written notes to City to inform and respond to Grand Nexus Study work
3.3. Program Evaluation and Recommendations <u>Analysis of Key Issues</u>: Evaluate key issues identified in Housing Element, Program Evaluation, Grand Nexus Study, or Community and stakeholder outreach. Provide recommended program modifications to advance City's goals.	Ongoing – • Draft Program Evaluation and Recommendations Report • Report to be organized and drafted with sections that are similar to standard staff reports with the goal of enabling staff to repurpose sections for future staff reports.
Task 4: Revised Ordinance Inclusionary Housing Draft amendments to Ordinance for: • Administrative review by the City staff and representatives • Public review by community members, developers, and task force/subcommittee	Ongoing - • Administrative Draft Inclusionary Housing Ordinance • Public Draft Inclusionary Housing Ordinance Final

EXHIBIT A

Activity & Description	Deliverables/Objectives
• Final review and adoption by City Council	Draft Inclusionary Housing Ordinance
Tasks 5: Developer Engagement • Take notes and synthesize engagement findings on developer focus groups.	Prior to first council hearing Two developer focus groups with notes
Task 6: Public Hearings and Presentations 6.1 In coordination with City staff, prepare and deliver presentations for public meetings and hearings, including Planning Commission, City Council and joint study sessions. Presentations will summarize policy context (Housing Element, Grand Nexus), key policy tradeoffs, and recommended policies, using clear and engaging materials to support informed discussion and consensus-building. 6.2 Present or provide support for up to five (5) meetings, or as needed. Attend virtually. • Conduct Council outreach which may take the form of two (2) virtual meetings consisting of two City Councilmembers and potentially two Planning Commissioners for input prior to City Council meetings; OR individual briefings with all council members.	Ongoing - • Presentation and Participation in Study Session • Presentation and Participation in Policy & Action Meeting • Presentation and participation in Public Hearings • Conduct council outreach.
Task 7. Develop a Temporary Housing Development Incentive Program 7.1 Draft and Final Ordinance, staff report and related 7.2 Hearing materials and presentation.	Presentation and Participation in Public Hearings

Detailed Deliverables & Schedule

Deliverable	Description	Schedule
Research and Community Engagement (Tasks 1-6)		
Timing of In-Lieu Fee Payments	Evaluate the implications of requiring in-lieu fee payments at Building Permit issuance versus Certificate of Occupancy; assess impacts on feasibility, compliance, and administrative efficiency; provide policy recommendations to establish clear and consistent timing standards.	Q2 2026 – Q1 2027
Temporary Housing Development Incentive Program	Develop and present a Temporary Housing Development Incentive Program for Council Consideration.	Q2 2026 – Q1 2027
Affordability Levels and Unit Comparability / Dispersion	Review affordability mix, unit comparability, and dispersion requirements for inclusionary units; evaluate whether a separate building located within a project site may qualify as regular compliance or alternative compliance, provided the primary intent of the ordinance is maintained.	Q2 2026 – Q1 2027
Developer Engagement	Developer Outreach.	Q2 2026 – Q1 2027
Recommendations & Best Practices	Develop policy and procedural improvement recommendations; draft ordinance amendment language; as needed.	Q3 2026 – Q1 2027
Reporting & Presentations	Prepare educational presentation on inclusionary housing ordinances; prepare comprehensive written report; present findings to City staff, City Council, Planning Commission, and sub committee; provide supporting materials (data forms, surveys, sample reports).	Q1 2026 – Q2 2027
Ordinance and Guidelines Amendments (Tasks 1–6)		
Analysis Report	Comprehensive Program Evaluation and Recommendations Report summarizing findings, analysis, and recommendations.	Q2 2026 – Q1 2027
Administrative Draft Ordinance	Draft inclusionary housing ordinance for administrative review.	Q3 2026 – Q1 2027
Public Draft Ordinance	Revised draft prepared for public review and engagement.	Q3 2026 – Q1 2027
Final Draft Ordinance	Final ordinance incorporating public and City feedback.	Q3 2027
Meetings (Tasks 1, 5 & 6)		
Grand Nexus Study Meetings	Advocate for the City's objectives at approximately six (6) Grand Nexus Study meetings, or as needed.	Q1 2026 – Q1 2027
Study Session	Draft presentation to introduce the topic of inclusionary housing to the City Council. Present workplan.	Q1 2026 March 24, 2026

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EXHIBIT A

Deliverable	Description	Schedule
Developer / Stakeholder Focus Groups	One (1) to two (2) meetings with developers and other stakeholders to receive inclusionary housing input and present findings and recommendations, as needed.	Q3 2026 & Q1 2027
Policy & Action Meeting(s)	One (1) to two (2) joint or separate Policy & Action meeting(s) with Planning Commission and/or City Council to review analysis and proposed ordinance amendments, and receive direction before working on Ordinance draft, as needed.	Q4 2026 – Q1 2027
First Reading(s)	Presentation(s) for draft Ordinance in one (1) to four (4) public hearing(s), or as needed.	Q2 2027 – Q3 2027
Second Reading	Presentation for second reading (with potential public hearing presentation)	Q1 2027 - Q2 2027
Staff Meetings	Six (6) coordination meetings with City staff throughout the project monthly, or as needed	Q1 2026 – Q3 2027

RESOLUTION NO. 95– 2025

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

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

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

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

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

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

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

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

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

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

2. Authorizes the City Manager to award, negotiate and execute a two-year agreement with Street Lev Advisors in partnership with Community Planning Collaborative, in form approved by the City Attorney, in an amount not-to-exceed $75,000, and with two one-year extensions at the sole discretion of the City Manager to provide project management and the updating of the Inclusionary Housing Ordinance ("IHO") and guidelines; and

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

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

AYES: **ABRICA, BARRAGAN, DINAN, LINCOLN, ROMERO**

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

James Colin, City Clerk

APPROVED AS TO FORM:

John D. Lê, City Attorney

RESOLUTION NO. XX– 2026

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

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

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

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

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

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

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

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

WHEREAS, on December 16, 2025, the City Council approved a contract with SLA in the amount not to exceed $75,000 and with two one-year extensions at the sole discretion of the City Manager to provide project management and the updating of the Inclusionary Housing Ordinance ("IHO") and guidelines; and

WHEREAS, on March 24, 2026, during the study session to review the current Inclusionary Housing Ordinance, Council directed staff to come back with a Temporary Housing Development Incentive Program (THDIP) and staff requested additional assistance from SLA; and

WHEREAS, SLA indicated that this work constituted a new task and therefore a first amendment to the contract was made to reduce outreach activities and costs and amend the scope of work to increase hearing costs (without amending to total contract amount); and

WHEREAS, on June 9, 2026, SLA along with the City's Housing Division team presented a THDIP, but the City Council did not introduce the ordinance; and

WHEREAS, the Mayor requested for this item to be put back in the agenda for July 7, 2026, and, therefore, staff requested that SLA participate in the public hearing for added expertise and technical support; and

WHEREAS, SLA requested a new amendment to the contract to add $13,300, for a new contract total amount of $88,300.

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. Appropriate an additional $13,300 from the Housing In Lieu Fund (Fund 207) and authorize the City Manager to amend the agreement with Street Level Advisors to add $13,300-for a new total not-to-exceed amount of $88,300; 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 7th day of July 2026**,** by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

James Colin, City Clerk

APPROVED AS TO FORM:

John D. Lê, City Attorney

EPASD CONSENT CALENDAR 11.1

EAST PALO ALTO SANITARY DISTRICT STAFF REPORT

DATE: July 7, 2026

TO: East Palo Alto Sanitary District Board Members

VIA: Melvin E. Gaines, General Manager

BY: Matthew Vining, Utility Manager
Humza Javed, District Engineer

SUBJECT: Award of Contract for Design Services - CIP 1.1 & 1.2

Recommendation

Adopt a resolution:

1. Authorizing the City Manager to award, negotiate and execute a contract for Consulting and Design Services for EPASD CIP projects 1.1 & 1.2, with Freyer & Laureta, in the amount of $826,676; and a 10% contingency of $82,667.60, for a total not-to-exceed budget of $909,343.60; and

2. Finding the project exempt from CEQA pursuant to section 15378 because this is not a "project" as the activity does not have the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No 3: Promote Health & Public Safety.
Priority No. 4: Public Infrastructure and Utilities

Background

The East Palo Alto Sanitary District is advancing Capital Improvement Projects (CIP) 1.1 and 1.2 as part of its Sewer System Master Plan. These projects include the installation of new

sewer mains to improve system capacity, address aging infrastructure, and accommodate future growth.

CIP 1.1 includes improvements along Menalto Avenue, Poplar Avenue, Bay Road, Elliot Drive, East Bayshore Road, and Ralmar Avenue.

CIP 1.2 includes improvements along Larkspur Drive, Gardenia Way, Beech Street, and the Bay Creek Trail Trunk Line.

The combined projects include approximately:

- 4,833 linear feet of sewer main and 19 manholes (CIP 1.1)
- 2,668 linear feet of sewer main and 14 manholes (CIP 1.2)

Analysis

Staff prepared and issued a request for proposals (RFP) to solicit qualified civil engineering firms to provide design, bidding, and construction support services for CIP 1.1 and 1.2.

The RFP was released on April 14, 2026, and includes a scope of work consisting of:

- Project management and coordination
- Survey and potholing
- Utility investigation
- Preparation of Plans, Specifications, and Estimates (PS&E)
- Environmental and permitting coordination
- Bidding and construction support

The current project schedule targets:

- Design completion by November 2026
- Construction starts in April 2027
- Construction completion in December 2027

The proposal deadline was **May 5, 2026**. Two technical firms submitted proposals: Freyer & Laureta (F&L) and Harris & Associates. A scoring committee of three Public Works staff evaluated proposals based on qualifications, experience, project approach, schedule, and references, consistent with the criteria outlined in the RFP. F&L was the highest rated proposer.

This EPASD Advisory Committee reviewed this item at its June 24, 2026, meeting and determined by a unanimous vote to recommend the EPASD adopt a resolution and award the design contract to Freyer & Laureta.

Fiscal Impact

EPASD CONSENT CALENDAR 11.1

Design consultant services quoted in the request for proposal from Freyer & Laureta are $387,203 for EPASD CIP 1.1 and $439,473 for EPASD CIP 1.2, plus a 10% contingency. The total fiscal impact is $909,344.

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

Awarding this contract is not a project under The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereafter CEQA) because the action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Government Code § 84308

Applicability of Levine Act: Yes.

Analysis of Levine Act Compliance: The signatory for the application is Richard Laureta, President, and Jeffrey Tarantino, Executive Vice President of Freyer & Laureta, Inc. Staff is unaware of any other parties or participants relevant to the Commission's consideration of this item.
.

Attachment

1. Resolution
2. Request for Proposals
3. F&L Proposal
4. F&L Cost Proposal

RESOLUTION NO. XX– 2026

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

A RESOLUTION AUTHORIZING THE CITY MANAGER TO AWARD, NEGOTIATE AND EXECUTE A CONTRACT FOR CONSULTING AND DESIGN SERVICES FOR EPASD CIP PROJECTS 1.1 & 1.2, WITH FREYER & LAURETA, IN THE AMOUNT OF $806,678; AND A 10% CONTINGENCY OF $80,667.80, FOR A TOTAL NOT-TO-EXCEED BUDGET OF $887,345.80; AND FINDING THE PROJECT EXEMPT FROM CEQA PURSUANT TO SECTION 15378.

WHEREAS, the East Palo Alto Sanitary District (EPASD) is implementing Capital Improvement Projects (CIP) 1.1 and 1.2 identified in the Sewer System Master Plan to improve sewer system capacity, replace aging infrastructure, and accommodate future growth; and

WHEREAS, CIP 1.1 includes sewer system improvements along Menalto Avenue, Poplar Avenue, Bay Road, Elliot Drive, East Bayshore Road, and Ralmar Avenue; and

WHEREAS, CIP 1.2 includes sewer system improvements along Larkspur Drive, Gardenia Way, Beech Street, and the Bay Creek Trail Trunk Line; and

WHEREAS, the combined projects include approximately 7,501 linear feet of sewer main improvements and 33 manholes; and

WHEREAS, on April 14, 2026, EPASD issued a request for proposals (RFP) seeking qualified firms to provide consulting and design services, including project management, survey and potholing, utility investigation, preparation of plans, specifications and estimates, environmental and permitting coordination, and bidding and construction support services for CIP 1.1 and CIP 1.2; and

WHEREAS, proposals were due on May 5, 2026, and two firms submitted responsive proposals; and

WHEREAS, staff evaluated the proposals in accordance with the criteria identified in the RFP, including qualifications, experience, project approach, schedule, and references; and

WHEREAS, Freyer & Laureta received the highest overall score and was determined to be the most qualified firm to perform the required services; and

WHEREAS, the proposed agreement amount consists of $387,203 for CIP 1.1 and $439,473 for CIP 1.2, plus a ten percent (10%) contingency, for a total amount not to exceed $909,343.60; and

WHEREAS, funding for the agreement will be provided from the EPASD Reserve Fund; and

WHEREAS, the City Council finds that authorization of this professional services agreement is not a project under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378 because the action will not result in a direct or reasonably foreseeable indirect physical change in the environment.

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

1. The foregoing recitals are true and correct and are incorporated herein by this reference.; and
2. The City Council authorizes the City Manager to award and execute a professional services agreement with Freyer & Laureta for consulting and design services related to EPASD Capital Improvement Projects 1.1 and 1.2 in a total amount not to exceed Nine Hundred Nine Thousand Three Hundred Forty-Three Dollars and Sixty Cents ($909,343.60), in a form approved by the City Attorney.
3. The City Council authorizes the amount of $82,667.60 for contingency on this project.
4. The City Manager, or designee, is authorized to take all actions necessary and appropriate to implement this Resolution and administer the agreement, including approval of contingency expenditures within the authorized not-to-exceed amount.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 7th day of July 2026**,** by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ruben Abrica, Board President

ATTEST:

James Colin, Secretary

APPROVED AS TO FORM:

John D. Lê, District Council

East Palo Alto Sanitary District
A Subsidiary of the City of East Palo Alto

REQUEST FOR PROPOSAL (RFP)

For

Consulting Services for the Design of New Sewer Mains in the East Palo Alto Sanitation District: CIP 1.1 & 1.2

East Palo Alto Sanitation District
901 Weeks St.
East Palo Alto, CA 94303

Issued: April 14th,2026
Due: May 5th, 2026

Contact: Matt Vining, Utility Manager
mvining@cityofepa.org
650-853-3117

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Project Goal 1
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III. SCHEDULE **5**
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ATTACHMENTS

Exhibit A – CIP 1.1 Project Location Map
Exhibit B – CIP 1.2 Project Location Map
Exhibit C -- Sample Cost Proposal

I. GENERAL INFORMATION

East Palo Alto Sanitary District (EPASD) is soliciting proposals for the design of several new sewer main installations for its capital improvement program, Projects 1.1 and 1.2. It is the Respondent's responsibility to read the entire RFP and to comply with all requirements herein.

The purpose of this RFP is to invite pre-qualified professional civil engineering firms to provide professional services for the design and preparation of bid documents and construction support for EPASD CIP 1.1 and 1.2. The scope of work generally includes preparation of preliminary design, design documents, and engineering support during bidding and construction.

Background:

East Palo Alto is located in the southeast portion of the San Francisco Peninsula, approximately 30 miles southeast of San Francisco and 18 miles northwest of San Jose. US Highway 101 crosses through the southeast of East Palo Alto. The City is bordered to the south of Palo Alto and to the west and north by Menlo Park. The San Francisco Bay forms the city's eastern boundary.

The proposed project sites are located within the City of East Palo Alto (See Exhibit A & B, Project Location Maps). EPASD CIP 1.1 is located along sections of Menalto Avenue, Elliot Drive, Poplar Avenue, and Ralmar Avenue. EPASD CIP 1.2 is located along sections of Larkspur Drive, Gardenia Avenue, Beech St., and a major section of the Bay Creek Trail Trunk Line.

Project Goal

The primary goal of implementing the Projects is to meet current and future wastewater flow demands, upgrade aging infrastructure, and address flow requirements for developments as required by the East Palo Alto Sanitary District Sewer System Master Plan. Construction of a new sewer main will improve system reliability, increase flow, and increase capacity for future development.

All questions and communications, whether of a substantive nature or otherwise, regarding this Request for Proposal (RFP) must be submitted via email with the subject line "RFP for Consulting Services for the Design of EPASD 1.1 & 1.2." Inquiries must be submitted via email to Matt Vining, Utility Manager at mvining@cityofepa.org.

The District reserves the right to waive technicalities or to accept or reject any proposal or combination of proposals based upon the District's determination of its best interest.

CIP Project 1.1 by Street and Diameter*

Street	Length 8" Pipe	Length 10" Pipe	Length 12" Pipe	Total
	(LF)	(LF)	(LF)	(LF)
Menalto Ave	-	1,453	1,388	**2,841**
Poplar Ave	501	-	-	**501**
Bay Rd	-	-	277	**277**
Elliot Dr**	449	-	-	**449**
E Bayshore Rd	-	265	-	**265**
Ralmar Ave	-	500	-	**500**
Total	**950**	**2,218**	**1,665**	**4,833**

**All pipe is DR 17 HDPE Pipe unless specified otherwise*
***Eliot Dr. is within Menlo Park City limits. All appropriate plans and permit applications must be submitted to the City of Menlo Park, as well as coordination with their Engineering, Public Works, and Utility Departments as required.*

CIP Project 1.2 Description by Street and Diameter*

Street	Length 8" Pipe	Length 12" Pipe	Length 16" Pipe	Length 30" Pipe	Total
	(LF)	(LF)	(LF)	(LF)	(LF)
Larkspur Dr	272	-	533	-	**805**
Gardenia Wy	-	179	-	-	**179**
Trunk Line	-	-	-	1,441	**1441**
Beech St**	-	-	-	243	**243**
Total	**272**	**179**	**533**	**1,684**	**2668**

**All pipe is DR 17 HDPE Pipe unless specified otherwise*
There is an underground conflict with a large diameter PGE transmission on Beech St.* ***Project coordination for this portion of the project will be needed with PGE, including settling agreements on project variances or relocating of PGE lines.

II. SCOPE OF WORK

The East Palo Alto Sanitary District ("District") is seeking proposals for professional services from Civil Engineering consulting firms (Consultant) for consulting services for the design of the proposed EPASD Capital Improvement Projects 1.1 & 1.2. The qualified Consultant will be responsible for preliminary design, including survey and potholing, underground utility investigation, preparation of Plans, Specifications, and Estimates (PS&E) package, and bidding/construction support.

The proposed projects consist of installing approximately 4,833 feet (DR 17 HDPE) of sewer main and 19 manholes for CIP 1.1, and 2,668 feet (DR 17 HDPE) of sewer main and 14 manholes for CIP 2.2. The consultant will perform all engineering and project management-related work necessary to prepare plans and specifications suitable for

Public Works bidding. Consultant services shall include, but are not limited to: Project management, Preliminary design (survey and potholing), design development, bidding and construction support services, environmental and permitting, as further detailed below. Any project innovations are to be discussed during the preliminary design phase prior to the submittal of the 50% plans.

- **Task 1: Project Management**

  Perform general project management tasks to plan, direct, coordinate, and report progress of the work. This task includes but is not limited to: monitoring the project progress in conformance to the schedule and budget, report project progress, coordination with inter-agencies or stakeholders, monitor and coordinate the work of sub-consultants, prepare progress reports and invoices, communicate any project updates to the District, attend an initial kick-off meeting and subsequently bi-weekly project meetings to review project progress or stakeholder's meetings, and prepare meeting notes and action items.

- **Task 2: Survey**

  The preliminary design phase shall include a field or topographic survey to properly lay out the sewer line.

- **Task 3: Potholing**

  The consultant should survey and pothole existing utility elevations prior to design and construction of the water main profile, which will go above or below the existing utilities. Consultant shall include an allowance of up to 30 (30) potholes during the preliminary design phase. Potholing should also include necessary soil testing for construction off-hauling to landfill and existing pavement thickness information. The potholing data shall be included on the plans.

- **Task 4: Design Development**

  A. 50% Plan Set Submittal: Prepare 50% plan set, specification, and engineering estimate for City review.
     *Deliverabl*e: (2) 24" x 36" plan sets and Electronic Copy

  B. 100% PS&E
     After the review of the 50% plan set by the City, the Consultant shall submit

a 100% plan set along with the 100% specifications and the engineer's estimate.
Deliverables: (2) 24" x 36" plan sets, (1) Printed Set of Specifications, Electronic Copy of the Plan Set and Specifications, and Engineer's Estimate

C. Bid Package

The bid package shall be finalized upon incorporation of the District's final comments from the 100% submittal. After final approval of the plan sets, an original set of stamped and signed plans, along with the final engineer's estimate, specifications, and construction schedule, will be submitted to the District for its use in soliciting Bids. The Consultant will also provide the quantity schedule necessary to administer the bids and contract. Additionally, the plan set and specifications shall include a staged construction plan and traffic control plan.

Deliverables: (2) 24" x 36" plan sets, (1) Printed Set of Specifications, Electronic (CAD and pdf) Copy of the Plan Set and Specifications, Engineer's Estimate, Bid Schedule, and Construction Schedule

- **Task 5: Bid Support and Construction Support**

The consultant shall provide assistance before and during the bid advertisement, which includes preparation of final bid quantities, the engineer's estimate, responding to bidders' questions, and preparation of addenda.

The consultant shall assist the District during construction by providing responses to RFI's, field inspection and meetings (as necessary), final inspection, review of change orders, and preparation of punch list items.

Nothing in this RFP shall obligate the City to select a Consultant or enter into any agreement with a Consultant. Projects shall be contingent on a mutually agreed scope of work, a fee proposal, and the availability of budgeted funds.

Reimbursables shall have a "not to exceed" allowance of $1000 per task.

III. SCHEDULE

Responses to the RFP must be submitted to the East Palo Alto Sanitary District as outlined in this section.

Responses are due no later than
Thursday, May 5th, 2026, 3:00 p.m.
Responses received after this date and time will not be considered

PROPOSED SCHEDULE FOR THE REVIEW AND SELECTION PROCESS AND DESIRED TIMELINES FOR DELIVERABLES

MILESTONE	DATE
Release RFP	April 14, 2026
Deadline for questions, clarifications/addenda	April 28, 2026
Proposal due date	May 5, 2026, 3:00 p.m.
Review and scoring of submittals	May 27, 2026
Award of contract	June 2026
Kickoff meeting	July 2026
Final Design	November 2026
Bid Advertisement	January 2027
Construction Contract Award	March 2027
Start Construction	April 2027
Construction Completion	December 2027

The District reserves the right to modify the schedule at its sole discretion.

To be considered for selection, submittals must arrive at 901 Weeks Street by the date and time specified in the RFP. Proposers who mail packages should allow ample delivery time to ensure timely arrival. Submittals shall be placed in a clearly marked envelope, titled “RFP for Consulting Services for the Design of EPASD CIP 1.1 & 1.2” and hand-delivered or mailed to:

East Palo Alto Sanitary District
Attention: Matt Vining, Utility Manager
901 Weeks Street
East Palo Alto, CA 94303

IV. PROPOSAL REQUIREMENT AND FORMAT

If interested in this RFP, please notify Utility Manager, Matt Vining, by email at mvining@cityofepa.org. All submittals must follow the format described in this section. Respondents are encouraged to submit clear and concise responses to the RFP. The East Palo Alto Sanitary District reserves the right to reject all proposals or include or exclude any part of the submittals in the final agreement with the selected consultant.

Email submission is acceptable. If submitting a hard copy, deliver:

One hard copy of the submittal, one (1) unbound, reproducible must be submitted. Each submittal shall contain no more than 10 (ten) 8½" x 11" total pages (not counting dividers, exhibits, and any relevant appendices). Font shall be no less than 12pt. All pages shall be numbered.

It is the sole responsibility of the Proposer to ensure timely delivery. Late proposals shall not be considered. Proposals will not be accepted at any other location other than the address specified above. Faxed or emailed proposals without hard copies will not be accepted. Submittals must include the following components in the order listed below:

- Part 1: Cover Letter/Executive Summary (10 points)
  - Name of key members of the team, contact information, and qualifications
- Part 2: Experience and Qualifications of Consultant/Team Members (35 points)
  - Detailed experience of staff assigned in delivering similar projects
- Part 3: Project understanding, Approach, and Innovations (35 points)
  - Brief outline of proposed implementation plan to accomplish tasks

  Work is expected to be billed monthly based on actual work performed.
- Part 4: Delivery Schedule and Timeline (15 points)
  - Outline the delivery schedule and timeline of each task
- Part 5: Reference Review (5 points)
- Total Possible: 100 points
  - Please include three references of similar or related work

FREYER & LAURETA, INC.

East Palo Alto Sanitary District

F&L Proposal

Consulting Services for the Design of New Sewer Mains in the East Palo Alto Sanitary District: CIP 1.1 & 1.2

EPASD
EAST PALO ALTO SANITARY DISTRICT

May 5, 2026

FREYER & LAURETA, INC.
Civil Engineers – Surveyors – Construction Managers

Matthew Vining, Utility Manager
East Palo Alto Sanitary District
901 Weeks St.
East Palo Alto, CA 94303

May 5, 2026

Dear Mr. Vining,

Freyer & Laureta, Inc. (F&L) is pleased to submit this proposal to provide consulting engineering services for the design of EPASD Capital Improvement Projects 1.1 and 1.2. F&L has supported EPASD since the firm's founding in 1997 - a nearly three-decade relationship that now includes direct technical leadership on the 2025 Sewer System Master Plan that identifies these projects as the District's highest-priority capital investments. The team we are proposing has not only designed sewer mains of this type and scale across the Peninsula, but has also developed the design flows, capacity criteria, and alignment assumptions that will govern CIP 1.1 and 1.2.

Greg Arifian, P.E., will serve as Project Manager and EPASD's primary day-to-day contact. Greg supported the development of the EPASD Sewer Master Plan and understands the District's infrastructure priorities, operational constraints, and project objectives from the inside. As Principal-in-Charge, I will provide executive oversight and senior technical leadership throughout design, bidding, and construction. Our proposed team brings deep, direct experience with EPASD's system, the Peninsula's regulatory environment, and the specific technical challenges these two projects present.

Together, CIP 1.1 and 1.2 represent approximately 7,501 linear feet of new DR 17 HDPE sewer main and 33 manholes across two project areas. F&L understands that these are not generic sewer main installations - they include a multi-diameter, multi-street program crossing into the City of Menlo Park (CIP 1.1), a 30-inch trunk line requiring coordination with the City's SAFER Bay project, a large-diameter PG&E transmission conflict on Beech Street, and potential contaminated soil conditions along the Bay Creek Trail corridor (CIP 1.2). Each of these challenges is addressed directly in our technical approach and reflected in the sub-consultant team we have assembled, which includes ROMIG Engineers for geotechnical services, BESS TestLabs for utility potholing, and EKI Environment & Water in an advisory capacity for environmental support along the CIP 1.2 corridor.

Per Addendum 1, F&L will deliver CIP 1.1 and CIP 1.2 as two separate, clearly labeled PS&E packages, advancing on parallel tracks under unified project management to meet the District's November 2026 final design milestone and January 2027 bid advertisement target. Monthly invoices will be submitted based on actual work performed, with reimbursables maintained within the not-to-exceed allowance of $1,000 per task.

The decisions made in this design program, which segments to burst, how to stage construction on Menalto Avenue's 2,841-linear-foot run, how to sequence the pipe bursting scope crossing under US-101, and how to address the PG&E conflict on Beech Street before it becomes a change order, have real consequences for the District's system and its ratepayers. F&L takes that responsibility seriously, and our team has the institutional knowledge, technical depth, and direct EPASD experience to deliver.

Very truly yours,

Jeffrey J. Tarantino, P.E., Executive Vice President
150 Executive Park Blvd., Ste. 4200 | San Francisco, CA 94134
(415) 534-7070 x201 (O) | (650) 619-3226 (M)
tarantino@freyerlaureta.com

Greg Arifian, P.E., Senior Project Manager
150 Executive Park Blvd., Ste. 4200 | San Francisco, CA 94134
(415) 534-7070 x204 (O) | (707) 339-3954 (M)
arifian@freyerlaureta.com

2 EXPERIENCE & QUALIFICATIONS

2A. FIRM OVERVIEW

F&L is a 37-person Bay Area civil engineering and surveying firm with nearly three decades of continuous service to public agencies across the San Francisco Peninsula and Northern California. Sewer system design, rehabilitation, and capital improvement program delivery are core services, with an active portfolio spanning sanitary districts, municipalities, and regional agencies throughout San Mateo County and the greater Bay Area. F&L has served the City of East Palo Alto as its water system engineer of record since 2016 and is currently engaged by EPASD as one of two engineering consultants supporting the District's infrastructure program. **Collectively, the proposed team has been responsible for approximately 200,000 linear feet of similar pipeline work — spanning gravity sewer design, pipe bursting, multi-jurisdiction coordination, and PS&E delivery.** Every member has worked directly with EPASD, contributing to the system assessments, hydraulic modeling, and capital improvement planning that define CIP 1.1 and 1.2 today.

2B. KEY TEAM MEMBERS

Our key team members and their proposed roles are identified in the table below. Detailed resumes for individual are provided in the Appendix B, along with relevant project experience.

Name	Role	Relevant Experience
Jeffrey J. Tarantino, P.E.	Principal-In-Charge	EPASD Master Plan; Pacifica Sewer Rehabilitation; WBSD Point Repair; Basin D Rehabilitation
Greg Arifian, P.E.	Project Manager	EPASD Sewer Master Plan; Las Gallinas Valley Sanitation District
Lorraine Htoo, P.E., LEED AP	QA/QC Officer	CVSan DP95; WBSD Point Repair; Pacifica Sewer Rehabilitation
Rheanna Ostera, E.I.T.	Project Engineer - CIP 1.1	EPASD Master Plan; Pacifica Sewer Rehabilitation; WBSD FERRF
Zoe Gnass, E.I.T.	Project Engineer - CIP 1.1	EPASD Master Plan; City of San Mateo CIP
Jason Feudale	Project Engineer - CIP 1.2	EPASD CIP 2007, 2008 & 2010; EPASD Master Plan; City of EPA Water Main
Toni Steko, E.I.T.	Project Engineer - CIP 1.2	City of East Palo Alto Water Main; Coyote Point Sanitary Sewer; Pacifica WWFEB

Subconsultant	Role	Relevant Experience
ROMIG Engineers	Geotechnical	Geotechnical investigation, trench design, and soil classification for underground utility installation across the Bay Area
BESS TestLabs	Potholing	Subsurface utility investigation and potholing for public infrastructure projects throughout Northern California
EKI Environment & Water	Environmental Advisory	30+ years of environmental engineering expertise; soil testing for off-haul and landfill disposal decisions, hazardous waste determination, & special waste designation

2D. RELEVANT PROJECT EXAMPLES

The following three projects represent F&L's most directly comparable recent work to EPASD CIP 1.1 and 1.2. Additional relevant sewer and utility experience is summarized on the following page.

PROJECT 1

City of Pacifica Vallemar & Rockaway Beach Sanitary Sewer Rehabilitation, Phases I, II & III

Pacifica, CA | 2024—Present | City of Pacifica

F&L is delivering engineering design services for rehabilitation of Pacifica's 1940s-era sewer collection system — approximately 38,000 LF of sewer mains and manholes across two bid packages: system-wide replacement via pipe bursting, and three creek crossings using horizontal directional drilling (HDD). Services include CCTV condition assessment, trenchless bore layout and construction detailing, PS&E preparation, CalTrans and multi-agency coordination, PG&E coordination (gas and electric), private easement access, and bid and construction support.

Similarities: Directly mirrors CIP 1.2's pipe bursting program and sewer pipeline design within a drainage channel. Same core team proposed.

PROJECT 2

West Bay Sanitary District Point Repair Phases I, II, IIIA & IIIB

Menlo Park, Atherton, Portola Valley & Unincorporated San Mateo County, CA | 2024—Present | West Bay Sanitary District

F&L has designed over 26,500 LF of sewer replacement and rehabilitation across four phases using pipe bursting with HDPE pipe, open-cut full segment replacement, point repairs, and sag corrections. Work spans five jurisdictions — City of Menlo Park, Town of Atherton, Town of Portola Valley, unincorporated San Mateo County, and CalTrans — requiring coordinated permit submittals across all agencies. 89% of work is located in public rights-of-way.

Similarities: Largest HDPE sewer replacement scope in F&L's portfolio. Multi-jurisdiction coordination, including Menlo Park, directly mirrors CIP 1.1's Elliot Drive challenge.

PROJECT 3

City of San Mateo Basin D Sanitary Sewer Collection System Rehabilitation

San Mateo, CA | 2022—Present | City of San Mateo

F&L is providing comprehensive sewer system rehabilitation services for the City of San Mateo's Basin D sewer shed - beginning with cleaning, CCTV inspection, and PACP-based condition assessment of over 200,000 LF of collection system. Using condition assessment results, F&L developed a prioritized capital improvement program recommending a combination of pipe bursting, CIPP lining, and open-trench replacement. Services span the full program lifecycle: inspection planning and phasing, public outreach, GIS-integrated condition reporting, construction document preparation, and engineering support during construction.

Similarities: Demonstrates F&L's ability to move from system assessment directly into CIP design and delivery — precisely the trajectory EPASD is now executing under its 2025 Master Plan. The multi-method construction approach mirrors the pipe bursting and open-cut toolkit required for CIP 1.1 and 1.2.

The chart below summarizes F&L's broader sewer and utility project portfolio, highlighting the range of services delivered and the proposed team members who contributed to each assignment. Projects involving EPASD are highlighted, reflecting nearly three decades of continuous service to the District.

PROJECT	GRAVITY SEWER DESIGN	PIPE BURSTING	PG&E COORDINATION	MULTI-JURISDICTIONAL	CCTV/CONDITION ASSESSMENT	PS&E	CONSTRUCTION SUPPORT
City of Pacifica Vallemar & Rockaway Beach Sewer Rehab	●	●	●	●	●	●	●
WBSD Point Repair Phases I-IIIB	●	●	●	●	●	●	●
City of San Mateo Basin D Sanitary Sewer Rehab	●	●			●	●	●
CVSan Gravity Sewer Repair	●	●		●	●	●	●
City of Pacifica Pedro Point Sanitary Sewer Rehab	●	●	●	●	●	●	●
EPASD CIP 2007, 2008 & 2010 Sanitary Sewer Improvements	●	●	●		●	●	●
WBSD North Bay & Ringwood Ave. Sanitary Sewer Pipeline	●	●		●	●	●	●
City of San Mateo 25th Ave. Sanitary Sewer Relief Life	●		●	●		●	●
SVCW RESCU Program	●		●	●		●	●
Los Altos Hills Sanitary Sewer Capital Improvements	●	●		●		●	●
City of East Palo Alto University Ave. & Weeks St. Water Main			●	●		●	●
San Mateo County Coyote Point Sanitary Sewer Improvements	●		●	●	●	●	●

3 PROJECT UNDERSTANDING, APPROACH & INNOVATION

3A. PROJECT UNDERSTANDING

CIP 1.1 and CIP 1.2 are the first major capital projects identified in the 2025 Sewer System Master Plan — a plan F&L is already familiar with through its current District engagement. Together, the two projects address capacity deficiencies, aging infrastructure, and anticipated development flows across approximately 7,500 linear feet of new DR 17 HDPE sewer main and 33 manholes. Getting both projects designed on schedule and bid-ready by January 2027 is the critical near-term deliverable. Per Addendum 1, F&L will deliver each project as a separate, clearly labeled PS&E package.

CIP 1.1 is a multi-street, multi-diameter design program with pipe sizes ranging from 8-inch to 12-inch. The Menalto Avenue segment at 2,841 LF is the longest continuous run and will require careful construction phasing and traffic management. The Menalto Avenue work is broken up by an existing Highway 101 crossing that will require coordination with CalTrans. Elliot Drive falls within the City of Menlo Park, requiring a full permit submittal to Menlo Park Engineering, Public Works, and Utilities – a process F&L has navigated on dozens of West Bay Sanitary District annual sewer replacement and rehabilitation project over the last two decades.

The table documents the existing pipe diameter and proposed pipe diameter with F&L's initial opinion on the probable construction method for each segment included in CIP 1.1.

Street	Length (LF)	Existing Diameter (in)	Proposed Diameter (in)	Construction Method
Menalto Ave. (South of 101)	1,249	6	10	Open Trench
101 Crossing	204	8	10	Pipe Bursting
Menalto Ave. (North of 101)	1,388	8	12	Open Trench
E Bayshore Rd.	265	6	10	Open Trench
Ralmar Ave.	500	6	10	Open Trench
Bay Rd.	277	10	12	Pipe Bursting
Poplar Ave.	501	6	8	Pipe Bursting
Elliot Dr.	449	6	8	Pipe Bursting

CIP 1.2 is the more technically complex of the two projects. The 30-inch trunk line constitutes 1,444 LF of the scope and will require close coordination with the City's SAFER Bay project that will be extending existing levee to enhance sea level rise protection. Beech Street will require coordination with PG&E due to the presence of a large-diameter gas transmission and potential variance or relocation agreements. Portions of the project area fall within zone known to have historical evidence of contamination that, if not properly identified, could affect the future contractor's means and methods for soil handling, transportation, and disposal.

The table documents the existing pipe diameter and proposed pipe diameter with F&L's initial opinion on the probable construction method for each segment included in CIP 1.2.

Street	Length (LF)	Existing Diameter (in)	Proposed Diameter (in)	Construction Method
Beech St.	243	18	30	Open Trench
Trunk Line	1,441	21	30	Open Trench
Larkspur Dr. (North of O'Connor St.)	272	6	8	Pipe Burst
Gardenia Way	179	10	12	Pipe Burst
Larkspur Dr. (South of O'Connor St.)	533	10	16	Open Trench

3B. KEY CHALLENGES & INNOVATIONS

F&L has extensive history with sanitary sewer improvement projects and other water utility projects through both East Palo Alto and Menlo Park. We understand the various challenges that must be considered when developing the proposed construction documents for each project package. We also understand that various construction methods that can be utilized for sanitary sewer replacement projects like this project.

We have identified some key challenges our team will consider and address as part of the detailed design effort.

Maximizing Pipe Bursting — Both Projects

Where alignment, existing pipe diameter, depth, and soil conditions allow, pipe bursting with DR 17 HDPE will be the preferred installation method to minimize pavement disruption and reduce construction duration in active residential neighborhoods. F&L has made an initial assessment to identify the pipeline segments most likely to be replaced by pipe bursting in the previous tables. We understand the limitations of pipe bursting so that we do not move forward with a trenchless approach that may need to be modified in the field resulting in unnecessary delays and cost impacts. We will evaluate feasibility reach-by-reach during initial design through CCTV review, with findings documented in the 50% submittal. F&L has executed pipe bursting programs on the Pacifica, WBSD, and CVSan DP95 projects – this methodology is a genuine area of technical depth for this team.

US-101 Crossing (CIP 1.1)

The two Menalto Road segments are bifurcated by Highway 101. F&L's initial review of the approximately 200 linear foot long section crossing 101 is that pipe bursting will likely be the most cost effective and schedule efficient strategy. Utilizing pipe bursting will minimize the footprint on the north and south sides of Highway 101 while maintaining the similar vertical and horizontal alignment. Pipe bursting can be completed with minimal risk of soil uplift thereby addressing one potential CalTran's concern to avoid negatively impacting the travel lanes.

Menlo Park Jurisdiction – Elliot Drive and Menalto Road South of 101 (CIP 1.1)

F&L has an established working relationship with Menlo Park Engineering and Public Works staff through the West Bay Sanitary District Point Repair program, active portions of which fall within Menlo Park city limits. F&L in the last five years has also developed several water main replacement projects for Menlo Park. We understand the Menlo Park's requirements for new utility installation including the paving restoration requirements that, if not properly planned and documented, may not be properly captured in the initial bids. F&L will prepare and submit all required plan sets and permit applications to the City of Menlo Park concurrently with EPASD's design review process, keeping the Elliot Drive segment and Menalto Road South of 101 segment on schedule with the broader CIP 1.1 package.

PG&E Transmission Conflict — Beech Street (CIP 1.2)

F&L will initiate early coordination with PG&E following contract award to characterize the conflict and identify the path to resolution – whether through design variance, minor sewer realignment, or a settled agreement. This coordination will be tracked as a schedule-critical item, with outcomes incorporated into the CIP 1.2 50% design submittal. F&L is uniquely positioned because we have previously coordinated with PG&E for work adjacent to the same gas transmission main with earlier phases of pipe replacement between the end of Beech Street the trunk sewer. We will build off our local experience and knowledge to develop strategies for constructing a new pipeline that conforms with PG&E Greenbook requirements while providing the necessary sanitary sewer capacity needed to meet current and future needs.

Hazardous Materials / Environmental — Trunk Line Corridor (CIP 1.2)

The trunk's sewer alignment runs adjacent to areas with known soil contamination, increasing the potential for encountering contaminated material during construction. If risk for encountering contaminated soils is not properly identified during the design phase, the District may be at an elevated risk for potential construction change orders. To mitigate the potential risk, F&L has included EKI to support an initial data review concurrently with our geotechnical investigation program. EKI will advise F&L and ROMIG on key constituents to be analyzed to develop a risk profile for soil contamination. The risk profile will inform the District and F&L team members on whether a more comprehensive sampling effort would be required to properly manage the potential disposal costs. If necessary and under a separate scope, EKI would develop a pre-construction soil sampling plan and waste characterization protocol, ensuring that contractor off-haul requirements and environmental protections are built into the CIP 1.2 bid documents before contractor procurement, avoiding costly change orders in the field.

3C. TECHNICAL APPROACH BY TASK

TASK 1 – PROJECT MANAGEMENT

Perform general project management tasks to plan, direct, coordinate, and report progress of the work. This task includes regular progress updates through biweekly virtual meetings, summary reports with monthly invoices, and clear documentation with meeting agendas and minutes.

Deliverables

- *Kickoff meeting agenda and minutes*
- *Bi-weekly meeting agendas and summaries*
- *Monthly progress reports and invoices*

TASK 2 – SURVEY

F&L will perform topographic surveys along proposed sewer alignments to support design development, including field verification of surface features and utility appurtenances. Topographic survey will extend the full right of way limits based on recorded map information. We will located visible utility appurtenances and dip all gravity manholes.

Deliverables

- *Topographic base map in CAD and PDF*
- *Survey control report*
- *Utility mapping based on surface evidence and available records*

TASK 3 – POTHOLING

F&L will engage a specialty subcontractor to conduct up to 30 utility potholes to supplement the existing utility investigation to verify utility elevations and reduce design and construction risk. Prior to proceeding with potholing, F&L will present the proposed potholing locations during a biweekly meeting, including identifying the encroachment permit requirements and the proposed surface restoration. Each pothole will be assigned a GPS location and elevation for the purpose of optimizing the proposed pipeline alignment.

Deliverables

- *Potholing logs and photo documentation*
- *Utility elevation data incorporated and shown on plans*
- *Summary of findings and identified conflicts*

TASK 4 – DESIGN DEVELOPMENT

F&L will prepare two separate, clearly labeled Plans, Specifications, and Estimates (PS&E) packages – one for CIP 1.1 and one for CIP 1.2 – each advancing through the same milestone sequence on parallel tracks.

- **Geotechnical & Environmental Investigation** to include up to six total borings split between CIP 1.1 and CIP 1.2. The investigation will provide sufficient data for the future construction contractor's shoring design for open trench. The environmental analysis will inform our risk assessment to understand the potential for restrictive soil off-haul and disposal for the portions of CIP 1.2. Finally, a groundwater desktop study will allow the final bid documents to highlight potential groundwater levels for the future construction contractor's dewatering approach planning.
- **50% Submittal:** F&L will submit 50% plans, specifications, and engineer's estimates for both packages for District review. Each 50% submittal will include a construction method recommendation matrix – open-cut vs. pipe bursting by segment – informed by CCTV data, potholing results, and Bennett Trenchless' feasibility input. Any project innovations will be identified and discussed at this phase prior to advancing to 100% design.
- **100% Submittal:** Following District review, F&L will incorporate all comments and submit complete 100% plans, specifications, and updated engineer's estimates for both packages.
- **Bid Package:** Each final bid package will include stamped and signed plans, specifications, engineer's estimate, bid schedule, construction schedule, staged construction plan, and traffic control plan. Both packages will be finalized concurrently to support a unified January 2027 bid advertisement.

F&L will prepare for and facilitate a technical review workshop for each PS&E package following both the 50% and 100% submittals. The purpose of the workshop is to review the proposed design, discuss District questions and comments, document potential revisions, and allow for final approval to proceed with the next submittal. F&L will prepare meeting agendas and minutes for each work.

Deliverables

- *Geotechnical Technical Memorandum and Environmental Risk Assessment*
- *50% PS&E electronically delivered in PDF*
- *100% PS&E electronically delivered in PDF*
- *Two technical review workshops including agendas and minutes*
- *Final stamped bid set electronically delivered in PDF*

TASK 5 – BID & CONSTRUCTION SUPPORT

F&L will respond to bidder questions, and issue one addendum for both packages. During construction, the team will respond to RFIs, attend field meetings, review change orders, and prepare punch list items through project closeout.

Deliverables

Bid Phase

- *Meeting minutes and notes for one prebid meeting*
- *Prepare up to one bid addendum for each of the design packages*

Construction Phase

- *The level of effort for both projects is estimated to include fifteen RFIs, fifteen submittals, and six change order reviews*
- *Up to ten engineer site visits are included.*
- *One Set of record drawings for each project will be produced and delivered in PDF format.*

ASSUMPTIONS & EXCLUSIONS

- *Assumes one (1) kickoff meeting and bi-weekly coordination meetings conducted virtually.*
- *Assumes up to two meetings with the Safer Bay team to coordinate their adjacent project work with CIP 1.1 Trunk Sewer*
- *Survey limits confined to project corridors identified in the RFP.*
- *A total of three days of geotechnical borings is included.*
- *Boundary determination, legal descriptions, and right-of-way engineering are not required.*
- *Hazardous materials handling, if encountered, is excluded.*
- *Environmental and Biological permitting, if required, will be performed by others.*
- *F&L will review the front-end specification documents and will prepare bid item descriptions*
- *District responsible for front-end documents.*
- *RFI responses are limited to clarification of design intent and do not include preparation of revised plans, specifications, or significant redesign.*
- *Submittal reviews are for general conformance with the design intent only and do not include a detailed review of contractor means and methods, fabrication techniques, or construction sequencing.*
- *Change order reviews are limited to technical evaluation and do not include cost negotiation, detailed cost estimating, or claims/dispute resolution support.*
- *Field inspections and meetings are assumed to be periodic and as-needed, not full-time or resident engineering services.*
- *Excludes Full-time construction management or inspection, material testing or special inspection, construction staking*

4 DELIVERY SCHEDULE & TIMELINE

Per Addendum 1, CIP 1.1 and CIP 1.2 will be delivered as two separate, clearly labeled PS&E packages advancing on parallel tracks under unified project management. The schedule below reflects concurrent delivery of both packages to the same milestone dates, maintaining clean separation of deliverables for bidding and construction administration without compromising quality.

Task	Description	Duration (Calendar Days)	Comment
	Notice to Proceed	0	City Issues NTP on July 6, 2026
1	Project Management	146	Task begins with NTP
2	Survey	21	Task begins with NTP
3	Potholing	14	Task completed concurrently with 50% design
4	50% Submittal	60	Task begins following Task 2 completion
4	EPASD Review	14	Task begins following 50% Submittal
4	100% Submittal	30	Task begins following EPASD Review
4	EPASD Review	14	Task begins following 100% Submittal
4	Bid Package	7	Task Begins following EPASD Review

Based on an assumed Notice to Proceed (NTP) of July 6, 2026, and the durations presented in the table above, F&L will deliver two complete bid packages by the end of November 2026 in accordance with the RFP requirements.

5 REFERENCES

The following references represent clients for whom F&L has delivered similar sewer design and rehabilitation services. Each can speak directly to our technical approach, responsiveness, and quality of deliverables.

Sergio Ramirez, General Manager, West Bay Sanitary District

(650) 321-0384 | sramirez@westbaysanitary.org

Louis Sun, P.E., Former City of Pacifica Public Works Director - Wastewater

(650) 851-6790 | lsun@woodsideca.gov

Laura Webb, P.E., Senior Civil Engineer, City of San Mateo

(650) 522-7322 | lwebb@cityofsanmateo.org

Appendix

Appendix A

Signed Addendum

4/28/2026

ADDENDUM No.1, ACKNOWLEDGMENT
(To be submitted with the RFP, Attachment A of RFP)

REQUEST FOR PROPOSAL – CIP 1.1 &1.2

EPASD PROJECT – **CIP 1.1 & 1.2**

Proposer acknowledges receipt of this addendum, which shall be attached to the proposal. Acknowledgement of receipt of this addendum is required in the space provided below. Failure to acknowledge the addendum may subject the proposal to disqualification.

I, Jeffrey Tarantino, P.E. , representing Freyer & Laureta, Inc. have carefully read this addendum, understand it, acknowledge receipt of it and will comply with its terms.

CONTRACTOR SIGNATURE

5/5/26
DATE

Appendix B

Resumes

Jeffrey J. Tarantino, P.E

EXECUTIVE VICE PRESIDENT

Jeff Tarantino has an extensive civil engineering design and construction background developed during his 27 years of civil and environmental work experience. He has served as project manager and QA/QC on numerous program management, planning, design, permitting, and construction management projects, with a focus on civil site development, water supply treatment and distribution, wastewater treatment and collection, water reuse treatment and distribution, flood control, groundwater extraction and treatment systems, and water quality.

Jeff serves as the primary point of contact with permitting and environmental resources agencies on behalf of clients to facilitate open dialogue with the agencies. Jeff has demonstrated a unique ability to assist clients in bridging technical and non-technical challenges to deliver multi-beneficial projects within budget and on schedule.

RELEVANT PROJECTS

Infrastructure Design Projects

- *Alameda County Water District, Hidden Valley Tank Seismic Upgrade, Fremont, CA*
- ***City of Los Altos CIPP Corrosion Rehabilitation Project, Los Altos, CA***
- *North Marin Water District Hydropneumatic Tank Replacement, Novato, CA*
- *North Marin Water District Lynwood Pump Station Replacement, Novato, CA*
- *North Coast County Water District Vallemar Tank Condition Assessment, Pacifica, CA*
- ***SVCW Regional Environmental Sewer Conveyance Upgrade (RESCUE), Redwood City, CA***
- *SVCW Owners Advisor Front of Plant, Redwood City, CA*
- ***City of Pacifica Pedro Point Sanitary Sewer Rehab & Replacement, Pacifica, CA***
- *City of Pacifica Wet Weather Flow Equalization Basin, Pacifica, CA*
- ***City of Pacifica Linda Mar Pump Station Rehab, Pacifica, CA***
- *SFPUC Treasure Island Water Resource Recovery Facility, San Francisco, CA*
- *Great Oaks Water District PG&E Metcalf Rd. Extention Project, San Jose, CA*
- *India Basin Shoreline Park Redevelopment, San Franciscco, CA*
- ***Las Gallinas Valley Sanitary District Marin Lagoon Pump Station Control Panel & ATS Improvements, San Rafael, CA***
- *Mission Bay Blocks 29-34 Infrastructure, San Francisco, CA*
- ***San Mateo County Coyote Point Sewer System Project, San Mateo, CA***
- ***San Mateo 25th Avenue Sanitary Sewer, San Mateo, CA***

EDUCATION

- Bachelor of Science in Civil Engineering
- Santa Clara University, Santa Clara, CA

CONTACT

(650) 619-3226
tarantino@freyerlaureta.com

150 Executive Park Blvd., Ste 4200
San Francisco, CA 94134

CERTIFICATIONS

Civil Engineer CA No. 63936

KEY EXPERIENCE

- Principal-In-Charge for over $100 Million in infrastructure improvements over the last 10 years
- Experienced with planning, design, and construction of infrastructure improvement projects.
- Project Manager Pedro Point Sanitary Sewer Rehabilitation and Replacement Project that was selected for the APWA & ASCE Project of Year.

- *San Lorenzo Valley Foreman Grading Stabilization Project, Boulder Creek, CA*
- *Stanford University Bowdoin Storm Drain Replacement Project, Stanford, CA*
- ***Stanford University Faculty Housing Sewer Replacement, Stanford, CA***
- *Harry Tracy Water Treatment Plant to Town Water Pipeline, Hillsborough, CA*
- *City of Burlingame Neighborhood Storm Drain Capital Improvements, Burlingame, CA*
- *City of Cupertino Memorial Park Ponds Repurposing Project, Cupertino, CA*
- *City of Menlo Park On-Call Annual Water Main Replacement Engineering Design, Menlo Park, CA*
- *City of San Bruno Spyglass Hill Storm Drain Project, San Bruno, CA*
- *City of San Mateo Columbia Dr. & Crystal Springs Rd. Storm Drain Improvements, San Mateo, CA*
- ***City of San Mateo Sanitary Sewer Rehabilitation, Basin D, San Mateo, CA***
- *Coastside County Water District Nunes Water Treatment Plant Upgrades, Half Moon Bay, CA*
- ***WBSD Belle Haven Phase 3, Menlo Park, CA***
- ***WBSD Flow Equalization & Resource Recovery Facility Levee Improvements (FERRF), Menlo Park, CA***
- ***WBSD Bayfront Recycled Water Facility (BRWF), Menlo Park, CA***
- ***WBSD North Bay & Ringwood Ave. Sanitary Sewer Pipeline Project, Menlo Park, CA***
- *Laguna Honda Hospital Potable Water Tank Replacement Project, San Francisco, CA*
- *Presidio Trust Risk & Resiliency Planning, San Francisco, CA*
- *Villa Del Monte Mutual Water Company Water Storage Tank Replacement, Los Gatos, CA*

Program & Project Management

- *Daly City 10 MG Reservoir 5B Seismic Performance Improvement, Daly City, CA*
- *Daly City Reservoir 8 Seismic Reliability, Daly City, CA*
- *City of East Palo Alto Utility & Water System Improvements, East Palo Alto, CA*
- *City of Menlo Park On-Call Pipeline Design, Menlo Park, CA*
- *Daly City Water System Risk & Resiliency Report, Daly City, CA*
- *North Marin Water District, 2024 Master Plan, Novato, CA*
- *City of San Carlos Pulgas Creek Watershed Study & Management Plan, San Carlos, CA*
- *City of East Palo Alto, Plan Review, East Palo Alto, CA*
- *City of East Palo Alto, Engineering & On-Call Staff Augmentation, East Palo Alto, CA*
- *City of Half Moon Bay On-Call Map Review, Half Moon Bay, CA*
- *City of San Mateo Smooth Streets & Pavement Management, San Mateo, CA*
- *City of Pacifica Plan Review, Pacifica, CA*
- *Great Oaks Water District, District Engineer, San Jose, CA*
- *Los Altos Hills County Fire District, District Engineer, Los Altos, CA*
- ***Town of Los Altos Hills Engineering Analysis of the Adobe Creek Sewer System, Los Altos, CA***
- ***Treasure Island Sanitary Sewer Collection System Condition Assessment, San Francisco, CA***
- *City of Oakley Regional Park Planning, Oakley, CA*
- *San Lorenzo Valley 5-Mile Water Pipeline Study, Boulder Creek, CA*

Greg Arifian, P.E.

SENIOR PROJECT MANAGER

Greg is an experienced project manager with over 26 years in the construction operations, and engineering sectors. He has played a significant role in various high-profile projects across the San Francisco Bay Area and Southern California, focusing on water-energy nexus projects.

His expertise encompasses project management for pipeline design, recycled water infrastructure, and customer retrofits resulting in conversion of over 2,000 AFY of demand to new, local, reused water. He has also spearheaded energy management strategies and solar projects for major water districts, focusing on innovative approaches to renewable energy integration. With a solid foundation in environmental engineering and project oversight, Greg is dedicated to promoting sustainable practices in infrastructure development. Additionally, he has successfully led construction activities for prestigious wineries and residential projects, effectively managing subcontracts, schedules, and budgets.

RELEVANT PROJECTS

Infrastructure Design & Planning

- ***East Palo Alto Sanitation District Sewer Master Plan, East Palo Alto, CA***
- *Estero Municipal Improvement District Emergency Generator Replacement, Foster City, CA*
- ***Las Gallinas Valley Sanitation District, Marin Lagoon Pump Station Upgrade, Marin County, CA***
- *Alameda County Water District, Hidden Valley Tank Seismic Retrofit, Alameda County, CA*
- *Great Oaks Water District, District Engineering, San Jose, CA*
- *7th and 8th Street Basin Pipeline, San Antonio Channel Pipeline Segments A and B, Inland Empire Utilities Agency*, Chino, CA
- *Energy Management and Reliability Study, Metropolitan Water District of Southern California*
- *Recycled Water Customer Retrofits, (40 sites for recycled water conversion), Los Angeles and San Bernardino Counties*
- *Multi-Facility Solar PV Preliminary Design and Finance Report (10-13MW), Metropolitan Water District of Southern California*
- *Skinner Water Treatment Plant (WTP) - 1-MW Solar Cogeneration Station, MWDSC*, CA
- *1-MW Solar Cogeneration Station at the Weymouth Water Treatment Plant and Feasibility Study for Full Scale PV at all WTPs, MWDSC*, CA
- *Water Reclamation Demonstration Plant, City of Anaheim*, CA
- ***Lake View Wastewater Treatment Plant, Town of Lake View*, OR**

EDUCATION

- Bachelor of Science in Civil Engineering
- Worcester Polytechnic Institute, Worcester, MA
- Civil Engineer CA No. 72523
- Passive House Institute US (Builder)

CONTACT

(415) 534-7070, ext. 204
arifian@freyerlaureta.com

505 San Marin Dr., Ste A220
Novato, CA 94945

CERTIFICATIONS

Civil Engineer CA No. 72523

KEY EXPERIENCE

- Experienced project manager with a track record in high-profile public and private projects across California and internationally.
- Oversaw engineering design and construction for major pipeline projects, conducting hydraulic analyses and utility conflict routing.
- Directed solar PV projects, including a 1-MW cogeneration station and feasibility studies for water treatment facilities, focusing on sustainability and innovative energy solutions.

Lorraine Htoo, P.E., LEED AP

VICE PRESIDENT

Lorraine brings over 23 years of civil engineering experience delivering planning, design, and construction support for public infrastructure projects throughout the Bay Area. She has led multidisciplinary teams on wastewater collection, gravity sewer repair and replacement, recycled water systems, and pump station improvements for Bay Area public agencies and special districts.

As Project Manager on CVSan's 2021 Gravity Sewer Repair Project DP95, Lorraine delivered a multi-location pipe bursting and sewer upsizing program on schedule and within budget. Her milestone-driven approach, rigorous QA/QC oversight, and direct client engagement ensure every project moves from field investigation to biddable construction documents without losing momentum.

RELEVANT PROJECTS

Wastewater Collection & Sewer Rehabilitation

- ***Gravity Sewer Repair Project DP95, Castro Valley Sanitary District, Castro Valley, CA***
- ***Point Repair Phases I, II, IIIA, and IIIB, West Bay Sanitary District, Menlo Park, CA***
- ***Vallemar & Rockaway Beach Sanitary Sewer Rehabilitation, City of Pacifica, Pacifica, CA***
- ***Canyon Heights Sewer Replacement, Union Sanitary District, CA***
- ***Corte Alegre Sewer Improvements, City of Millbrae, Millbrae, CA***
- ***Sewer Line and Manhole Rehabilitation, City of Brisbane, Brisbane, CA***
- ***Phase II Trunk Sewer Improvements, City of Antioch, Antioch, CA***

Recycled Water Infrastructure

- *SFO Recycled Water Design-Build Project, San Francisco, CA*
- *Recycled Water Line Project, Silicon Valley Clean Water, Redwood City, CA*
- *Recycled Water Pump Station R200A and Pipeline, MCWD / City of San Ramon, CA*

Water & Wastewater Conveyance

- *HTWTP to Town Water Pipeline, Town of Hillsborough, CA*
- *Casanova Pump Station Replacement, City of San Mateo, CA*
- *Pump Station and Water Tank Storage Improvements, City of Brisbane, CA*

On-Call Program & Facility Support

- ***FERRF Levee Improvements, West Bay Sanitary District, Menlo Park, CA***
- ***FERRF Warehouse Improvements, West Bay Sanitary District, Menlo Park, CA***
- ***Belle Haven Phase III, West Bay Sanitary District, Menlo Park, CA***
- ***Easement Stabilization Study, West Bay Sanitary District, Menlo Park, CA***

EDUCATION

- Master of Science, Engineering - California Polytechnic University, Pomona
- Bachelor of Science, Environmental Resources Engineering - California Polytechnic University, Humboldt

CONTACT

(510) 937-2310, x301
htoo@freyerlaureta.com

1101 Marina Village Pkwy., Ste 104
Alameda, CA 94501

CERTIFICATIONS

Civil Engineer CA No. 79542

KEY EXPERIENCE

- 20+ years of design and construction experience delivering water, wastewater, and sewer infrastructure for Bay Area public agencies and special districts
- Project Manager for CVSan's Gravity Sewer Repair Project DP95, delivering multi-location pipe bursting and sewer upsizing across residential areas on schedule and within budget
- Experienced leading multidisciplinary teams and providing QA/QC oversight across concurrent capital improvement assignments for cities and sanitary districts

Rheanna Ostera, E.I.T

STAFF ENGINEER

Rheanna is an experienced civil design professional with over six years of expertise in construction inspection, preparation of construction documents, and the design of public infrastructure and private development projects. Her technical background includes extensive work in water system analysis and modeling, sanitary sewer system design and evaluation, and engineering planning for private redevelopment infrastructure. Rheanna is well-versed in coordinating with public agencies, developing detailed design documents, and delivering cost-effective, constructible solutions.

She has served as a staff engineer on a wide range of project types for F&L, including:

RELEVANT PROJECTS

Public Works

- *Great Oaks WD - PG&E Metcalf Road Water Main Extension, San Jose*
- *Stafford Lake Park Water Service Replacement, Novato*
- ***WBSD FERRF Levee Improvements, Menlo Park***
- *East Palo Alto Master Plan Update, East Palo Alto*
- *Columbia/Crystal Springs Storm Drain Improvements, San Mateo*
- ***Lloyden Park Lane Sanitary Sewer Relocation, San Mateo***
- *Great Oaks WD - Kaiser Permanente, San Jose*
- *Great Oaks WD - Equinix SV18 Dev., San Jose*
- ***NCCWD Vallemar Tank Condition Assessment, Pacifica***
- *La Cresta Tank Replacement Project, Petaluma*
- *SVCW SWPP, Redwood City*
- *Vallemar Tank Condition Assessment, Petaluma*
- *Silicon Valley Clean Water SWPPP, Redwood City*
- *City of San Mateo Crystal Springs, San Mateo*
- *Great Oaks WD On-Call Fire Flow Analysis, San Jose*
- *Estero Municipal Improvements Emergency Generator Replacement, Foster City*
- *Los Altos Hills County Fire District Parcel Improvement, Los Altos*

EDUCATION

- Bachelor of Science in Civil Engineering
- University of California, Davis

CONTACT

(415) 534-7070, x118
ostera@freyerlaureta.com

150 Executive Park Blvd., Ste 4200
San Francisco, CA 94134

KEY EXPERIENCE

- Experienced in hydraulic modeling and system analysis, supporting effective engineering solutions and coordination with local agencies.
- Extensive expertise in civil infrastructure design, including water and sanitary sewer systems, stormwater management, and private redevelopment planning.
- Proficient in preparing construction documents and performing construction inspection for a wide range of public infrastructure and private development projects.

Zoe Gnass, E.I.T.

STAFF ENGINEER

Zoe is a civil engineer with focused experience in public works infrastructure design, including sanitary sewer, stormwater, roadway, and utility projects across the Bay Area. They support pipeline rehabilitation, storm drain improvements, utility layout, grading design, and site development infrastructure with a strong background in GIS-based asset management and condition assessment programs. Their work includes preparing detailed design plans, integrating field data into design, and coordinating with agencies to deliver constructible, cost-effective solutions for both public agencies and private developments.

Zoe's background spans master planning, infrastructure rehabilitation, and redevelopment projects, allowing them to provide technical design, plan production, and field coordination for a wide range of municipal capital improvement efforts.

RELEVANT EXPERIENCE

Public Works

- *Columbia/Crystal Springs Storm Drain Improvements, San Mateo*
- *City of San Mateo CIP Management, San Mateo*
- *Pulgas Creek Watershed Study & Management Plan, San Carlos*
- *On-Call Fire Flow Analysis, San Jose*
- ***East Palo Alto Sanitary District Master Plan Update, East Palo Alto***
- *La Cresta Tank Replacement Project, Petaluma*

Infrastructure

- *Mission Bay Park P2 - P8, San Francisco*
- *1450 Owens, San Francisco*
- *Laguna Honda Hospital Tank Replacement, San Francisco*
- *SFO RW Pipeline, Millbrae*
- *India Basin Redevelopment, San Francisco*
- *Presidio Master Specifications, San Francisco*
- *6373 San Ignacio, San Jose*
- *Kaiser Permanente - Great Oaks Water Company, San Jose*
- *PG&E Metcalf Road Extension, San Jose*
- *India Basin H1A, San Francisco*

EDUCATION

- Bachelor of Science in Civil Engineering
- University of California, Davis

CONTACT

(415) 534-7070 x 114
gnass@freyerlaureta.com

150 Executive Park Blvd., Ste 4200
San Francisco, CA 94134

KEY EXPERIENCE

- Progressive public works and infrastructure experience across transportation, utility, and site development projects
- Skilled in roadway rehabilitation, sanitary sewer design, and stormwater compliance to support resilient community infrastructure
- Proficient in grading, earthwork calculations, utility layout, and hydrologic analysis for both conceptual planning and detailed design phases
- Technical capabilities span design documentation, digital mapping, field assessment, and construction support for public agency and mixed-use development projects

Jason Feudale

CONSTRUCTION & ENGINEERING SERVICES MANAGER

Jason brings over 24 years of experience in civil infrastructure design, utility coordination, and field inspection. His background bridges engineering design and hands-on construction oversight, enabling him to deliver practical, buildable solutions across public works and private development projects. Jason specializes in grading, drainage, utility design, and pump station planning, with extensive experience supporting capital improvement programs and redevelopment efforts throughout the Bay Area.

He has led and supported multidisciplinary design teams, prepared civil plan sets for complex utility and site infrastructure systems, and served as an on-site construction inspector for sanitary sewer, storm drain, and water system installations. His unique combination of design fluency and field expertise ensures constructibility, compliance, and streamlined project delivery across agencies and jurisdictions.

RELEVANT PROJECTS

Infrastructure Planning & Design

- *City of East Palo Alto University Ave. & Weeks Street 12-Inch Water Main, East Palo Alto*
- *City of East Palo Alto Woodland Ave, Waterline & Palo Alto Interconnect, East Palo Alto*
- ***East Palo Alto Sanitary District, 2025 Master Plan Update, East Palo Alto***
- ***Town of Los Altos Hills Engineering Analysis of Adobe Creek Sewer System, Los Altos Hills***
- *Mission Bay Development (Various Private Clients), San Francisco*
- *Britannia Development Oyster Point, South San Francisco*
- ***WBSD Village Square Pump Station & Cervantes Rd. Grinder Pump Force Main, Portola Valley***
- ***WBSD, Stowe Lane Pump Station, San Mateo County***
- ***City of San Leandro Wicks & Blue Dolphin Pump Stations, Sewer Pipeline Replacement, and Point Repair Projects, San Leandro***
- *City of Palo Alto Foothills Park Maintenance and Parking Lot Improvements, Palo Alto*
- *City of Burlingame Neighborhood Storm Drain Projects #1 & #2, Burlingame*
- ***EPASD CIP 2007 & 2008, 2010 Sanitary Sewer Improvement Project, East Palo Alto***
- ***WBSD Illinois Pump Station, East Palo Alto***
- ***WBSD Office Building Design, Menlo Park***
- ***WBSD Belle Haven Phases I–III Pump Station, Menlo Park***
- ***WBSD Sausal Vista Sanitary Sewer Pump Station, Menlo Park***
- *Stanford University SandHill Road Waterline Replacement (Phase 1 & 2), Stanford*
- *Stanford University Kappa Sigma & Lomita Residences Sewer Replacement, Stanford*

EDUCATION

- Bachelor of Science in Civil Engineering
- California State University, Chico

CONTACT

(408) 516-1090, x405
feaudale@freyerlaureta.com

20863 Stevens Creek Blvd., Ste 275
Cupertino, CA 95014

KEY EXPERIENCE

- Contruction inspector for West Bay Sanitary District, East Palo Alto Sanitary District, and erosion Control Inspector for the town of Portola Valley
- Areas of expertise include construction engineering, grading, drainage, erosion control, utility design, and construction inspection
- OSHA #7410 Managing Excavation Hazards; MUTCD Traffic Work Zone

- *Stanford University Residential Housing Area Water Main Replacement (Basis of Design), Stanford*
- *Stanford University Bowdin Storm Drain Replacement, Stanford*
- *Stanford University Lomita & Mayfield Water Main Replacement, Stanford*
- ***Stanford University Upper Mayfield Water & Sewer Replacement, Stanford***
- *Stanford University Escondido Lake Water Replacement, Stanford*
- ***Stanford University Salvatierra Street Sewer Extension, Stanford***
- *Stanford University Campus Drive Water Replacement, Stanford*

Construction Inspection

- ***Town of Portola Valley, Grinder Pump and Sewer Projects (Kebcenell Residence Driveway, Peak Lane, Cervantes Road, Westridge Drive), Portola Valley***
- ***West Bay Sanitary District, Sewer Improvements (Veterans Hospital, Royal Oak, Lane Woods, Heritage Oaks, Morgan Lane I & II, Pope Street Emergency Repair), Menlo Park***
- ***San Mateo County, Los Trancos Sewer Project, San Mateo County***
- ***Town of Los Altos Hills, 2016 Sanitary Sewer Capital Improvements, Los Altos Hills***
- *Villa Del Monte Mutual Water Company, Skyview Tarrance Tank & Chloramine Modification, Santa Cruz County*
- ***West Bay Sanitary District, On-call inspection, San Mateo County***
- *City of East Palo Alto, Gloria Way Well, East Palo Alto*
- *Stanford University, On-call inspection, Stanford*
- *Stanford University, Lasuen Mall Utility Replacement Project, Stanford*
- *Los Altos Hills County Fire District, Hydrant Inspection, Los Altos Hills*

Toni Steko, E.I.T.

STAFF ENGINEER

Toni brings 6 years of experience to the team, having worked on a wide variety of project designs for stormwater, drinking water, and sanitary sewer systems. With a background in the construction industry, he has developed a strong skill set through hands-on experience in inspecting and testing construction materials, conducting laboratory analyses, and monitoring construction sites to ensure safety compliance. With a keen focus on quality control and assurance, Toni excels at reading and interpreting construction plans, guaranteeing that projects meet the highest standards. His expertise also includes geotechnical observation and soil inspection, along with meticulous attention to below-grade utilities.

Throughout his career, Toni has successfully contributed to a diverse range of projects, including:

RELEVANT PROJECT

Public Works

- *East Palo Alto Woodland Ave. Waterline & Interconnect, East Palo Alto*
- *City of East Palo Alto University Ave. & Weeks 12-Inch Watermain, East Palo Alto*
- *San Mateo Crystal Springs Road Storm Drain Improvements, San Mateo*
- ***West Bay Sanitary District Willow Road Pump Station Rehabilitation, Menlo Park***
- ***West Bay Sanitary District Telemetry Systems Replacement, San Mateo County***
- *Silicon Valley Clean Water Pump Station Improvements, San Mateo County*
- *UCSF Parnassus Heights Campus Fire Water System, San Francisco*
- *UCSF Aldea Paving and Sidewalk, San Francisco*
- *Chemeketa Park Mutual Water Company Drought Relief Water Storage Capacity, Los Gatos*
- ***Stanford University Cul-De-Sac Water and Sanitary Replacement, Stanford***
- *Stanford University Lomita and Mayfield Water Main Replacement, Stanford*
- ***County of San Mateo Coyote Point Sanitary Sewer Improvements, San Mateo***
- ***Bayshore Sanitary District Carlyle Pump Station, Brisbane***
- *San Lorenzo Valley Water District Foreman Pressure Break, Boulder Creek*
- *San Mateo Clombia Dr. & Crystal Springs Rd. Stormdrain Improvements, San Mateo*
- *San Carlos Pulgas Watershed Study, San Carlos*
- *Town of Atherton El Camino Real Corridor Stormwater, Atherton*
- *City of Pacifica Wet Weather Flow Equalization Basin (WWFEB), Pacifica*
- ***West Valley Sanitation District Curtner Ave. Sewer Extension, Campbell***

EDUCATION

- Bachelor of Science in Construction Engineering
- North Dakota State University, Fargo, ND

CONTACT

(408) 516-1090, x407
steko@freyerlaureta.com

20863 Stevens Creek Blvd., Ste 275
Cupertino, CA 95014

KEY EXPERIENCE

- Experience in construction inspection, materials testing, and QA/QC
- Skilled in stormwater, water, and sewer system observation for public infrastructure projects
- Proficient in construction plan interpretation, below-grade utility inspection, and safety compliance

CERTIFICATIONS

- OSHA 10-Hour Safety Certification
- Nuclear Gauge Safety Certification, ANGA, 15292
- Concrete Field Testing Technician - Grade I (CFTT), American Concrete Institute, 01539079
- Construction Quality Management for Contractors, US Army Corps of Engineers, SPK-US-ACE-02-24-00242

Jonathan J. Fone, PE

Associate Engineer/Vice President of Strategy and Growth

EDUCATION

Bachelor of Science, Civil Engineering, Rose-Hulman Institute of Technology, Terre Haute, IN, 2008

REGISTRATION

Registered Professional Civil Engineer, California License No. 80875

LICENSED

C-57 Well Drilling Contractor, California License No. 1124453

EXPERIENCE OVERVIEW

Jonathan J. Fone, P.E. has more than 18 years of geotechnical engineering and drilling experience in the San Francisco Bay Area. He is an Owner and Principal of the firm, providing leadership in strategy and growth. His responsibilities include overseeing business development, marketing, human resources, talent management, and construction operations. As an Associate Engineer, Mr. Fone leads complex geotechnical investigations and report preparation, delivering practical engineering solutions, timely communication, and critical technical support to multidisciplinary project teams, including architects, structural and civil engineers, contractors, land-use attorneys, and environmental consultants. Mr. Fone has managed and been responsible for many of the firm's most complex and high-profile projects, ranging from large hillside developments involving active deep-seated landslides and undocumented man-made fill slopes to major public projects, including city recreation and aquatic centers throughout the San Francisco Peninsula. He has also served as lead geotechnical consultant for one developer overseeing more than 100 individual single-family residential projects across the Bay Area. His technical expertise spans a wide range of earthwork and foundation systems, including engineered fill slopes, soil nails, tiebacks, instrumentation (piezometers and inclinometers), shallow and deep foundations, auger-cast piles, retaining wall systems (including mechanically stabilized earth walls), and temporary shoring and dewatering for deep basement excavations.

PROJECT EXPERIENCE

A representative selection of projects includes:

- Foster City Recreation Center, Foster City, CA
- San Bruno Recreation and Aquatic Cener, San Bruno, CA
- Burlingame Community Center, Burlingame, CA
- Millbrae Recreation Center, Millbrae, CA
- On-Call Geotechnical Consulting Services, City of Fremont
- Landslide Investigation, Highlands Recreation Center, San Mateo, CA
- Vineyard Hill Development (Complex Hillside Development) Saratoga, CA
- Rockaway Highlands Development (Complex Hillside Development) Pacifica, CA
- Apanolio Creek Ranch Improvements (Complex Hillside Improvements) Half Moon Bay, CA
- One Client/Developer, over 100 individual single family home developments throughout the Bay Area
- 36-lot and 24-lot Subdivisions, Hayward, CA
- 7-story Hotel, Foster City, CA
- 6-story Hotel, San Francisco, CA

PROFESSIONAL ACTIVITIES

Past President, American Council of Engineering Companies (ACEC), Peninsula Chapter
Member, American Society of Civil Engineers (ASCE)
Affiliate Member, American Institute of Architects (AIA), San Mateo Count

Lucas J. Ottoboni, PE, GE

Principal Engineer/President

EDUCATION

Master of Science, Geotechnical Engineering, University of California, Berkeley, Berkeley, CA 2013
Bachelor of Science, Civil Engineering, Loyola Marymount University, Los Angeles, CA, 2012

REGISTRATION

Registered Geotechnical Engineer, California No. 3266
Registered Professional Civil Engineer, California No. 84234

EXPERIENCE OVERVIEW

Lucas J. Ottoboni, P.E., G.E., has more than 13 years of geotechnical experience in the Bay Area. Mr. Ottoboni is the second generation leader of the firm, succeeding Mr. Glenn Romig (founder). In addition to his leadership role, Mr. Ottoboni is one of the three reviewing principal engineers responsible for overseeing technical review and analysis of the firm's deliverables. Throughout his career, Mr. Ottoboni has been recognized for delivering thoughtful engineering solutions, timely communication, and effective collaboration with architects, structural engineers, civil engineers, and contractors.

At Romig Engineers, Mr. Ottoboni has managed geotechnical investigations for a wide range of commercial and residential projects and has followed his designs through multiple phases of construction. His foundation and earthwork experience includes spread footings, pier foundations, retaining walls, soil nails, tiebacks, drilled piers, auger-cast piles, pre-cast concrete piles, and shoring and dewatering systems for basement excavations.

PROJECT EXPERIENCE

A partial list of projects Mr. Ottoboni has worked on is presented below:

- Palo Alto 12kv Line Replacement – Colorado Substation
- Palo Alto Transformer Replacement – Colorado Substation
- Midpeninsula Regional Open Space – Structure Stabilization for 3 Remote Structures
- Hadron Therapy Facility –Large Healthcare Structure with Low Settlement Tolerance
- San Carlos Airport Hangars and Office Space – Bay Margin Environment
- Monterey Firestation #12 – City of Monterey Firestation Improvement
- Morgan Autism Center – School Structure
- Burlingame 8- Story Office Building – Bay Margin Environment
- Menlo Gateway 6-Story Office Building – Deep Foundations
- Menlo Gateway 5-Story Parking Structure – Deep Foundations
- Hotel Nia 6-Story Hotel – Deep Foundations
- Belmont Townhomes – Hillside Development Including Soil Nails, Large Grading
- Bolinas Affordable Housing – Hillside Housing + Fault Study in Downtown Bolinas
- Los Gatos Office Building – Fault Investigation Using 5 Fault Trenches
- San Francisco 4-Lot Subdivision – Steep Hillside Reviewed by Structural Advisory Committee
- Private Residence Landslide Remediation – Portola Valley (5,000 cy)
- Seton Coastside Medical Facility – Moss Beach

PROFESSIONAL ACTIVITIES

Member of the American Society of Civil Engineers
Member of Structural Engineers Association of Northern California
Member of the Redwood City Chamber of Commerce

Andrew Duarte
Project Manager

BESS TESTLAB, INC.

Andrew has over 10 years of combined technical and management experience in the field of Civil and Public Works. As a project manager for a large utility design-build construction company, Andrew has managed work on large-scale projects throughout California including the High-Speed Rail project. Andrew takes his experience from each job and applies lessons learned to improve future projects' safety and reliability. Andrew has gained the organizational, accountability, budgeting, and production skills that help him excel in this position. What Andrew enjoys most about his job is the direct interactions with Clients and co-workers and working collaboratively to come up with solutions that lead to better outcomes. With each new project comes new possibilities and personalities, but at the end of the day, it's all about working with people to come up with educated solutions for complex problems. Andrew's experience reflects being a solution-driven individual and a manager focused and cultured in workplace safety. His track record of successful projects reflects his dedication and adherence to safety and his passion to embed this culture with each new project he manages

.

Education

Fresno State – BA
Business Graduated 2004

Professional Registrations and/or Licenses

OSHA Certified
Confined Spaces Safety
Project Management

Skills

Utility Locating
CAD Technician
Survey
Drone Application
Potholing
Project Management
Contract Negotiations
Competent Person Training
First Responder Certified

Contact Information

Hayward office
2463 Tripaldi Way,
Hayward, CA 94545
P: 408-988-0101
F: 408-988-0103
mjacob@besstetlab.com

Total Years Experience

10 years, 5 years with BESS

Project Experience

Caltrans District 6 (North)
BESS provided a full series of coordinated services for this project. Traffic Control, Utility locating, and Potholing for positive verification.
Client Contact: Michelle Hernandez Associate Right of Way Agent
michelle.hernandez@dot.ca.gov
Project Value $1,900,000.00
Duration: 10/15/22 – Ongoing

Caltrans District 6 (South)
BESS provided a full series of coordinated services for this project. Traffic Control, Utility locating, and Potholing for positive verification.
Client Contact: Michelle Hernandez Associate Right of Way Agent
michelle.hernandez@dot.ca.gov
Project Value $2,130,000.00
Duration: 10/15/22 – Ongoing

TPZP California High-Speed Rail (HSR-06) | Fresno | PM
BESS provided Locating, Potholing, Lidar Mapping, Surveying, and Traffic Control services throughout various locations for this project.
Bess Role: Subcontractor | Underground Utility Services
Client Contact: Krit M. Weerachartkul, P.E. | Sr. Project Manager | 626-240-8837
|Krit.Weerachartkul@parsons.com
Project Construction Value" $630,183
Duration: 6/2020 – Ongoing

Ryan J. Ford, PG

Geologist

Mr. Ford is a geologist with extensive experience conducting subsurface investigations and waste characterization programs for construction and remediation projects involving a wide range of contaminants, including chlorinated solvents, petroleum hydrocarbons, agricultural pesticides, PCBs, and metals. He specializes in contractor-supported waste characterization during active excavation and utility installation projects, with expertise in designing field sampling programs and coordinating compliant soil disposal logistics to maintain construction schedules.

Mr. Ford is experienced in a broad range of field and characterization methods, including soil borehole logging; preparation and interpretation of geologic cross-sections; and soil and groundwater sampling using hollow-stem auger, sonic, and direct-push drilling. Mr. Ford has significant experience evaluating hydrogeologic conditions at contaminated sites throughout the Bay Area and coordinating with regulatory agencies including DTSC and county environmental health departments.

Education

- B.S., Geology, San Francisco State University, 2014

Registrations/Certifications

- Professional Geologist in California (#9634)
- 40-hour HAZWOPER Training Course
- 8-hour Health and Safety Training Course for Supervisors

Relevant Experience

- **Waste Characterization Sampling Program for the Remediation of Former Manufacturing Facilities.** *East San Francisco Bay, California*. Project Geologist and Deputy Project Manager. Mr. Ford designed and implemented an in-situ sampling program to pre-characterize over 13,000 BCY of potentially contaminated soil to support direct-load and offhaul operations at a 2-acre former electromechanical calculator and valve manufacturing facility with chlorinated solvent impacts. Mr. Ford coordinated with the client's contractors to facilitate timely soil sampling, waste classification, and offhaul logistics, ensuring contaminated soil was managed in compliance with applicable regulations while maintaining the project redevelopment schedule. This experience is directly analogous to waste characterization support required during active sewer installation trenching operations, where rapid field turnaround and contractor coordination are critical to avoiding construction delays.

- **Construction Observation, Confirmation Sampling, and Waste Characterization During Utility Installation, Waterfront Redevelopment Project,** *Northern California*. Project Geologist. Mr. Ford provided embedded construction support to a private developer during remediation and redevelopment of a 17-acre collection of former industrial properties along the San Francisco Bay waterfront, under a DTSC-approved remedial action plan. During utility installation activities Mr. Ford supported the client's contractor by characterizing trenched soils encountered in previously unexcavated areas, and coordinated preparation of waste profiles and managed chain-of-custody documentation to support compliant disposal.

FREYER & LAURETA, INC.

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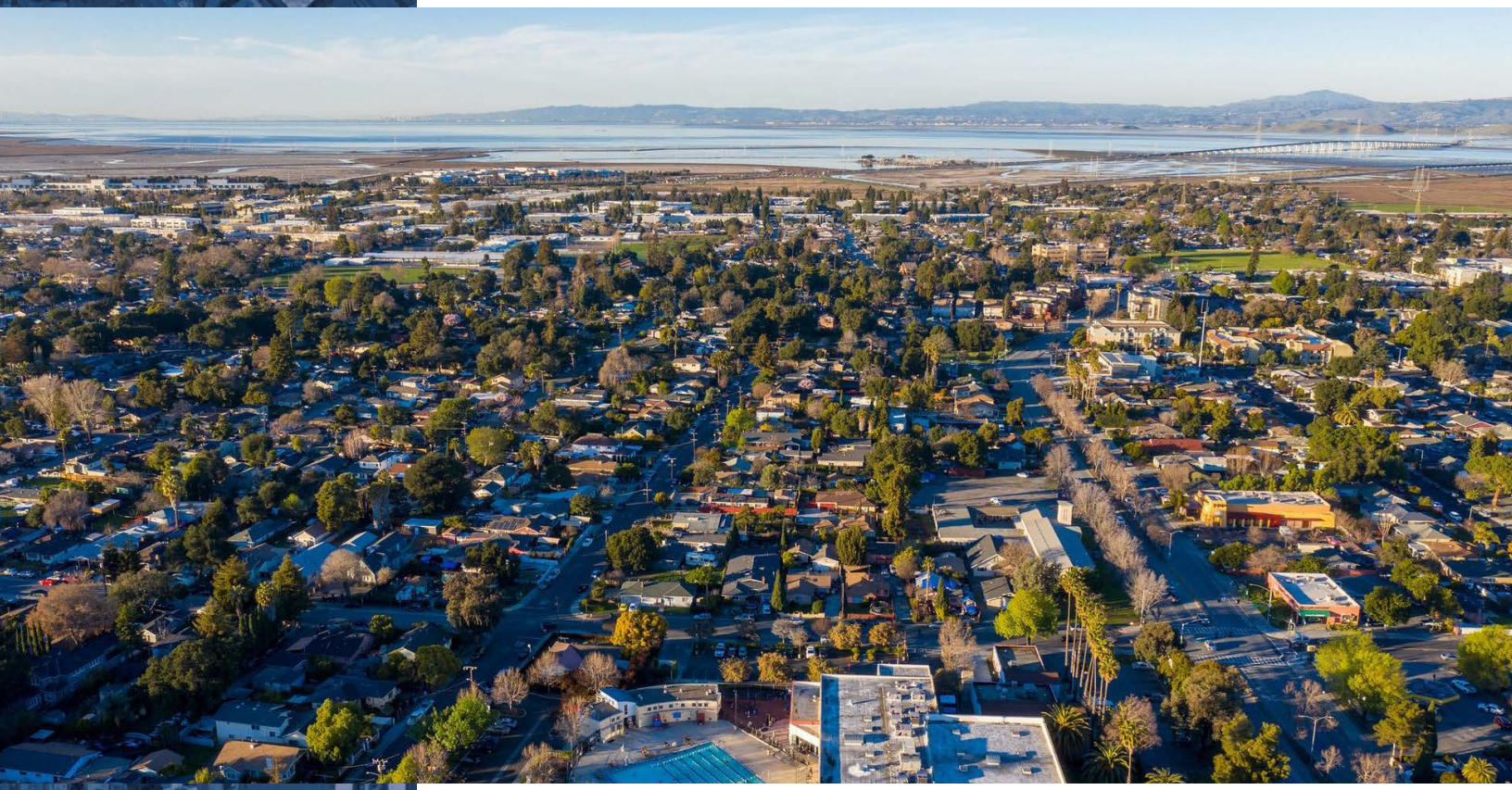
FREYER & LAURETA, INC.



East Palo Alto Sanitary District

F&L Cost Proposal

Consulting Services for the Design of New Sewer Mains in the East Palo Alto Sanitary District: CIP 1.1 & 1.2

EPASD
EAST PALO ALTO SANITARY DISTRICT

May 5, 2026

FREYER & LAURETA, INC.
Civil Engineers – Surveyors – Construction Managers

Matthew Vining, Utility Manager
East Palo Alto Sanitary District
901 Weeks St.
East Palo Alto, CA 94303

May 5, 2026

Dear Mr. Vining,

Freyer & Laureta, Inc. (F&L) is pleased to submit the following cost proposal for consulting engineering services for the design of EPASD Capital Improvement Projects 1.1 and 1.2.

Per Addendum 1, F&L has prepared two separate cost proposals for CIP 1.1 and CIP 1.2. Both proposals are based on F&L's 2026 charge rate schedule and reflect the scope of work, tasks, deliverables, and assumptions outlined in our technical proposal.

F&L has developed our estimated level of effort based on the schedule included in Section 4 of our proposal, which allows our team to create both bid packages in parallel. We also reviewed the estimated project costs, including estimated budgets for engineering services, included in Appendix E of the Master Plan. Our proposed total engineering budget for both Project 1.1 and Project 1.2 is less than the initial estimated costs. **In fact, our proposed fee for Project 1.1 is 14% less than the Master Plan estimate, and for Project 1.2 is 54% less than the Master Plan estimate.** We have achieved the potential savings through assigning the right staff to the project, accelerating the design schedule, and having both our teams work in tandem without impacting the overall work quality.

F&L proposes to perform all work on a time-and-materials basis, billed monthly based on actual work performed, with reimbursables not to exceed $1,000 per task as specified in the RFP.

Very truly yours,

Jeffrey J. Tarantino, P.E., Executive Vice President
150 Executive Park Blvd., Ste. 4200 | San Francisco, CA 94134
(415) 534-7070 x201 (O) | (650) 619-3226 (M)
tarantino@freyerlaureta.com

Greg Arifian, P.E., Senior Project Manager
150 Executive Park Blvd., Ste. 4200 | San Francisco, CA 94134
(415) 534-7070 x204 (O) | (707) 339-3954 (M)
arifian@freyerlaureta.com

CIP 1.1

Cost Proposal

CIP 1.1 COST PROPOSAL

East Palo Alto Sanitary District
RFP for EPASD CIP 1.1 Sewer Main Project
Consultant Name: Freyer & Laureta, Inc.

Tasks		Labor								Subconsultants				ODCs	Total
Task #	Task Description	Project Manager	Principal-In-Charge	QA/QC	Survey Crew	Project Engineer	Project Engineer	Total Hours	Total Labor Costs	Geotech.	Potholing	Environ.	Total Subconsultant Costs	Other Direct Costs	Total Fee
		Greg Arifian, P.E.	Jeffrey Tarantino, P.E.	Lorraine Htoo, P.E.	Two Man Crew	Rheanna Ostera, E.I.T.	Zoe Gnass, E.I.T.			Romig Engineers	BESS	EKI			
		$275	$300	$300	$600	$205	$175			LS	LS	LS			
Basic Services															
1	Project Management	20	12					32	$ 9,100				$ -		$ 9,100
2	Survey	4			40	40	80	164	$ 47,300				$ -		$ 47,300
3	Potholing (15 Potholes)	8				16	16	40	$ 8,280		$ 58,833		$ 58,833		$ 67,113
4	Design Development														
	a. Geotechnical & Environmental	4	2	2			8	16	$ 3,700	$ 21,450			$ 21,450		$ 25,150
	b. 50% Submittal	60	8	8		160	320	556	$ 110,100				$ -		$ 110,100
	c. 100% Submittal	60	4	4		80	160	308	$ 63,300				$ -		$ 63,300
	d. Bid Package	8	2	1		8	8	27	$ 6,140				$ -		$ 6,140
5	Bid and Construction Support	40	8	4		80	160	292	$ 59,000				$ -		$ 59,000
Proposal Subtotal - Basic Services		204	36	19		384	752	1,435	$ 306,920	$ 21,450	$ 58,833	0	$ 80,283	$ -	$ 387,203
	Optional Services														
A								0	$ -				$ -		$ -
B								0	$ -				$ -		$ -
C								0	$ -				$ -		$ -
D								0	$ -				$ -		$ -
	Total Optional Services	0	0	0		0	0	0	$ -	$ -	$ -	0	$ -		$ -
	Total Including Optional Services	204	36	19		384	752	1,435	$ 306,920	$ 21,450	$ 58,833	0	$ 80,283	$ -	$ 387,203
	Notes:														
1	Subconsultant costs include 10% markup.														
2															
3															

CIP 1.2

Cost Proposal

CIP 1.2 COST PROPOSAL

East Palo Alto Sanitary District
RFP for EPASD CIP 1.2 Sewer Main Project
Consultant Name: Freyer & Laureta, Inc.

Tasks		Labor								Subconsultants				ODCs	Total
Task #	Task Description	Project Manager	Principal-In-Charge	QA/QC	Survey Crew	Project Engineer	Project Engineer	Total Hours	Total Labor Costs	Geotech.	Potholing	Environ.	Total Subconsultant Costs	Other Direct Costs	Total Fee
		Greg Arifian, P.E.	Jeffrey Tarantino, P.E.	Lorraine Htoo, P.E.	Two Man Crew	Jason Feudale	Toni Steko, E.I.T.			Romig Engineers	BESS	EKI			
		$275	$300	$300	$600	$205	$175			LS	LS	LS			
Basic Services															
1	Project Management	20	12					32	$ 9,100				$ -		$ 9,100
2	Survey	4			24	40	80	148	$ 37,700				$ -		$ 37,700
3	Potholing (15 Potholes)	8				16	16	40	$ 8,280		$ 58,833		$ 58,833		$ 67,113
4	Design Development														
	a. Geotechnical & Environmental	16	8	2			8	34	$ 8,800	$ 16,500		$ 4,000	$ 20,500	$ 1,000	$ 30,300
	b. 50% Submittal	60	12	12		256	320	660	$ 132,180				$ -		$ 132,180
	c. 100% Submittal	60	4	4		128	160	356	$ 73,140				$ -		$ 73,140
	d. Bid Package	8	2	1		8	8	27	$ 6,140				$ -		$ 6,140
5	Bid and Construction Support	60	12	4		100	240	416	$ 83,800				$ -		$ 83,800
Proposal Subtotal - Basic Services		236	50	23		548	832	1,713	$ 359,140	$ 16,500	$ 58,833	$ 4,000	$ 79,333	$ 1,000	$ 439,473
	Optional Services														
A								0	$ -				$ -		$ -
B								0	$ -				$ -		$ -
C								0	$ -				$ -		$ -
D								0	$ -				$ -		$ -
	Total Optional Services	0	0	0		0	0	0	$ -	$ -	$ -	$ -	$ -		$ -
	Total Including Optional Services	236	50	23		548	832	1,713	$ 359,140	$ 16,500	$ 58,833	$ 4,000	$ 79,333	$ -	$ 439,473
	Notes:														
1	Subconsultant costs include 10% markup.														
2	ODC for Geotechnical & Environmental is an allowance to perform supplemental laboratory analysis to support the environmental soil disposal risk assessment.														
3															

FREYER & LAURETA, INC.

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13.1

EAST PALO ALTO SANITARY DISTRICT STAFF REPORT

DATE: July 7, 2026

TO: **East Palo Alto Sanitary District Board Members**

VIA: Melvin E. Gaines, General Manager

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

SUBJECT: Acceptance of East Palo Alto Sanitary District Sewer Capacity Fee Update Study and Adoption of Updated Sewer Capacity Fees

Recommendation

1. Conduct a public hearing to receive public comments.

2. Adopt a resolution:

   a. Finding that the proposed action is exempt from the requirements of the California Environmental Quality Act ("CEQA") because it is not a project as it has no potential to result in direct or reasonably foreseeable indirect physical change to the environment (14 Cal. Code Regs. §15378(a)); the project does not create a funding mechanism or other government fiscal activity that involve any commitment to a specific project which may result in a potentially significant physical impact on the environment (14 Cal. Code Regs. §15378(b)(4)); and projects that may receive funding with sewer capacity fees would be required to comply with applicable project-specific CEQA requirements at the time such projects are proposed for implementation;
   b. Accepting the East Palo Alto Sanitary District (EPASD) Sewer Capacity Fee Update Study;
   c. Approving the updated EPASD sewer capacity fees as recommended by staff, or

with amendments as directed by the Board; and

d. Directing staff to file a Notice of Exemption for the updated sewer capacity fees.

Executive Summary

Following adoption of the EPASD Sewer System Master Plan in 2025, a Final Draft Sewer Capacity Fee Update Study ("Study") was prepared to update the existing sewer capacity fee. Collected fees would fund sewer facilities and infrastructure improvements that are necessary to meet the needs of new development. The fees would also include a charge to "buy into" the existing available capacity at Palo Alto Regional Water Quality Control Plant. The Study establishes the maximum justifiable sewer capacity fees that EPASD can charge based on the proportional fair share that can be assigned to new development. The calculated maximum fees are approximately five (5) percent less than the current EPASD sewer connection fee. Staff recommends adopting the maximum justifiable fees, which represents a slight fee reduction. The EPASD Board also has the option to further reduce the fees.

Background

On October 1, 2024, the East Palo Alto Sanitary District (EPASD) became a subsidiary district of the City of East Palo Alto. This action was approved by the San Mateo Local Agency Formation Commission (LAFCo) on November 23, 2023, and finalized on September 16, 2024. EPASD's service area covers most of the area within the City of East Palo Alto, except for the northernmost area, and includes a small area located within the City of Menlo Park southwest of State Highway 101 (see Study, p.10).

EPASD contracts with the West Bay Sanitary District for the day-to-day operations of the collection system, which is regulated by the State Water Resources Control Board and Regional Water Quality Control Board (RWQCB). Wastewater from the collection system is conveyed to the Palo Alto Regional Water Quality Control Plant (PARWQCP) for treatment and disposal, which is located next to the Palo Alto Municipal Airport and is owned and operated by the City of Palo Alto.

Following transfer of governance to the City of East Palo Alto, direction was provided to update the EPASD Sewer System Master Plan ("Master Plan"), which was previously adopted in 2015, with a 2021 addendum. Additionally, following a preliminary analysis, the EPASD Board initially reduced the sewer connection fee from $14,464 per EDU to $10,621 per EDU.[1] The fee was to be further refined following adoption of an updated Capital Improvement Program (CIP) through the Master Plan process.

[1] EDU or "Equivalent Dwelling Unit" is a standard unit of measure representing the typical wastewater generated by a single-family home. It acts as a baseline for calculating capacity charges and connection fees for different types of land uses. For the EPASD service area, 1.0 EDU is equivalent to 200 gallons of wastewater flow per day (GPD).

The Master Plan was adopted on July 29, 2025, by the East Palo Alto City Council, acting as the governing body of EPASD. It contains an updated CIP and includes a preliminary estimate of rate charges and capacity fees. Along with reflecting the latest hydraulic modeling and monitoring data, the Master Plan also incorporates land use updates, such as the Ravenswood Business Park/4 Corners Specific Plan that was adopted by the City Council in 2024.

After adoption of the Master Plan, staff engaged Willdan Financial Services to prepare a capacity fee study to update EPASD's sewer capacity fee. Willdan previously completed a nexus study in 2025 to update the City's development impact fees for parks and recreation, public facilities, transportation, storm drainage, and water system improvements. A Final Draft Sewer Capacity Fee Update Study ("Study"), dated May 13, 2026, was completed by Willdan and was released for public review and posted on the EPASD Master Plan website on May 22, 2026,

The EPASD Advisory Committee considered the Study on June 24, 2026, and forwarded a recommendation to the EPASD Board to accept the Study and adopt the maximum justifiable sewer capacity fee of $10,115 per EDU. The Committee expressed that the fees should be reassessed if the growth projections that the fee calculations are based on are not realized or changes in the future.

Analysis

Overview

The objective of a capacity fee study (or nexus study) is to enable an agency to collect development impact fees to fund public improvements to accommodate the facility demands of new development. The sewer capacity fees calculated in this Study are one-time fees that are subject to Government Code Section 66013 and other applicable state laws. Also known as "capacity charges," they are defined as:

> *"a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities."*

It should be noted that, in addition to a sewer capacity fee (currently labeled a "connection fee" but will be renamed a capacity fee for clarity,) EPASD also charges one-time fees related to making a physical connection to the collection system, such plan check and inspection fees. Revisions to these additional fees are not being considered as part of this analysis and will remain in effect.

The Study is based on the sewer facilities identified in that are necessary to support future development in EPASD through the year 2045. The purpose is to determine the maximum

justifiable fees that can be charged to new development to fund these sewer facilities. Adopting the maximum justifiable fees achieves the objective of ensuring that new development pays its proportional fair share of capital costs associated with growth. Alternatively, lower fees than the maximum justified can be adopted to incentivize development. If the EPASD Board chooses to adopt lower fees, other funding sources would eventually have to be identified to fully cover the infrastructure needs of new development, or else service standards would decrease over time. Existing residents and businesses within EPASD would in effect be subsidizing a portion of the capital costs to serve new development.

Methodology
The Study completes the following steps for analyzing and arriving at the maximum justifiable sewer capacity fees:

1. Estimate existing development and future growth;
2. Identify facility standards;
3. Determine facilities required to serve new development;
4. Determine the cost of facilities required to serve new development; and
5. Calculate the fee schedule.

The sewer capacity fees that are calculated in the Study cover planned collection system improvements as identified in the EPASD Master Plan, planned PARWQCP facility updates, and the adjusted valuation of the treatment plant. The fees are determined using two methodologies: 1) a ***planned facilities*** approach based on the cost of identified facilities and improvements that are solely or partially necessary to serve new development; and 2) specific to the existing treatment plant, a ***buy-in*** approach where the existing capacity is sufficient to accommodate future growth, and new development "buys into" a proportional share of the available capacity based on the current value of the facilities.

The land use and development growth forecasts for the Study are consistent with the projections that were used for the 2025 Nexus Study Update to update the City's development impact fees. Sewer demand or flow generation rates are differentiated by land uses: single-family and multi-family housing; retail; office and research and development (R&D); and industrial development. The flow generation rate for an average size single-family dwelling (based on 1,700 square feet), referred to as "Equivalent Dwelling Unit" (EDU), is used to express the sewer demand for each land use category.[2] Based on growth forecasts, Table 3.2 of the Study (p. 16) indicates that the total sewer demand within the EPASD service area could increase from 9,049 EDU in 2025 to 15,869 EDU in 2045, a potential 75 percent increase at full build-out.

[2] EDU is expressed as per dwelling unit for residential uses, and per 1,000 square feet of floor area for non-residential uses.) The average wastewater flow from a single-family dwelling is 200 gallons per day (GPD) or 1.00 EDU. The average wastewater flow from an office/R&D land use is 186 GPD for each 1,000 square feet of floor area, which translates to 0.83 EDU for each 1,000 square feet of floor area. Refer to Table 3.1 of the Study (p. 15) for other land use equivalents.

Sewer System
Derived from the adopted Master Plan, Table 3.3 of the Study (p. 17) identifies the sewer system improvements that are partially (Category 1) or solely (Category 2) needed to serve new development. These improvements consist of pipeline replacement and upgrade projects totaling $70,156,000. Applying the planned facilities methodology using flow generation rates, the proportional responsibility of new development is $57,138,250. This amount is incorporated into the calculation of the maximum justifiable sewer capacity fee. The portion of the capacity fee pertaining to sewer system improvements is $41.89 per gallon per day (GPD) of sewer flow or $8,377 per EDU as shown in Table 3.4 of the Study (p. 18).

Wastewater Treatment Plant (PARWQCP)
A separate analysis was performed for the PARWQCP to determine the responsibility of new development. The sewer capacity fee for this facility consists of two components to determine the proportional benefit and contribution of new development:

1. A “buy-in” component based on the excess capacity at the treatment plant, which is currently sufficient to accommodate projected new development; and
2. A future facilities component based on planned upgrades so that the plant can continue its current level of service.

The current total asset valuation of the treatment plant is $113,280,662 (replacement cost new, less depreciation). For determining the “buy-in” fee, this valuation needs to exclude the outstanding debt that will be repaid by ratepayers through monthly services charges. After subtracting the outstanding debt principal, the net asset valuation is $71,603,678. Additionally, the City of Palo Alto has identified planned upgrades totaling $252,900,000 for secondary treatment upgrades to meet required service standards and an advanced water purification system. The combined value and cost of both treatment plant components is $324,503,678.

Determining the sewer capacity fee for the treatment plant is partially predicated on flow generation (GPD) but should also account for wastewater strength factors - biochemical oxygen demand (BOD) and total suspended solids (SS) - to reflect the higher or lower level of treatment required from the wastewater generated from different land uses. The methodology for calculating the sewer capacity fee for both treatment plant components is shown in Tables 3.9 and 3.10 of the Study (p. 21).

Maximum Justifiable Sewer Capacity Fees – Residential Uses
The Residential Sewer Capacity Fee Schedule from Table 3.11 of the Study (p. 22), is summarized below, which includes an added one (1) percent administrative charge. The fee for an “average” single family dwelling is $10,115, which is equivalent to the fee for one (1) EDU. The Study determined that EPASD’s current sewer capacity fee of $10,621 for an average dwelling unit slightly exceeds the maximum justifiable fee by about 5.0%.

Consistent with the City's impact fees for transportation, parks and recreation, and public facilities, enacting a per square foot fee for residential uses is suggested to recognize that the wastewater flow from larger and smaller dwelling units generally varies due to differences in average household size.[3] Setting the fee by square footage means that larger units might pay a higher fee than the current fee, but smaller units would pay a lower fee.

Maximum Justifiable Residential Sewer Capacity Fee

	Maximum Fee[1] ($ per sf)	Maximum Fee ($ total)	Current Fee[2] ($ total)
Single-family Dwelling (based on 1,700 sf)	5.95	10,115	10,621
Multi-Family Dwelling (based on 850 sf)	9.25	8,092	10,621

[1] The per square-foot fee for a multi-family unit is higher than for a single-family unit because the average multi-family unit creates roughly 80% of the sewer flow as an average single-family unit, while the average multi-family unit is considerably smaller than an average single-family unit. The total fee for a multi-family unit will generally be lower than for a single-family dwelling.

[2] Currently called a "Connection Fee" (to be relabeled a Sewer Capacity Fee), it can be adjusted on a project-by-project basis.

Accessory Dwelling Units

Pursuant to Government Code Section 66324 (formerly Section 65852.2(f)), ADUs 750 square feet or smaller are exempt from development impact fees, while larger ADUs can be charged impact fees proportional to the square footage of the primary single-family dwelling unit. However, this exemption does not apply to capacity charges levied by a local agency or special district such as EPASD. Therefore, EPASD can assess a sewer capacity fee on all ADUs with one exception. Per state law, a capacity charge cannot be assessed on an ADU converted from existing space within an existing single-family dwelling or accessory structure, with allowance for adding up to 150 square feet beyond the physical dimensions of the accessory structure to accommodate ingress and egress.

Impact fees can be a significant financial obstacle to constructing an ADU. With the desire to encourage ADUs as a form of affordable housing and recognizing the financial barriers, the City Council adopted reduced development impact fees in 2025 for larger ADUs. Instead of levying an impact fee proportional to the fee that would be charge to the primary single-family dwelling, only new living space beyond 750 square feet are subject to impact fees. Below are sample sewer capacity fee calculations for three alternatives: 1) full fee; 2) reduced fee (50 percent); and 3) large ADUs (fee on portion over 750 square feet only). The example uses construction of a new 1,000 square-foot ADU for illustration.

[3] Storm drainage fees are based on area of impervious surfaces, and water capacity fees are based on meter size.

Sewer Capacity Fee Alternatives for ADUs
(Example: New construction - 1,000-square-foot ADU)

	Square Feet	Fee/SF[1]	Total Fee
Alternative 1: Full Fee	1,000	$5.95	$5,950.00
Alternative 2: Reduced Fee	1,000	$2.98[2]	$2,980.00
Alternative 3: Large ADUs	250[3]	$5.95	$1,487.50

[1] Fee/SF = $10,115 per EDU / 1,700 sf for average single-family dwelling = $5.95 per sf
[2] Charged at 50 percent of maximum justifiable fee
[3] Charged on portion of ADU over 750 sf: 1,000 sf – 750 sf = 250 sf

Consistent with the methodology for calculating City impact fees for ADUs, staff suggests applying a similar methodology for sewer capacity fees.[4] The draft fee resolution reflects Alternative 3: Large ADUs. However, the EPASD Board can choose to adopt Alternatives 1, 2, or a variation thereof, pursuant to the Study and applicable state laws.

Maximum Justifiable Sewer Capacity Fees – Non-Residential Uses
For non-residential land uses (retail, office/R&D, and industrial), the maximum justifiable sewer capacity fee is calculated to reflect the industrial flow and strength characteristics of various development projects. The fee would be based on the estimated wastewater flow and strength loadings from each sewer connection for a development project according to the formula below from Figure 1 of the Study (p. 22), which was derived from the analysis in the Study.

Maximum Justifiable Non-Residential Sewer Capacity Fee

Number of EDUS = (0.8917 x Flow/200 gpd) + (0.0513 x BOD/200 mg/l) + (0.057 x SS/200mg/l) x $10,115 per EDU = Sewer Capacity Fee

Applying the above formula to prototypical non-residential projects results in the following maximum justifiable fees, which are compared with current fee estimates. It should be emphasized that these examples are estimates only, and the actual fee would depend on an analysis of the flow characteristics of each development project.

The following details the calculation of the maximum justified capacity fees for a prototypical restaurant. The calculation of nonresidential fees is driven by three components. The project characteristics are compared to the characteristics of an EDU and weighted by component. The table below shows the calculation. Under the current

[4] Currently, the combined City development impact fees for a 1,000 square-foot ADU are estimated to be **$8,032** for an ADU located within the Ravenswood Business District (RBD) and **$6,771** for an ADU located outside the RBD. The combines impact fees include the fees for parks and recreation, public facilities, transportation, storm drainage (based on impervious area), and water capacity (assumes a new meter).

fee schedule, the fee for the restaurant prototype would be $40,763. The maximum justified fees represent a reduction of 4.8% compared to the current fee.

Nonresidential Fee Example: 80 Seat Restaurant Prototype, Maximum Justified Fee Schedule

	Share of Total	Project Characteristics		EDU Characteristics		EDUs
	A	*B*		*C*		*D = A x B / C*
Cost Components						
Flow	89.17%	800	GPD	200	GPD	3.5668
BOD	5.13%	600	mg/L	200	mg/L	0.1539
SS	5.70%	400	mg/L	200	mg/L	0.114
Total EDUs						3.8347
Fee per EDU						$ 10,115
Total Fee (Total EDUs x Fee per EDU)						$ 38,788

The next example shows the maximum justified fees for a 50,000 square-foot office building. In this case, the maximum justified fees for this prototype would be $420,504, compared to $442,651 under the current fee schedule, representing a decrease of 5.0%.

Nonresidential Fee Example: Office Prototype, Maximum Justified Fee Schedule

	Share of Total	Project Characteristics		EDU Characteristics		EDUs
	A	*B*		*C*		*D = A x B / C*
Cost Components						
Flow	89.17%	9300	GPD	200	GPD	41.46405
BOD	5.13%	200	mg/L	200	mg/L	0.0513
SS	5.70%	200	mg/L	200	mg/L	0.057
Total EDUs						41.57235
Fee per EDU						$ 10,115
Total Fee (Total EDUs x Fee per EDU)						$ 420,504

Possible Fee Adjustments

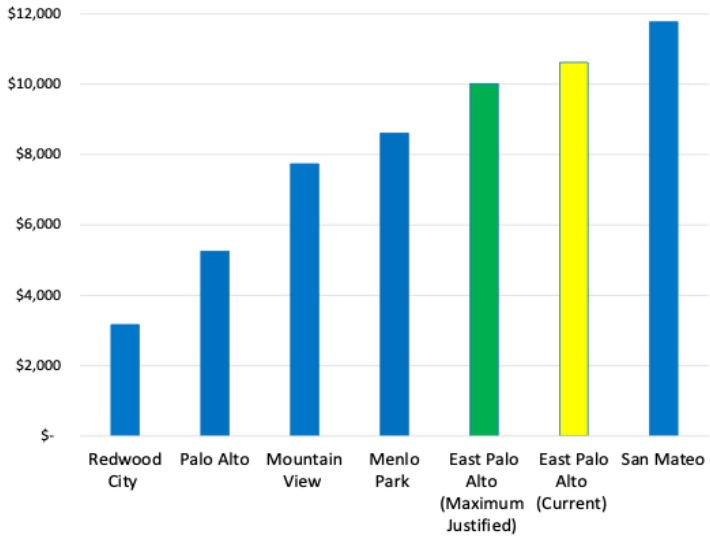
The maximum justifiable sewer capacity fees calculated in the Study are not required to be adopted by EPASD. The Board may choose to adopt lower fees to accomplish other policy goals. Reducing fees for a particular land use type would require EPASD to subsidize that development type by covering a greater share of facilities and infrastructure costs. EPASD would need to secure additional funding to offset this increased fiscal obligation. Adjustments could be considered, however, to accomplish economic development goals and community benefits, such as to incentivize employment, housing, and retail/restaurants opportunities.

Although not an adjustment to the fee schedule, for affordable or inclusionary housing units, the City Council could consider offsetting the impact fees on a project-by-project basis with financial assistance. This assistance could be available through the City's commercial linkage fees, inclusionary housing in-lieu fees, or Measure HH revenue.

The EPASD Board can also consider the sewer capacity fees charged by surrounding cities and adjust its fees accordingly. Below is a fee comparison with surrounding cities that was compiled by Willdan. A key factor affecting the calculation of the Fee per EDU is the cost of required sewer improvements to accommodate new development relative to the development potential in the service area. Additionally, where the fees are lower (e.g., Palo Alto), it could reflect a situation where the fees have not been updated for a while.

Sewer Capacity/Impact Fee Comparison

Jurisdiction	Fee per EDU
EPASD (Current)	$ 10,621
EPASD (Maximum Justified)	10,015
Other Cities	
Menlo Park	$ 8,608
Mountain View	7,737
Palo Alto	5,250
Redwood City	3,166
San Mateo	11,773



The adopted sewer capacity fees would be adjusted annually based on the Construction Cost Index for the region. Additionally, EPASD should periodically reevaluate and adjust its sewer capacity fees, as needed, to reflect updates to its Master Plan and CIP, changes in development conditions, and updates to the City's land use plans.

Fee Payment

Effective January 1, 2025, impact fees and capacity charges for qualifying residential developments, as defined by Government Code Section 66007 (SB 937), are not required to be paid until final inspection or issuance of a certificate of occupancy, whichever occurs first. However, the payment can be required at building permit issuance if a facility or improvement has been completed, is under construction, or will be under construction before the anticipated occupancy date of the development. Impact fees for non-residential developments will continue to be due prior to building permit issuance. However, the fee resolution includes a provision that allows the City Council to approve or authorize the

City Manager to approve alternative payment terms for a specific project, such as through a development agreement,

Fiscal Impact

The Sewer Capacity Fee Schedule in the recommended resolution would ensure that new development will assume its fair share allocation for sewer system and wastewater treatment plant improvements that are necessary to meet the demands of new development as identified in the Study and EPASD Master Plan. Additionally, a “buy-in” component is included in the fee to cover the fair share allocation for new development that will benefit from the existing excess capacity available at the PARWQCP.

The Master Plan identifies CIP projects totaling $70,156,000 that respond to the service demands of new development. The Study has determined the fair share allocation to new development is $57,138,750, which leaves a remaining balance of $13,017,250 that would have to be funded through other sources. As a policy matter, EPASD can consider lessening the impact on new development by shifting the cost allocation and reducing sewer capacity fees. The fiscal implication is that EPASD would bear a larger share of the cost of the CIP projects.

Staff is recommending a reduction of sewer capacity fees for ADUs (Alternative 3). As opposed to impact fees, only ADUs created from existing space are exempt from capacity charges or fees under state law. Staff estimated the potential fiscal impact of not assessing sewer capacity fees for ADUs under 750 square feet. In the past year, 27 ADUs have been permitted with average size of approximately 647 square feet, with 16 ADUs consisting of new construction. Assuming a similar number are constructed in future years, the City would be foregoing capacity fees of approximately $30,800 annually in Alternative 2 and approximately $61,600 annually in Alternative 3.

Sewer capacity fees are placed in a dedicated capital improvement fund. The collected fees can only be used for the purposes identified in the Study and cannot be used for general government services or other projects. However, a one (1) percent administrative charge would be added to fee calculations to cover administrative, monitoring. and reporting requirements.

Pursuant to Government Code Section 66013(d), an annual report on the status of the sewer capacity must be made available to the public within 180 days of the end of the fiscal year. The report must include information on the fund balance, fees collected, expenditures, and any interfund transfers during the fiscal year. The reporting requirements are very similar to the AB 1600 requirements under the Mitigation Fee Act for the City’s development impact fees.

Public Notice

On May 23, 2026, the Study was distributed to property owners, developers, and other interested parties for review and comment. On June 10, 2026, pursuant to Government

13.1

Code Section 66016, notice of the scheduled EPASD Board of Directors public hearing on the Study and updated sewer capacity fees was published in the local newspaper and posted on the bulletin board at City Hall, 2415 University Avenue, East Palo Alto. The notice also informed interested parties of the EPASD Advisory Committee meeting on June 24, 2026, to discuss the Study and accept public comments.

Environmental

Approval of this Resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") because: it is not a project as it has no potential to result in direct or reasonably foreseeable indirect physical change to the environment (14 Cal. Code Regs. §15378(a)); and the project does not create a funding mechanism or other government fiscal activity that involve any commitment to a specific project which may result in a potentially significant physical impact on the environment (14 Cal. Code Regs. §15378(b)(4)). Projects that may receive funding with development impact fees would be required to comply with applicable project-specific CEQA requirements at the time such projects are proposed for implementation.

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. Resolution
2. EPASD Sewer Capacity Fee Study Update, May 13, 2026

RESOLUTION NO. ___

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST PALO ALTO SANITARY DISTRICT TO ACCEPT A SEWER CAPACITY FEE UPDATE STUDY AND ADOPT UPDATED SEWER CAPACITY FEES

WHEREAS, on October 1, 2024, the East Palo Alto Sanitary District ("EPASD") became a subsidiary district of the City of East Palo Alto, which was approved by the San Mateo Local Agency Formation Commission on November 23, 2023, and finalized on September 16, 2024; and

WHEREAS, EPASD contracts with the West Bay Sanitary District to operate the collection system within its service area, and wastewater from the collection system is conveyed to the Palo Alto Regional Water Quality Control Plant ("PARWQCP"); and

WHEREAS, on July 29, 2025, an update of the EPASD Sewer System Master Plan ("Master Plan") was prepared and adopted by the East Palo Alto City Council as the governing body of EPASD; and the Master Plan includes an updated Capital Improvement Program ("CIP") that identifies necessary sewer system improvements to serve new development within its service area; and

WHEREAS, the Master Plan was determined to be exempt from the California Environmental Quality Act ("CEQA") because it will implement management operations programs and plans to enhance and protect the environment by limiting the occurrence of sewer system overflows ("SSO") in the service area (CEQA Guideline Section 153038); and

WHEREAS, the EPASD has determined that failure to upgrade and expand the sewer collection system will result in substandard conditions, will overburden existing infrastructure, and will lead to unacceptable operating conditions; and although the PARWQCP has existing excess capacity to accept the projected sewer flow from new development, planned upgrades to treatment facilities will be necessary; and

WHEREAS, the EPASD has determined that capacity sewer fees, along with other existing and future revenue sources, are necessary to fund the public facilities and infrastructure improvements identified in its Master Plan and CIP, and these facilities and improvements are critical for meeting the needs of new development in the EPASD service area; and

WHEREAS, California Government Code Section 66013 et seq and other applicable state laws authorize local agencies and utility districts to enact reasonable capacity fees or charges for developers to contribute their proportional fair share cost of facility and infrastructure improvements that will be necessary to serve new development; and

WHEREAS, the EPASD Board of Directors has previously established a sewer capacity fee schedule, but has determined that a fee update study is necessary to adjust the fee schedule to align with the updated Master Plan and CIP; and

WHEREAS, pursuant to California Government Code Section 66013 et seq and other applicable state laws, a Final Draft Sewer Capacity Fee Update Study ("Study"), attached hereto as Exhibit A and incorporated by reference, was prepared by Willdan Financial Services to: 1) identity the proportional fair share obligation of developers to contribute to required sewer system improvements that are identified the Master Plan to meet the demands of new development; 2) determine the obligation of new development to "buy into" the existing excess capacity and contribute to planned facility updates at the PARWQCP; and 3) calculate the maximum justifiable sewer capacity fee for new residential, office, research and development, industrial, and retail development; and

WHEREAS, pursuant to California Government Code Sections 66016, on May 22, 2026, the Study was posted on the EPASD's website and interested parties were notified about the availability of the Study for public review and comment; and a notice of a EPASD Board of Directors public hearing to consider the Study and adopt updated sewer capacity fees was published in the local newspaper on June 15, 2026, and was posted at East Palo Alto City Hall and emailed to interested parties; and

WHEREAS, on June 24, 2026, the EPASD Advisory Committee considered the Study and forwarded a recommendation to the EPASD Board of Directors to accept the Study and adopt the maximum justifiable sewer capacity fee; and

WHEREAS, on July 7, 2026, the EPASD Board of Directors held a duly noticed public hearing to receive public comments on the Study and recommended updated sewer capacity fees; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST PALO ALTO SANITARY DISTRICT, as follows:

1. **FINDINGS**. The recitals set forth in this resolution are incorporated as findings and determinations by the EPASD Board of Directors.

2. **CALIFORNIA ENVIRONMENTAL QUALITY ACT**. The proposed action is exempt from the requirements of the California Environmental Quality Act ("CEQA") because it is not a project as it has no potential to result in direct or reasonably foreseeable indirect physical change to the environment (14 Cal. Code Regs. §15378(a)); the project does not create a funding mechanism or other government fiscal activity that involve any commitment to a specific project which may result in a potentially significant physical impact on the environment (14 Cal. Code Regs. §15378(b)(4)); and projects that may receive funding with sewer capacity fees would be required to comply with applicable project-specific CEQA requirements at the time such projects are proposed for implementation

3. **SEWER CAPACITY FEE UPDATE STUDY.** The EPASD Board of Directors hereby accepts the Final Draft Sewer Capacity Fee Update Study, dated May 13, 2026, attached hereto as Exhibit A and incorporated by reference.

4. **UPDATED SEWER CAPACITY FEES.** Pursuant to California Government Code Section 66013 et seq and other applicable state laws, the EPASD Board of Directors hereby replaces the current "sewer connection fee" with the updated sewer capacity fee schedule, attached hereto as Exhibit B and incorporated by reference, with collected fees to be expended solely and exclusively for the capital improvement projects identified in the Master Plan and Study.

5. **EFFECTIVE DATE**. The updated sewer capacity fees shall be effective sixty (60) days after the adoption of this fee resolution and shall apply to all qualifying development projects, except for projects that have been issued a valid and active building permit or are recognized as a vested project by the before the effective date. Impact fees shall apply to new development projects, expansion of existing buildings or structures, or a change of use that requires a planning approval or building permit.

6. **ANNUAL FEE ADJUSTMENT.** Beginning on July 1, 2027, and annually thereafter on July 1, development impact fees shall be automatically adjusted by the General Manager or designee, without further action necessary from the EPASD Board of Directors, by a percentage equal to the change in the Construction Cost Index (CCI) as most recently published by the Engineering New Record (20-Cities Average).

7. **REPORTING REQUIREMENTS.** In compliance with California Government Code 66013(d) and other applicable state laws, an annual report on the sewer capacity fund shall be made available to the public, within 180 days after the last day of each fiscal year, that describes the fees collected during the fiscal year, beginning and ending balance, funds expended or anticipated for public improvements and, if applicable, any interfund transfer or loan made from the fund.

8. **SEVERABILITY.** If any section, subsection, clause or phrase of this Resolution is for any reason held to be unconstitutional, or otherwise invalid, such decision shall not affect the validity of the remaining sections hereof.

9. **NOTICE OF EXEMPTION**. The General Manager is authorized to file a Notice of Exemption for the updated development impact fees with the San Mateo County Clerk within five (5) working days of the date of the adoption of this fee resolution.

PASSED AND ADOPTED this 7th day of July, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

(signatures next page)

_____

Ruben Abrica, Board President

ATTEST:

_____

James Colin, Secretary

APPROVED AS TO FORM:

_____

John D. Lê, District Council

EXHIBIT A

EAST PALO ALTO SANITARY DISTRICT
FINAL DRAFT SEWER CAPACITY FEE UPDATE STUDY

Prepared by Willdan Financial Services
May 13, 2026

EXHIBIT B

EAST PALO ALTO SANITARY DISTRICT

1. SEWER CAPACITY FEE SCHEDULE

Land Use Category	Unit	Fee
Residential Uses		
Accessory Dwelling Unit* (applies to new livable space exceeding 750 square feet only)	Square Foot	$5.95
Single-family/Townhouse	Square Foot	$5.95
Multi-family Housing	Square Foot	$9.25
Non-Residential		
Number of EDUs = 0.8917 x Flow/200 gallons per day (gpd) + 0.0513 x BOD/200 milligrams/liter (mg/l) + 0.057 x SS/200 milligrams/liter (mg/l) x $10,115 per EDU = Sewer Capacity Fee		
EDU = Equivalent Dwelling Unit (1 EDU = 200 gpd) BOD = Biochemical Oxygen Demand SS = Total Suspended Solids		

- Pursuant to Government Code Section 66324, a sewer capacity fee is not charged to an ADU converted from existing space within an existing single-family dwelling or accessory structure, with additional allowance for up to 150 square feet beyond the physical dimensions of an accessory structure to accommodate ingress and egress.

Notes for Non-Residential Uses:

a. An applicant shall provide an analysis of sewer flow (FLOW), biochemical oxygen demand (BOD), and total suspended solids (SS) to arrive at the number of EDUs for the project. The EDUs are then multiplied by $10,115 per EDU to arrive at the sewer capacity fee for the project.

b. An applicant may be required to either obtain an independent analysis of the flow demand and wastewater strength for the project, or fund the EPASD to conduct this analysis.

2. POTENTIAL FEE CREDITS, ADJUSTMENTS, OR REDUCTIONS

a. Subject to EPASD approval, a reduction in the sewer capacity fee can be considered when a project will fund or construct public sewer capacity improvements that exceed the required sewer capacity fees in effect at the time a complete planning application is filed. The allowable credit can be based on the estimated value of the improvements or another methodology acceptable to the City.

b. Credit is available for permitted or legally conforming land uses that are/were on the project site during the two-year period (24 months) prior to filing a complete planning or building permit application, whichever date is earlier. Credit shall be calculated based on the prior or existing use(s) and the above fee schedule.

c. In addition to the potential fee adjustments mentioned above, the EPASD may authorize other fee adjustments or reductions for development projects when substantial economic or community benefits will be provided to address infrastructure, facility, or other community needs.

3. CONVERSION OR EXPANSION OF EXISTING USE

When an existing building is proposed for conversion or expansion with a change of use that requires a planning approval or building permit (e.g. from an industrial warehouse to an office use), the development impact fees shall be calculated based on the above fee schedule.

The total amount of impact fees shall be calculated as follows:

Fee for Proposed Use – Fee for Existing Use = Total Impact Fee

4. ADMINISTRATIVE CHARGE

An administrative charge of 1.0 percent shall be added to the calculated sewer capacity impact fee to cover: a) legal, accounting, and other administrative support, and b) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analysis.

5. PAYMENT OF FEES

Impact fees for development projects shall be calculated and paid at building permit issuance. However, sewer capacity fees for “designated residential development projects,” as defined by Government Code Section 66007, and accessory dwelling units shall be calculated at building permit issuance and shall be paid prior to final inspection or issuance of a temporary or final certificate of occupancy, whichever occurs first. The EPASD may also approve or authorized the General Manager to approve alternative payment terms.

East Palo Alto Sanitary District

Sewer Capacity Fee Update Study

Final Draft

May 13, 2026

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Executive Summary

This report summarizes an analysis of sewer capacity fees needed to support future development in the East Palo Alto Sanitary District (EPASD) through 2045. This study calculates the maximum justifiable fee schedule that can be charged to new development to pay for the sewer facilities demand by new development within EPASD. The EPASD boundaries include the City of East Palo Alto, and a small residential area within the City of Menlo Park.

As a policy decision to incentivize development, the District could choose to implement fees that are less than the maximum justified amounts in this study. Should the District adopt fees lower than the maximum justified amounts then either the District would need to use other funding sources to subsidize the facility needs of new development, or else service standards would decrease over time. Under this scenario existing residents and businesses within EPASD would in effect be subsidizing the capital costs to serve new development.

Background and Study Objectives

The primary policy objective of a capacity fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to calculate fees that will enable the District to expand its inventory of public facilities, as new development creates increases in service demands.

The sewer facility fees calculated in this report are also known as capacity charges and are subject to the requirements of *Government Code Section 66013*, which defines a capacity charge as "a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A "capacity charge" does not include a "commodity charge." Capacity charges based on the buy-in method are a reimbursement for past capital costs. Government Code Section 66013 is reproduced in the appendix for reference. EPASD also charges a connection fee that pays for the cost of the physical connection to the District's facilities. The connection fees are not being updated as part of this study.

Facility Standards and Costs

This study uses two approaches to calculate facilities standards and allocate the costs of planned facilities to accommodate growth in compliance with the statutory requirements.

The **planned facilities** approach allocates costs based on the ratio of planned public facilities that are necessitated by the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This approach is used for the sewer facilities component and part of the wastewater treatment component of the sewer capacity fees in this report.

The **buy-in method** is typically used when the existing system has sufficient capacity to serve new development now and into the future. Under the buy-in methodology, new development "buys" a proportionate share of existing capacity at the current value of the existing facilities. This approach is typically used for utility fees, where existing facilities are built with excess capacity to serve future development. This approach is used for a part of the wastewater treatment component in this report pertaining to the existing wastewater treatment plant assets.

Use of Fee Revenues

Capacity fee revenue can be spent on new facilities or expansion of current facilities to serve new development. It can also be used to repay the agency who built facilities with excess capacity that new development is "buying into." Facilities can be generally defined as capital acquisition items with a useful life greater than five years.

Capacity Fee Schedule Summary

Table E.1 summarizes the residential capacity fees that meet the District's identified needs and comply with the requirements of the *Government Code 66013*. The Table also

The maximum justifiable capacity fee for multifamily units is higher than single family units on a per square footage basis. This is because although the average multifamily unit creates roughly 80 percent of the sewage flow as a single family home, the average multifamily unit is nearly half as small (875 square feet) as the average single family home (1,700 sq ft.). The fee calculations also include fixed costs with do not vary with the size of a dwelling unit. Additionally, while the calculations assume that sewer use scales proportionally to water demand, single family residences are assumed to include irrigation uses that divert water flow from the sewer system, while multifamily units are assumed to have de minimis irrigation water demand.

Nonresidential fees are calculated on a case-by-case basis based on the amount and characteristics of wastewater flow generated by a nonresidential project. The fees are scaled based on the wastewater generation characteristics compared to those of a typical single family dwelling unit. Refer to the "Nonresidential EDU Calculation" section of Chapter 3 for further discussion.

Table E.1: Maximum Justified Capacity Fee Schedule

Land Use	Fee per Square Foot	Fee per Average Sized Unit	Current Fee per EDU
Single Family	$ 5.95	$ 10,115	$ 10,621
Multifamily	9.25	8,092	

Note: Nonresidential fees are calculated on a case by case basis based on a cost per equivalent dw elling unit (EDU) of $10,115. The fees are scaled for a land use compared to the w astew ater generation characteristics of a typical single family

Source: Table 3.11.

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in the EPASD. This chapter provides background for the study and explains the study approach under the following sections:

- Organization of the Report;
- Public Facilities Financing in California;
- Study Objectives;
- Fee Program Maintenance; and
- Study Methodology.

Organization of the Report

The determination of a capacity fee begins with the selection of a planning horizon and development of growth projections for population and employment. These projections are used throughout the analysis of different facility categories and are summarized in Chapter 2.

Chapters 3 identifies facility standards and planned facilities, allocates the cost of planned facilities between new development and existing development, and identifies the maximum justified sewer capacity fee.

Chapter 4 details the procedures that the District must follow when implementing a capacity fee program. Capacity fee adoption procedures are found in *California Government Code* Sections 66016 through 66018.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 45 years has steadily undercut the financial capacity of local governments to fund infrastructure. Four dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses;
- Unfunded state and federal mandates; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of “growth pays its own way.” This policy shifts the burden of funding infrastructure expansion from existing ratepayers and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and capacity fees also known as public facilities fees or impact fees. Assessments and special taxes require the approval of property owners (or voters, in some cases) and are appropriate when the funded facilities are directly related to the real property. Capacity fees, on the other hand, are an appropriate funding source for facilities that benefit all development within the identified service area.

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. *Policy 3.1* of the City of East Palo Alto's General Plan states "**New development**. Require new development to pay its fair share of required improvements to public facilities and services through impact fees or other financial and regulatory mechanisms." The primary purpose of this report is to update the sewer capacity in EPASD, serving the City of East Palo Alto, based on the most current available facility plans, project cost estimates, and growth projections. The proposed fees will enable the District and City to expand its inventory of public facilities necessitated by new development. This report supports the General Plan policy stated above. The District imposes capacity fees under California Government Code Section 66013, as recently amended.

East Palo Alto is forecast to have moderate growth through this study's planning horizon of 2045, particularly within the Ravenswood Business District/4 Corners Specific Plan area. This growth will create an increase in demand for public services and the facilities required to deliver them. Given the revenue challenges described above, EPASD updated its sewer capacity fees in 2018 and 2022 This report makes use of the most current available growth forecasts and capital facilities planning documents to update the existing capacity fee program to ensure that the fee program accurately accounts for the facility needs resulting from new development.

Guiding Documents

This analysis uses but is not limited to data from the following documents as the basis of the fee calculations:

- General Plan (2016): Informs land use assumptions and provides policy guidance.
- Ravenswood Business District (RBD) / 4 Corners Specific Plan Update (2024): Informs land use assumptions and provides policy guidance.
- East Palo Alto Sanitary District Sewer System Master Plan (2025): Identifies capital needs related to sewer facilities.
- City of East Palo Alto, Development Impact Fee Nexus Study Update (2025): Informs common land use assumptions and growth projections.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the *California Construction Cost Index*, is necessary to accurately adjust the fees.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 4.

Administrative Costs

The administration of a capacity fee program to comply with the requirements of the Government Code 66013 imposes costs on the District for capital budgeting, fee adjustments, mandated annual reports associated with the capacity fee program, as well as periodic fee update studies

and legal review. It is common practice in California for agencies to add a small administrative charge to capacity fees to cover those costs. These costs are primarily District staff costs necessary to administer the fee program.

This study assumes 1% of the maximum justified fee to estimate the administrative costs associated with the fee program. To validate this assumption, Willdan reviewed the administrative costs associated with other cities in California in FY2022-23. Those costs ranged from 1.32% to 1.52% of collected impact fee revenue in the other jurisdictions. The assumed 1.0% of fee revenue is below the range.

Study Methodology

Capacity fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development net of other identified funding;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for public office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. In this case, our approach incorporates the estimated cost of planned facilities built to satisfy the facility design standards in accordance with EPASD's Sanitary Sewer Master Plan.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand, such as

service population, vehicle trips, sewer flow generation or impervious surface. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of sewer flow per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

This study uses two common methods for calculating capacity fees: the **planned facilities method,** and the **buy in method**. The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \text{cost per unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a wastewater trunk line extension to a previously undeveloped area. An example of the latter is a portion of a roadway that has been identified as necessary to mitigate the impact from new development through traffic modeling analysis. Under this method new development will fund the expansion of facilities at the standards used in the applicable planning documents. This approach is used for the sewer facilities component and part of the wastewater treatment component of the sewer capacity fees in this report.

Buy-In Method

The buy-in method is based on the value of the existing system's capacity. This method is typically used when the existing system has sufficient capacity to serve new development now and into the future. Under the buy-in methodology, new development "buys" a proportionate share of existing capacity at the current value of the existing facilities.

The buy-in fee is determined by taking the current value of assets (replacement cost new, less depreciation) divided by the current capacity provided by the system. Responsibility for new capital improvements is then shared equally by all customers. A simplified version of the calculation equation is:

$$\frac{\text{Present Value of Existing Facilities}}{\text{Existing System Capacity}} = \text{cost per unit of demand}$$

This approach is typically used for utility fees, where existing facilities are built with excess capacity to serve future development. This approach is used for a part of the wastewater treatment component in this report pertaining to the existing wastewater treatment plant assets.

Fee Geography

Fees are calculated uniformly throughout the entire EPASD service area, including the City of East Palo Alto and a small portion of the City of Menlo Park. The City of East Palo Alto's recent Development Impact Fee Nexus Study Update (2025) calculated some impact fees at different

levels within the RBD/4 Corners Specific Plan area compared to other areas of the City to reflect a different level of facility needs within the Specific Plan Area. Based on the EPASD Sewer System Master Plan, the identified sewer facilities and treatment facilities provide a similar level of benefit to all development within EPASD, so a single fee zone is appropriate for this fee update study. **Figure 1** displays the EPASD boundaries.

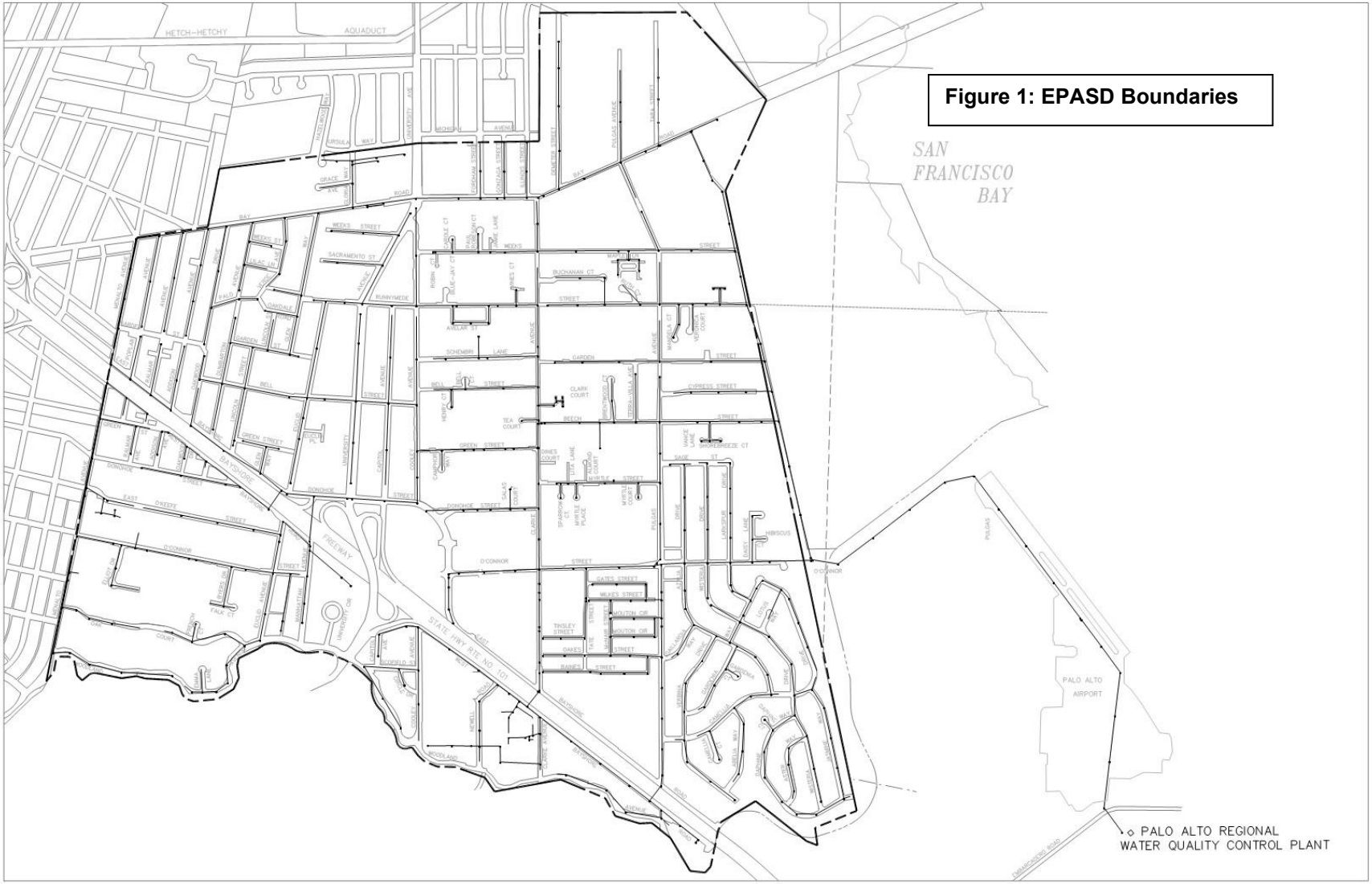
Figure 1: EPASD Boundaries
SAN FRANCISCO BAY
HETCH-HETCHY
AQUADUCT
PALO ALTO AIRPORT
PALO ALTO REGIONAL WATER QUALITY CONTROL PLANT

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2025 base year and a planning horizon of 2045.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2025 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2045 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth.
- Estimates of growth from 2025 through 2045 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for sewer facilities is based on the sewer flow generation associated with residential and nonresidential development creating the need for the facilities.

Land Use Types

To ensure proportionality between each fee and the impact of development by type of development, growth projections distinguish between different land use types. The land use types used to estimate demand for facilities are described below.

- **Single Family Residential:** Detached and attached one-unit dwellings. Fees are calculated per square foot of living space. Capacity fees can be charged to accessory dwelling units that meet certain requirements. Refer to the California Government Code §65852.2 (f) text in the appendix for a discussion regarding capacity fees and accessory dwelling units. When applicable, ADUs would be charged the single family rate per square foot of living space.
- **Multifamily Residential:** All attached multifamily dwellings including duplexes and condominiums. Fees are calculated per square foot of living space, excluding common areas and garages.
- **Retail:** All commercial, retail, and educational development. Fees are calculated on a case-by-case basis based on the average daily flow generation, and strength loadings of the wastewater generated by the development project.
- **Office and Research & Development:** All general, professional, medical, and R&D office development. Fees are calculated on a case-by-case basis based on the average daily flow generation, and strength loadings of the wastewater generated by the development project.
- **Industrial:** All manufacturing and other industrial development, warehouse and distribution center development Fees are calculated on a case-by-case basis based on the average daily flow generation, and strength loadings of the wastewater generated by the development project.

As mentioned about, nonresidential fees are calculated on a case-by-case basis based on the average daily flow generation, and strength loadings of the wastewater generated by the development project. Refer to the “Nonresidential EDU Calculation” section of Chapter 3 for further discussion.

Capacity fees can be charged to accessory dwelling units that meet certain requirements. Refer to the *California Government Code §65852.2 (f)* text in the appendix for a discussion regarding capacity fees and accessory dwelling units.

Some developments may include more than one land use type, such as a mixed-use development with both residential and commercial uses. Another similar situation would be a warehousing facility that contains office space. In those cases, the facilities fee would be calculated separately for each land use type included within the building.

The District has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing a capacity fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use.

In situations where an existing building is being converted to a more intensive use from a wastewater perspective, then EPASD can charge the net increase in fees compared to the existing use to that project.

Existing and Future Development - Districtwide

Table 2.1 shows the estimated number of dwelling units, employees, and building square feet in the EPASD, both in 2025 and in 2045. The base year estimates of dwelling units come from the California Department of Finance for the City of East Palo Alto. These figures are supplemented with an estimate of 388 residential units within the City of Menlo Park and EPASD, identified using ERSI Business Analyst.

The increase in dwelling units and nonresidential building square feet to 2045 is consistent with the City's recently adopted Development Impact Fee Nexus Study Update (2025), which relies on the City of EPA's General Plan and Ravenswood Business District/4 Corners Specific Plan. This analysis assumes that all growth within EPASD will occur within the City of East Palo Alto, and that any growth in the portion of the District within Menlo Park is *de minimis*.

Base year employees were estimated based on data obtained from the U.S. Census Bureau's OnTheMap Application. Total jobs in 2045 are consistent with the City's recently adopted Development Impact Fee Nexus Study Update (2025).

Base year nonresidential building square feet estimated were by Raimi and Associates as part of the RBD Specific Plan Update. Total nonresidential building square footage in 2045 is consistent with the City's recently adopted Development Impact Fee Nexus Study Update (2025).

Table 2.1: Existing and New Development in EPASD

	2025	2045	Increase
Dwelling Units [1]			
Single Family	5,104	6,094	990
Multifamily	3,557	5,719	2,162
Total	8,661	11,813	3,152
Employment [2]			
Retail	1,905	2,356	451
Office and R&D	2,975	12,658	9,683
Industrial	332	648	316
Total	5,212	15,661	10,449
Building Square Feet (000s) [3]			
Retail	550	883	333
Office and R&D	725	4,764	4,039
Industrial	200	525	325
Total	1,475	6,172	4,697

[1] 2025 dwelling units for East Palo Alto identified in Table E-5, from the California Department of Finance. Also includes 369 single family dwelling units, and 19 multifamily dwelling units in Menlo Park that are within the EPASD boundaries, estimated using ESRI Business Analyst. The projected increase in dwelling units to 2045 is identified in City's adopted 2025 Development Impact Fee Nexus Study Update, and assumes no increase in dwelling units within Menlo Park.
[2] Current estimates of primary jobs from the US Census' OnTheMap. Assumes all nonresidential land uses within EPASD are within the City of East Palo Alto. Projected employment consistent with 2045 projection from 2025 Development Impact Fee Nexus Study Update.
[3] Base year building square feet estimated by Raimi and Associates. Projected building square feet consistent with 2045 projection from 2025 Development Impact Fee Nexus Study Update.

Sources: California Department of Finance, Table E-5, 2025; ESRI Business Analyst; City of East Palo Alto, Development Impact Fee Nexus Study Update (2025); Willdan Financial Services.

3. Sewer Capacity Fee

This chapter details an analysis of the need for water facilities to accommodate growth within EPASD. The projects and associated costs in this chapter were identified in the District's Sewer System Master Plan (2025). This chapter documents a reasonable relationship between new development and a sewer capacity fee to fund facilities that serve new development.

Sewer Demand

Estimates of new development and its consequent increased sewer demand provide the basis for calculating the sewer capacity fee. The need for sewer facilities improvements is based on the sewer demand placed on the system by development. A typical measure of demand is a flow generation rate, expressed as the number of gallons per day generated by a specific type of land use. Flow generation rates are a reasonable measure of demand for the District's system of sewer improvements because they represent the average rate of demand that will be placed on the system per land use designation.

Table 3.1 shows the calculation of equivalent dwelling unit (EDU) demand factors based on flow generation by land use category. EDU factors express sewer flow from each land use in terms of the flow generated by a single-family dwelling unit.

The flow generation factors are based on data from the EPASD Sewer System Master Plan and have been adjusted to reflect differences in water flow generation from the City's 2025 water capacity fee study. This was done to refine the estimate for future sewer demand based on differences in assumed wastewater flow generation, by land use. The factors all assume that sewer use scales proportionally to water demand. The one exception to this is that it is assumed that water demand is equal to sewer demand for multifamily properties. This assumes that irrigation uses (which divert water flow from the sewer system) are de minimis for multifamily properties, but not for other land uses.

Table 3.1: Sewer Demand by Land Use

Land Use Type	Average Flow Generation per DU or 1,000 Sq. Ft.[1]	Equivalent Dwelling Unit (EDU)
Residential Dwelling Unit		
Single Family	200	1.00
Multifamily	160	0.80
Nonresidential - per 1,000 Sq. Ft. [2]		
Retail	124	0.62
Office and R&D	186	0.93
Industrial	84	0.42

[1] Average flow generation factors are based on water flow generation from City's water impact fee, scaled based on 200 gallons per day per dwelling unit. Multifamily rate assumes de minimis irrigation use.
[2] Sewer Master Plan assumed 0.1 gallons per day per square foot of nonresidential space based on Section B1.03.3 for Office and Retail of the East Palo Alto Sanitary District Standard Specifications for Design and Construction of Sanitary Collection and Conveyance Facilities dated June 6, 2002 to identify needed facilities. EDU calculation and cost allocation based on flow generation assumptions shown in this table.

Sources: Appendix C, East Palo Alto Sanitary District *Sewer System Master Plan*, June 20, 2025.; Table 4-5, East Palo Alto Water System Master Plan, 2023 Willdan Financial Services.

EDU Generation by New Development

Table 3.2 shows the estimated EDU generation from new development through 2045 for the City of East Palo Alto. The EDU factors from Table 3.1 are multiplied by the land use assumptions from Chapter 2 to estimate total EDUs in the base year, at the planning horizon and for new development. It is assumed that all future growth within EPASD will occur within the City of East Palo Alto, and not within the portions of Menlo Park. However, should development occur within Menlo Park, that development would benefit from the sewer and wastewater treatment facilities examined in this study, and can be charged the capacity fees.

Table 3.2: Sewer Facilities Equivalent Dwelling Units

		2025		Growth 2025 to 2045		2045	
Land Use	EDU Factor	DU or 1,000 Sq. Ft.	EDUs	DU or 1,000 Sq. Ft.	EDUs	DU or 1,000 Sq. Ft.	EDUs
Residential - per Dwelling Unit							
Single Family	1.00	5,104	5,104	990	990	6,094	6,094
Multifamily	0.80	3,557	2,846	2,162	1,729	5,719	4,575
Subtotal		8,661	7,950	3,152	2,719	11,813	10,669
Nonresidential - per 1,000 Sq. Ft.							
Retail	0.62	550	341	333	207	883	548
Office and R&D	0.93	725	674	4,039	3,757	4,764	4,431
Industrial	0.42	200	84	325	137	525	221
Subtotal		1,475	1,099	4,697	4,101	6,172	5,200
Total			9,049		6,820		15,869

Sources: Tables 2.1 and 3.1.

Facility Needs and Costs

Table 3.3 identifies the planned sewer facilities to be funded by the fee. Projects were identified in EPASD's Sewer System Master Plan. All projects are located within the EPASD boundaries. The criteria for "Category 1" and "Category 2" are explained after the table.

Table 3.3: Sewer Facilities Projects

Project No.	Improvement Description	Proposed Pipe Sizes	Approximate Length of Pipe (LF)	Projected OPPC ($)
Category 1 Projects				
1.1	Pipeline Replacement on Menalto Avenue, Poplar Avenue, Bay Road, and Elliot Drive	8", 10", 12" HDPE DR 17	4,833	$ 6,042,000
1.2	Pipeline Replacement on Trunk Line in Creek, Beech Street, Larkspur Drive, and Gardenia Ave	8", 12", 16", 30" HDPE DR 17	2,668	11,315,000
Subtotal - Category 1			7,501	$ 17,357,000
Category 2 Projects				
2.1	Pipeline Replacement on Bayshore Road, Donohoe Street, Cooley Ave, and O'Connor Street	8", 10", 12", 24" HDPE DR 17	3,460	$ 7,466,000
2.2	Pipeline Replacement on University Avenue, Runnymede Street, Clarke Avenue, and Beech Street	10", 12" HDPE DR 17	4,188	9,795,000
2.3	Pipeline Replacement on Trunk Line in Creek	30" HDPE DR 17	2,981	17,635,000
2.4	Pipeline Replacement on Bay Road and Pulgas Avenue	8", 10", 24", 30" HDPE DR 17	2,799	9,293,000
2.5	Pipeline Replacement on Maple Lane	10" HDPE DR 17	1,161	1,401,000
2.6	Pipeline Replacement on O'Connor Street. Project will also include 11 Smart Cover Meters to be installed similar to the subbasin locations notated in V&A Flow Monitoring Study.	12" HDPE DR 17	841	1,377,000
2.7	New Parallel Trunk Line within San Francisquito Creek on Palo Alto Golf Course	24" HDPE DR 17	1,569	5,832,000
Subtotal - Category 2			16,999	$ 52,799,000
Grand Total			**24,500**	**$ 70,156,000**

Abbreviations:
DR: dimension ration
HDPE: high density polyethylene
LF: linear feet
OPPC: opinion of probable project cost

Sources: Tables 7.1 and 7.3, East Palo Alto Sanitary District *Sewer System Master Plan* , June 20, 2025.

Sewer Facilities Cost per Gallon per Day

The allocation of project costs to new development were estimated as follows:

Category 1 costs are partially needed to serve new development and partially needed to serve existing development. Through sewer flow modeling, the Master Plan identified that 25% of category 1 costs are attributable to the increased demands associated with new development.

Category 2 projects are solely needed due to increased demand from growth throughout the entire District. Accordingly, these costs are allocated 100% to the capacity fee.

Table 3.4 shows the calculation of the cost per gallon per day needed to fund new development's share of sewer facilities from the Master Plan. The total cost allocated to new development is divided by the increase in EDUs from Table 3.2 to determine a cost per EDU. The result is divided by the assumption of 200 GPD per EDU to determine the cost per GPD, which will drive the sewer facilities component of the capacity fee calculation.

Table 3.4: Sewer Facilities Cost per GPD

	Total Project Costs	Allocation to New Development	
Growth Related Capital			
Category 1 Costs[1]	$ 17,357,000	25%	$ 4,339,250
Category 2 Costs	52,799,000	100%	52,799,000
Total	$ 70,156,000		$ 57,138,250
Growth in EDUs (2025 to 2045)			6,821
Cost per EDU			$ 8,377
GPD per EDU			200
Cost per GPD			$ 41.89

[1] Per the *Sewer System Master Plan*, 25% of Category 1 costs associated with existing capacity assurance improvements are also anticipated to provide capacity benefits for future growth. The developer-associated cost was determined through a flow-based analysis. It evaluated the projected increase in sewer system flow contributed by new development relative to total system demand.

Sources: East Palo Alto Sanitary District *Sewer System Master Plan*, June 20, 2025; Tables 3.2 and 3.3.

Projected Fee Revenue

Table 3.5 shows the projected fee revenue for the sewer facilities component of the fee. The difference between the total project cost and the projected fee revenue is existing development's share of the planned facilities, often referred to as an existing deficiency. This existing deficiency cannot be funded through the capacity fees. The City can use any funding source other than the fees to pay for the existing deficiency.

Table 3.5: Projected Fee Revenue

Total Project Cost	$ 70,156,000
Projected Fee Revenue	57,138,250
Existing Deficiency	$ 13,017,750

Source: Table 3.4.

Current Treatment Plant Asset Valuation

The District's sewage is conveyed to the Palo Alto Regional Water Quality Control Plant (PARWQCP) for treatment and disposal. The PARWQCP is a regional wastewater treatment plant owned and operated by the City of Palo Alto on behalf of several regional agencies.

The wastewater plant treatment component of the sewer capacity fee is comprised of two components:

1. A "buy-in" component where new development "buys in" to the excess capacity of the existing PARWQCP facilities.
2. A future facility component, where new development funds its proportional share of upgrades needed at the PARWQCP so that the plant can continue to provide its current level of service.

In this case, Replacement New Cost Less Depreciation (RCNLD) is the appropriate method to determine the current value of the existing systems for calculation of the treatment buy-in component. The RCNLD approach accounts for depreciation and consequently addresses the fact that the system reflects its current condition. This approach reflects the value of the remaining useful life of the existing facilities.

Table 3.6 presents the RCNLD of the PARWQCP wastewater treatment system assets.

Table 3.6: Existing Water System Assets

Description	Acquisition Value	Replacement Cost New	Depreciation	Replacement Cost New Less Depreciation
Asset Class 500603 WWT-CIP	$ 23,299,605	$ 28,326,411	$ -	$ 28,326,411
Asset Class 500650 WWT-Equip-Treat&Disp	147,977,672	324,717,910	243,075,677	81,642,234
Asset Class 500655 WWT-Pipelines	4,038,770	6,659,781	3,625,780	3,034,001
Asset Class 500660 WWT-Valves	268,059	442,019	240,648	201,371
Asset Class 500665 WWT-Hydrants	69,031	113,829	37,183	76,646
Grand Total	$ 175,653,136	$ 360,259,949	$ 246,979,287	$ 113,280,662

Sources: City of Palo Alto; Engineering News Record; Willdan Financial Services.

Adjusted System Valuation

The PARWQCP has over $41.7 million in outstanding debt principal. This amount represents debt that ratepayers will pay back through monthly service charges on an ongoing basis, so this amount is subtracted from total asset value in calculating the total to be recovered as a buy-in

component. Subtracting the outstanding debt principal from the current asset valuation yields the total adjusted system value. This calculation is shown below in **Table 3.7.**

Table 3.7: Adjusted System Valuation

Asset Valuation	$ 113,280,662
Outstanding Debt Principal	41,676,984
Net Valuation	$ 71,603,678

Sources: Appendix Tables A.1 through A.4, Table 3.6, Willdan Financial Services.

Treatment Facilities Cost

The City of Palo Alto, who owns the regional treatment plant which provides service to EPASD, is pursuing two capital improvement projects necessary for the PARWQCP to be able to continue to provide its current level of service: secondary treatment upgrades and an advanced water purification system. **Table 3.8** summarizes the costs of these capital improvements.

Table 3.8: Treatment Facilities Costs

Secondary Treatment Upgrades (WQ-19001)	$ 193,000,000
Advanced Water Purification System (WQ-19903)	59,900,000
Total	$ 252,900,000

Sources: City of Palo Alto.

Wastewater Treatment Component

Every capacity fee consists of a dollar amount, representing the value of facilities, divided by a measure of demand. In this case, buy-in fees are first calculated as the system value per gallon per day (GPD), and per pound biochemical oxygen demand (BOD) and of total suspended solids (SS). BOD and SS are two industry-standard measures of wastewater strength used in rate and fee setting. Charging new connections based on sewer strength ensures that new customers with wastewater that contains higher-strength concentrations of BOD and SS will pay for their proportionate share of facility costs related to wastewater treatment. Then these amounts are translated into fees per housing unit (fee per unit) or employment space by multiplying the cost per GPD and per pound by the flow generation rate and strength factors for each land use category. These amounts become the fee schedule.

The calculation of the buy-in fee per GPD for wastewater treatment capacity is shown in **Table 3.9.** Consistent with the 2018 and 2022 Capacity Charge study, the treatment costs are allocated 34 percent to flow, 33 percent to BOD, and 33 percent to SS. Also consistent with the prior capacity fee studies, it is assumed that the average strength of flow at the PACWQCP is 250 mg/L of BOD and 225 mg/L of SS.

Using the PACWQCP average daily flow capacity of 40 million gallons and the average strength factors cited above, yields a capacity of 83,454 pounds per day of BOD and 75,109 pounds per

day of SS. Costs allocated to each component (flow, BOS and SS) are divided by the capacity respectively to determine the cost per unit per day that drives the capacity fee schedule.

Table 3.9: Wastewater Treatment Component

	Flow		BOD		SS		Total
Cost Allocation (%)	34%		33%		33%		100%
Treatment Plant Upgrades	$ 85,986,000		$ 83,457,000		$ 83,457,000		$ 252,900,000
Treatment Plant Buy-In	24,345,250		23,629,214		23,629,214		71,603,678
Total	$ 110,331,250		$ 107,086,214		$ 107,086,214		$ 324,503,678
Wastewater Strength at PARWQCP			250	mg/L	225	mg/L	
Total Capacity	40,000,000	gpd	83,454	lbs/day	75,109	lbs/day	
Cost per Unit	$ 2.76	per gpd	$ 1,283.18	per lb	$ 1,425.75	per lb	

Sources: Tables 3.7 and 3.8.

Total Cost per EDU

Table 3.10 calculates a cost per EDU, which includes a sewer facilities component, and a treatment plan component, comprised of a buy-in subcomponent, and facilities upgrade subcomponent. The EDU loadings are multiplied by the cost components, which are all expressed as a cost per unit per day of capacity. The totals are summed, resulting in the total cost per EDU which drives the fee calculation. Using this approach the capital costs are allocated proportionally across all development served by the 40 million GPD of capacity at the PACWQCP.

Table 3.10: Cost per EDU

	Flow		BOD		SS		Total
EDU Loadings	200	gpd	0.4006	lbs/day	0.4006	lbs/day	
Cost Components							
Sewer Facilities	$ 41.89	per gpd	$ -	per lb	$ -	per lb	
Treatment Plant Capacity	2.76	per gpd	1,283.18	per lb	1,425.75	per lb	
Total	$ 44.65	per gpd	$ 1,283.18	per lb	$ 1,425.75	per lb	
Capacity Charge per EDU	$ 8,930	per EDU	$ 514	per EDU	$ 571	per EDU	$ 10,015
Share of Total	89.17%		5.13%		5.70%		

Sources: East Palo Alto Sanitary District Capacity Charge Study, 2022; Tables 3.1, 3.4 and 3.9, Willdan Financial Services.

Residential Fee Schedule

The maximum justified sewer capacity fees for residential development are shown in **Table 3.11**. The total cost per EDU is converted to a fee per average residential unit of new development based on the EDU factors from Table 3.1. The total charge includes a 1% administrative charge to fund the non-capital costs associated with maintaining a capacity fee program. The resulting fees per average unit are divided by the average square feet per type of unit to determine the fee per square foot of living space. The assumptions for average square foot per unit were developed

by the City in its recent *Development Impact Fee Nexus Study Update* (2025), and reflect the assumed size of typical single family and multifamily dwelling units to be built in the City.[1]

Table 3.11: Residential Sewer Capacity Fee Schedule

	A Cost per EDU	*B* EDU Factor	*C = A x B* Base Fee[1]	*D = C x 1%* Admin Charge[1, 2]	*E = C + D* Total Fee	*F = E / Average* Fee per Sq. Ft.[3]
Residential Dwelling Unit						
Single Family	$ 10,015	1.00	$ 10,015	$ 100	$ 10,115	$ 5.95
Multifamily	10,015	0.80	8,012	80	8,092	9.25

[1] Fee per average sized dwelling unit.
[2] Administrative charge of 1.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assumes 1,700 square feet per single family unit and 875 square feet per multifamily unit.

Sources: Tables 3.1 and 3.10.

Nonresidential EDU Calculation

The sewer capacity fee for nonresidential land uses is calculated to reflect the individual flow and strength characteristics of various nonresidential uses relative to the flow characteristics of a typical EDU. Capacity Charges are assessed to non-residential accounts based on the number of EDUs assigned to the connection, which are derived based on the estimated wastewater flow and strength loadings of each connection according to the formula shown in Figure 1. The fractions shown in **Figure 1** (which effectively "weight" the relative importance of flow vs. BOD vs. SS) are taken from the percentages shown in Table 3.10.

Figure 1:

Number of EDUs = 0.8917 x Flow / 200 gpd + 0.0513 x BOD / 200 mg/l + 0.057 x SS / 200 mg/l

The resulting number of EDUs is multiplied by the fee per EDU of $10,115 to determine the total fee per nonresidential development project.

[1] City of East Palo Alto, *Development Impact Fee Nexus Study Update, March 4, 2025*, Table 2.3, page 19.

4. Implementation

Capacity Fee Program Adoption Process

Capacity program adoption procedures are found in the *California Government Code* section 66016. Adoption of a capacity fee requires the adopting agency to follow certain procedures including holding a public hearing. That public hearing must be noticed at least 14 days in advance. Data, such as a capacity fee report, must be made available at least 10 days prior to the public hearing. The District's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

Inflation Adjustment

The District can keep its fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the Engineering News Record's Construction Cost Index (CCI) be used for adjusting fees for inflation.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the District will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available.

Reporting Requirements

Annual reporting requirements for capacity fees are identified in Government Code 66013 (d). A local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

- A description of the charges deposited in the fund.
- The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
- The amount of charges collected in that fiscal year.
- An identification of all of the following:
    - Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
    - Each public improvement on which charges were expended that was completed during that fiscal year.
    - Each public improvement that is anticipated to be undertaken in the following fiscal year.
- A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

CEQA

The approval of the Sewer Capacity Fee Update Study and the proposed Capacity Fee Schedule would not have a significant impact on the environment and would be exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the State CEQA Guidelines because these actions would involve only the adoption of a study and fee schedule, and no specific development would be authorized. No physical activity would occur until all required environmental review is conducted at the time the physical improvements are undertaken at a future date. Therefore, the approval and adoption of the Sewer Capacity Fee Update Study and the proposed Capacity Fee Schedule does not have the potential for causing a significant effect on the environment. In addition, the adoption of a resolution approving and setting forth a procedure for determining fees for the purpose of obtaining funds for capital projects and equipment necessary to maintain service within existing service areas and is statutorily exempt from CEQA pursuant to State CEQA Guidelines 15273(a)(4).

Appendix

Debt Service Schedules

Appendix Table A.1: 2007 Palo Alto, Mountain View / Moffett Area Reclaimed Water Pipeline Project Debt Service Schedule

Payment #	Date	Federal Funds Component	Admin Fee Component	Principal Payment
1 (paid)	6/30/2010	$ 374,999	$ 75,002	$ 450,000
2 (paid)	6/30/2011	374,999	75,002	450,000
3 (paid)	6/30/2012	374,999	75,002	450,000
4 (paid)	6/30/2013	374,999	75,002	450,000
5 (paid)	6/30/2014	374,999	75,002	450,000
6 (paid)	6/30/2015	374,999	75,002	450,000
7 (paid)	6/30/2016	374,999	75,002	450,000
8 (paid)	6/30/2017	374,999	75,002	450,000
9 (paid)	6/30/2018	374,999	75,002	450,000
10 (paid)	6/30/2019	374,999	75,002	450,000
11 (paid)	6/30/2020	374,999	75,002	450,000
12 (paid)	6/30/2021	374,999	75,002	450,000
13 (paid)	6/30/2022	374,999	75,002	450,000
14 (paid)	6/30/2023	374,999	75,002	450,000
15 (paid)	6/30/2024	374,999	75,002	450,000
16(paid)	6/30/2025	374,999	75,002	450,000
17	6/30/2026	374,999	75,002	450,000
18	6/30/2027	374,999	75,002	450,000
19	6/30/2028	374,999	75,002	450,000
20	6/30/2029	374,999	75,002	450,000
Total		$ 7,499,970	$ 1,500,030	$ 9,000,000
Remaining Principal				$ 1,800,000

Source: City of Palo Alto.

Appendix Table A.2: 2009 Ultraviolet Disinfection Facility Project Project Debt Service Schedule

Pmt#	Date	Principal	Interest	Repayment
1 (paid)	11/30/2011	$ 346,228	$ 209,498	$ 555,726
2 (paid)	11/30/2012	341,241	214,485	555,726
3 (paid)	11/30/2013	350,113	205,613	555,726
4 (paid)	11/30/2014	359,216	196,510	555,726
5 (paid)	11/30/2015	368,556	187,171	555,726
6 (paid)	11/30/2016	378,138	177,588	555,726
7 (paid)	11/30/2017	387,970	167,757	555,726
8 (paid)	11/30/2018	398,057	157,669	555,726
9 (paid)	11/30/2019	408,406	147,320	555,726
10 (paid)	11/30/2020	419,025	136,701	555,726
11 (paid)	11/30/2021	429,920	125,807	555,726
12 (paid)	11/30/2022	441,098	114,629	555,726
13(paid)	11/30/2023	452,566	103,160	555,726
14(paid)	11/30/2024	464,333	91,393	555,726
15(paid)	11/30/2025	476,405	79,321	555,726
16	11/30/2026	488,792	66,934	555,726
17	11/30/2027	501,501	54,226	555,726
18	11/30/2028	514,540	41,187	555,726
19	11/30/2029	527,918	27,809	555,726
20	11/30/2030	541,643	14,083	555,726
Total		$ 8,595,665	$ 2,518,860	$ 11,114,525
Remaining Principal		$ 2,574,393		

Source: City of Palo Alto.

Appendix Table A.3: 2017 Sludge Dewatering and Loadout Facility Project (Project No.: C-06-8190-110; Agreement No.: D1601034-550-0) Debt Service Schedule

Payment #	Date	Principal		Repayment
1 (paid)	5/31/2020	696,854	395,007	1,091,862
2 (paid)	5/31/2021	650,852	441,010	1,091,862
3 (paid)	5/31/2022	662,567	429,295	1,091,862
4 (paid)	5/31/2023	674,493	417,368	1,091,862
5 (paid)	5/31/2024	686,634	405,228	1,091,862
6(paid)	5/31/2025	698,994	392,868	1,091,862
7	5/31/2026	711,575	380,286	1,091,862
8	5/31/2027	724,384	367,478	1,091,862
9	5/31/2028	737,423	354,439	1,091,862
10	5/31/2029	750,696	341,165	1,091,862
11	5/31/2030	764,209	327,653	1,091,862
12	5/31/2031	777,965	313,897	1,091,862
13	5/31/2032	791,968	299,894	1,091,862
14	5/31/2033	806,223	285,638	1,091,862
15	5/31/2034	820,735	271,126	1,091,862
16	5/31/2035	835,509	256,353	1,091,862
17	5/31/2036	850,548	241,314	1,091,862
18	5/31/2037	865,858	226,004	1,091,862
19	5/31/2038	881,443	210,419	1,091,862
20	5/31/2039	897,309	194,553	1,091,862
21	5/31/2040	913,461	178,401	1,091,862
22	5/31/2041	929,903	161,959	1,091,862
23	5/31/2042	946,641	145,220	1,091,862
24	5/31/2043	963,681	128,181	1,091,862
25	5/31/2044	981,027	110,835	1,091,862
26	5/31/2045	998,686	93,176	1,091,862
27	5/31/2046	1,016,662	75,200	1,091,862
28	5/31/2047	1,034,962	56,900	1,091,862
29	5/31/2048	1,053,591	38,271	1,091,862
30	5/31/2049	1,072,556	19,306	1,091,862
Total		$ 25,197,408	$ 7,558,443	$ 32,755,851
Remaining Principal		$ 21,127,013		

Source: City of Palo Alto.

Appendix Table A.4: 2021 Primary Sedimentation Tank Rehabilitation (Project No.: C-06-8490-110; Agreement No.: D200109-550-0) Debt Service Schedule

Payment #	Date	Principal	Interest	Repayment
1(Paid)	7/31/2025	496,423	139,801	636,224
2	7/31/2026	490,643	145,580	636,224
3	7/31/2027	495,059	141,164	636,224
4	7/31/2028	499,515	136,709	636,224
5	7/31/2029	504,010	132,213	636,224
6	7/31/2030	508,546	127,677	636,224
7	7/31/2031	513,123	123,100	636,224
8	7/31/2032	517,741	118,482	636,224
9	7/31/2033	522,401	113,822	636,224
10	7/31/2034	527,103	109,121	636,224
11	7/31/2035	531,847	104,377	636,224
12	7/31/2036	536,633	99,590	636,224
13	7/31/2037	541,463	94,761	636,224
14	7/31/2038	546,336	89,887	636,224
15	7/31/2039	551,253	84,970	636,224
16	7/31/2040	556,214	80,009	636,224
17	7/31/2041	561,220	75,003	636,224
18	7/31/2042	566,271	69,952	636,224
19	7/31/2043	571,368	64,856	636,224
20	7/31/2044	576,510	59,713	636,224
21	7/31/2045	581,699	54,525	636,224
22	7/31/2046	586,934	49,290	636,224
23	7/31/2047	592,216	44,007	636,224
24	7/31/2048	597,546	38,677	636,224
25	7/31/2049	602,924	33,299	636,224
26	7/31/2050	608,351	27,873	636,224
27	7/31/2051	613,826	22,398	636,224
28	7/31/2052	619,350	16,873	636,224
29	7/31/2053	624,924	11,299	636,224
30	7/31/2054	630,549	5,675	636,224
Total		$ 16,672,001	$ 2,414,706	$ 19,086,707
Remaining Principal		$ 16,175,578		

Source: City of Palo Alto.

California Government Code 66013

(a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) “Sewer connection” means the connection of a structure or project to a public sewer system.

(2) “Water connection” means the connection of a structure or project to a public water system, as defined in subdivision (h) of Section 116275 of the Health and Safety Code.

(3) “Capacity charge” means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A “capacity charge” does not include a commodity charge.

(4) “Local agency” means a local agency as defined in Section 66000.

(5) “Fee” means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection.

(6) “Public facilities” means public facilities as defined in Section 66000.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected. Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

(d) For a fund established pursuant to subdivision (c), a local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

(1) A description of the charges deposited in the fund.

(2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.

(3) The amount of charges collected in that fiscal year.

(4) An identification of all of the following:

(A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.

(B) Each public improvement on which charges were expended that was completed during that fiscal year.

(C) Each public improvement that is anticipated to be undertaken in the following fiscal year.

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

(e) The information required pursuant to subdivision (d) may be included in the local agency's annual financial report.

(f) The provisions of subdivisions (c) and (d) shall not apply to any of the following:

(1) Moneys received to construct public facilities pursuant to a contract between a local agency and a person or entity, including, but not limited to, a reimbursement agreement pursuant to Section 66003.

(2) Charges that are used to pay existing debt service or which are subject to a contract with a trustee for bondholders that requires a different accounting of the charges, or charges that are used to reimburse the local agency or to reimburse a person or entity who advanced funds under a reimbursement agreement or contract for facilities in existence at the time the charges are collected.

(3) Charges collected on or before December 31, 1998.

(g) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022.

(h) Fees and charges subject to this section are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Sections 66016, 66022, and 66023.

(i) Subdivisions (c) and (d) only apply to capacity charges levied pursuant to this section.

California Government Code §65852.2 (f)

(1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) An accessory dwelling unit shall not be considered by a local agency, special district, or water corporation to be a new residential use for purposes of calculating connection fees or capacity charges for utilities, including water and sewer service, unless the accessory dwelling unit was constructed with a new single-family dwelling.

(3)

(A) A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.

(B) For purposes of this paragraph, “impact fee” has the same meaning as the term “fee” is defined in subdivision (b) of Section 66000, except that it also includes fees specified in Section 66477. “Impact fee” does not include any connection fee or capacity charge charged by a local agency, special district, or water corporation.

(4) For an accessory dwelling unit described in subparagraph (A) of paragraph (1) of subdivision (e), a local agency, special district, or water corporation shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge, unless the accessory dwelling unit was constructed with a new single-family home.

(5) For an accessory dwelling unit that is not described in subparagraph (A) of paragraph (1) of subdivision (e), a local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its square feet or the number of its drainage fixture unit (DFU) values, as defined in the Uniform Plumbing Code adopted and published by the International Association of Plumbing and Mechanical Officials, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

CITY OF EAST PALO ALTO

Mayor & City Council

MAYOR
Webster Lincoln

VICE MAYOR
Ruben Abrica

COUNCIL
Martha Barragan, Mark Dinan, Carlos Romero

Wednesday, June 24, 2026

To the Ecumenical Hunger Program Board of Directors and Community:

For fifty years, the Ecumenical Hunger Program has been a cornerstone of the safety net in East Palo Alto. Long before I was Mayor, EHP was the place our neighbors turned to when things got hard, for food, for clothing, for furniture, for a hand up when there was nowhere else to turn. That track record, and the thousands of families who can point to a moment EHP helped them get through, matters, and it shouldn't be lost in a single news cycle.

I've seen this week's reporting on EHP's tax filings, and I understand why it raised questions in our community. I've also seen EHP's response to its community, explaining that the expenditures in question were part of a COVID-era Family Sustainability Program, a program built quickly, under real pressure, to get emergency help to local families during the worst of the pandemic. EHP's Board has acknowledged that program's design and oversight fell short of what it should have been, has discontinued it, and has said it is continuing to review the matter. I take that acknowledgment, and that ongoing review, seriously, and I expect EHP to follow through on it with full transparency to its donors and this community.

What I don't want to see is EHP's full history, and the people it serves every day, get erased by questions about one discontinued program. EHP's core work, the work that has fed and clothed East Palo Alto families for half a century, continues, and our community continues to need it. Especially right now, with so many of our residents facing real economic pressure and real fear in this political moment, an organization like EHP is not a luxury, it's essential infrastructure for this city.

I support EHP's stated commitment to strengthening its internal controls and governance. I also want to be clear: accountability and support are not in conflict. Holding EHP to a high standard and continuing to stand behind its mission are both things East Palo Alto can do at the same time, and both are the right thing to do.

EHP has shown up for this city for fifty years. I'm not going to stop showing up for them now.

Sincerely,

Webster Lincoln
Mayor, City of East Palo Alto

2415 University Avenue
East Palo Alto, CA 94303

Phone: (650) 853- 3100
Fax: (650) 853-3136

Web: www.cityofepa.org
Email: CityCouncil@cityofepa.org

Ecumenical Hunger Program
2411 Pulgas Avenue East Palo Alto, CA 94303 P 650 323 7781 F 650 833 0371

June 17, 2026

To: EHP Community Members
Re: EHP Family Sustainability Program

For half a century, the Ecumenical Hunger Program (EHP) has been deeply committed to serving the East Palo Alto community and providing critical assistance to individuals and families in need. We are aware of the recent media coverage regarding our tax filings and the questions it may have raised. We want to address the concerns of our donors, partners, and community with complete clarity and transparency.

In the summer of 2021, when many, many Americans were suffering from the effects of the COVID-19 pandemic, EHP observed that a large number of its own community members were negatively affected by the pandemic shutdown and were in dire financial need. EHP worked quickly to develop and introduce its Family Sustainability Program. The proposed $2 million program was designed as a 2-year, Safety-Net Resource Distribution with the intent to assist as many people as possible and as quickly as possible. The program was to provide individualized resource distribution in many areas, including but not limited to housing, food resources for those with special needs, prescriptions, utilities, gasoline, vehicle repairs, critical home repairs, critical medical supplies not covered by insurance, essential school supplies for children, including technology, and more. A primary program goal was to target local families and individuals in need of critical emergency support while the country rebounded from the effects of COVID-19. Program funding would come from unrestricted donations received by EHP.

The Family Sustainability Program ultimately distributed $1,223,373 to 252 local individuals and families between 2022 and 2024. Emergency grants provided to applicants were used towards personal expenses, mortgages, rent, utilities, vehicle loans, traffic tickets, car repairs, medical bills, dental costs, past-due credit card balances, phone bills, unpaid debt, and numerous other items. Individuals and families seeking financial grants from EHP were required to submit an application. Program applicants included community members, but also included EHP employees and some family members of our Executive Director, Lesia Preston. All applications were subject to the same program standards, and all applications from Lesia's family members were reviewed/approved by an independent Board member. Neither Lesia, nor any of her

family members was involved in the decision-making process relating to grants issued to Lesia's family members.

In 2024, the EHP Board reviewed its Family Sustainability Program. Results were not dissimilar to other Covid-era financial assistance programs (i.e., PPP, SBA EIDL, etc.) in this country. In their haste to quickly provide relief, programs experienced weakness in oversight and internal controls. The EHP Board decided not to renew the Family Sustainability Program and instead focus EHP resources on the foundational programs traditionally offered by EHP (i.e., food resources, clothing, household essentials, holiday distributions, back-to-school distributions, etc.). EHP's Family Sustainability Program weaknesses are reflected in the organization's financial statements and tax filings.

As an organization dedicated to service, EHP is always learning and striving to improve our governance. We acknowledge that the urgency of the pandemic led us to move as swiftly as possible to prevent our community members from falling through the cracks. However, in retrospect, more research should have been done before implementing the Family Sustainability Program, and more parameters should have been put in place before implementing this program.

We take our fiduciary responsibilities seriously and are using this moment to strengthen our internal controls and effectiveness. We remain fully dedicated to our 50-year mission of fighting hunger and poverty, and we are deeply grateful for the community's continued trust and support.

EHP helps everyone!