



AGENDA

REGULAR JOINT MEETING OF THE OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY AND SPECIAL MEETING OF THE OAKLEY PUBLIC FINANCING AUTHORITY

Tuesday, March 22, 2022

6:30 PM

Oakley City Council Chambers located at 3231 Main Street, Oakley, California 94561

MISSION STATEMENT: The City of Oakley exists to build and enhance a quality community and to serve the public in a friendly, efficient, responsive manner.

VISION STATEMENT: The City of Oakley will be recognized as a model of civic participation and a vibrant Delta community where families live, work, play, shop and visit.

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A complete packet of information containing staff reports and exhibits related to each item is available for public review prior to an Oakley City Council and/or City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority meeting at Oakley City Hall, 3231 Main Street, Oakley, CA 94561. Any writings or documents provided to a majority of the Oakley City Council, Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency or Oakley Public Financing Authority regarding any item on this agenda will be made available for public inspection, during regular business hours, at the front counter in the Main Lobby of the Oakley City Hall located at 3231 Main Street, Oakley, CA 94561.

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If you have a physically challenging condition and require special accommodations, please call the City Clerk's office at (925) 625-7013.

Please keep cell phones/electronic devices turned off during the meeting. Please be advised that City Council meetings are video recorded and attendees may appear on video.

Members of the public may address the Council on items of interest that are within the City's jurisdiction. Public comment on items not listed on the agenda will be heard under the Public Comments section of the agenda. In compliance with State law, the Council may not take action on an item that is not specifically listed on the agenda. If you would like to speak on any agenda item, please fill out a blue speaker card available in the lobby and submit it to the City Clerk prior to the agenda item being called. The Mayor will call you by name to the podium to hear your comments and you have up to 3 minutes to speak.

1.OPENING MATTERS

- 1.1 Call to Order and Roll Call of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency and Special Meeting of the Oakley Public Financing Authority**
- 1.2 Pledge of Allegiance to the Flag**
- 1.3 Contra Costa Mosquito and Vector Control District Board Update (Michael Krieg, President)**

2.PUBLIC COMMENTS

At this time, the public is permitted to address the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority on non-agendized items. PUBLIC COMMENTS ARE LIMITED TO THREE (3) MINUTES. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda.

3.CONSENT CALENDAR

Consent Calendar items are typically non-controversial in nature and are considered for approval by the Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority with one single action. Members of the audience, Staff or the Oakley City Council/ Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority who would like an item removed from the Consent Calendar for purposes of public input may request the Mayor remove the item. Members of the public should submit any Speaker Cards related to the Consent Calendar in advance of the Consent Calendar being considered.

- 3.1 Approve Minutes from the Regular Joint City Council/City Council Acting as the Successor Agency to the Redevelopment Agency/Public Financing Authority Meeting held March 8, 2022 (Libby Vreonis, City Clerk)**
[Minutes 03-08-22](#)
- 3.2 Approve Minutes from the Special Meeting of the Oakley City Council held March 10, 2022 (Libby Vreonis, City Clerk)**
[Minutes 03-10-22](#)
- 3.3 Waive the Second Reading and Adopt an Ordinance Repealing Ordinance No. 06-09 RE: Assignment of Planning Commission Functions (Derek Cole, City Attorney)**
[Ordinance](#)
- 3.4 Consideration of a Resolution Establishing the Rate per Equivalent Runoff Unit for FY 2022/23 and Requesting the Contra Costa County Flood Control and Water Conservation District to Adopt an Annual Parcel Assessment for Drainage Maintenance and the National Pollutant Discharge Elimination System Program (Kevin Rohani, P.E. Public Works Director/City Engineer)**
[Staff Report](#)
[1. Resolution for ERU Establishment](#)
[2. Draft FY 2022/23 Budget](#)
- 3.5 Award of Construction Contract to Ghilotti Bros. Inc., for the Main Street/Cypress Road Intersection Repair and Resurfacing Project – CIP 264 (Kevin Rohani, P.E., Public Works Director/City Engineer)**
[Staff Report](#)
[1. Resolution](#)
[2. Proposal](#)
- 3.6 City of Oakley General Plan Annual Progress Report Calendar Year 2021 (Ken Strelo, Planning Manager)**
[Staff Report](#)
[1. City of Oakley General Plan Annual Progress Report for Calendar Year 2021](#)

4. PUBLIC HEARINGS

- 4.1 Consideration of an Application to Increase Residential Solid Waste Collection Rates, Pursuant to the Franchise Agreement between the City of Oakley and Oakley Disposal Services, Inc., DBA Mt. Diablo Resource Recovery-Oakley (MDRR) (Tim Przybyla, Finance Director)**
Suggested Action: Staff Recommendation: 1) Receive the Staff Report, 2) Receive Questions from the City Council, 3) Open the Public Hearing, 4) Receive Comments

from the Applicant, 5) Receive Public Testimony, 6) Close the Public Hearing, 7) Deliberate, 8) Summarize the Deliberation 9) Adopt the Resolution

[Staff Report](#)

1. Resolution
2. Base Rate Report and Application
3. Base Rate Summary Presentation

5.REGULAR CALENDAR

- 5.1 A Resolution of the City of Oakley City Council Making Findings and Denying the Project Known as McDonald's Drive-Through Quick Serve Restaurant at Laurel Plaza Conditional Use Permit (CUP 03-20) and Design Review (DR 09-20) Located in the Laurel Plaza Shopping Center on the Northwest Corner of Laurel Road and O'Hara Avenue (APN: 035-510-006) (Derek Cole, City Attorney)**

[Staff Report](#)

1. Proposed Resolution Denying Application

6.REPORTS

- 6.1 CITY MANAGER**
(a) City Manager

- 6.2 OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY**

(a) Reports from Council Liaisons to Regional Committees, Commissions and Boards AND Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency

(b) Requests for Future Agendas

7.WORK SESSION

- 7.1 Work Session on the 2023-2031 6th Cycle Housing Element Update (Ken Strelo, Planning Manager)**

[Staff Report](#)

1. Notice of Work Session
2. Potential Sites for Affordable Housing Overlay (AHO) District
3. Citywide Map of Existing and Potential Sites for Affordable Housing Overlay (AHO) District

7.2 2092 Oakley Road Preliminary General Plan Amendment (PA 08-21) - Work Session to discuss the merits of a potential project to amend the General Plan Land Use Designation of an approximately 9.9-acre site from Commercial (CO) to Multi-Family Residential, Low Density (ML) (Ariana Ruiz, Planning Technician)

Staff Report

1. Vicinity Map
2. Notice of Work Session
3. City of Oakley General Plan Land Use Map
4. Existing and Conceptual General Plan Land Use Designation Illustration
5. Applicant's Conceptual Site Plans

8.ADJOURN

**Minutes of Oakley City Council/Oakley City Council Acting as the
Successor Agency to the Oakley Redevelopment Agency/Oakley
Public Financing Authority held
March 8, 2022**

1) OPENING MATTERS

1.1 Call to Order and Roll Call of the Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency/Oakley Public Financing Authority

Mayor Randy Pope called the meeting to order at 6:30 p.m. in the Oakley City Council Chamber located at 3231 Main Street, Oakley, California. Vice Mayor Aaron Meadows and Councilmembers George Fuller and Sue Higgins were also in attendance. Mayor Pope announced Councilmember Anissa Williams is out of town and unable to attend.

1.2 Pledge of Allegiance to the Flag

Mayor Pope led the Pledge of Allegiance to the Flag.

Mayor Pope announced there are three proclamations; two he will read and one will be mailed.

1.3 Proclamation Recognizing March as American Red Cross Month (Stan Massie)

Mayor Pope presented the proclamation on behalf of the City Council. Natalie Manier, Disaster Program Manager for the American Red Cross, Contra Costa Territory, accepted it.

Ms. Manier thanked the City Council for their support. She mentioned the community relies on the American Red Cross and its volunteers and blood donors. They help support the community during time of need.

1.4 Proclamation Declaring March 7th as COVID-19 Memorial Day

This proclamation will be mailed to the recipient.

1.5 Prescription Drug Awareness Month Proclamation (Danielle Aubin)

Mayor Pope presented the proclamation.

Danielle Aubin, BAART Patient Navigator and Representative for Contra Costa County MEDS Coalition, and Rosemary Laguna, BAART Program Director, accepted the proclamation.

Ms. Aubin thanked the Council. She mentioned recognizing this month provides added opportunity to provide community education on the nation's overdose crisis. She shared information regarding the number of overdoses, drugs related to overdose, and how BAART helps the community to reduce the number of overdoses. She shared ways the community can help and provided their contact information.

1.6 East Contra Costa Fire Protection District Update (Brian Helmick, Fire Chief)

East Contra Costa Fire Protection District (ECCFPD) Chief Brian Helmick provided an update to the City Council. His PowerPoint presentation included a preview of the State of the District to be presented on Facebook live and YouTube on March 16, 2022, 6-7 p.m. He shared information regarding the District's current staffing, needed staffing, historical challenges, and what the District has done between 2017-2021 to address its challenges. He also shared information regarding ECCFPD's progress with annexation into Contra Costa County Fire Protection District (CCCFPD) and efficiencies that will result from it. He mentioned LAFCO approved the sphere of influence last night and tomorrow is the boundary hearing. He explained that if approved, the State Board of Equalization must validate it. He mentioned they anticipate in April it would be finalized and annexation day would be July 1, 2022. He shared that Station 55 will be staffed. He mentioned they already have an implementation action plan; they are already sharing operating procedures and training together so the transition should be seamless on July 1. He shared that he plans to transfer to CCCFPD as Deputy Chief and anticipates he will continue to be the direct report for East County. He mentioned ECCFPD Board meetings will remain in place for now until the Board dissolves June 30, 2022.

Vice Mayor Meadows congratulated him. He mentioned he thought Station 55 was opening in April.

Chief Helmick explained that they reviewed phase 1 and phase 2 of the process and finances, and ECCFPD had funds to open April 1 independent of annexation. He mentioned they had to make a decision in January who would hire employees and the plan was to have good consistency and bring new hires through CCCFPD to train them. He mentioned ECCFPD doesn't have people to staff that station. He shared that March is typically a month of attrition and retirement and also when academy graduates are ready to go. He mentioned there is another academy starting this month that will let out in June. He mentioned they don't have bodies to do it in April but if they are striving to have enough people after March to open earlier than July 1, they will open it. He mentioned they don't know yet the attrition numbers or workers' compensation numbers.

Councilmember Fuller thanked him for the update and asked that he relay thanks to everyone in the District for stepping forward during the transition and their commitment to safety for the community.

Councilmember Higgins inquired if they still plan to move forward with the Ironhouse Sanitary District (ISD) project.

Chief Helmick responded that they are still moving forward with the project, approximately 20 acres of training ground. He explained they have been working on a feasibility study for about a year and they had a brief pause to allow ISD to focus on its Strategic Plan and CCCFPD has come to the table. He mentioned during the April 12 Board meeting he will make a report to his Board and share their progress and the environmental reports that will come next. He mentioned if environmental is approved, he hopes to move toward to obtain approval for a land deal. He explained conceptually, they would have the land and ISD would utilize for it for mutual needs, i.e., classrooms and storage, but they hope it will not only be a training ground with a training tower and administrative offices, but also be a place for the East County fleet, storage and logistics center. He shared what is nice about the property is it is restricted, guarded land without residential housing adjacent to it. He mentioned it is looking very optimistic, but there is still a lot of work to do; both Boards must approve it and it could be a couple years out.

Mayor Pope thanked him and commented years of hard work are coming to fruition.

2) PUBLIC COMMENTS

None.

3) CONSENT CALENDAR

- 3.1 **Approve Minutes from the Special Meeting of the Oakley City Council held February 15, 2022 (Libby Vreonis, City Clerk)**
- 3.2 **Approve Minutes from the Special Meeting of the Oakley City Council held February 22, 2022 (Libby Vreonis, City Clerk)**
- 3.3 **Approve Minutes from the Regular Joint City Council/City Council Acting as the Successor Agency to the Redevelopment Agency and Special Public Financing Authority Meeting held February 22, 2022 (Libby Vreonis, City Clerk)**
- 3.4 **Accept Report Out of Closed Session Memo (Derek Cole, City Attorney)**

- 3.5 Approving the Agreements with ET Oakley, LLC, a Delaware Limited Liability Company and NPIF IV Oakley Building II, LLC, a Missouri Limited Liability Company for “Stormwater Management Facility Operations and Maintenance Agreement and Right of Entry” for the Oakley Logistics Center Phase 1 Subdivision 9513 project located at 4000 Wilbur Avenue (APN 037-020-025; Building 1) and 4100 Wilbur Avenue (APN 037-020-026; Building 2) and authorizing the City Manager to execute the agreements (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.6 Approving the Agreement with NP Oakley Building III, LLC, NP Oakley Building IV, LLC, NP Oakley Building V, LLC, a Missouri Limited Liability Company for “Stormwater Management Facility Operations and Maintenance Agreement and Right of Entry” for the Oakley Logistics Center Phase 2 Subdivision 9549 project located at 4300 Wilbur Avenue (APN 037-020-032; Building 3), 4500 Wilbur Avenue (APN 037-020-033; Building 4), 4700 Wilbur Avenue (APN 037-020-034; Building 5) and Satellite Parking Lot and authorizing the City Manager to execute the agreements (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.7 Authorize the City Manager to Execute a Consulting Services Agreement with Quincy Engineering, Inc. to Provide Preliminary Design Services for Capital Improvement Project Number 273 – Laurel Road Extension (Teton Road to Sellers Avenue) Project (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.8 Approve the Parcel Map for Minor Subdivision MS 21-977 for the Satellite Parking Lot for the Oakley Logistics Center located east of Logistics Center Drive and north of Building 3 (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.9 Approval of Contract Amendment # 1 with F. J. Kennedy and Associates, Inc. for On-Call Consulting Services Related to the Clean Water Program Services for Fiscal Year 2021/2022 (Kevin Rohani, P.E., Public Works Director/City Engineer)**
- 3.10 Adoption of the Annual Element Progress Report for the 2015-2023 Housing Element Implementation (Reporting Year 2021) (Ken Strelo, Planning Manager)**
- 3.11 A Resolution Authorizing the City Manager to Execute an Agreement with Peterson CAT to Purchase a 420 XE Backhoe and a 299 D3 Track Loader (Kevin Rohani, P.E., Public Works Director/City Engineer)**

It was moved by Councilmember Higgins and seconded by Vice Mayor Meadows to approve the Consent Calendar. AYES: Fuller, Higgins, Meadows, Pope.
ABSENT: Williams. (4-0)

4) PUBLIC HEARINGS

None.

5) REGULAR CALENDAR

5.1 **Interview Planning Commission Applicants and Appoint one Applicant to Fill a Vacant Planning Commission Seat (Joshua McMurray, City Manager)**

City Manager Joshua McMurray presented the staff report. He mentioned Ravi Batth contacted him and is unable to attend this evening.

Mayor Pope mentioned the City Council already received the packet with the staff report and applications. He asked the City Attorney if procedurally that is sufficient to make a decision or if they need to go through the interview process.

City Attorney Derek Cole mentioned at minimum, anyone wanting to provide public comment should be offered an opportunity to speak. He also mentioned the Council is not required to interview if it feels a candidate is suitable and no one wishes to speak; a Councilmember can move to make a motion.

Councilmember Fuller commented that he thought the interview process would provide an opportunity for the person to be heard. He mentioned he wants to hear what Hugh Henderson has to say rather than proceed with a process of elimination so to speak. He mentioned he knows Hugh Henderson to be a strong individual in the community, but the community may not know him that well and he would like to know his views.

Mayor Pope called for public comments. Being none, he moved to deliberation.

It was moved by Councilmember Higgins and seconded by Vice Mayor Meadows to adopt a resolution to appoint Hugh Henderson as Planning Commissioner for a two-year term. AYES: Fuller, Higgins, Meadows, Pope. ABSENT: Williams. (4-0)

Mayor Pope indicated as Councilmember Fuller stated, they have not had an opportunity to hear from Hugh Henderson. He asked if Mr. Henderson wishes to say anything.

Mr. Henderson commented it is an honor to get to come back into the community and serve. He shared he was born and raised in East County and spent his career working in the community and has been a resident in Oakley for 6 months. He mentioned he believes the Planning Commission is something the community wanted, it will help with some of the transparency questions the public has had, and it will work as a tool to help provide information regarding projects to the Council. He thanked the Council for this opportunity.

5.2 Introduce an Ordinance Repealing Ordinance 06-09 Concerning the Assignment of Planning Commission Functions to the City Council (Derek Cole, City Attorney)

City Attorney Derek Cole presented the staff report. He explained that ordinances have to be read twice so if the Council introduces the ordinance tonight, staff will bring it back March 22 to be considered for adoption, and if adopted, there is a 30-day waiting period and the ordinance would take effect after March 21. He mentioned the Planning Commission would not be able to start ordinance-assigned duties until May. He shared that the 30-day period will be utilized to orientate the Planning Commission, adopt bylaws, policies and procedures, provide Commissioners Brown Act training, get Commissioners up to speed on issues, and have the Planning Commission ready to move forward in May.

Mayor Pope called for public comments. There were none.

It was moved by Councilmember Higgins and seconded by Vice Mayor Meadows to waive the first reading and introduce the ordinance. AYES: Fuller, Higgins, Meadows, Pope. ABSENT: Williams. (4-0)

5.3 Authorization to Execute a Purchase and Sale Agreement with D.R. HORTON BAY, INC. for the Sale of the Real Property Containing Approximately 27.0-Acres, Located at the Northeast Corner of E. Cypress Rd. and Knightsen Avenue (APN 032-081-025) (Joshua McMurray, City Manager)

City Manager Joshua McMurray presented the staff report and provided a PowerPoint presentation. He mentioned Mitch Casillas with D.R. Horton and Jon Revells with WestGate are available for any questions.

Mayor Pope called for public comments. There were none.

It was moved by Councilmember Fuller and seconded by Councilmember Higgins to adopt a resolution authorizing the purchase and sale agreement as well as the license and right of entry agreement. AYES: Fuller, Higgins, Meadows, Pope. ABSENT: Williams. (4-0)

5.4 Adopt a Resolution Establishing a Proclamation Policy and Approved Proclamation List (Joshua McMurray, City Manager)

Mayor Pope announced this item is being pulled and reviewed by the City Attorney.

City Manager Joshua McMurray commented that it will be brought back at a future date.

6) REPORTS

Item 6.2 was heard before item 6.1.

6.1 OAKLEY CITY COUNCIL/OAKLEY CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY

(a) Reports from Council Liaisons to Regional Committees, Commissions and Boards AND Oakley City Council/Oakley City Council Acting as the Successor Agency to the Oakley Redevelopment Agency

Councilmember Higgins announced that Tri-Delta Transit is selling summer student bus passes that normally cost \$60 for \$30. She shared that Tri-Delta Transit CEO Jeanne Krieg announced she will be retiring February 2023 and is actively looking for a new CEO. Councilmember Higgins reported she attended Friday Night Bites and it was cold, but the donuts were warm and drinks were good so it was okay. She commented she hopes next month the weather will be better.

Vice Mayor Pope mentioned as Chief Helmick had announced, the LAFCO meeting will be held tomorrow, and he will be submitting comment in support of consolidation. He reported the Habitat Conservancy meeting was canceled.

(b) Requests for Future Agendas

None.

6.2 CITY MANAGER (a) City Manager

City Manager Joshua McMurray announced the City's second Strategic Plan meeting will be held March 10 at the Oakley Recreation Center on O'Hara beginning at 6:30 p.m. He mentioned there will be a formal vote of the City's Mission, Vision and Values that were discussed during the first meeting held February 15 and goals will be discussed during this meeting. He shared there will be a third meeting on March 31, same place, same time. He welcomed the community to attend and provide input.

Mr. McMurray introduced new staff members, Brent Smith, Community Development Director, and Felicia Escover, Assistant to the City Manager.

Mayor Pope inquired if promotions can be announced.

Mr. McMurray announced current Sergeants Robert Roberts and Logan Cartwright are being promoted to Lieutenants and there will be a promotion ceremony next week on Monday at 3:00 p.m. in the Council Chamber.

7) WORK SESSIONS

None.

8) CLOSED SESSION

None.

9) ADJOURN

There being no further business, the meeting was adjourned at 7:21 p.m.

Respectively Submitted,

Libby Vreonis
City Clerk

Minutes of the Special (Strategic Plan) Meeting of the Oakley City Council held March 10, 2022

1.Call to Order and Roll Call

Mayor Randy Pope called the meeting to order at 6:37 p.m. at the Oakley Recreation Center located at 1250 O'Hara Avenue Oakley, California 94561. Vice Mayor Aaron Meadows and Councilmembers Anissa Williams, George Fuller and Sue Higgins were also in attendance.

City executive staff members also joined the meeting.

The meeting was led by facilitator Ellen Cross with Strategy Driver, inc. and Maria Pascoal with GEI Consultants, Inc.

2.Pledge of Allegiance to the Flag

Mayor Pope led the Pledge of Allegiance to the Flag.

3.Public Comments

None.

4.Strategic Plan

4.1 Strategic Plan Workshop Approach

Ellen Cross welcomed everyone and provided information how the new Mission, Vision and Values were created. The document was made available to everyone in attendance and it was made part of the meeting record. She explained the City Council will consider it tonight and vote on it.

Ms. Cross reviewed the schedule for the Strategic Plan workshops and shared that the goals for the Strategic Plan will be the focus of the meeting tonight and the objectives that accompany those goals will be discussed at the third Strategic Plan workshop to be held March 31, same place, same time.

4.2 Approve the Mission, Vision and Values as Amended During the Strategic Plan Meeting held February 15, 2022 (Joshua McMurray, City Manager)

Ms. Cross reviewed the new Mission, Vision and Values.

Mayor Pope mentioned he will take questions from the Council, then allow time for public comment, and then the Council can deliberate before the vote is taken.

Mayor Pope called for questions from the Council. Being none, he called for public comment.

Angela Lowrey, Director of Ironhouse Sanitary District, congratulated the Council on its progress toward achieving a new Strategic Plan. She mentioned with the information provided, she and her colleagues are excited to work with the City.

There being no other public comment, Mayor Pope called for deliberation. There being none, he called for a vote.

Councilmember Fuller moved to approve the Mission, Vision and Values as amended during the Strategic Plan Meeting held February 15, 2022, with the Mission amended further to include at the end of the statement “without regard...” to specific classes which he named.

Mayor Pope announced the motion died for lack of a second.

It was moved by Councilmember Higgins and seconded by Vice Mayor Meadows to approve the Mission, Vision and Values as amended during the Strategic Plan Meeting held February 15, 2022, as written.

Councilmember Fuller expressed disappointment and sadness that certain people are still not being acknowledged, even though Oakley’s population is approximately 50% White, 35% Latinx, 7% African American and 8% Asian. He referred to the scholarly term “white solidarity.” He mentioned he will approve, but he still holds this position, he will address it again when this comes back the following year, and he plans to continue to engage in equitable stewardship for equality and inclusion in the community.

Councilmember Higgins offered to amend her motion to change “all people” to “all life” for the new Mission if it would help.

Mayor Pope announced the amended motion dies for lack of a second, but the original motion is still on the table to consider.

Mayor Pope mentioned they discussed the Mission, Vision and Values in detail during the previous meeting and the words “all people” were included in the Mission. He mentioned if they include a list of classes, they risk missing a class or someone in the community.

Councilmember Fuller referred to the Civil Right Acts of 1964 and 1965 and the 1990 American with Disabilities Act. He explained if the Council misses somebody, they can come back and include them, but to not identify people is not acknowledging them.

Councilmember Williams commented that she understands “all people” to include everyone. She expressed she wants the Mission and Vision to be something that people can understand, live by, relate to and recite.

Mary Roney (public) commented that everyone here understands “all people”, but years down the road it could be different and it is not adding that much more; it could be more clear. She added that “all life” is debatable and the Supreme Court might weigh in.

The Council unanimously approved the Mission, Vision and Values as amended during the Strategic Plan Meeting held February 15, 2022, as written.

Councilmember Fuller expressed although approving, he will not give up on equitable stewardship.

Ms. Cross commented that the spirit of the document is all inclusive.

4.3 Discussion Regarding the Strategic Plan-Defining Goals

Maria Pascoal provided an overview regarding defining goals for the Strategic Plan. She explained the survey and interview responses were translated to the goals and are in no order of priority. She explained goals of an organization are overarching direction or achievements the organization wants to accomplish that may be considered long-term outcomes and objectives are the measure of progress and what specific actions need to happen to achieve the long-term outcome. She reviewed the goals: (A) Community and Economic Development, (B) Community Health and Safety, (C) Parks and Open Space, (D) Community and Collaborative

Partnerships, (E) Finance and Fiscal Responsibility, and (F) Sustainable Organization.

Ellen Cross led the discussion of defining the goals. A handout was available for everyone providing the draft goals and example objectives and it was made part of the meeting record. She explained when reviewing the goals everyone should be thinking about if any goals have been missed, if any goals need to be eliminated, and if any goals need to be modified. She further explained the focus is on the essence of goals and wordsmithing is discouraged. She mentioned input will be taken tonight and a refinement of the draft goals will occur back at the office, not here tonight. She also mentioned the refined goals will be brought back at the March 31 meeting, along with the objectives.

(A) Community and Economic Development

Councilmember Higgins commented that “jobs closer to home” suggests to her that Oakley will hire someone; Oakley does not have the economic development yet to support that and not everyone working in Oakley is from Oakley.

Ms. Cross reviewed the sub-goals that may support it.

Ravi Batth (public) suggested including to make Oakley a smart city with access to free internet.

Ms. Cross indicated this may be an objective and will be noted for the next workshop.

Planning Commissioner Shannon Shaw commented that “jobs closer to home” should somehow include other residents that may want to come to Oakley to work and would also apply to play and live in Oakley.

Community Development Director Brent Smith suggested “create local employment opportunities” in lieu of “jobs closer to home”.

(B) Community Health and Safety

Councilmember Williams commented “healthy” is vague and should be defined.

Ms. Cross mentioned the objectives will help define it and every year the Council will have the opportunity to review it again and every year with the budget.

Councilmember Fuller commented regarding “with community resources.” He suggested they not endanger themselves and continue to remain stewards of the budget by staying within their resources.

Councilmember Higgins suggested removing “healthy”. She explained other cities regulate sugar with soda tax, for example, and she doesn’t want to control what people are doing.

Mary Roney (public) commented “healthy” could mean environmental, such as carbon emissions.

Ravi Batth (public) suggested “healthy environment” to focus not only on the individual.

Ms. Cross commented that “healthy” can be broader than taxes and regulations.

City Manager Joshua McMurray commented “healthy” suggests making opportunities available, i.e., parks, recreational opportunities, and connection to trails, not forcing anything.

Ms. Cross confirmed with Councilmembers Williams and Higgins it is okay to keep “healthy” in the goal as long as it is clearly defined in the objectives.

Angela Lowrey, Director of Ironhouse Sanitary District, inquired if green economy and environmental would be included with this goal.

Ms. Cross suggested that those items could be objectives under many of the goals or another goal category could be created.

Councilmember Williams suggested they be objectives under many of the goals to be more impactful.

Ms. Cross mentioned they would be more integrated that way. She shared she will revisit the surveys and interviews and work comments in.

(C) Parks and Open Space

Councilmember Higgins commented she is unaware of anywhere in Oakley where you can pick your own fruit and wineries have been discussed but have never come to fruition.

Ms. Cross indicated she will take note for the objectives discussion.

(D) Community and Collaborative Partnerships

Ms. Cross explained the City has good community and collaborative partnerships and this goal promotes continuing and strengthening them.

(E) Finance and Fiscal Responsibility

Ms. Cross shared this is a standard goal in every Strategic Plan, Oakley is in good financial position, it will make sure it has revenues and will want flexibility in its objectives and resources as it may have to pivot due to outside factors, i.e., rise in gas prices.

(F) Sustainable Organization

Ms. Cross explained this goal speaks to City staff and the Council directing staff.

Councilmember Fuller suggested “create a vibrant municipal workforce” rather than “create a vibrant workforce” to provide clarity.

Ms. Cross commented the structure of a city is only functional as how it meets the day-to-day operations and meets the Strategic Plan. She mentioned strategy drives what a city is doing, not the organization.

Ms. Cross reviewed next steps. She shared that during the workshop to be held March 31, the City Council will vote on the goals, the objectives will be refined, and there will be an informal vote on the objectives. She explained thereafter, during a regularly scheduled City Council meeting, the City Council will vote on the entire content of the Strategic Plan document (content only).

Ms. Cross asked the Council if it will support these goals as re-written and the Council confirmed it would.

Ms. Cross suggested everyone set aside 90 minutes or possibly 2 hours of time to do their homework on the objectives. She mentioned if Planning Commission objectives need to be considered to signal to them what to consider for priorities.

Ms. Cross indicated the Strategic Plan will also include a timeline, milestones, a forward from the Mayor and City Manager, and participants in the Strategic Plan. Mary Roney (public) inquired where it will be made available.

City Manager Joshua McMurray responded it will be available a couple of days before the meeting online.

Mayor Pope commented that the Council has requested to have agendas at least two business days in advance of the meeting, but he would recommend here having it a week before.

Mr. McMurray commented staff will make it available by March 25.

Mayor Pope thanked everyone for attending and participating.

5. Adjourn

There being no further business, the meeting was adjourned at 7:47 p.m.

ORDINANCE NO. 03-22

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKLEY REPEALING ORDINANCE NO 06-09 CONCERNING THE ASSIGNMENT OF PLANNING COMMISSION FUNCTIONS TO THE CITY COUNCIL

THE CITY COUNCIL OF THE CITY OF OAKLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. Upon the effective date of this Ordinance, Ordinance 06-09, adopted by the City Council on February 10, 2009, and assigning the functions of the Oakley Planning Commission to the City Council, is repealed.

SECTION 2. CEQA.

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 3. SEVERABILITY.

The City Council of the City of Oakley hereby declares that should any section, paragraph, sentence, phrase, term or word of this Ordinance be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this Ordinance independent of the elimination herefrom of any such portion as may be declared invalid. If any section, subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subdivision, paragraph, sentence, clause and phrase thereof, irrespective of the fact that any one (or more) section, subdivision, paragraph, sentence, clause or phrase had been declared invalid or unconstitutional.

SECTION 4. EFFECTIVE DATE.

This Ordinance shall become effective thirty (30) days after adoption.

SECTION 5. PUBLICATION.

The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance or a summary thereof to be printed once within fifteen (15) days after its adoption in a newspaper of general circulation, published and circulated in the City of Oakley.

PASSED, APPROVED AND ADOPTED this 22nd day of March, 2022 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

STAFF REPORT

DATE: March 22, 2021

TO: Joshua McMurray, City Manager

Approved and Forwarded to the City Council

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Consideration of a Resolution Establishing the Rate per Equivalent Runoff Unit for FY 2022/23 and Requesting the Contra Costa County Flood Control and Water Conservation District to Adopt an Annual Parcel Assessment for Drainage Maintenance and the National Pollutant Discharge Elimination System Program

Background and Analysis

The City of Oakley joined the Contra Costa Clean Water Program in March of 2000 to implement its National Pollutant Discharge Elimination System Program as required by the Federal Water Pollution Control Act. To fund the City's participation in the program, the Contra Costa County Flood Control and Water Conservation District was authorized by Assembly Bill 2768 to impose an annual assessment on behalf of member cities. The annual assessment is based on an Equivalent Runoff Unit (ERU) which is defined as the service charge rating assigned to each parcel based on its land use.

Prior to incorporation, the County collected \$16.20 per ERU in the Oakley area. The estimated level of effort and corresponding budget for Oakley's first two years as a member of the Clean Water Program required that the rate per ERU be increased to \$20.65. That rate allowed the City to achieve the minimum requirements of the 5-Year National Pollutant Discharge Elimination System (NPDES) Permit that was in effect at that time. In FY 2003/04, anticipating a change in the permit requirements and an increased level of effort, the rate was raised to \$25.00 per ERU.

In early 2004, the Countywide permits were amended to include new development and re-development requirements that were very stringent and time intensive. Since that time, the required monitoring, reporting, and administration efforts have become more burdensome and the permit fees charged by the Regional Water Quality Control Board have increased. The most recent permit, referred to as the Municipal Regional Permit, or MRP is even more restrictive. To cover these costs, the rate was raised to \$28.00 per ERU in FY 2004/05; and to the maximum rate of \$30.00 in FY 2005/06. When the Stormwater Utility Areas were established by the legislation, maximum rates were

established for each participating agency. Oakley's maximum rate is \$30.00 per ERU and can only be increased by a vote pursuant to Proposition 218. This results in a total budget estimate for FY 2022/23 of approximately \$507,000.

In FY 2004/05, the City added a part-time Stormwater Coordinator to manage the program. In 2011, the duties of the Stormwater Coordinator were shifted to the incumbent Senior Engineer who performed this work with assistance from a consultant. In 2019, the duties of the Stormwater Coordinator were shifted to the Principal Engineer. This operation plan is proposed to remain unchanged for FY 2022/23.

The core activities of the program include drainage facility maintenance, street sweeping, and monitoring and reporting on the stormwater components of the City's new development, industrial and commercial inspection, municipal maintenance, public education, and illicit discharge activities. The City is also continuing to implement the new permit provisions by tracking and monitoring all stormwater control features associated with new development and conducting public outreach activities that complement the countywide effort through presentations to the local schools and other mediums such as the Oakleaf Newsletter and during our annual Public Works event. The City pays nearly \$75,000 to the Countywide program annually for their activities, which include extensive public education, coordination of the annual report, representation to the regional boards and other stakeholder groups, negotiation of permit requirements, and other administrative activities. Oakley's Stormwater Coordinator sits on the management committee that establishes the Countywide program budget, and a concerted effort has been made to keep the costs to a minimum. Staff has prepared a draft line item budget for the City's cleanwater activities that is attached to this report for reference, and will be included in the annual City FY 2022/23 budget process. The budget may be modified as part of the Citywide budget hearings and approval but provides a logical nexus and justification for the proposed rate.

The agreement between the City and the Contra Costa County Flood Control and Water Conservation District (District) requires that the City determine the rate per ERU annually prior to May 1st of each year. The District has requested that the City submit certified resolutions in April so that they can schedule the item for a specific Contra Costa County Board of Supervisors hearing.

Fiscal Impact

Adoption of the resolution will authorize the Contra Costa County Flood Control and Water Conservation District to collect approximately \$507,000 from the property tax rolls on Oakley's behalf to fund program costs. Funds are disbursed from the District to the City as outlined in the Program agreement.

Staff Recommendation

Staff recommends that the City Council adopt the Resolution Establishing the Rate per Equivalent Runoff Unit for FY 2022/23 and Requesting the Contra Costa

County Flood Control and Water Conservation District to Adopt an Annual Parcel Assessment for Drainage Maintenance and the NPDES Program.

Attachments

- 1) Resolution for ERU Establishment
- 2) Draft FY 2022/23 Budget

RESOLUTION NO. __-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY ESTABLISHING THE RATE PER EQUIVALENT RUNOFF UNIT FOR FISCAL YEAR 2022/23 AND REQUESTING THE CONTRA COSTA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ADOPT AN ANNUAL PARCEL ASSESSMENT FOR DRAINAGE MAINTENANCE AND THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PROGRAM

WHEREAS, under Federal Water Pollution Control Act, prescribed discharges of stormwater require a permit from the appropriate California regional water quality board under the National Pollutant Discharge Elimination System (NPDES) program; and

WHEREAS, the City of Oakley (City) did apply for, and did receive, an NPDES permit which requires the implementation of selected Best Management Practices to minimize or eliminate pollutants from entering storm waters; and

WHEREAS, it is the intent of the City to utilize funds received from its Stormwater Utility Area (SUA) for implementation of the NPDES program and drainage maintenance activities; and

WHEREAS, at the request of the City, the Contra Costa County Flood Control & Water Conservation District (District) has completed the process for formation of an SUA, including the adoption of the Stormwater Utility Assessment Drainage Ordinance No. 93-47; and

WHEREAS, The SUA and Program Group Costs Payment agreement between City and District requires that the City annually, by May 1st, determine the rate to be assessed to a single Equivalent Runoff Unit (ERU) for the forthcoming fiscal year.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Oakley does determine that the rate to be assigned to a single ERU for FY 2022/23 shall be set at \$30.00.

BE IT FURTHER RESOLVED that the City Council does hereby request the District to adopt SUA levies based on said amount.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 22nd day of March, 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

APPROVED:

ATTEST:

Randy Pope, Mayor

Libby Vreonis, City Clerk

Date

Oakley Clean Water Program Budget
Fiscal Year 2022/23

Task Number	Task Title	FY 2022/23 Proposed	Description/Comments
1	New Development and Construction Controls	\$ 2,000.00	Funds costs related to new development and construction activities
2	Public Education and Outreach	\$ 2,000.00	Funds costs related to public education and outreach activities; includes newsletter publication
3	Municipal Maintenance	\$ 3,000.00	Funds costs related to municipal maintenance activities
4	Industrial and Commercial Inspections	\$ 2,000.00	Funds costs related to the inspection of industrial and commercial businesses for water quality compliance
5	Illicit Discharge Control	\$ 3,000.00	Funds costs related to identification and clean-up of illicit discharges
6	Monitoring	\$ 1,000.00	No special water quality monitoring activities have been identified at this time for this year.
7	Special Studies	\$ 2,000.00	No special studies other than those related to the anticipated new permit have been identified at this time for this year.
8	Watershed Management	\$ 5,000.00	Anticipates a contribution to the watershed organization
9	Permit Fees	\$ 15,000.00	Annual RWQCB permit fees
11	Agency Administration	\$ 1,000.00	Costs for attending mandatory meetings and workshops and program related conferences and training.
12	Group Costs	\$ 75,000.00	Oakley share of the overall CCWP costs including assessment levying
13	New Permit Implementation	\$ 6,000.00	Special studies and consultant assistance related to new permit requirements
14	Street Sweeping	\$ 240,000.00	Annual street sweeping contract
15	Drainage Maintenance	\$ 70,000.00	Funds eligible drainage maintenance activities such as catch basin cleaning
16	Total Staff Costs	\$ 40,000.00	Staffing costs necessary to implement the goals of the stormwater management plan.
17	Overhead	\$ 40,000.00	Offsets overhead costs to the PW&E Division
Total Project Costs		\$ 507,000.00	
Estimated FY 2022/23 ERU's		16,900.00	
Proposed FY 2022/23 Fee Rate		\$ 30.00	



STAFF REPORT

DATE: March 22, 2022

TO: Joshua McMurray, City Manager

Approved and Forwarded to the City Council

FROM: Kevin Rohani, P.E., Public Works Director/City Engineer

SUBJECT: Award of Construction Contract to Ghilotti Bros. Inc., for the Main Street/Cypress Road Intersection Repair and Resurfacing Project – Capital Improvement Project (CIP) Number 264

Background and Analysis

The City's adopted FY 2021/22 CIP Budget designates funding for various infrastructure repair and replacement projects. This is consistent with the City's goals to improve the quality of the City's public infrastructure and to enhance the quality of life for our residents.

The CIP No. 264 project scope of work includes the repair and resurfacing of the intersection of Main Street/Cypress Road and restriping the intersection. This intersection is one of the largest and busiest intersections in the City of Oakley and carries a large volume of cars and construction trucks each day in and out of the East Cypress Road corridor. The pavement at this intersection has deteriorated due to its heavy use as reflected with the ruts in the pavement, and needs repair and resurfacing. CIP No. 264 was created to repair and resurface this intersection.

The Tri Delta Transit agency has been working on the construction of a new Park & Ride parking lot on Main Street, north of the intersection of Main Street/Cypress Road. The Tri Delta Transit project not only constructs a new parking lot but will also construct new medians and landscaping on Main Street and resurface Main Street along the new parking lot site. The limit of the paving project from Tri Delta Transit is to the edge of the intersection of Main Street/Cypress Road.

The Public Works team has worked with our colleagues from Tri Delta Transit agency on the processing and construction of this project and discussed the possibility of the paving contractor that Tri Delta Transit has for their project, to resurface the intersection of Main Street/Cypress Road for the City due to its economy of scale on the paving operation, minimize impacts to the travelling public by combining both paving operations, and the savings for the City to not have to pay for a new contractor and its mobilization costs.

After Staff's in-depth discussions with Ghilotti Bros. Inc., Tri Delta Transit's paving contractor, Staff secured a proposal to repair and resurface the intersection of Main Street/Cypress Road for \$116,408. This price is very competitive and reasonable, especially in the current market of high inflation and prices. This will be very beneficial for the City to collaborate with Tri Delta Transit on this project to have a large section of Main Street resurfaced.

The construction of this project, along with the paving of the new Tri Delta Transit parking lot is anticipated to take place during the upcoming school spring break (March 21st to April 1st) to have the least amount of traffic disruptions and inconveniences to the public with the intersection of Main Street/Cypress Road to be resurfaced at night.

Fiscal Impact

The FY 2021/22 budget has allocated \$150,000 of funding from the Traffic Impact Fee Fund for this project, which will fully fund this construction project.

Staff Recommendation

Staff recommends that the City Council adopt the resolution approving a construction agreement with Ghilotti Bros. Inc., for an amount not to exceed \$116,408, and authorize the City Manager to execute this agreement.

Attachments

1. Resolution
2. Proposal

RESOLUTION NO. XX-22

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING
AN AGREEMENT WITH GHILOTTI BROS. INC., FOR THE CONSTRUCTION OF CIP
NO. 264 – MAIN STREET/CYPRESS ROAD INTERSECTION REPAIR AND
RESURFACING PROJECT**

WHEREAS, the intersection of Main Street/Cypress Road is one of the busiest intersections in the City of Oakley and carries a large volume of cars and construction trucks each day in and out of the East Cypress Road corridor; and

WHEREAS, the Tri Delta Transit agency has been working on the construction of a new Park & Ride parking lot on Main Street north of the intersection of Main Street/Cypress Road; and

WHEREAS, the City staff has worked with Tri Delta Transit agency's paving contractor, Ghilotti Bros. Inc. to secure a cost proposal for repair and resurfacing of the intersection of Main Street/Cypress Road that is adjacent to the new Tri Delta Transit agency Park & Ride parking lot; and

WHEREAS, Ghilotti Bros. Inc., submitted the proposal that was cost competitive for the City and would not require the City to pay for mobilization; and there is economy of scale for both the City and Tri Delta Transit for a total cost of \$116,408 for the City for CIP 264 project; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Oakley that the Agreement with Ghilotti Bros. Inc., for the repair and resurfacing of the intersection of Main Street/Cypress Road – CIP 264, for an amount not to exceed \$116,408 is approved, and the City Manager is hereby authorized to execute said Agreement.

PASSED, APPROVE AND ADOPTED this 22nd day of March 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



General Engineering Contractors – Excavating, Paving, Grading, Concrete, Underground
525 JACOBY STREET • SAN RAFAEL, CA 94901 • TELEPHONE (415) 454-7011 • Fax (415) 454-8376
STATE CONTRACTORS LICENSE# 132128

GHILOTTI BROS., INC.

Engineering Contractors
525 Jacoby Street
San Rafael, CA 94901
Phone: (415) 454-7011
Fax: (415) 454-8376

State Contractors
License No. 132128 Class A
C8, C12, C21, C31, C32, C42 & HAZ

Bid No:

Proposal Submitted to: City of Oakley

Phone: 925-625-7154 / 925-625-7003
Attn: Billilee Saengchalern / Kevin Rohani

Date: 3/16/2022

Job Name: Main/Cypress Grind and Overlay

Job Location: Intersection of Main Street and Cypress Road in Oakley, CA 94561

GBI Estimator:

Owner: City of Oakley

Civil Engineer:

Geotechnical Engineer:

Bid Sheets:

Project Scope: Approximately 26,000 SF of 2" asphalt replacement (grind and overlay). Price includes replacement of existing striping in kind after one week of cure time. Traffic control and lane closures per Caltrans standards.

***All of the above base bid work may be performed at the following Lump Sum Amount:**

TOTAL BASE BID: \$116,408.00



General Engineering Contractors – Excavating, Paving, Grading, Concrete, Underground

525 JACOBY STREET • SAN RAFAEL, CA 94901 • TELEPHONE (415) 454-7011 • Fax (415) 454-8376

STATE CONTRACTORS LICENSE# 132128

Special Job Specific Conditions and Terms:

1. Work completed to performed at night ; Monday through Friday.
2. Asphalt grades to be replaced in kind with existing conditions.

Special Exclusions:

1. Construction staking, SWPPP, surveying, material testing, layout, permits, fees, bond premiums, Sampling, testing of HMA and quality control requirements.
2. Abatement Survey
3. Handling or off hauling of Hazardous Materials.
4. Handling or off hauling of buried unsuitable material or debris.
5. Off haul of any spoils generated by others.
6. Excavating and/or processing of hard rock. Hard rock to be defined as any material that cannot be ripped with a Caterpillar D6 Dozer or cannot be dug with a Caterpillar 320 excavator.
7. Building footing structural excavation or backfill; drain rock; vapor barrier; or sand under buildings.
8. Stabilizing over optimum, wet or yielding soils by means of heavy ripping, sub excavation, stabilization fabric, lime treatment, etc.
9. Installing temporary fencing for jobsite & trees.
10. Dewatering.
11. Installing, maintaining or removal of bracing, shoring or underpinning.
12. All irrigation and landscaping.
13. Importing of planting soil/topsoil.
14. Soil sterilant or rodent control.
15. Prime coat and/or pavement seal coat.
16. Backfilling of planters & concrete flatwork verticals.
17. Electrical and Joint Trench.
18. Landscape header boards
19. Relocating of existing utilities. It is assumed at all new underground improvements are free of conflicts with existing utilities including streetlights, signal poles and electrical conduits.
20. Fire Marshal Drawings
21. Water meters, or bypass water meters.
22. Backflow and/or check valve certification other than by manufacturer.
23. Final sanitary sewer, fire water, domestic water, joint trench and rainwater leader connections to building. We will only bring these utilities to within 5' of the new building.
24. Drainage inlet filters such as fossil filters.
25. All overtime, plant premiums and inefficiency costs that may be associated with schedule acceleration.

Special Conditions:

1. GBI will have complete and unimpeded access to our entire work area.
 2. We may withdraw this proposal or adjust cost within 30 days.
 3. We will work only when the site is sufficiently dry to work productively using standard construction methods.
 4. Price is contingent on the work being performed during concurrent construction with existing project
-

Standard exclusions-fees, permits, engineering, testing, layout, disposal of hazardous materials, re-testing, bonds, licenses, and items not specifically mentioned.

DISCLAIMER OF RESPONSIBILITY:

Engineering design; Adequacy of existing subgrade, base or pavements; Settlement, cracks, or discoloration of concrete; Damage to unmarked or concealed underground facilities;

This proposal subject to our approval of financial arrangements or fund set aside. In the event it becomes necessary for Contractor, by lien or other action, to enforce collection of any amount payable by Buyer hereunder, Buyer agrees to pay Contractor all expenses, including interest and attorney's

STAFF REPORT

DATE: March 22, 2022

TO: Joshua McMurray, City Manager

Approved and Forwarded to the City Council

FROM: Kenneth W. Strelo, Planning Manager

SUBJECT: City of Oakley General Plan Annual Progress Report Calendar Year 2021

Summary

Pursuant to Government Code Section 65400 and 65700 the City of Oakley is required to submit an annual progress report (“APR”) on the General Plan every year to the Governor’s Office of Planning and Research (“OPR”) and the California Department of Housing and Community Development (“HCD”) by April 1 of each year. City Council is only required to receive and accept the report and APR.

Background

The City of Oakley may choose to report on either the fiscal or calendar year. The Planning Division has chosen to report on calendar years. This APR will cover calendar year 2021 and will include the following main sections: Latest General Plan Update, Urgency or Emergency Ordinances, General Plan Amendment in 2021, and Major Development Applications Processed

Fiscal Impact

There is no impact to the General Fund from the City Council’s receipt and acceptance of this General Plan Annual Progress Report.

Recommendation

Staff requests that the City Council receive and accept this Staff Report and the attached City of Oakley General Plan Annual Progress Report for Calendar Year 2021 so that Staff may submit it to OPR and HCD by April 1, 2022.

Attachments

1. City of Oakley General Plan Annual Progress Report for Calendar Year 2021

OAKLEY



CALIFORNIA

**City of Oakley General Plan
Annual Progress Report
Calendar Year 2021**

**City of Oakley
3231 Main Street
Oakley, CA 94561**

**Submitted by:
Kenneth Strelo
Planning Manager**

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I. INTRODUCTION

The City of Oakley General Plan was originally adopted in December of 2002, approximately 18 months after the City of Oakley incorporated. Since that time it has been used as the guidance document for the City, while undergoing amendments as required to stay up to date with state laws, as well as project-level land use designation amendments. While a comprehensive update has not yet been undertaken, the General Plan continues to be fine-tuned and updated to stay current and on track with the long-range goals for the City of Oakley. The most recent update took place in 2021. It was a focused update that brought the Oakley General Plan into compliance with environmental justice (SB 1000), mobility (SB 743), and climate change and adaptation (SB 379).

II. BACKGROUND AND PURPOSE OF GENERAL PLAN APR

Government Code Section 65400 mandates that all cities and counties submit an Annual Progress Report (APR) on the status of the General Plan and progress in its implementation to their legislative bodies, the Governor's Office of Planning and Research (OPR) and the Housing and Community Development (HCD) each year. Oakley submits the Housing Element portion of the APR separately and as guided by HCD's housing element guidelines. This document fulfills the General Plan APR mandate for calendar year 2021.

The APR provides the City Council and the public with information regarding the implementation of the General Plan for the City. The main purpose of the APR is to provide City Council with an update of the City's progress in implementing its General Plan vision. This annual assessment grants the City Council an opportunity to adjust or modify its policies or approach to implementation to ensure that the City meets its stated vision. To assist in the review, the APR has the following sections:

- General Plan Amendments: City-initiated amendments to the General Plan approved since adoption; required and proposed amendments to the General Plan adopted in calendar year 2021; and private developer-/property owner-initiated amendments to the General Plan approved in 2021, if any.
- General Plan Implementation Programs: Completed, are in-progress, or are actively ongoing; or that have not yet been initiated but are recommended for initiation within 2022 or the foreseeable future as City resources are available.

III. LATEST GENERAL PLAN UPDATE

The City of Oakley General Plan was last updated on January 11, 2022 as part of the Focused General Plan Update, which was approved through adoption of City Council Resolution No. 01-22. The purpose of the Focused General Plan Update was to update the General Plan to bring it into compliance with State requirements related to environmental justice, mobility, and climate change and adaptation. The Focused General Plan Update also updated the setting information as well as made minor revisions to the goals, policies, and programs in the Land Use, Circulation, Growth Management, Economic Development, Open Space and Conservation, Parks and Recreation, Community Health and Safety, and Noise to be consistent with current conditions, to remove policies and programs that have been implemented or are no longer applicable, and to update policies and programs where appropriate to reflect current City practices, clarify the City's approach to achieving the vision and goals of the General Plan, and to be consistent with existing conditions.

IV. URGENCY OR EMERGENCY ORDINANCES

On December 14, 2021, the City of Oakley City Council pass a duly noticed City-initiated urgency ordinance (Ord. No. 12-21) adding Section 9.1.1133, Two-Residential Units and Urban Lot Splits, to Title 9 of the Oakley Municipal Code and amending Sections 9.1.202, 9.1.404, 9.1.1110, 9.1.1118, 9.1.1122, 9.1.1402, and 9.1.1604 for consistency therewith. The urgency ordinance brought the City of Oakley into compliance with Senate Bill 9 (2021), which came into effect January 1, 2022. With the urgency ordinance set to expire on January 28, 2022, on January 25, 2022, the City Council extended the urgency ordinance through November 26, 2023 through adoption of Ordinance No. 01-22.

V. GENERAL PLAN AMENDMENTS IN 2021

State law allows each element of the General Plan to be amended up to four times annually, which allows the document to remain current and responsive to the community's needs. The City Planning Division handles two main types of General Plan Amendments. The first being City-Initiated General Plan Amendments, which are typically associated with updating text and figures in the General Plan to comply with changing state laws, mandates, or recommendations. The second being requests by private developers and property owners to amend the underlying land use designation on a site. Although the City may also initiated changes to land use designations, they are

usually a request by a private developer or property owner with a conceptual project in mind. The following tables include both type of amendments, with the City-Initiated Amendments covering all amendments made since the General Plan's inception through 2021, and Developer-/Property Owner-Initiated Amendments only applying to those approved in the applicable reporting year (2021).

Table 1. City-Initiated Amendments (Since inception through 2021)		
Approval Reference	Adoption Date	Description
Reso. No. 22-05	03/07/2005	
Reso. No. 103-05	10/10/2005	Redesignating two sites (16 acres) to Multi-Family Residential, High Density to satisfy HCD condition
Reso. No. 31-06	03/13/2006	Approving the SP land use designation for the East Cypress Corridor Expansion Area
Reso. No. 68-08	04/24/2006	Redesignating three sites (16.29 acres) to Multi-Family Residential, High Density to satisfy HCD condition
Reso. No. 111-07	10/22/2007	Rescinding Reso. No. 31-06
Reso. No. 47-09	03/10/2009	Approving the SP land use designation for the East Cypress Corridor Expansion Area
Reso. No. 111-09	08/11/2009	Adopting the 2007-2014 housing element and amending the GP to incorporate the revised and updated housing element
Reso. No. 18-10	01/26/2010	Amending the Land Use, Circulation, Growth Management, Parks and Recreation, and Health and Safety Elements to comply with AB 162, Measure J, and updates to the Park Master Plan and Zoning Ordinance
15-15	01/27/2015	Adopting the 2015-2023 housing element and amending the GP to incorporate the revised and updated housing element
17-16	02/09/2016	Amending the Open Space and Conservation, and Health and Safety

		Elements to comply with the Central Valley Flood Protection Act of 2008 (SB 5, 2007)
110-20	08/11/2020	Redesignating apx. 0.79 acres from Parks and Recreation to Single Family Residential, High Density

Table 2. Developer-/Property Owner-Initiated Amendments (2021)		
Approval Reference	Adoption Date	Description
None		

VI. MAJOR DEVELOPMENT APPLICATIONS PROCESSED

This section includes major development application processed in the year 2021, whether approved in 2021 or still being processed in 2022. For the purposes of this report, a major project is considered any General Plan Amendment, Rezone or Zoning Text Amendment that impacts allowable uses, Tentative Map (5 or more lots), or new commercial development.

Approved in 2021

- Emerson Ranch Commercial Design Review – Approved on June 8, 2021 through adoption of City Council Resolution No. 76-21. Design Review approval to develop an approximately 8-acre commercial center to include a gas station and c-store, car wash, drive through restaurant, grocery store and three retail pad buildings (“Project”). The project site is designated Commercial (C) in the Oakley 2020 General Plan and zoned P-1 (Planned Development). The Project is located at the northwest corner of E. Cypress Rd. and Sellers Ave. (APN’s: 037-192-038).
- Burroughs Subdivision 9557 – Approved on July 13, 2021 through adoption of City Council Resolution No. 58-21. Approval of a Vesting Tentative Map (TM 01-21) to subdivide the 2 parcels into 208 single-family residential lots with associated site improvements and amenities.

- Oakley Village Subdivision 8577 – Approved on November 9, 2021 through adoption of City Council Resolution No. 135-21. Approval of a Vesting Tentative Map (TM 05-20) to subdivide an approximately 14.75-acre site into 42 single family residential lots (min. lot size of 10,000 sf.), storm water treatment areas, and dedication of right of way, including in-tracts streets and frontage for Sellers Avenue. Design Review (i.e., home design, landscape design, entrance features, street tree plan, etc.) has not been submitted in conjunction with this Tentative Map. The project site is located west of Sellers Avenue, just south of the railroad tracks, and is zoned Single family Residential (R-10) District. APNs 033-150-011 and 018.

Processed in 2021

- Brownstone and Main Commercial Development (CUP 01-20, DR 01-20) - Application by Conrad de Jesus of Green Light Architecture requesting approval of Design Review (DR 01-20) to construct a new commercial center consisting of a 3,646-sf. restaurant shell with drive through, a 5,668-sf. car wash (includes drive through, detailing garage, and hand drying stations), and 8,000 sf. restaurant/retail shell on an existing 4.56-acre vacant lot. Applicant also requests approval of a Conditional Use Permit (CUP 01-20) to operate the two drive through uses. Approximately 2 acres is proposed as storm water capture and infiltration. The project site is located on the northwest corner of Brownstone Rd. and Main St. and is zoned C (General Commercial) District. APN 034-210-006.
- Honey Lane Subdivision (TM 01-20) - Application by Matthew Rasuli and Sepideh Bashiri requesting approval of a Tentative Map (TM 01-20) to subdivide an approximately 4.7-acre site into 19 single family residential lots, storm water treatment areas, and dedication of right of way, including frontage for Honey Lane as well of an extension of Honey Lane into the proposed project. Design Review (i.e., home design, landscape design, entrance features, street tree plan, etc.) has not been submitted in conjunction with this Tentative Map. The project site is located at 637 Honey Lane, adjacent to Marsh Creek, and is zoned Single family Residential (R-6) District. APN 033-030-030.
- Quick Quack Car Wash Conditional Use Permit (CUP 02-20) and Design Review (08-20) - Application by Quick Quack Car Wash Holdings LLC., requesting approval of a Conditional Use Permit (CUP 02-20) and Design Review (08-20) for the approval of a new 3,596 sf. car wash facility. This

- application also includes the request to construct covered vacuum and payment stations, trash enclosures and associated site improvements. The project site is located within the partially developed Laurel Plaza Shopping Center and is zoned RB (Retail Business) District. (APN: 051-510-009).
- McDonald's Drive-Through Quick Serve Restaurant at Laurel Plaza (CUP 03-20, DR 09-20) - Application by Zach Michels of Core States Group ("Applicant") requesting Design Review (DR 09-20) approval to develop an approximately 1.7-acre parcel within the Laurel Plaza Shopping Center with a new 4,365 sf. quick serve restaurant with dine-in and drive-through service. Applicant also requests approval of a Conditional Use Permit (CUP 01-20) to operate the drive-through service use ("Project"). The project site consists of an existing parcel fronting on Laurel Road and within the partially developed Laurel Plaza Shopping Center, which is located on the northwest corner of Laurel Road and O'Hara Avenue. The site is zoned RB (Retail Business) District. APN 035-510-006. (This project was denied in 2022).
 - Wendy's Restaurant Conditional Use Permit (CUP 02-21) and Design Review (DR 05-21) - Application by Weaver Consultants Group requesting approval for a Design Review (DR 05-21) to construct a new 2,331 square foot restaurant. The project includes dine in and drive-through service with associated site improvements located on an approximately .755-acre parcel. The applicant is also requesting approval of Conditional Use Permit (CUP 02-21) to operate the drive-through service. The project site is located at the northeast corner of the intersection of Bridgehead Road and Main Street adjacent to the ARCO AM/PM gas station. The site is zoned C (General Commercial) District. (This project was approved in 2022).
 - CR-A (Commercial Recreation – Aquatic) District Zoning Text Amendment (RZ 02-21) - Application by Margaret Lauritzen Lane Trust ("Applicant") requesting approval of a Rezone (RZ 02-21) in the form of zoning text amendments to the CR-A (Commercial Recreation – Aquatic) District (Oakley Municipal Code Section 9.1.512), including amending the "Purpose and Intent", and expanding the list of "Permitted Uses" and "Uses Requiring a Conditional Use Permit" ("Project"). Amendments are proposed to apply to all CR-A District zoned parcels, which currently exist near the foot of Bridgehead Road and foot of Big Break Road mostly overlaying the Big Break, Driftwood, and Lauritzen harbors/marinas. (This project has been approved in 2022).

- Honey/Creekside Subdivision 9579 (RZ 03-21, TM 02-21, DR 08-21) - Application by Nuvera Homes ("Applicant") requesting approval of: 1) a Rezone (RZ 03-21) of an approximately 10.6-acre project site from R-6 (Single Family Residential) District to P-1 (Planned Unit Development) District; 2) a Vesting Tentative Map (TM 02-21) subdividing approximately 10.6 acres into 57 single residential lots, street right of ways, common area landscaping, stormwater detention treatment areas, and Marsh Creek setback area; and 3) Design Review (DR 08-21) for floor plans, elevations, colors and materials detail, preliminary site plan, and conceptual landscape plans ("Project"). Proposed homes consist of three two-story house plans each with three elevations ranging from 2,518 to 2,777 square feet of livable area. The project site is located at 463 and 560 Honey Lane and is zoned R-6 (Single-Family Residential) District. (APNs: 033-030-028 and 033-030-032).
- Machado Lane Subdivision Rezone, Vesting Tentative Map, Final Development Plan, and Design Review (RZ 06-21, TM 03-21, FDP 01-21, DR 10-21) - Application by MLC Holdings requesting approval of: 1) a Rezone (RZ 06-21) to decrease the acreage of and amend an existing P-1 District; 2) a Vesting Tentative Map (TM 03-21) subdividing approximately 20.11 acres into 76 single residential lots, street right of ways, stormwater detention treatment area, and EVA; 3) a Final Development Plan (FDP 01-21) in conjunction with the project's P-1 District; and 4) Design Review (DR 10-21) for floor plans and architecture, and conceptual landscape plans. Proposed homes consist of one single-story and three two-story house plans each with three elevations ranging from 2,350 to 3,247 square feet of livable area. The project site is located at Machado Lane and East Cypress Road and is zoned P-1 (Planned Unit Development) District. (APNs: 033-190-003 and 033-190-004).
- Sellers Avenue Subdivision (DeJesus) Rezone (RZ 01-22), Vesting Tentative Map (TM 01-22), Final Development Plan (FDP 01-22), and Design Review (DR 01-22) - Application by MLC Holdings requesting approval of: 1) a Rezone (RZ 01-22) to amend an existing P-1 District; 2) a Vesting Tentative Map (TM 01-22) subdividing approximately 20.42 acres into 77 single residential lots, private streets, stormwater detention treatment area, and neighborhood park; 3) a Final Development Plan (FDP 01-22) in conjunction with the project's P-1 District; and 4) Design Review (DR 01-22) for conceptual landscape plans related to the overall subdivision, typical front yards and the neighborhood park. The applicant has not proposed house floor plans or elevations with this

application submittal. The project site is located at 5911 Sellers Avenue and is zoned P-1 (Planned Unit Development) District. (APNs: 033-150-013).

- Golden Oak Subdivision Tentative Map (TM 02-22) and Variance (VA 01-22) - Application by Pam Young (“Applicant”) requesting approval of a Tentative Map (TM 02-22) to subdivide an approximately 2-acre parcel into eight (8) single-family residential lots, including dedication and improvement of public right of way and extension of West Ruby Street to the intersection of Wildcat Way and Fuschia Way. Applicant also requests approval of a Variance (VA 01-22) for five (5) of the eight (8) lots (“Project”). The project site is located at 4960 Fuschia Way and zoned R-6 (Single-Family Residential) District.

STAFF REPORT

DATE: March 22, 2022

TO: Joshua McMurray, City Manager

Approved and Forwarded to the City Council

FROM: Tim Przybyla, CPA, Finance Director

SUBJECT: Consideration of an Application to Increase Residential Solid Waste Collection Rates, Pursuant to the Franchise Agreement between the City of Oakley and Oakley Disposal Services, Inc., DBA Mt. Diablo Resource Recovery-Oakley (MDRR)

Background and Analysis

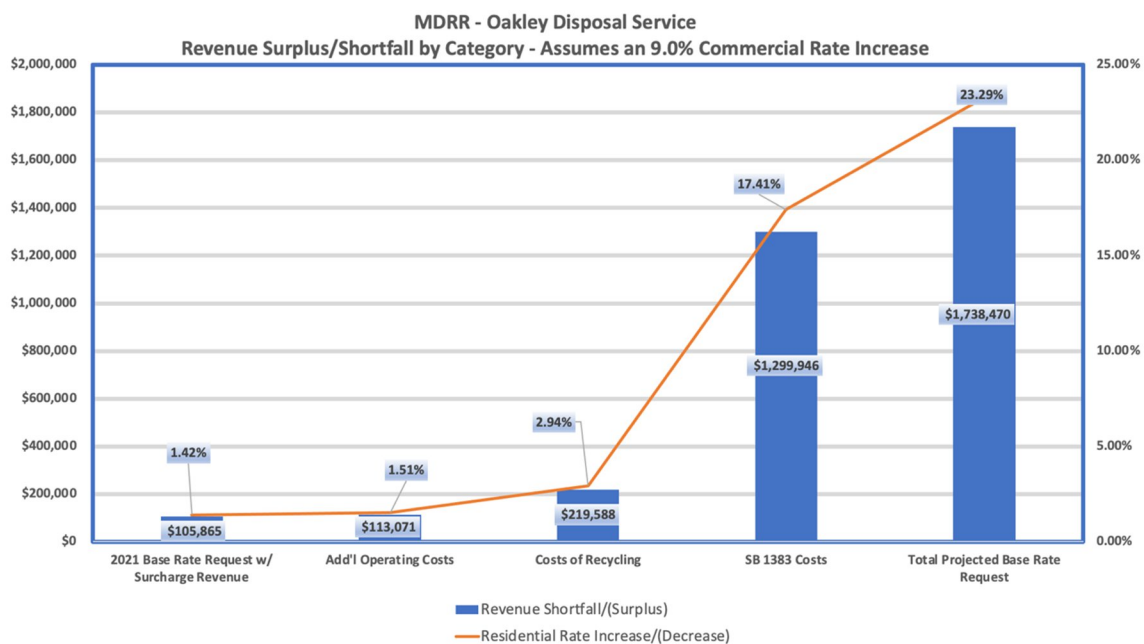
Garbage, recycling, and green waste collection services are provided to Oakley residents and businesses through an exclusive Franchise Agreement with Oakley Disposal Service, Inc., DBA Mt. Diablo Resource Recovery-Oakley (MDRR). The Agreement allows MDRR to adjust refuse rates annually by the Refuse Rate Index (RRI). The RRI, as defined in the Agreement, is the sum of the products of the weighted averages of the approved cost categories multiplied by the increase in the index or contractual price for each. Additionally, and per the Agreement, MDRR shall periodically (approximately every four or five years) submit a complete and comprehensive base rate review request so the rates in effect can be adjusted to reflect the actual operational costs of MDRR more accurately. A comprehensive base rate review is also the process of incorporating new services and requirements resulting from new laws and regulations that are not presently contemplated in either the current Agreement or the current rates.

Senate Bill (SB) 1383, Short-lived Climate Pollutants Reduction, as enacted in 2017 (Lara, Chapter 395, Statutes of 2016), establishes targets to reduce the statewide disposal of organics by 75% by 2025 (using 2014 disposal numbers as a baseline). SB 1383 is the most significant waste reduction mandate adopted in California in the last thirty years. It requires that each jurisdiction redefine and develop methods for managing, tracking, regulating, procuring organics, and more.

Due to the increased services required for SB 1383 compliance and other customary operational cost increases, MDRR submitted a comprehensive refuse, recycling, and organics collection base rate application and supplemental information to the City on November 12, 2021.

Per the terms of the Agreement with the City, this base year review starts off in a relatively good position with a necessary adjustment of only ~\$105,865 and representing what would otherwise only be an approximate 1.42% upward adjustment to the residential rates. During the pandemic, the City asked MDRR not to apply for customary RRI adjustments and to hold rates flat, which MDRR agreed. In addition, it is customary for base rate applications to usually have a line item for un-collected revenue from past due and unpaid accounts. During the pandemic this number reached an all-time high. However, through outreach, collection efforts, and helping customers establish payment plans, MDRR has significantly decreased the number of uncollected accounts and has decided to **exclude** this from the application to not further burden the ratepayer.

Notwithstanding normal and customary base year adjustments, MDRR's application also accounts for additional operating costs such as: long term planned vehicle fleet updates per the California Air Resources Board (CARB); SB 1383 implementation (*additional drivers & trucks*); Cost increases of labor because of a new five-year collective bargaining agreement (CBA); Periodic cart replacements unrelated to SB 1383 requirements; and the RCTS gate rate increase (approved by the City of Pittsburg) which collectively total ~\$1,738,470 or an approximate 23.29% proposed upward adjustment to the residential rates. MDRR has indicated this proposed adjustment is sufficient to cover anticipated operational costs outlined in the base rate application.



The anticipated SB 1383 related specific costs in Oakley alone total ~\$1,299,946 and make up the most significant component of the requested increase. The highest cost of the above items directly relates to the additional drivers & trucks, which will be needed to facilitate the collection of organics going from a bi-weekly schedule to a weekly schedule. As part of SB1383, MDRR will lead jurisdictional efforts in cart

compliance, outreach, education, monitoring, inspection, facility improvements, post-collection processing, and more.

While the City only governs residential rates, it does review all MDRR's collection-related revenues, costs, and profits, as part of the review and especially as part of a base year review. In a base year, per the Agreement, the City is required to approve a rate structure for the residential sector, based on the revenue requirements to cover allowable costs and includes a reasonable profit to the provider. The City of Oakley does not regulate commercial or industrial rates. However, it should be noted that these proposed adjustments to residential rates are reflective of a 9.00% adjustment to the commercial sector, which took effect on January 1, 2022. Staff would like to recognize that MDRR has used pre-pandemic commercial revenue projections for the purposes of this base rate application. Last year's actual commercial revenue would have resulted in a higher requested residential rate increase due to even lower revenue in the commercial sector.

MDRR utilizes the services of its' other related companies for trucking and maintenance, but most importantly, RCTS in Pittsburg, where all curbside collected materials are sent. Internal pricing for these services are comparable to other third-party providers and rates charged to the general public and are regulated by other governing jurisdictions. Other company charges are similar to those charged by comparable outside contractors.

The application contemplates two rate options for meeting increased operational costs of ~\$1,738,470. To meet this requirement, Option 1, like typical changes to base rates, implements a 23.29% increase in 2022. Option 2 meets the revenue requirement over five- years, with yearly average increases of 8.88% during this period. It is important to note that the total cost to existing customers over this 5-year period will be exactly the same under Option 1 and Option 2. In effect, MDRR will be carrying the losses in the first few years and customers will be paying back those losses in Years 3 and 4, without any interest. So, the rates in Years 4 and 5 will essentially include loan payments to make MDRR whole for the losses that they carry in Years 1, 2 and 3. Then, a new base rate study will be completed, and new rates will be established for Year 6. Assuming that there are no additional state mandates that will be further-increasing costs, the rates in Year 6 should be reset to rates that are similar to the Option 1 rates in year 5, plus an RRI for Year 6.

City Staff recommends the proposed adjustment be spread over five years (Option 2), softening the increase felt by ratepayers, including additional and customary annual RRI adjustments, to accommodate these new un-funded State-mandated processing and diversion requirements.

In addition, Staff would like to seek Council authority for two additional items: 1) Incorporating the timing and implementation of solid waste related fees into the annual City Master Fee Schedule process as is customary with all other City fees

(starting next year); and 2) Allowing the City Manager the authority to ministerially review and approve customary annual RRI adjustments providing said adjustment request is equal to, or less than the annual index calculation as provided for within the Agreement. City Council would still separately, and as a stand-alone action, consider base rate applications and adjustments every four or five years.

Fiscal Impact

The main impact of this action is on residential refuse collection customers who, in Option 2, would pay on average an additional \$5.44 per month (over the next five years) in collection fees, depending on the size of the containers they select. This proposed increase is necessary to comply with the Agreement, allowing MDRR to recover its costs and earn a reasonable return on current regulated activities as well as new unfunded State mandates. The proposal would also increase City franchise fee revenues by approximately \$99,000 in the calendar year 2022/23.

The requested approval would increase the fees paid by the residents. In addition to inclusion in the current agenda, which is broadly distributed, staff also published a Public Hearing Notice. This included the announcement of the hearing in the Oakley Outreach and FYI email blasts.

This comprehensive review is presented to the City Council for consideration and approval of the new rates. The complete base rate report, application, and summary presentation are attached to this staff report for further background and information.

Staff Recommendation

Staff recommends the City Council adopt the attached resolution, approving the application for the base rate adjustment, utilizing Option 2, with the base rate spread over five years, as submitted; and allowing the City Manager the authority to ministerially review and approve customary annual RRI adjustments, incorporating the timing and implementation of solid waste related fees into the annual City Master Fee Schedule process as is customary with all other City fees.

Attachments

- 1) Resolution
- 2) Base Rate Report & Application
- 3) Base Rate Summary Presentation

RESOLUTION NO. XX-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY AUTHORIZING AND APPROVING AN APPLICATION TO INCREASE RESIDENTIAL SOLID WASTE COLLECTION RATES PURSUANT TO THE FRANCHISE AGREEMENT BETWEEN THE CITY AND ITS FRANCHISEE, OAKLEY DISPOSAL SERVICE, INC. DBA MT. DIABLO RESOURCE RECOVERY – OAKLEY (MDRR)

WHEREAS, the City and Oakley Disposal Service, Inc. DBA Mt. Diablo Resource Recovery-Oakley (MDRR) did, on May 25, 2010, enter into an Exclusive Franchise Agreement for the collection of refuse, recycling, and organic materials in the City; and

WHEREAS, that Agreement was amended effective September 10, 2013; and

WHEREAS, that amended Agreement allows the Franchisee to adjust rates annually by the Refuse Rate Index (RRI); and

WHEREAS, that amended Agreement also allows and requires the Franchisee to periodically submit a comprehensive rate review so that the collection rate then in effect can be adjusted to more accurately reflect the actual costs rather than the rates as adjusted solely by the RRI, and when the Franchisee must make significant changes to its operation or experiences significant changes in costs not under its control; and

WHEREAS, On November 12, 2021, MDRR applied for a comprehensive base rate review and adjustment pursuant to the Agreement and for increases in customary operating costs, as well as costs associated with the unfunded mandates of implementing SB 1383, the recent state law to address short-lived climate pollutants by reducing organic waste disposal; and

WHEREAS, Staff has reviewed the application, supplemental information, and documentation provided by MDRR and has found the request to be justifiable and in compliance with the terms and provisions of the Agreement; and

WHEREAS, Staff recommends authorizing the proposed rate adjustment to be spread over a five-year period, softening the increase felt by ratepayers (Option 2), including additional and customary annual RRI adjustments, to accommodate these new unfunded State-mandated processing and diversion requirements.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the City Council of the City of Oakley does hereby approve and authorize the following two items:

- 1) Granting MDRR the ability to adjust annual residential refuse, recycling, and organics collection base rate increases attached hereto as Exhibit A, spread over five years, starting and effective on July 1, 2022, including annual RRI adjustments beginning in 2023 through 2026 and per the terms of the Agreement; and

- 2) Authorizing the City Manager to: Incorporate the timing and implementation of solid waste related fees into the annual City Master Fee Schedule process as is customary with all other City fees (starting next year); Ministerially review and approve customary annual RRI adjustments providing said adjustment request is equal to, or less than the annual index calculation as provided for within the Agreement.

PASSED, APPROVED AND ADOPTED this 22nd day of March, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

ATTEST:

Randy Pope, Mayor

Libby Vreonis, City Clerk

Date

Exhibit A

Monthly Collection Rates (through June 30, 2023)*** Rates then would follow Option 2 below:

Service Level	Existing Rate	Proposed Rate
32 Gallon Container Senior	\$32.45	\$35.37
32 Gallon Container	\$38.24	\$41.69
64 Gallon Container	\$53.47	\$58.29
96 Gallon Container	\$60.66	\$66.13
Extra Recycling Container	\$12.01	\$13.23

***Subject to the actual annual RRI adjustments on July 1, 2023-2026 and per the terms of the Franchise Agreement

Option 2 = Base Rate Spread Over a Five-Year Period										
~ 8.88% - 9.01% Residential Increase 9.00% Commercial Increase in 2022 (2023-2026 Assumes ~2.77% Annual RRI's)										
	Low Income Senior			Residential 32-Gallon		Residential 64-Gallon		Residential 96-Gallon		
~ Customer Counts =	65			4,164		4,155		3,934		12,318
										Averages (excluding low income rate)
Current Rates	\$ 32.45			\$ 38.24		\$ 53.47		\$ 60.66		\$ 50.79
2022	9.01%	\$ 2.92	9.01%	\$ 3.45	9.01%	\$ 4.82	9.01%	\$ 5.47	\$ 4.58	
	\$ 35.37			\$ 41.69		\$ 58.29		\$ 66.13		\$ 55.37
2023	8.88%	\$ 3.14	8.88%	\$ 3.70	8.88%	\$ 5.18	8.88%	\$ 5.87	\$ 4.92	
	\$ 38.52			\$ 45.39		\$ 63.46		\$ 72.00		\$ 60.28
2024	8.95%	\$ 3.45	8.95%	\$ 4.06	8.95%	\$ 5.68	8.95%	\$ 6.44	\$ 5.39	
	\$ 41.96			\$ 49.45		\$ 69.14		\$ 78.44		\$ 65.68
2025	8.96%	\$ 3.76	8.96%	\$ 4.43	8.96%	\$ 6.19	8.96%	\$ 7.03	\$ 5.88	
	\$ 45.72			\$ 53.88		\$ 75.33		\$ 85.46		\$ 71.56
2026	9.0%	\$ 4.12	9.0%	\$ 4.85	9.0%	\$ 6.78	9.0%	\$ 7.69	\$ 6.44	
	\$ 49.83			\$ 58.73		\$ 82.12		\$ 93.16		\$ 78.00
Average Yearly Increase	\$ 3.48			\$ 4.10		\$ 5.73		\$ 6.50		\$ 5.44
Total 5-Year Increase	\$ 17.38			\$ 20.49		\$ 28.65		\$ 32.50		\$ 27.21



November 12, 2021

Joshua McMurray
City Manager
City of Oakley
3231 Main Street
Oakley, CA 94561

VIA EMAIL

Re: 2021 BASE RATE APPLICATION SUBMITTAL

Dear Joshua,

Enclosed, please find our 2021 Base Rate Application and supporting materials. As we discussed in our pre-submittal meeting, this application includes a comprehensive analysis and review of the existing services provided by Oakley Disposal Service, Inc., dba Mt. Diablo Resource Recovery-Oakley ("MDRR") for a Base Year review and adjustment. In addition, this application also includes the costs for new "State Mandates" of SB1383 implementation and compliance for collection and post-collection related services and activities. It is currently anticipated that these new services will hopefully start rolling out throughout 2022 for commercial customers & throughout 2023 for residential customers.

In addition to regular base year type items and SB1383 compliance costs, this application also reflects a proposed change regarding how the cost of recycling operations are off set within the current collection rates. As you recall, in 2019, a recycling surcharge was approved and then subsequently extended in 2021, due to the China National Sword and the new normal of the recycling commodities markets. Under the current approved rates, the cost to the ratepayer in 2020 to process the recyclables for Oakley was \$644,727.

On September 20th, 2021, the Pittsburg City Council approved an increase to the gate rate at RCTS, which will become effective January 1st, 2022. This increase at RCTS will facilitate moving the cost to process recyclables for all our collection contracts into our post-collection operations. This cost would then be passed back down into the Oakley curb-side collection rates at a projected cost of approximately \$219,588 (using 2020 RCTS gate tonnage for the City of Oakley). As you will see in the application, this will be a cost-saving to the Oakley ratepayers of roughly \$425,139.

This report, including the attached supporting analysis, outlines the major components which have led up to where we are at this point and reflect the following circumstances:

- Extension of the residential recycling surcharge until the approval and implementation date of this proposed base rate application.
- SB 1383 implementation costs.
- Approved gate rate adjustment at RCTS in Pittsburg (effective 1/1/2022).

The outline of this report is as follows:

- A. Periodic base rate analysis.
- B. Summary of proposed rate adjustment, including additional services.
- C. Analysis, methodology, and supporting schedules.
- D. Detailed breakdown of components of rate increase.
- E. Conclusion and base rate application.

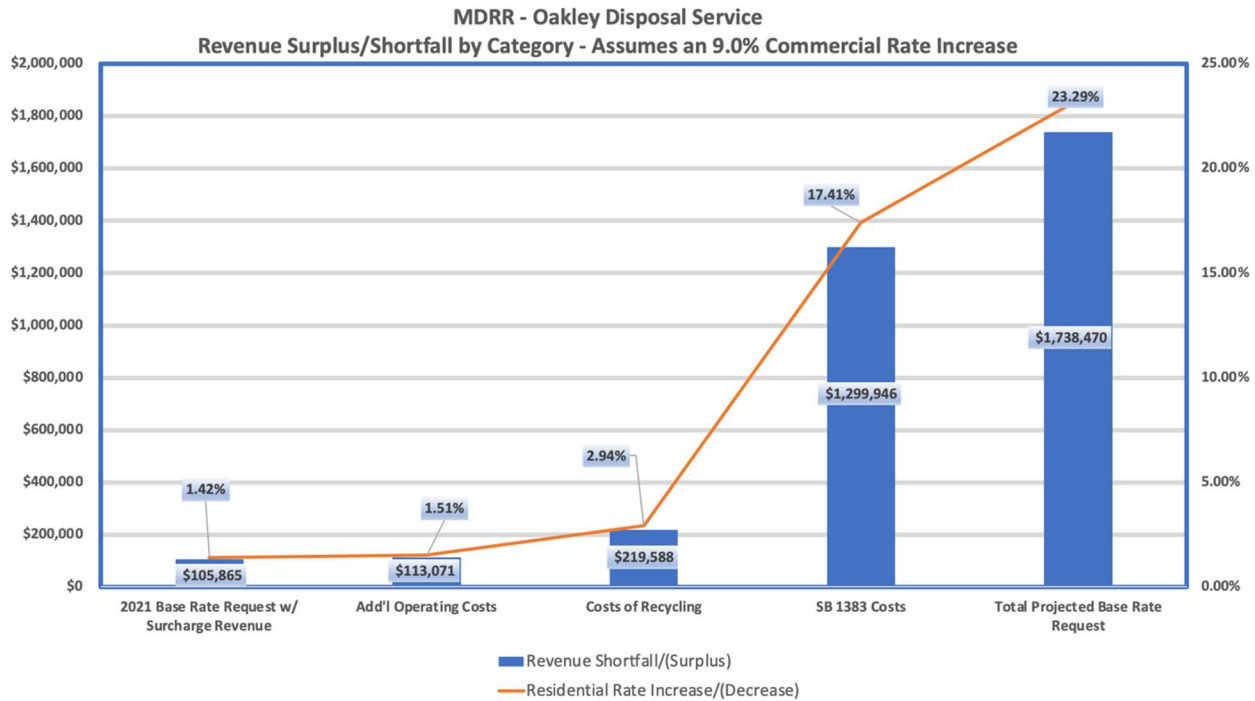
A. Periodic Base Rate

The purpose of this rate base rate application is to help the city establish the refuse, recycling, and organics collection rates in line with the city's franchise and rate-setting process. In the included analysis, MDRR has analyzed and presented the current results of normal & customary operations as if this were a normal base year review. In addition, this base rate application also reflects the proposed costs for the City of Oakley to implement SB1383 and its required related programs.

It is customary for base rate applications usually have a line item for un-collected revenue from past due accounts. Due to COVID 19, this number reached an all time high. However, through outreach, collection efforts and helping customers establish payment plans, we have decreased this uncollected amount by ~\$56,182. As of October 15th, we now only have ~\$239,512 in un-collected revenue for the City of Oakley which we have decided to **exclude** from this application as to not further burden the ratepayer.

B. Summary of Rate Adjustment and Additional Services

As you will see in the application and attachments, this base year review starts off in a relatively good position for the City of Oakley with a revenue shortfall of only \$105,865 representing approximately a 1.42% upward adjustment to the residential rates. Notwithstanding normal and customary base year adjustments, this application then accounts for: additional operating costs, SB 1383 implementation (*additional drivers & trucks*), cost increases of labor because of a new collective bargaining agreement (CBA), and the RCTS gate rate increase which collectively total ~\$1,738,470 or an approximate 23.29% upward adjustment to the residential rates.



In the attachments, you will also see that MDRR has proposed and is recommending for your consideration an alternative implementation strategy to smooth out this increase on our customers over a five-year period. This alternative implementation strategy would result in residential rates increasing annually between a range of ~8.88-9.01% over a five-year period, compared to the full 23.29% increase being implemented in just one year.

C. Analysis and methodology of supporting schedules.

Please see the attached complete base rate application. For your review, we have included: supporting schedules, recent audited financial statements, and a series of worksheets & analysis. These attachments support this base year rate application and has been prepared in accordance with our Franchise Agreement and customary rate setting practices.

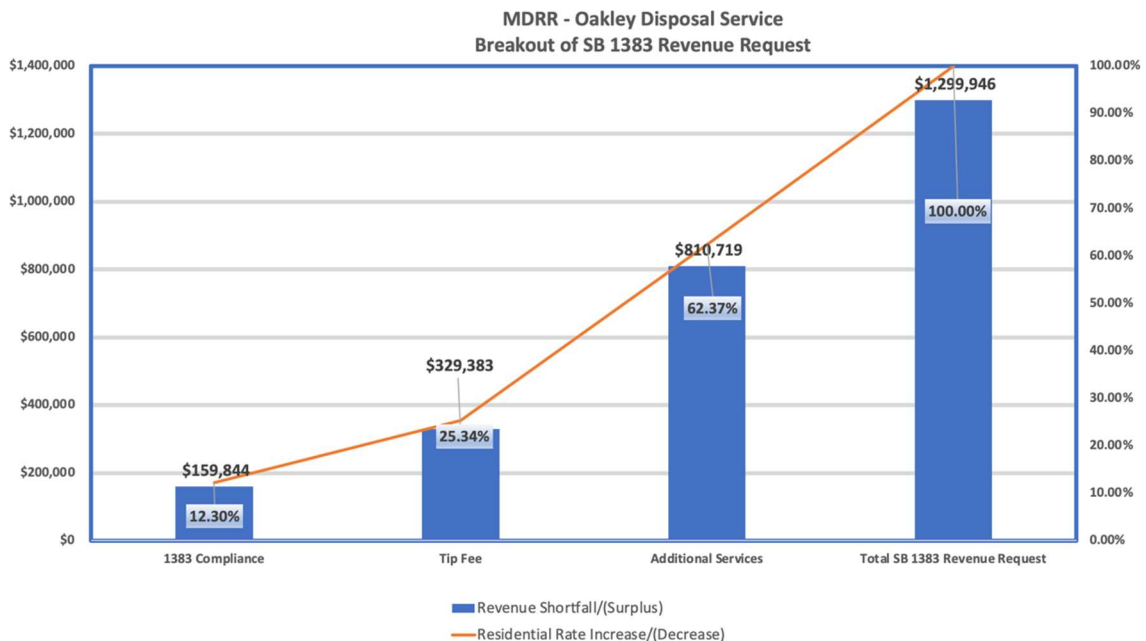
D. Detailed Breakdown of Components Contributing to the Rate Application:

- 1) **Labor:** In 2020 MDRR management successfully negotiated a new 5-year CBA. In the new CBA, wages increase on average 2.8% per year over the term of the contract, pension, health & welfare also increase marginally. For the City of Pittsburg service area, this base rate application anticipates our operations headcount to remain relatively the same for the next four to five years and will be readdressed with our next base rate application.

2) CAPEX Investment (Replacement Rolling Truck Stock (*existing routes*), Equipment & Facilities): Capital expenditures pertaining to trucks are depreciated over seven years. Over the last three years, MDRR has implemented a long term planned vehicle fleet update (*existing routes*) so that we will be prepared when on January 1, 2023, the fleet CARB compliance regulations take effect. In this application, equipment and facilities are depreciated over ten and twenty years respectively. SB 1383 CAPEX related costs, other than trucks, are depreciated over seven years, with a mid-year depreciation convention.

3) SB1383 Regulatory Cost Summary: The costs associated with SB1383 compliance and implementation for the City of Oakley add up to \$1,299,946 and are the largest contributor to this base rate application. These costs were derived from the requirements as outlined in the state regulations and then explicitly applied to the services MDRR provides within the City of Oakley. These items include:

- Compliant carts, lids, and labels
- Outreach and education
- Additional Services: organics routes / trucks and drivers
(+1.5 new residential routes & 7% of a new commercial route)
- Residential and multi-family pails
- Compliance, inspections, and lid flips
- Post collection organics operations (improvements & processing)



The largest cost of the above items directly relates to the additional drivers & trucks, which will be needed to facilitate the collection of organics going from a bi-weekly schedule to a weekly schedule.

It should also be noted that some of these above items are one-time costs, and some are annual expenses. In our costing model, new carts are proposed to be rolled out over fourteen years. Additionally, some items typically do not qualify under Generally Accepted Accounting Principles (GAAP) as capitalize-able costs. However, our outside CPA auditors have given MDRR the endorsement that the accounting treatment for pails, lids & labels should be capitalized. This results in additional rate softening for our customers for these items.

4) CCWS/RCTS Approved Tip Fee Increase:

RCTS Tipping Fee	
RCTS Tip Fee Increase (net of annual CPI adjustments)	All CCWS Tonnage including Public Gate Cost/Ton
Recycling Operations @ MDR (this will replace the current Recycling Surcharge)	\$ 6.50
SB1383 Post Collection Processing	\$ 4.25
SB1383 Post Collection Improvements & Infrastructure @ RCTS	\$ 5.50
Total increase in CCWS Tip Fee/Ton (3-yr phase-in)	\$ 16.25

CCWS/RCTS processes all MSW, green waste, and recyclables for the City of Oakley. Further SB1383 compliance at RCTS has necessitated a tip fee adjustment as outlined above for facility upgrades, including an enclosed building for organics. This CCWS gate rate adjustment was approved by the Pittsburg City Council on September 20th and will be phased in over three years, starting in January 2022, and will also adjust annually by the CPI. This base rate application reflects this increase at CCWS/RCTS.

E. Conclusion and Base Rate Application

The culmination these existing and additional operational costs have resulted in a total proposed residential base rate increase request of 23.29%. Projected comparable rates for 2022 in other Cities have been included.

We are presenting two different models for your consideration, representing either a one-year (Option 1) or five-year (Option 2), residential phase-in period including a projected customary annual RRI adjustment of ~2.77% in each applicable year. Both models include projected residential customer rates for each period broken down by container size and current customer count, showing both the percentage increase as well as the

respective dollar increase. Both models also reflect our intention to increase all services within the commercial sector by 9%, effective January 1st, 2022.

Option 1 = Base Rate One-Year Phase-In (Normal Practice)										
23.29% Residential Increase 9.0% Commercial Increase in 2022 (2023-2026 Assumes ~2.77% Annual RRs)										
	Low Income Senior		Residential 32-Gallon		Residential 64-Gallon		Residential 96-Gallon			
~ Customer Counts =	65		4,164		4,155		3,934		12,318	
										Averages (excluding low income rate)
Current Rates	\$ 32.45		\$ 38.24		\$ 53.47		\$ 60.66			\$ 50.79
2022	23.29%	\$ 7.56	23.29%	\$ 8.90	23.29%	\$ 12.45	23.29%	\$ 14.13		\$ 11.83
	\$ 40.01		\$ 47.14		\$ 65.92		\$ 74.79			\$ 62.62
2023	2.77%	\$ 1.11	2.77%	\$ 1.30	2.77%	\$ 1.82	2.77%	\$ 2.07		\$ 1.73
	\$ 41.11		\$ 48.45		\$ 67.74		\$ 76.85			\$ 64.35
2024	2.77%	\$ 1.14	2.77%	\$ 1.34	2.77%	\$ 1.87	2.77%	\$ 2.12		\$ 1.78
	\$ 42.25		\$ 49.79		\$ 69.62		\$ 78.98			\$ 66.13
2025	2.77%	\$ 1.17	2.77%	\$ 1.38	2.77%	\$ 1.92	2.77%	\$ 2.18		\$ 1.83
	\$ 43.42		\$ 51.16		\$ 71.54		\$ 81.16			\$ 67.96
2026	2.77%	\$ 1.20	2.77%	\$ 1.41	2.77%	\$ 1.98	2.77%	\$ 2.24		\$ 1.88
	\$ 44.62		\$ 52.58		\$ 73.52		\$ 83.41			\$ 69.83
Average Yearly Increase	\$ 2.43		\$ 2.87		\$ 4.01		\$ 4.55			\$ 3.81
Total 5-Year Increase	\$ 12.17		\$ 14.34		\$ 20.05		\$ 22.75			\$ 19.04

Option 2 = Base Rate Spread Over a Five-Year Period										
~ 8.88% - 9.01% Residential Increase 9.00% Commercial Increase in 2022 (2023-2026 Assumes ~2.77% Annual RRI's)										
	Low Income Senior		Residential 32-Gallon		Residential 64-Gallon		Residential 96-Gallon			
~ Customer Counts =	65		4,164		4,155		3,934		12,318	
										Averages (excluding low income rate)
Current Rates	\$	32.45	\$	38.24	\$	53.47	\$	60.66	\$	50.79
2022	9.01%	\$ 2.92	9.01%	\$ 3.45	9.01%	\$ 4.82	9.01%	\$ 5.47	\$	4.58
	\$	35.37	\$	41.69	\$	58.29	\$	66.13	\$	55.37
2023	8.88%	\$ 3.14	8.88%	\$ 3.70	8.88%	\$ 5.18	8.88%	\$ 5.87	\$	4.92
	\$	38.52	\$	45.39	\$	63.46	\$	72.00	\$	60.28
2024	8.95%	\$ 3.45	8.95%	\$ 4.06	8.95%	\$ 5.68	8.95%	\$ 6.44	\$	5.39
	\$	41.96	\$	49.45	\$	69.14	\$	78.44	\$	65.68
2025	8.96%	\$ 3.76	8.96%	\$ 4.43	8.96%	\$ 6.19	8.96%	\$ 7.03	\$	5.88
	\$	45.72	\$	53.88	\$	75.33	\$	85.46	\$	71.56
2026	9.0%	\$ 4.12	9.0%	\$ 4.85	9.0%	\$ 6.78	9.0%	\$ 7.69	\$	6.44
	\$	49.83	\$	58.73	\$	82.12	\$	93.16	\$	78.00
Average Yearly Increase	\$	3.48	\$	4.10	\$	5.73	\$	6.50	\$	5.44
Total 5-Year Increase	\$	17.38	\$	20.49	\$	28.65	\$	32.50	\$	27.21

We look forward to further discussing these two implementation options with you and your staff, as well as appearing before the City Council at the earliest opportunity for their final consideration. We appreciate the time you have spent with our team and please do not hesitate to contact either myself, Kish Rajan, or Salvatore Evola should you have any questions or need additional information.

Best Regards,



Patrick Dolim
Chief Financial Officer

CC: Ronald J. Proto - CEO, Oakley Disposal Service, Inc.
Kish Rajan - CAO, Oakley Disposal Service, Inc.
Gary Lazdowski - COO, Oakley Disposal Service, Inc.

Attachments:

- 1) 2021 Base Rate Application
- 2) Presentation - Base Rate Application Summary
- 3) 2020 Audited Financial Statements (2 separate files, via email only)
- 4) Five (5) Separate Supporting Excel Files (via email only)

City of Oakley												
Option 1 - One and Done (Normal Practice)												
23.29% Residential Increase 9.0% Commercial Increase in 2022 (2023-2026 Assumes ~2.77% Annual RRs)												
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	\$ 49.83		\$ 58.73		\$ 82.12		\$ 93.16		\$ 78.00			
Average Yearly Increase	\$ 3.48		\$ 4.10		\$ 5.73		\$ 6.50		\$ 5.44			
Total 5-Year Increase	\$ 17.38		\$ 20.49		\$ 28.65		\$ 32.50		\$ 27.21			



2021 City of Oakley Base Rate Application Summary

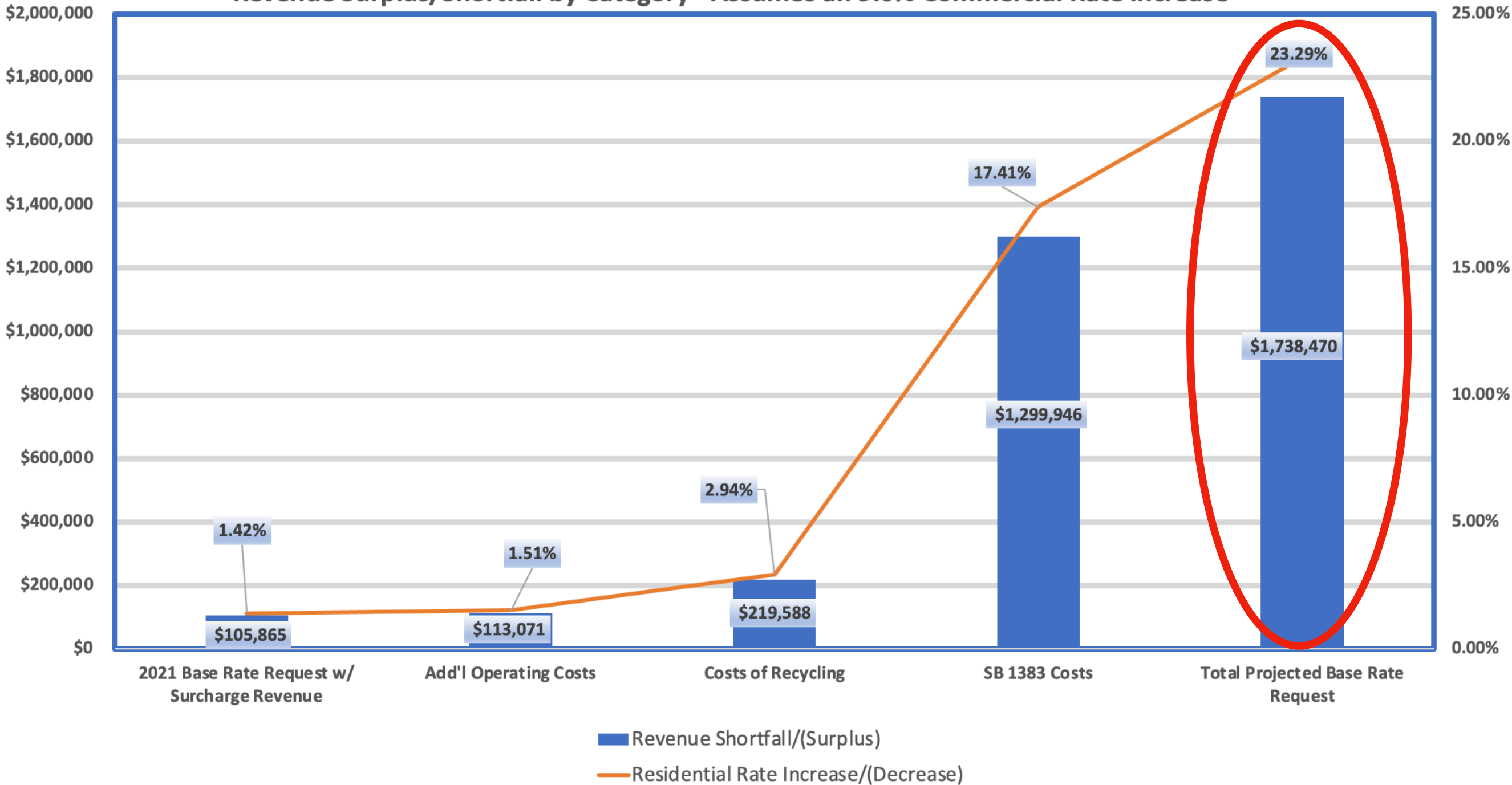
November, 2021

Agenda & Topics For Today's Discussion

1. Base Rate Numbers
2. Approved RCTS Gate Rate Adjustment
3. Recycling Contamination Fee Transition
4. COVID Related Impacts
5. SB1383 - Compliance & Costs
6. 2021 Base Rate Application Summary
7. Comparable 2022 Projected Rates
8. Implementation Considerations

2021 Final Base Rate Application Summary

MDRR - Oakley Disposal Service
Revenue Surplus/Shortfall by Category - Assumes an 9.0% Commercial Rate Increase

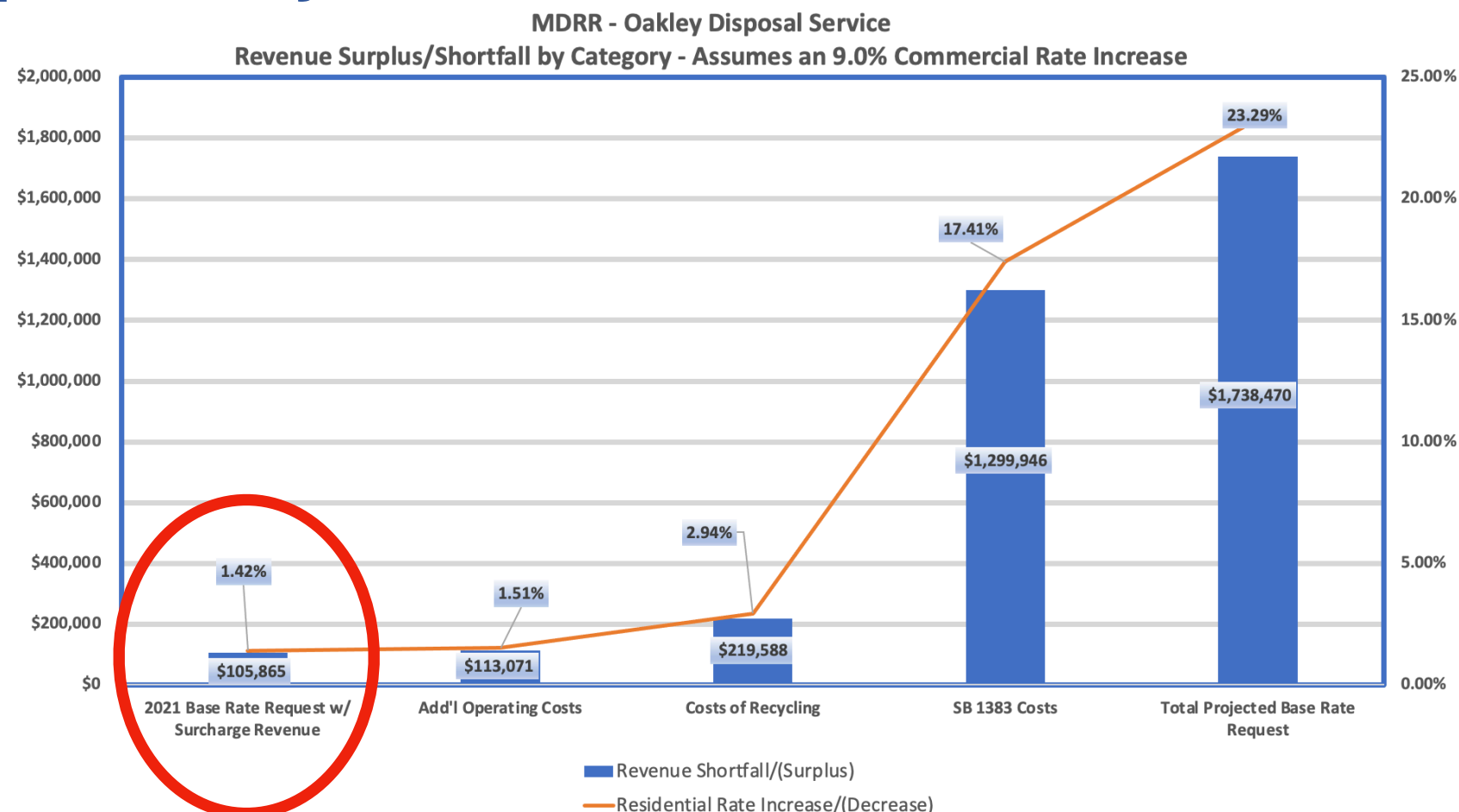


Total revenue requirement (w/ additions & new services) = \$1,738,470
Resulting in a 23.29% total residential rate increase & 9% commercial

Normal Base Year Adjustments

1. New 5-year CBA = 2.8% increase
2. Trucking / SEG Lease Rate Model (Depreciation & Insurance)

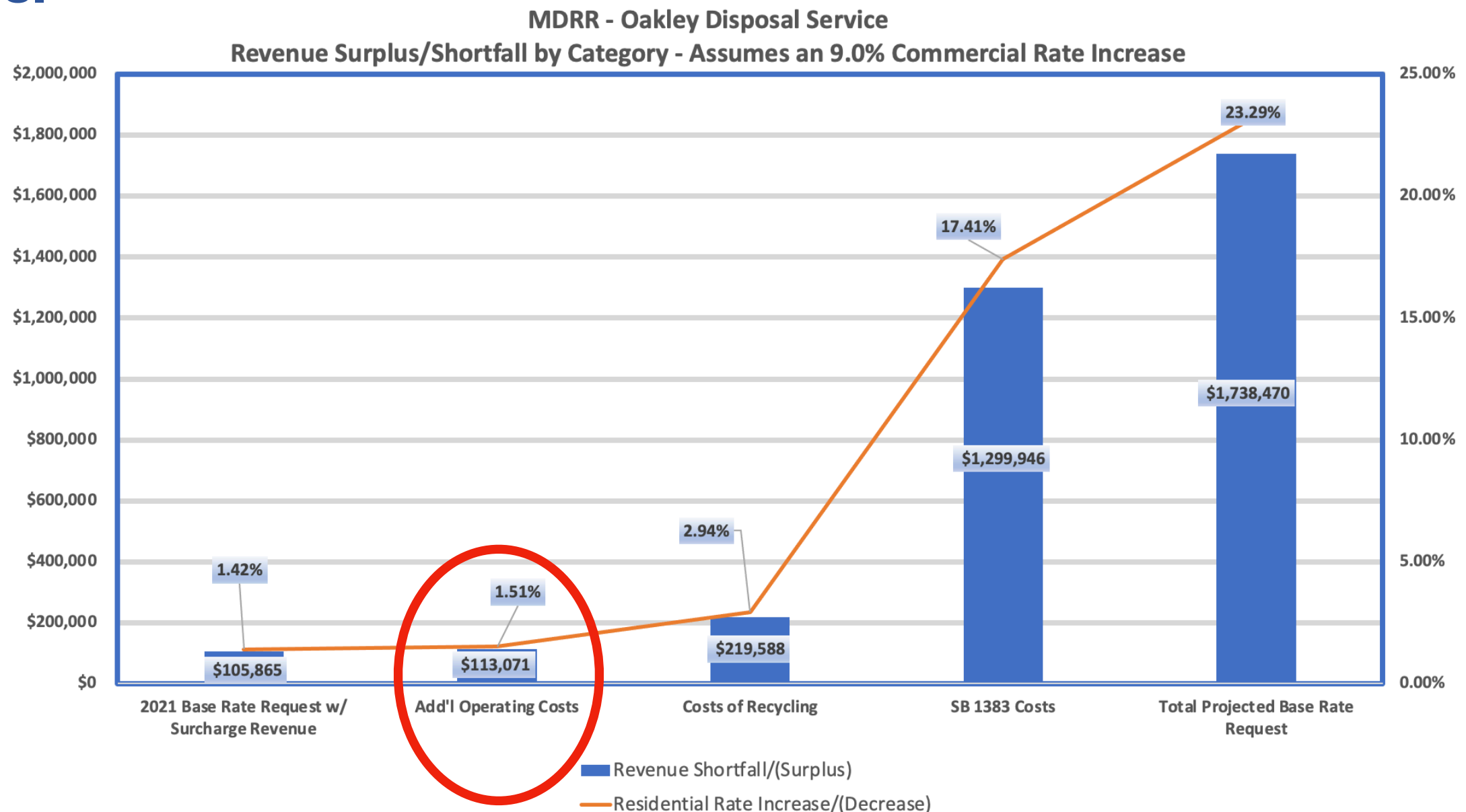
These normal and customary Base Year adjustments, when offset by the temporary Recycling Contamination Fee revenue, would result in a revenue shortfall of **~\$105,865** or approximately a **1.42%** upward adjustment to the residential rates.



Additional Operating Costs

1. CAPEX - long term planned fleet update per CARB to 2023

These additional Base Year adjustments add up to **~\$113,071** or would result in a **1.51%** upward adjustment to the residential rates.



Approved Gate Rate Adjustment at RCTS

- 1) MDR - Recycling Operations = + \$6.50 per ton
- 2) MDRRP - Master Plan Improvements (~\$34M) = + \$5.50 per ton
- 3) SB1383 - Post-Collection Operations = + \$4.25 per ton

Total (3-year) Incremental Gate Rate Adjustment = + \$16.25

	2022	%	2023	%	2024	%	Total	%
Beginnning Base Gate Rate	\$ 113.00		\$ 122.50		\$ 132.00		\$ 113.00	
Incremental Adjustments	\$ 5.42	4.8%	\$ 5.42	4.4%	\$ 5.42	4.1%	\$ 16.25	14.4%
CPI Projected Adjustments	\$ 4.08	3.6%	\$ 4.08	3.3%	\$ 4.08	3.1%	\$ 12.25	10.8%
Ending Proposed Gate Rate	\$ 122.50	8.4%	\$ 132.00	7.8%	\$ 141.50	7.2%	\$ 141.50	25.2%
Dollar Change	\$ 9.50	8.4%	\$ 9.50	7.8%	\$ 9.50	7.2%	\$ 28.50	25.2%

Recycling Surcharge

Oakley recycling surcharge revenue in 2020 = \$644,727

Current recycling surcharge will be replaced upon adoption of a new base rate, which will include the newly approved RCTS Gate Rate

MDR's current operational cost is \$21.83 per ton, when spread against total inbound MSW tonnage at RCTS

Current portion of RCTS Gate to MDR = \$15.33 per ton *(\$14 w/ CPI adjustments)*

+ \$6.50 per ton incremental adjustment at the RCTS gate, to cover operational costs at MDR

Example using 2020 RCTS Gate tonnage for the City of Oakley = 26,756 tons *(MSW)* x \$6.50 per ton = \$173,914 + F.F.'s = **\$219,588** *(2.94% of the total requested increase)*

The cost to process recyclables at MDR, when passed down to Oakley through the newly approved gate rate, will be ~\$425,139 less than the current recycling surcharge.

COVID Related Impacts

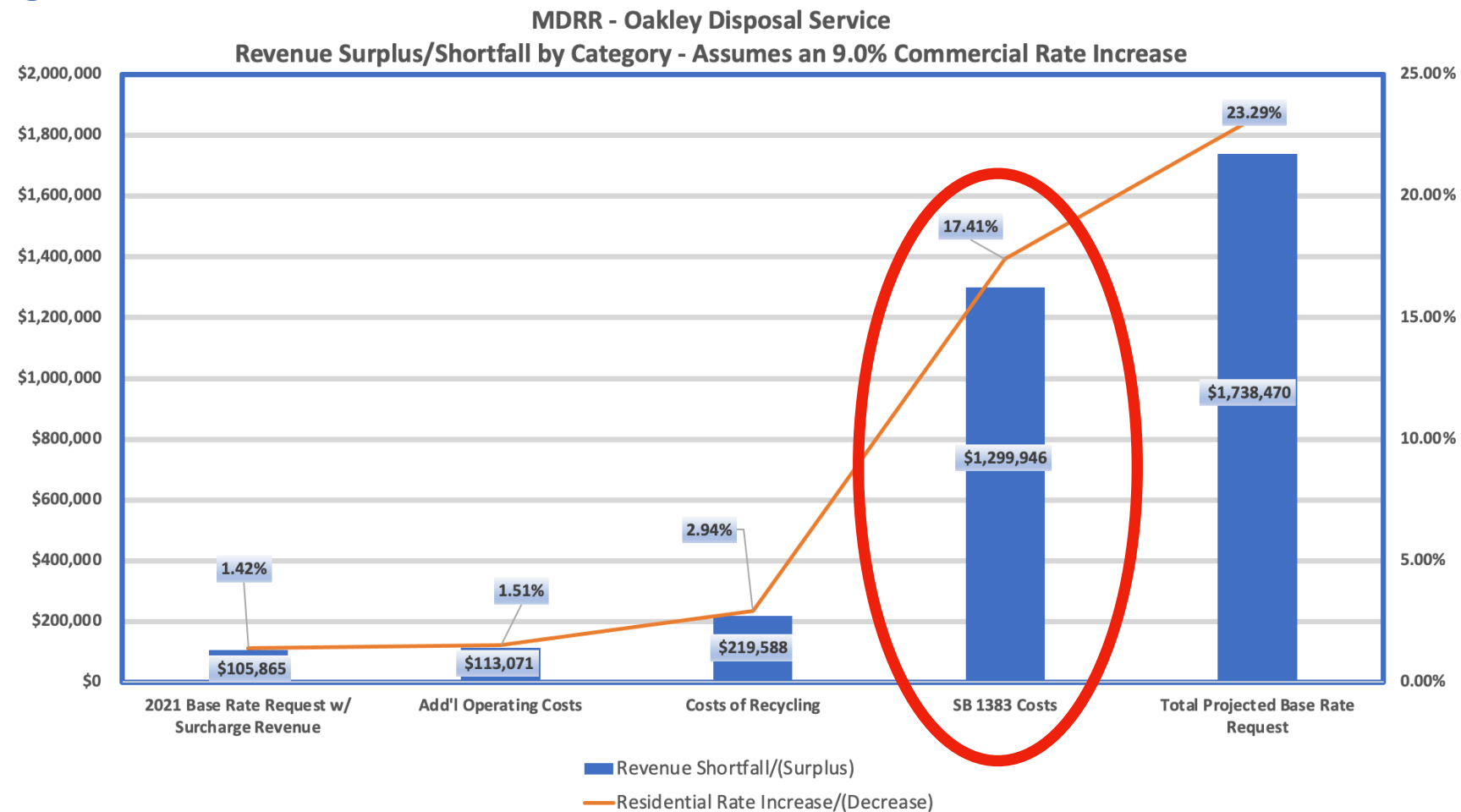
Significant increase in unpaid accounts across residential, multi-family & commercial, which as of October 15th is \$239,512. *(558 total accounts; 549 residential, 9 commercial & 0 multi-family)*

- **Historically, and prior to COVID, this was less than 2% of total revenue.** *(~285 Accounts)*
- **Oakley continues to make progress with unpaid accounts.**
- **Through collection efforts and establishing payment plans for customers, throughout the pandemic, we have decreased UnPaid accounts in Oakley by a total of \$56,182.**
- **This un-collected revenue is not in this proposed Base Rate Request.**

SB 1383 Compliance & Related Costs

\$1,299,946 or **17.41%** of the requested total increase

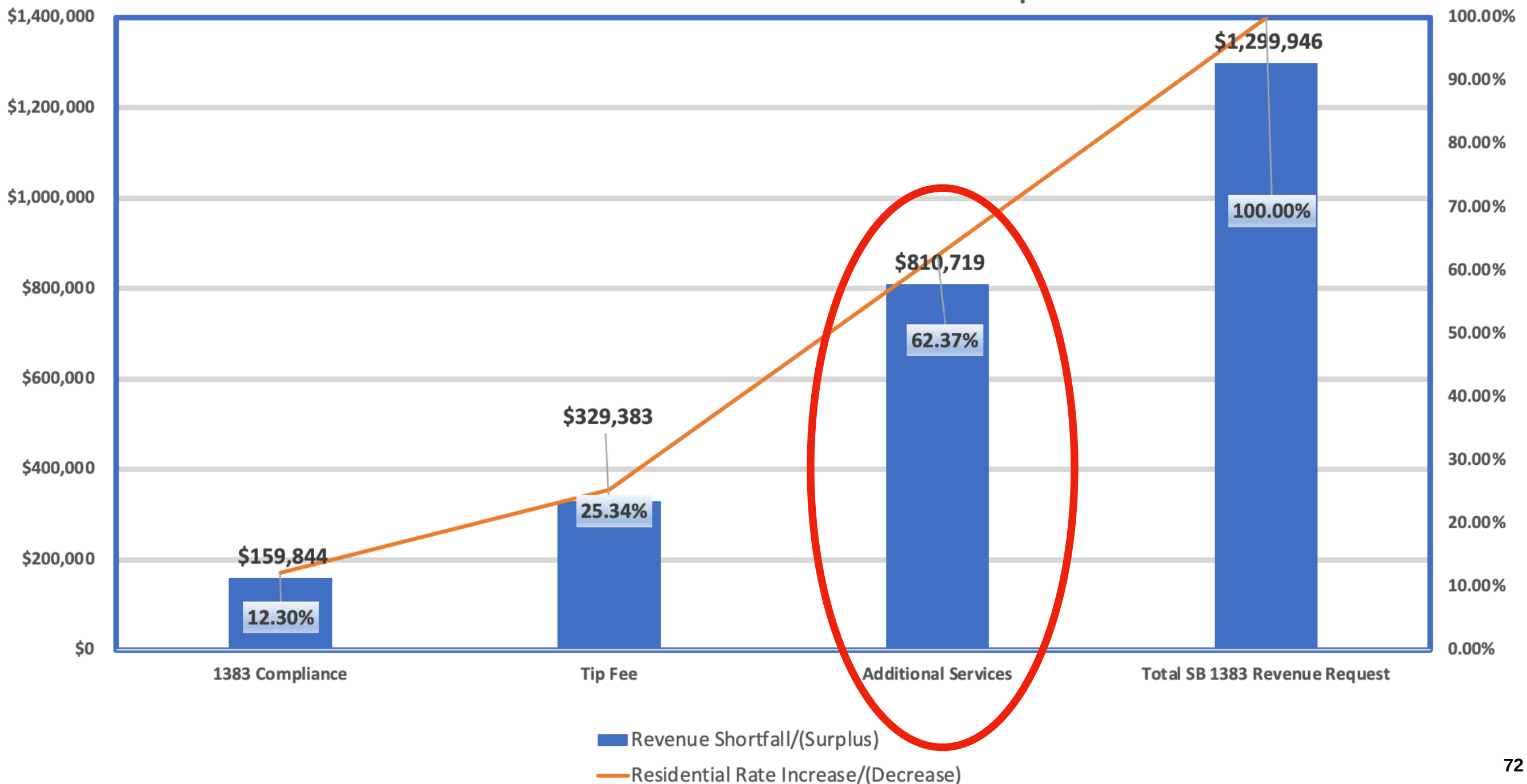
- Compliant Carts, Lids & Labels
- Outreach & Education
- Additional routes (1.5 Res / .7 Comm)
- Residential & multi-family pails
- Compliance / Lid flips
- Post collection organics (improvements & processing)



SB 1383 Specific (Compliance & Related Costs)

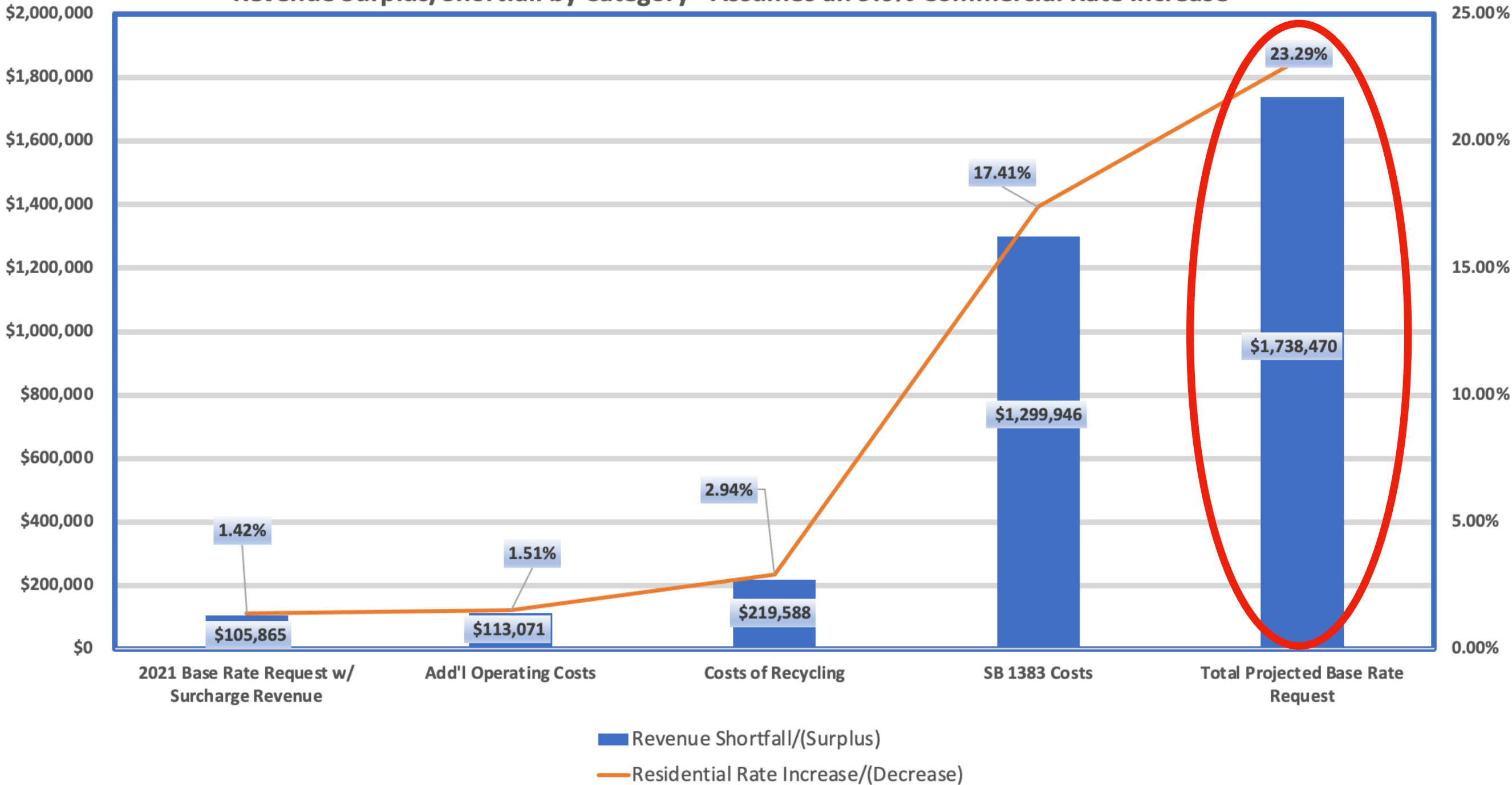
\$1,299,946 or **17.41%** of the requested total increase

MDRR - Oakley Disposal Service
Breakout of SB 1383 Revenue Request



2021 Final Base Rate Application Summary

MDRR - Oakley Disposal Service
Revenue Surplus/Shortfall by Category - Assumes an 9.0% Commercial Rate Increase



Total revenue requirement (w/ additions & new services) = \$1,738,470
Resulting in a 23.29% total residential rate increase & 9% commercial

SB 1383 Compliance & Related Costs

Additional routes make up a significant portion of the requested total increase

Current biweekly routes

After SB1383

Jurisdiction	Current # drivers	Current # of Pickup weeks Per year	After SB1383 # of pickup weeks per year	Drivers/Trucks Incremental Increase
Rio Vista	1	26	52	0.5
Oakley	3	26 per driver	52 per driver	1.5
Bay Point	2	26 per driver	52 per driver	1
Brentwood	1	26	52	0.5
Discovery Bay	3	26 per driver	52 per driver	1.5
Total drivers/trucks	10			5

TOTAL INCREASE IN HEADCOUNT 5

Commercial compost

Current customers	
Jurisdiction	Customers
Concord	1,214
Rio Vista	9
Oakley	34
Pittsburg	133
County	23
TOTAL	1,413

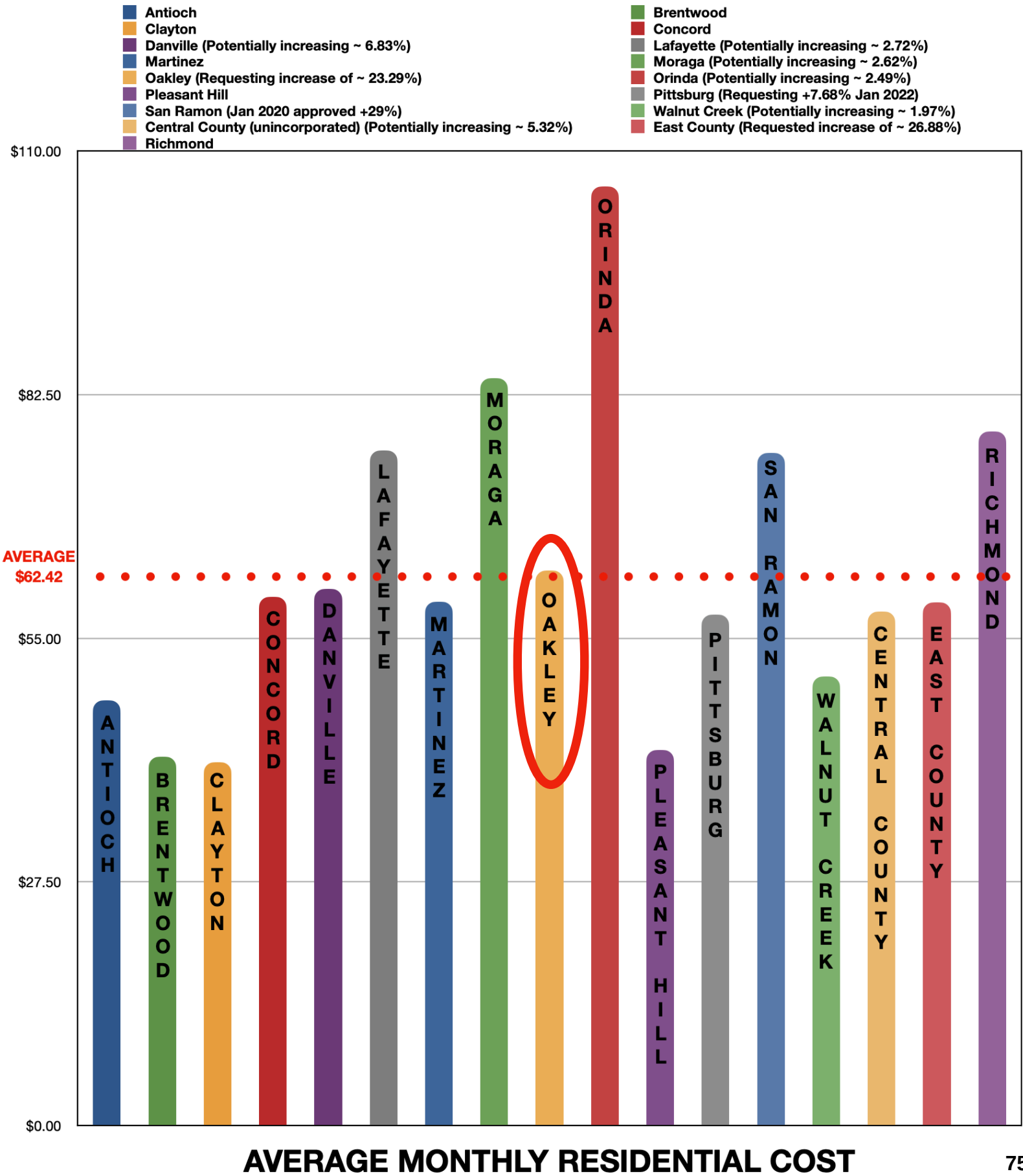
Customers Increase after (SB1383)		
Jurisdiction	Customers	Jurisdiction %
Concord	740	53%
Rio Vista	118	9%
Oakley	92	7%
Pittsburg	342	25%
Bay Point_County	17	1%
Discovery Bay_County	15	1%
Brentwood_County	60	4%
TOTAL	1,384	100%

TOTAL INCREASE IN HEADCOUNT 1

BASE RATE ONE & DONE

2022 PROJECTED COMPARABLE RATES

CITY	32 GALLON	64 GALLON	96 GALLON	AVERAGE COST
Antioch	\$ 31.92	\$ 51.52	\$ 60.51	\$ 47.98
Brentwood	\$ 29.77	\$ 41.00	\$ 54.03	\$ 41.60
Clayton	\$ 30.29	\$ 44.96	\$ 47.85	\$ 41.03
Concord (Requested increase of ~ 27.11%)	\$ 44.67	\$ 60.39	\$ 74.05	\$ 59.70
Danville (Potentially increasing ~ 6.83%)	\$ 34.77	\$ 59.14	\$ 87.80	\$ 60.57
Richmond	\$ 41.18	\$ 77.97	\$ 115.80	\$ 78.32
Lafayette (Potentially increasing ~ 2.72%)	\$ 40.00	\$ 75.47	\$ 113.19	\$ 76.22
Martinez	\$ 38.80	\$ 47.68	\$ 90.84	\$ 59.11
Moraga (Potentially increasing ~ 2.62%)	\$ 42.18	\$ 84.35	\$ 126.50	\$ 84.34
Oakley (Current)	\$ 38.24	\$ 53.47	\$ 60.66	\$ 50.79
Oakley (Requesting increase of ~ 23.29%)	\$ 47.14	\$ 65.92	\$ 74.79	\$ 62.62
Difference=	\$ 8.90	\$ 12.45	\$ 14.13	\$ 11.83
Orinda (Potentially increasing ~ 2.49%)	\$ 55.86	\$ 104.78	\$ 157.28	\$ 105.97
Pleasant Hill	\$ 29.17	\$ 39.41	\$ 58.61	\$ 42.40
Pittsburg (Requesting +7.68% Jan 2022)	\$ 48.12	\$ 58.84	\$ 66.00	\$ 57.65
San Ramon (Jan 2020 approved +29%)	\$ 41.56	\$ 71.96	\$ 114.18	\$ 75.90
Walnut Creek (Potentially increasing ~ 1.97%)	\$ 26.63	\$ 50.31	\$ 75.13	\$ 50.69
Central County (unincorporated) (Potentially increasing ~ 5.32%)	\$ 30.21	\$ 57.52	\$ 86.30	\$ 58.01
East County (Requested increase of ~ 26.88%)	\$ 50.05	\$ 58.06	\$ 69.07	\$ 59.06
AVERAGE =	\$ 38.96	\$ 61.72	\$ 86.58	\$ 62.42
MEDIAN =	\$ 80.58	\$ 136.42	\$ 74.96	

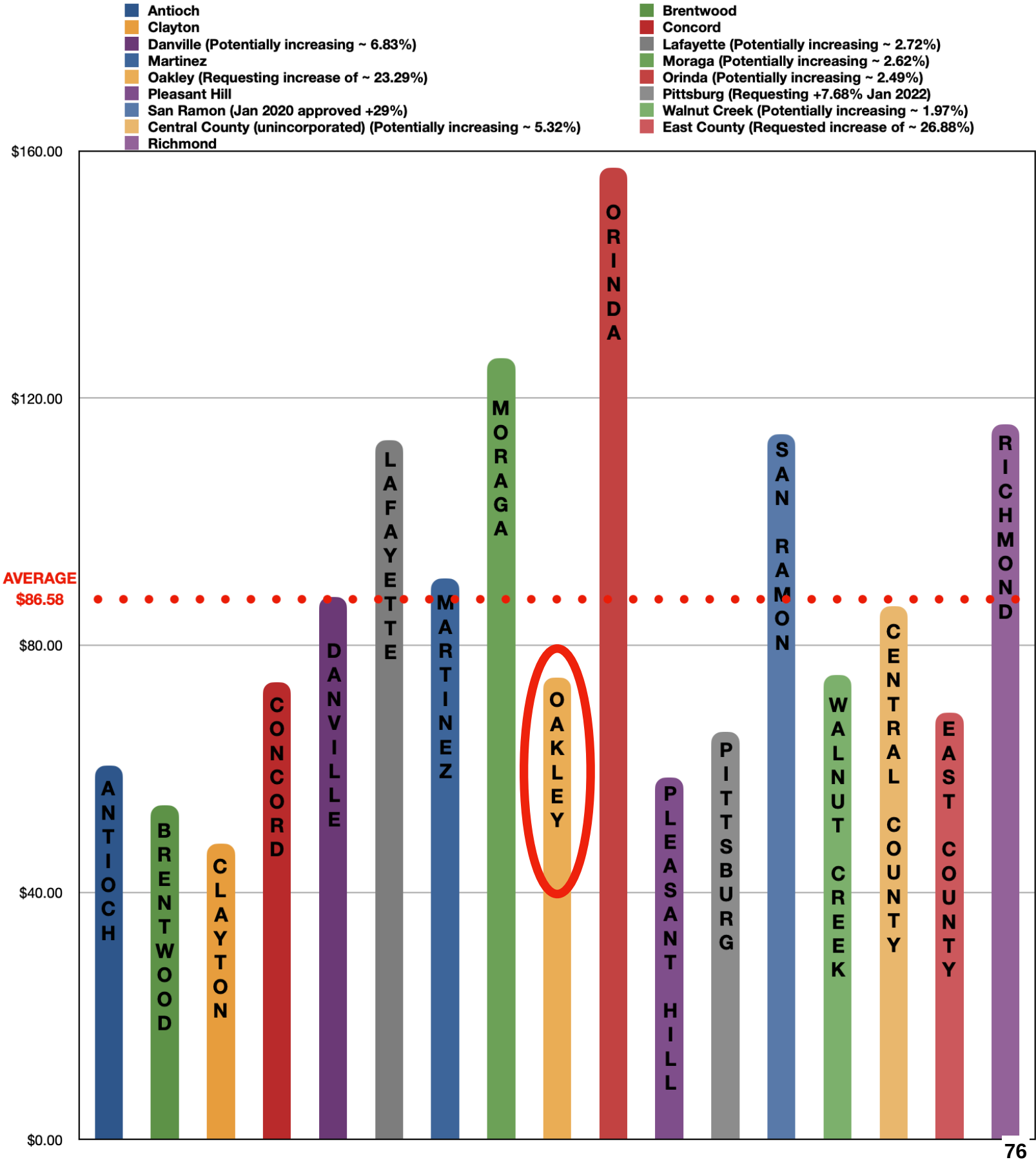


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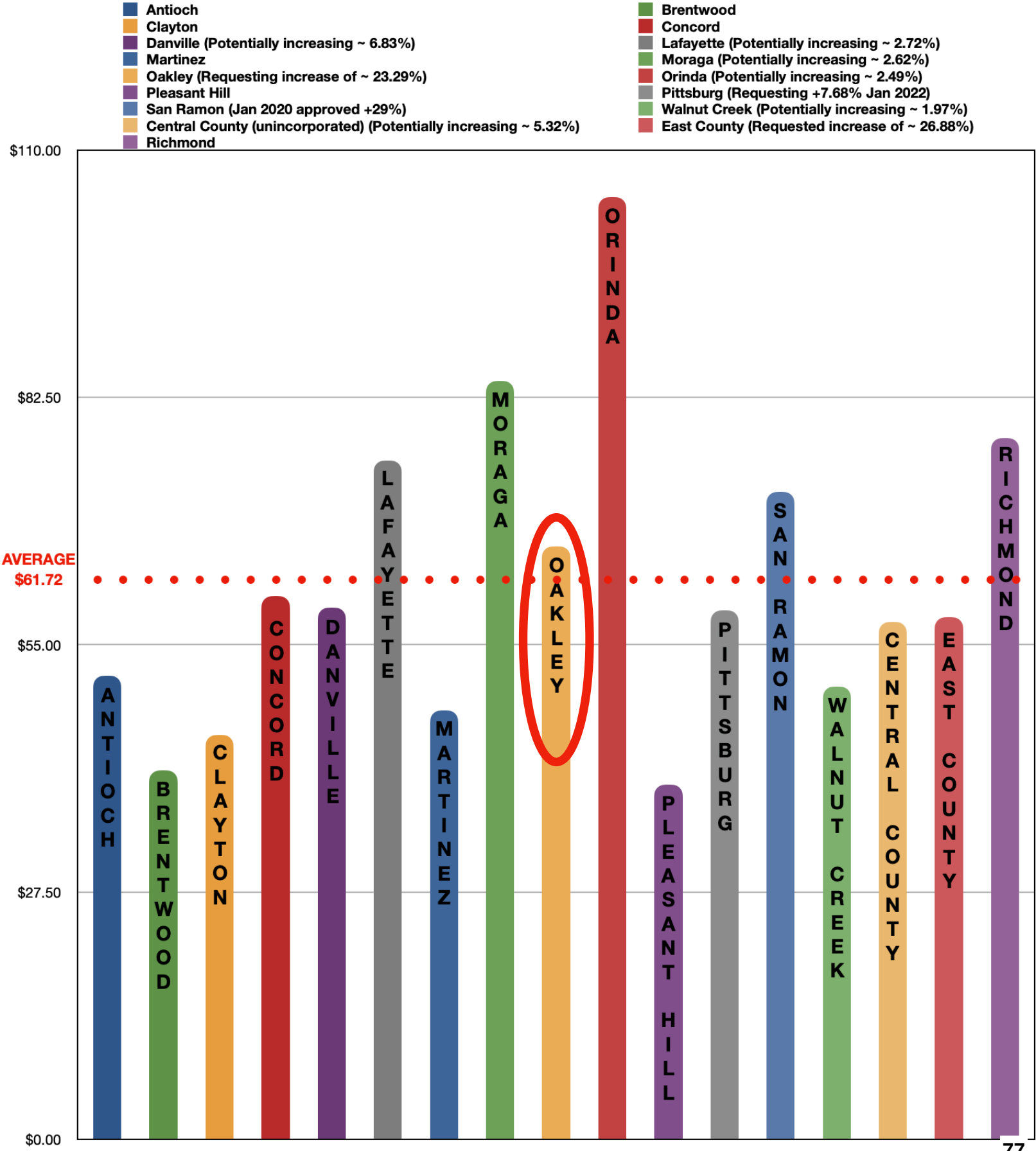


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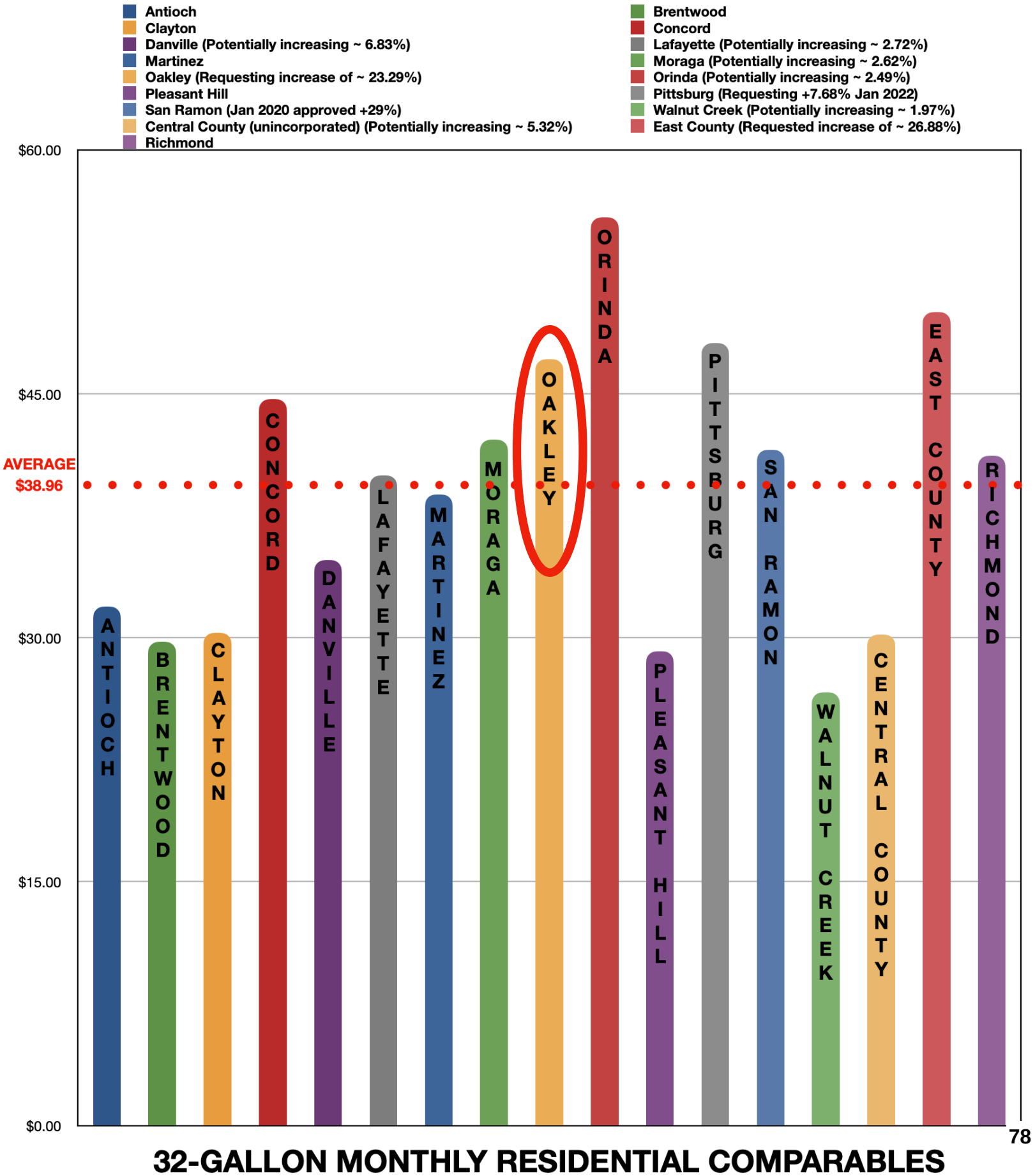


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Implementation Considerations

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	\$ 43.42		\$ 51.16		\$ 71.54		\$ 81.16			\$ 67.96
2026	2.77%	\$ 1.20	2.77%	\$ 1.41	2.77%	\$ 1.98	2.77%	\$ 2.24		\$ 1.88
	\$ 44.62		\$ 52.58		\$ 73.52		\$ 83.41			\$ 69.83
Average Yearly Increase	\$ 2.43		\$ 2.87		\$ 4.01		\$ 4.55			\$ 3.81
Total 5-Year Increase	\$ 12.17		\$ 14.34		\$ 20.05		\$ 22.75			\$ 19.04

Implementation Considerations

Option 2 = Base Rate Spread Over a Five-Year Period										
~ 8.88% - 9.01% Residential Increase 9.00% Commercial Increase in 2022 (2023-2026 Assumes ~2.77% Annual RRIs)										
	Low Income Senior		Residential 32-Gallon		Residential 64-Gallon		Residential 96-Gallon			
~ Customer Counts =	65		4,164		4,155		3,934		12,318	
										Averages (excluding low Income rate)
Current Rates	\$ 32.45		\$ 38.24		\$ 53.47		\$ 60.66			\$ 50.79
2022	9.01%	\$ 2.92	9.01%	\$ 3.45	9.01%	\$ 4.82	9.01%	\$ 5.47		\$ 4.58
	\$ 35.37		\$ 41.69		\$ 58.29		\$ 66.13			\$ 55.37
2023	8.88%	\$ 3.14	8.88%	\$ 3.70	8.88%	\$ 5.18	8.88%	\$ 5.87		\$ 4.92
	\$ 38.52		\$ 45.39		\$ 63.46		\$ 72.00			\$ 60.28
2024	8.95%	\$ 3.45	8.95%	\$ 4.06	8.95%	\$ 5.68	8.95%	\$ 6.44		\$ 5.39
	\$ 41.96		\$ 49.45		\$ 69.14		\$ 78.44			\$ 65.68
2025	8.96%	\$ 3.76	8.96%	\$ 4.43	8.96%	\$ 6.19	8.96%	\$ 7.03		\$ 5.88
	\$ 45.72		\$ 53.88		\$ 75.33		\$ 85.46			\$ 71.56
2026	9.0%	\$ 4.12	9.0%	\$ 4.85	9.0%	\$ 6.78	9.0%	\$ 7.69		\$ 6.44
	\$ 49.83		\$ 58.73		\$ 82.12		\$ 93.16			\$ 78.00
Average Yearly Increase	\$ 3.48		\$ 4.10		\$ 5.73		\$ 6.50			\$ 5.44
Total 5-Year Increase	\$ 17.38		\$ 20.49		\$ 28.65		\$ 32.50			\$ 27.21

STAFF REPORT

DATE: March 11, 2022

TO: Joshua McMurray,
City Manager

Approved and Forwarded to the City Council

FROM: Derek P. Cole, City Attorney

SUBJECT: A Resolution of the City of Oakley City Council Making Findings and Denying the Project Known as “McDonald’s Drive-Through Quick Serve Restaurant at Laurel Plaza Conditional Use Permit (Cup 03-20) and Design Review (DR 09-20) Located in the Laurel Plaza Shopping Center on the Northwest Corner of Laurel Road and O’Hara Avenue (APN: 035-510-006)

BACKGROUND AND DISCUSSION

At its meeting on February 22, 2022, the City Council heard the continued public hearing regarding the proposed McDonald’s Drive-Through at the Laurel Plaza Shopping Center. At the conclusion of the public hearing, and after deliberation, the City Council tentatively voted three-to-two to deny the proposed application. The Council directed the City Attorney to prepare findings reflecting its findings in denying the proposed project for consideration at the March 22, 2022 City Council meeting. Consistent with this direction, attached to this Staff Report is a proposed resolution that reflects what the City Attorney understands was the Council’s decision and reasoning.

The findings for approving a conditional use permit are stated in Section 9.1.1602, paragraph (f), of the Oakley Municipal Code. To approve a proposed conditional use permit, this paragraph requires the Council to find:

- “1. That the site for the proposed use is adequate in size and shape to accommodate the use and all yards, spaces, walls and fences, parking, loading, landscaping and other features required by this title to adapt the use with land and uses in the neighborhood;

2. That the site for the proposed use relates to streets and highways adequate in width and pavement type to carry the quantity and kind of traffic generated by the proposed use;

3. The proposed use will be arranged, designed, constructed, operated and maintained so as to be compatible with the intended character of the area and shall not change the essential character of the area from that intended by the general plan and the applicable zoning ordinances;

4. That the proposed use provides for the continued growth and orderly development of the community and is consistent with the various elements and objectives of the general plan;

5. That the proposed use, including any conditions attached thereto, will be established in compliance with the applicable provisions of the California Environmental Quality Act.”

The proposed resolution includes language reflecting the Council's resolution of these required factors. The City Attorney understood that the Council denied the project based on its findings that the applicant had not provided substantial evidence to support the third and fourth factors (which are emphasized in the quotation above). Based on the evidence received through the multiple hearings concerning this application, the City Attorney understands the Council's reasoning for determining both these requirements had not been met was that, as stated in the proposed resolution:

“The project would not be consistent with the character of, and would adversely affect the quiet enjoyment of, the surrounding and developed residential uses in the vicinity of the property on which the Project would be developed ...”

Because the City Attorney did not understand the Council to find the first and second had not been established, the resolution states that those findings could be met. But importantly, an applicant must meet all five elements of the conditional use permit standards for a permit to issue. Thus, the fact that some, but not all, requirements can be met does not allow for a conditional use permit to be approved.

Finally, the City Attorney notes that the fifth requirement for a conditional use permit—concerning CEQA compliance—is effectively moot since the Council could not make the findings supporting the third and fourth elements. For this reason, the language of the proposed resolution indicates as follows:

“It is not necessary to make any finding as to the proposed project's compliance with the California Environmental Quality Act (CEQA) as the City Council has found the applicant cannot establish

requirements three and four concerning its proposed conditional use permit, as indicated above, and CEQA does not apply to “projects which a public agency rejects or disapproves.” (Pub. Resources Code, § 21080(b)(5); see also, *Sunset Sky Ranch Pilots Assn. v. County of Sacramento* (2009) 47 Cal.4th 902, 908; *Las Lomas Land Co., LLC v. City of Los Angeles* (2009) 177 Cal.App.4th 837, 849.)”

At this stage, the Council has *tentatively* denied the proposed project. But its decision will not be final until the Council has adopted a resolution making findings supporting and explaining the basis for its denial.

Attachments

1. Proposed Resolution Denying Application

RESOLUTION NO. XX-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY MAKING FINDINGS AND DENYING THE PROJECT KNOWN AS “MCDONALD’S DRIVE-THROUGH QUICK SERVE RESTAURANT AT LAUREL PLAZA CONDITIONAL USE PERMIT (CUP 03-20) AND DESIGN REVIEW (DR 09-20) LOCATED IN THE LAUREL PLAZA SHOPPING CENTER ON THE NORTHWEST CORNER OF LAUREL ROAD AND O’HARA AVENUE (APN: 035-510-006)

WHEREAS, on November 23, 2020, Zach Michels of Core States Group (“Applicant”) filed an application requesting Design Review (DR 09-20) approval to develop an approximately 1.7-acre parcel within the Laurel Plaza shopping center with a new 4,365 square foot quick serve restaurant with dine-in and drive-through service. Applicant also requests approval of a Conditional Use Permit (CUP 03-20) to operate the drive-through service use (“Project”). The project site consists of an existing parcel fronting on Laurel Road and within the Laurel Plaza Shopping Center, which is located on the northwest corner of Laurel Road and O’Hara Avenue. The site is zoned RB (Retail Business) District. APN 035-510-006; and

WHEREAS, the Applicant’s Plans include site plan, grading plan, conceptual landscape plans, building elevations, storm water control plan, truck circulation plan, and water efficient landscape ordinance calculations; and

WHEREAS, on January 13, 2021, the Project application (“Application”) was deemed complete per Government Code section 65920 et. seq; and

WHEREAS, the Project site is designated Commercial (CO) on the Oakley 2020 General Plan Land Use Map, and zoned RB (Retail Business) District; and

WHEREAS, on April 27, 2021, at a duly noticed public hearing for the project, per recommendation from the City Attorney, the City Council announced the item would be continued to a date certain (May 25, 2021). The Mayor then opened the public hearing and received written and oral testimony from the public. Upon conclusion of the public comments, the City Council continued the item to May 25, 2021; and

WHEREAS, on May 25, 2021, the City Council re-opened the public hearing and received a report from City Staff, oral and written testimony from the Applicant and public, and deliberated on the project. At the conclusion of its deliberations, the City Council continued the item to a date uncertain and directed Staff to require an additional traffic analysis that focused on the pedestrian safety and any potential impacts to nearby land uses, specifically the elementary school on Mercedes Lane; and

WHEREAS, the Laurel Plaza Supplemental Traffic Operations Analysis Assessment was completed on January 7, 2022, and made available as a public document; and

WHEREAS, on January 25, 2022, the City Council held a publicly noticed Work Session on the Laurel Plaza Supplemental Traffic Operations Analysis Assessment at which Council Members provided individual feedback, some of which resulted in actions on the part of the Applicant to implement recommended enhancements to their site and work with Staff on solutions to implement recommended off-site improvements; and

WHEREAS, on or before February 11, 2022, the Notice of Public Hearing for the project was posted at Oakley City Hall located at 3231 Main Street, outside the gym at Delta Vista Middle School located at 4901 Frank Hengel Way, outside the library at Freedom High School located at 1050 Neroly Road, and at the project site. The notice was also emailed/mailed out to all owners of property within a 500-foot radius of the project's boundaries, interested agencies, and to parties requesting such notice; and

WHEREAS, the City Council held a continued public hearing concerning the Application on February 22, 2022 concerning the and received additional evidence from the Applicant, the public, and interested parties; and

WHEREAS, at the conclusion of the public hearing on February 22, 2022, and following directions, the City Council tentatively voted to deny the Project, and directed the City Attorney to prepare findings to reflect its findings in so denying the Project; and

WHEREAS, the City Council considered the adoption of this Resolution during its March 22, 2022 regular meeting; and

WHEREAS, these Findings are based on the City's General Plan, the City's Zoning Ordinance, the Oakley Commercial and Industrial Design Guidelines, the project plans, and the applicable information submitted to the City Council at its April 27, 2021, May 25, 2021, January 25, 2022, and February 22, 2022 meetings, both written and oral, including oral information provided by the Applicant, as reflected in the minutes of such meetings, together with the documents contained in the file for the Project, all of which constitutes the record of proceedings concerning the Project.

NOW, THEREFORE, BE IT RESOLVED, that in applying the factors required by Section 9.1.1602, paragraph (f), of the Oakley Municipal Code, concerning conditional use permits, the City Council of the City of Oakley adopts the following findings in denying the proposed application:

1. The site for the proposed use would be adequate in size and shape to accommodate the use and all yards, spaces, walls and fences, parking, loading, landscaping and other features required by this title to adapt the use with land and uses in the neighborhood, in that all applicable development standards for the RB District are met and the drive-through aisle is able to queue up to 12 automobiles, which is the industry standard for similar uses; and

2. The site for the proposed use would relate to streets and highways adequate in width and pavement type to carry the quantity and kind of traffic generated by the proposed use, in that the site is accessed from Laurel Road, the City's highest traveled arterial street, which will eventually serve this entire intersection of commercial development; and
3. The proposed use will not, however, be arranged, designed, constructed, operated and maintained so as to be compatible with the intended character of the area and shall not change the essential character of the area from that intended by the General Plan and the applicable zoning ordinances, in that the Project would not be consistent with the character of, and would adversely affect the quiet enjoyment of, the surrounding and developed residential uses in the vicinity of the property on which the Project would be developed; and
4. The proposed use also will not provide for the continued growth and orderly development of the community and is not consistent with the various elements and objectives of the General Plan, in that the Project would not be consistent with the character of, and would adversely affect the quiet enjoyment of, the surrounding and developed residential uses in the vicinity of the property on which the Project would be developed; and
5. It is not necessary to make any finding as to the proposed project's compliance with the California Environmental Quality Act (CEQA) as the City Council has found the applicant cannot establish requirements three and four concerning its proposed conditional use permit, as indicated above, and CEQA does not apply to "projects which a public agency rejects or disapproves." (Pub. Resources Code, § 21080(b)(5); see also, *Sunset Sky Ranch Pilots Assn. v. County of Sacramento* (2009) 47 Cal.4th 902, 908; *Las Lomas Land Co., LLC v. City of Los Angeles* (2009) 177 Cal.App.4th 837, 849.)

BE IT FURTHER RESOLVED, the City Council determines that it is not necessary to make any findings regarding the application requesting Design Review approval to develop an approximately 1.7-acre parcel within the Laurel Plaza shopping center with a new 4,365 square foot quick serve restaurant with dine-in and drive-through service (DR 09-20), as the City Council finds that that its failure to make all the findings required to issue a conditional use permit renders further consideration of the requested design review moot.

PASSED, APPROVED AND ADOPTED this 22nd day of March, 2022 by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

STAFF REPORT

DATE: March 22, 2022

TO: Joshua McMurray, City Manager

Approved and Forwarded to the City Council

FROM: Kenneth W. Strelo, Planning Manager with Ascent Environmental, Inc.
(Housing Element Update Consultants)

SUBJECT: Work Session on the 2023-2031 6th Cycle Housing Element Update

Summary

This is the first City Council Work Session on the City of Oakley 2023-2031 6th Cycle Housing Element Update. The State of California requires cities to identify specific sites where affordable housing may be built. As part of the State-Mandated Housing Element Update, Oakley will have to identify where and how approximately 440 affordable homes could be built to meet the State requirement.

Background

On January 5, 2022, the City of Oakley entered into a services agreement with Ascent Environmental, Inc. ("Ascent") to prepare the City of Oakley 2023-2031 6th Cycle Housing Element Update. It was jointly decided by Staff and Ascent that a City Council Work Session would be beneficial early in the process of selecting potential sites for the City's Affordable Housing Overlay ("AHO") District. The sites being presented to the City Council in this report are meant to encourage feedback and discussion. The following sites will be included in the initial discussions:

- APN: 033-100-004 (E. side of Main St. between Hill Ave. and Brownstone Rd.)
- APN: 033-110-003 (E. side of Main St. and south of Monte Linda St.)
- APN: 034-080-031 (S/W corner of Laurel Rd. and O'Hara Ave.)
- APNs: 034-130-003 and 004 (E. side of O'Hara Ave. and north of Brownstone Rd.)
- APN: 034-200-022 (S/W corner of Main St. and Brownstone Rd.)
- APNs: 051-210-016 and 022 (North of Oakley Rd. east of SR 160)
- APN: 053-071-046 (S/W corner of Empire Ave. and Neroly Rd.)

Housing Element Overview

The Housing Element is one of the mandatory elements that must be included in City's General Plan. State law mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. Unlike

other mandatory general plan elements, the Housing Element is required to be updated every eight years according to a State-mandated schedule and must be reviewed and certified by the California Department of Housing and Community Development (“HCD”) for compliance with State law.

The Housing Element includes the following major components:

- Housing Needs Assessment: Provides demographic and housing need information.
- Constraints Analysis: Analyzes existing and potential constraints to the development of housing and how those will be addressed.
- Housing Sites Inventory and Analysis: Identifies sites available for development or redevelopment and that are appropriately zoned to support housing development to accommodate the City’s Regional Housing Needs Allocation (“RHNA”).
- Fair Housing Assessment: A new requirement to analyze fair housing issues and include strategies to affirmatively further fair housing (“AFFH”).
- Housing Resources: Identifies financial and other resources available to support housing development, especially affordable housing.
- Evaluation of Past Performance: Assesses progress in implementing the policies and programs set forth in the prior Housing Element.
- Policies and Programs: Establishes new policies and programs designed to address the housing needs identified in the City.

HCD Review Process

HCD conducts a thorough review of the Housing Element for compliance with State law. The City must submit the draft Housing Element to HCD for an initial 90-day review. At the end of the 90-day review periods, HCD will issue a comment letter with findings of revisions that are needed to satisfy requirements of State law. HCD then has 60 days to review each subsequent draft of the Housing Element. Once HCD comments have been satisfied, the City can adopt the Housing Element. Once adopted, the City must submit the adopted Housing Element to HCD for final review and certification with State law.

Regional Housing Needs Allocation

The Regional Housing Needs Allocation (“RHNA”) is part of a statewide statutory mandate for every city and county in California to address a portion of the projected statewide housing needs. Every region in the state is given a Regional Housing Needs Determination from the California Department of Housing and Community Development (“HCD”). This is the number of housing units the region must plan for. The total RHNA allocation is broken down into four income categories: above moderate, moderate, low, and very low-income. The two lower income categories (“Low Income” and “Very Low Income”) must be accommodated on sites zoned for higher density residential development.

State law mandates that the Association of Bay Area Governments (“ABAG”) develop and approve a Regional Housing Needs Plan that contains a RHNA methodology for allocating

these units by income category to each city and county in the region. On December 16, 2021, the ABAG Board adopted the final RHNA Plan. The Plan allocates a total of 1,058 housing units to the City of Oakley as shown in Table 1 below. The City of Oakley must ensure that the appropriate zoning is in place to accommodate its RHNA.

Table 1. City of Oakley, Sixth Cycle Housing Element Regional Housing Needs Allocation (2023-2031)

	Very Low	Low	Moderate	Above Moderate	TOTAL
2023-2031 RHNA	279	161	172	446	1,058
Percent of Total	26%	15%	16%	42%	100%

Housing Element Sites Inventory Findings

Based on a preliminary review of entitled projects and available sites in the inventory, City staff and the consultants have identified adequate capacity to meet the moderate and above moderate income RHNA. However, the City needs to identify additional sites to meet the lower-income RHNA.

Affordable Housing Overlay (AHO) and Current Sites

The City uses the Affordable Housing Overlay (“AHO”) to meet the lower-income RHNA. The AHO currently allows for a density of up to 24 units per acre. The City currently has nine parcels in the AHO. Two of the parcels are being developed by St. Anton with the Elm Lane Oakley project. This development is expected to pull building permits prior to the start of the Sixth Cycle Housing Element and will therefore be counted in the 5th Cycle Housing Element RHNA. The remaining seven parcels total 10.2 acres and will be included in the Sixth Cycle Housing Element. At a density of 24 units per acre, the sites can accommodate up to 244 units. If all seven of the AHO parcels are included in the inventory at their full capacity of 244 units, the City’s remaining lower-income RHNA would be 196 units.

All of the remaining sites are currently developed with single-family homes and are considered “non-vacant.” Recent state law (AB 1397) established new requirements that make it more challenging to count capacity on non-vacant sites. Staff and the consultants will be studying each of the sites for feasibility of development during the 6th Cycle Housing Element. It’s possible that one or all the sites could be determined infeasible for development in the eight-year planning period of the 6th Cycle Housing Element.

Realistic Capacity Requirements

AB 1397 also added more stringent requirements for sites allowing uses other than residential, such as an overlay zone where the base zoning allows for non-residential or single-family residential. Staff and the consultants will be analyzing the realistic capacity to determine the likelihood that the sites will develop as high-density residential rather than the uses allowed under the base zoning. Staff does not know what HCD expectations will be for demonstrating realistic capacity, but staff and the consultants anticipate not being able to

count the full capacity of the AHO sites. To reflect a more realistic “likelihood” of residential development, staff and the consultants will likely count only 50-75% of the capacity on the AHO sites.

No Net Loss Requirements

It is critical that the City not only meet the lower-income RHNA but also provide a “buffer” of additional capacity to address requirements for “no net loss.” Government Code Section 65863 (No Net Loss Law) requires the City to maintain adequate sites for lower-income households throughout the entire eight-year planning period of the Housing Element. If a jurisdiction approves a development of a parcel identified in its Housing Element sites inventory with fewer units than shown in the Housing Element, it must either make findings that the Housing Element’s remaining sites have sufficient capacity to accommodate the remaining unmet lower-income RHNA or identify and make available sufficient sites to accommodate the remaining unmet RHNA within 180 days. A jurisdiction may not disapprove a housing project on the basis that approval of the development would trigger the identification or zoning of additional adequate sites to accommodate the remaining RHNA.

To account for the potential loss of lower-income sites from the Housing Element inventory, the recommendation is to include at least a 30 percent buffer of additional capacity in the lower-income sites inventory.

State Density Standard for Lower Income Sites

To identify sites that can accommodate the City’s lower-income RHNA, the Housing Element must include an analysis that demonstrates that the projections can realistically be achieved. Government Code Section 65583.2(c)(3)(B) contains “default” density standards deemed appropriate to meet the lower-income RHNA. Oakley is considered a “metropolitan” jurisdiction because the city has a population of more than 25,000 (i.e., Oakley population was 43,991 in 2020) and is located in a Metropolitan Statistical Area (MSA) with a population of more than 2 million. For metropolitan jurisdictions, the default density is 30 units per acre. Therefore, for a site to be counted toward meeting the lower-income RHNA, the zoning must allow for development at 30 units per acre.

To comply with Government Code Section 65583.2, staff will be proposing to increase the maximum allowed density of the AHO to 30 units per acre as part of this Housing Element Update.

Strategy to Meet RHNA - Rezone

At a minimum, the City will need to identify sites to accommodate at least 196 units to meet the RHNA. At an average density of 24 units per acre, this is the equivalent of 8 acres of land that would need to be rezoned with the AHO. To provide a 30 percent buffer, the City would need to rezone an additional 5.5 acres. However, given the uncertainty in whether the current AHO sites will be considered feasible given their non-vacant status and what HCD

expectations will be regarding the realistic capacity assumptions associated with the overlay zoning approach, City staff recommends identifying at least 25 acres of land where the AHO would be applied. Staff has identified seven potential sites for consideration to rezone with the AHO.

Notice of Work Session Distribution

The attached Notice of Work Session was mailed and posted in the same manner as the City of Oakley circulates Notices of Public Hearing. At least 10 days prior to the meeting date, it was posted outside City Hall, outside the public library at Freedom High School, and outside the gym at Delta Vista Middle School. The notice was also mailed directly to all known mailing address of current property owners of the subject sites, to all mailing addresses of owners of properties within 500 feet of each project site, and to a list of approximately 60 agencies (mailed and emailed as requested).

Fiscal Impact

The contract for the 2023-2031 6th Cycle Housing Element Update is being funded through a combination of SB 2 Planning Grant, Local Early Action Planning ("LEAP") Grant, and Regional Early Action Planning ("REAP") Grant monies, all administered by the California Department of Housing and Community Development ("HCD").

Staff Recommendation

City Council receive report and presentation from consultant, hold a work session open to public comments, and provide discussion and feedback on potential Affordable Housing Overlay ("AHO") sites.

Attachments

1. Notice of Work Session
2. Potential Sites for Affordable Housing Overlay (AHO) District
3. Citywide Map of Existing and Potential Sites for Affordable Housing Overlay (AHO) District



City of Oakley
3231 Main Street
Oakley, CA 94561
www.oakleyinfo.com

City Council Work Session on the 2023-2031 Housing Element Update

The State of California requires cities to identify specific sites where affordable housing may be built. As part of the State-Mandated Housing Element Update, Oakley will have to identify where and how approximately 440 affordable homes could be built to meet the State requirement. You are being notified of this workshop because one of the sites that the Staff and Consultant are recommending for consideration to receive an Affordable Housing Overlay (AHO) District overlay is either owned by you, or is within 500 feet of a property you own. The following sites will be included in the initial discussions:

- APN: 033-100-004 (E. side of Main St. between Hill Ave. and Brownstone Rd.)
- APN: 033-110-003 (E. side of Main St. and south of Monte Linda St.)
- APN: 034-080-031 (S/W corner of Laurel Rd. and O'Hara Ave.)
- APNs: 034-130-003 and 004 (E. side of O'Hara Ave. and north of Brownstone Rd.)
- APN: 034-200-022 (S/W corner of Main St. and Brownstone Rd.)
- APNs: 051-210-016 and 022 (North of Oakley Rd. east of SR 160)
- APN: 053-071-046 (S/W corner of Empire Ave. and Neroly Rd.)

We encourage you to come and participate in this work session. The City has hired a professional housing element consulting firm, Ascent, to analyze the City's status on meeting affordable housing, to explain the requirements of the State Department of Housing and Community Development (HCD), and to identify options. The City Council work session will be held as part of the Regular City Council Meeting on:

Tuesday, March 22, 2022 (Meeting begins at 6:30 p.m.)
Council Chambers
Oakley City Hall
3231 Main Street
Oakley, CA 94561

If you are not able to attend, you may also submit written comments to Ken Strelo, Planning Manager, at strelo@ci.oakley.ca.us or the City of Oakley, 3231 Main Street, Oakley, CA 94561. The Staff Report will be available on or before Thursday, March 17, 2022 on the City's website: www.ci.oakley.ca.us.

Work Session on the 2023-2031 6th Cycle Housing Element Update

Attachment 2 - Potential Sites for Affordable Housing Overlay (AHO) District

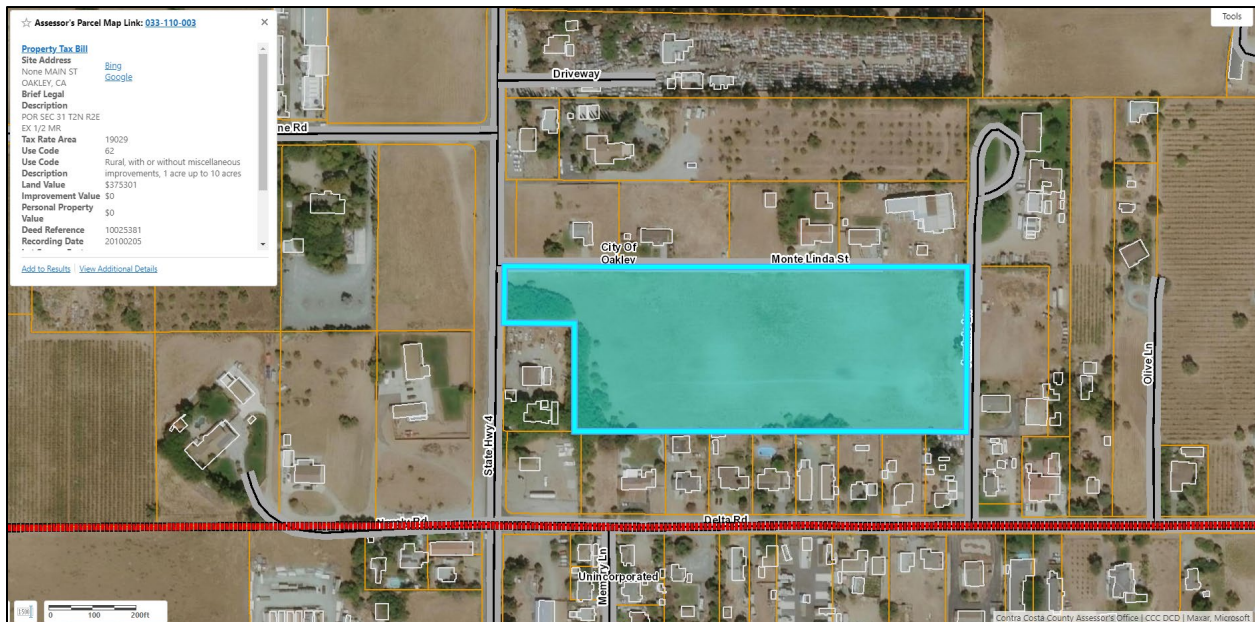
1. S/W corner of Main St. and Brownstone Rd. – 2.22 acres (APN 034-200-022)

- Zoning: C (General Commercial) District
- General Plan: CO (Commercial)
- Vacant



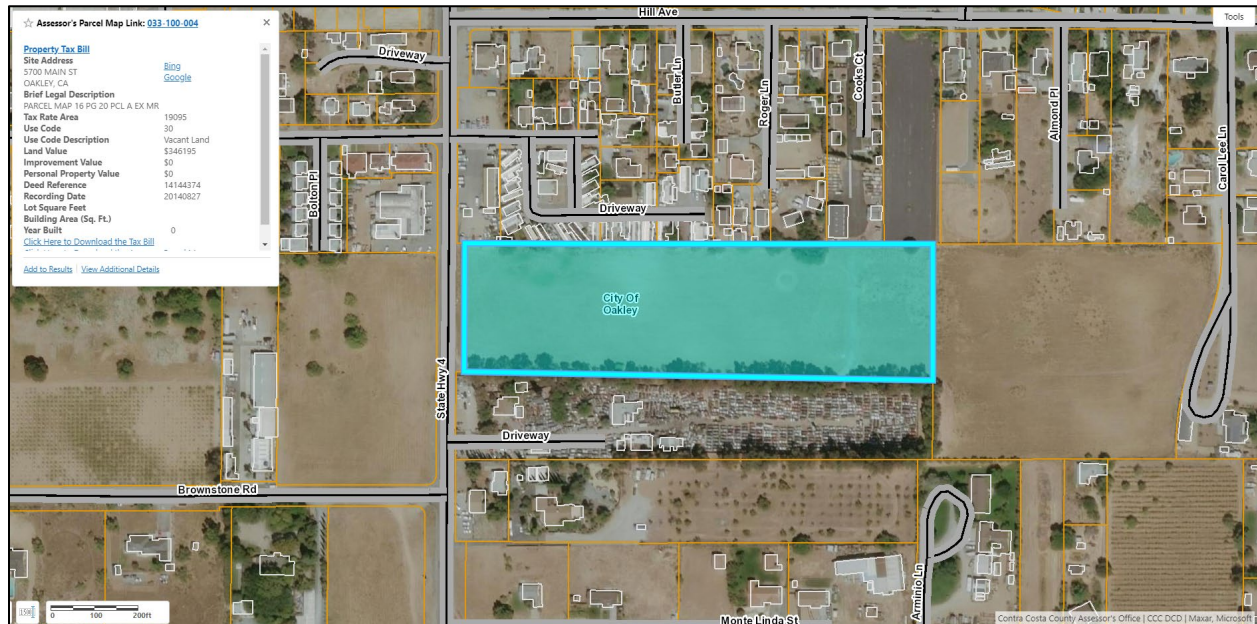
2. Between Main St., Arminio Ln., and Monte Linda St. – 8.43 acres (APN 033-110-003)

- Zoning: R-6 (Single Family Residential) District and C (General Commercial) District
- General Plan: RLM (Residential Low/Medium) and CO (Commercial)
- Vacant



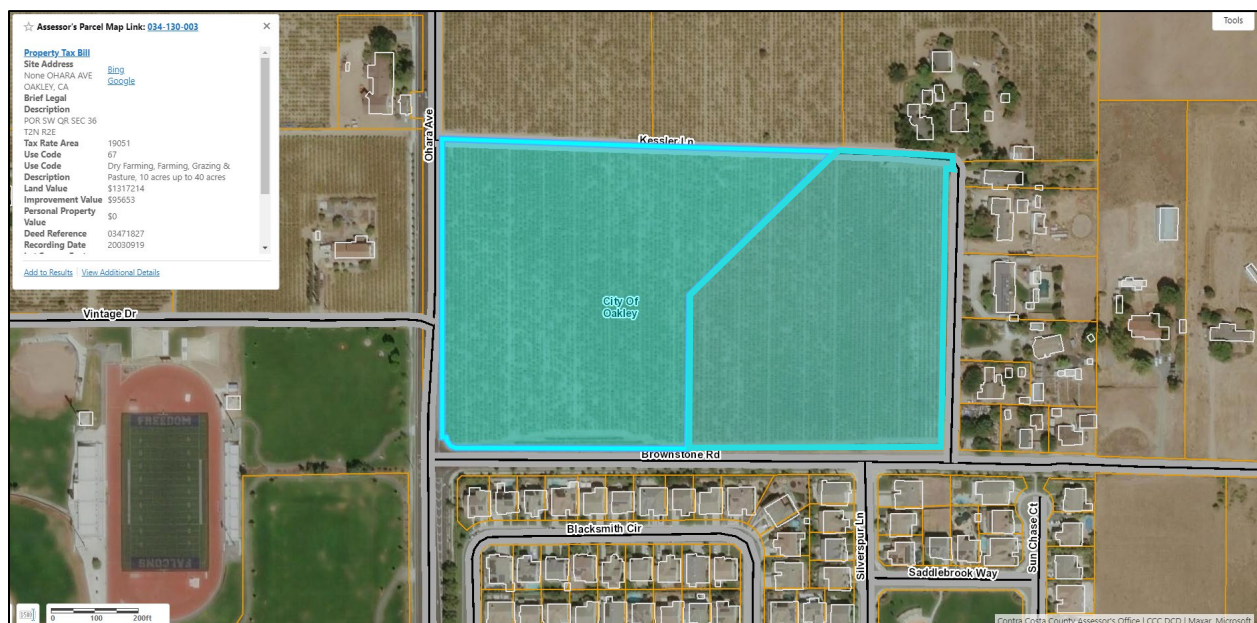
3. Main Street, north of Pena's Dismantlers – 7.53 acres (APN 033-100-004)

- Zoning: R-6 (Single Family Residential) District and C (General Commercial) District
- General Plan: RLM (Residential Low/Medium) and CO (Commercial)
- Vacant



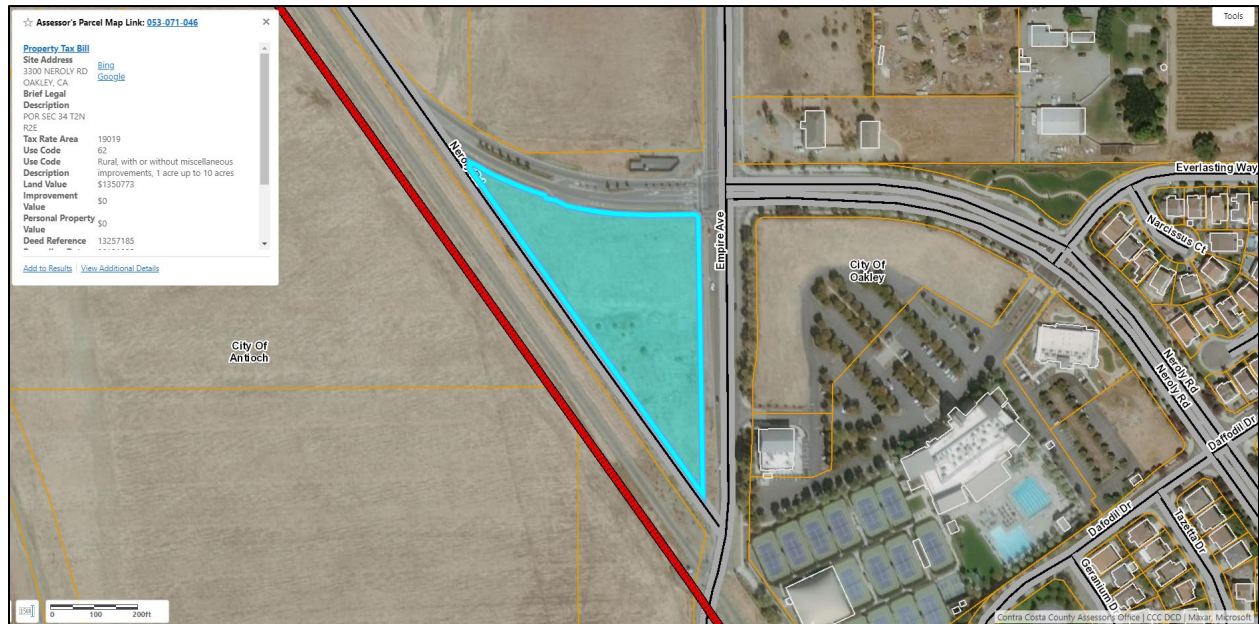
4. East side of O'Hara Ave. north of Brownstone Rd. (2 parcels) – 11.8 and 8.4 acres (APNs 034-130-003 and 034-130-004)

- R-15 (Single Family Residential) District
- General Plan: RV (Residential Very Low)
- Vacant



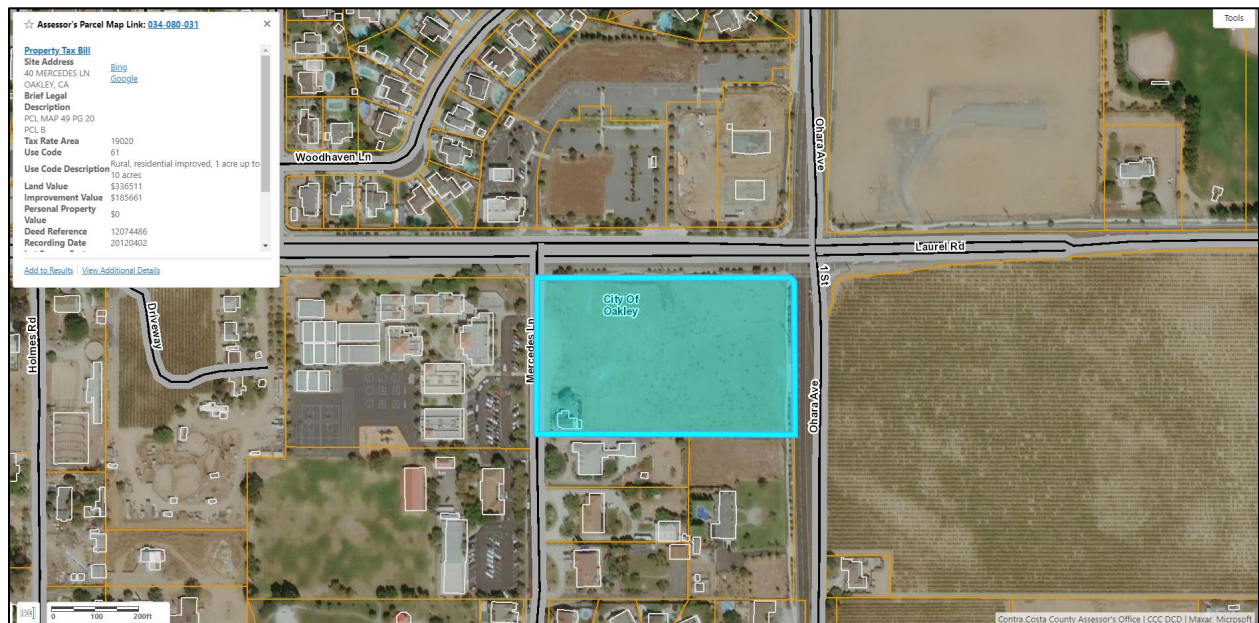
5. “Empire Station” (name of former project since expired) – 3.45 acres (APN 053-071-046)

- Zoning: P-1 (Planned Unit Development) District
- General Plan” RH (Residential High) and CO (Commercial)
- Vacant



6. S/W corner of Laurel Rd. and O'Hara Ave. – 10 acres (APN 034-080-031)

- Zoning: RB (Retail Business) District
- General Plan: CO (Commercial)
- 1 residence (could easily be split off as it sits in southwest corner)



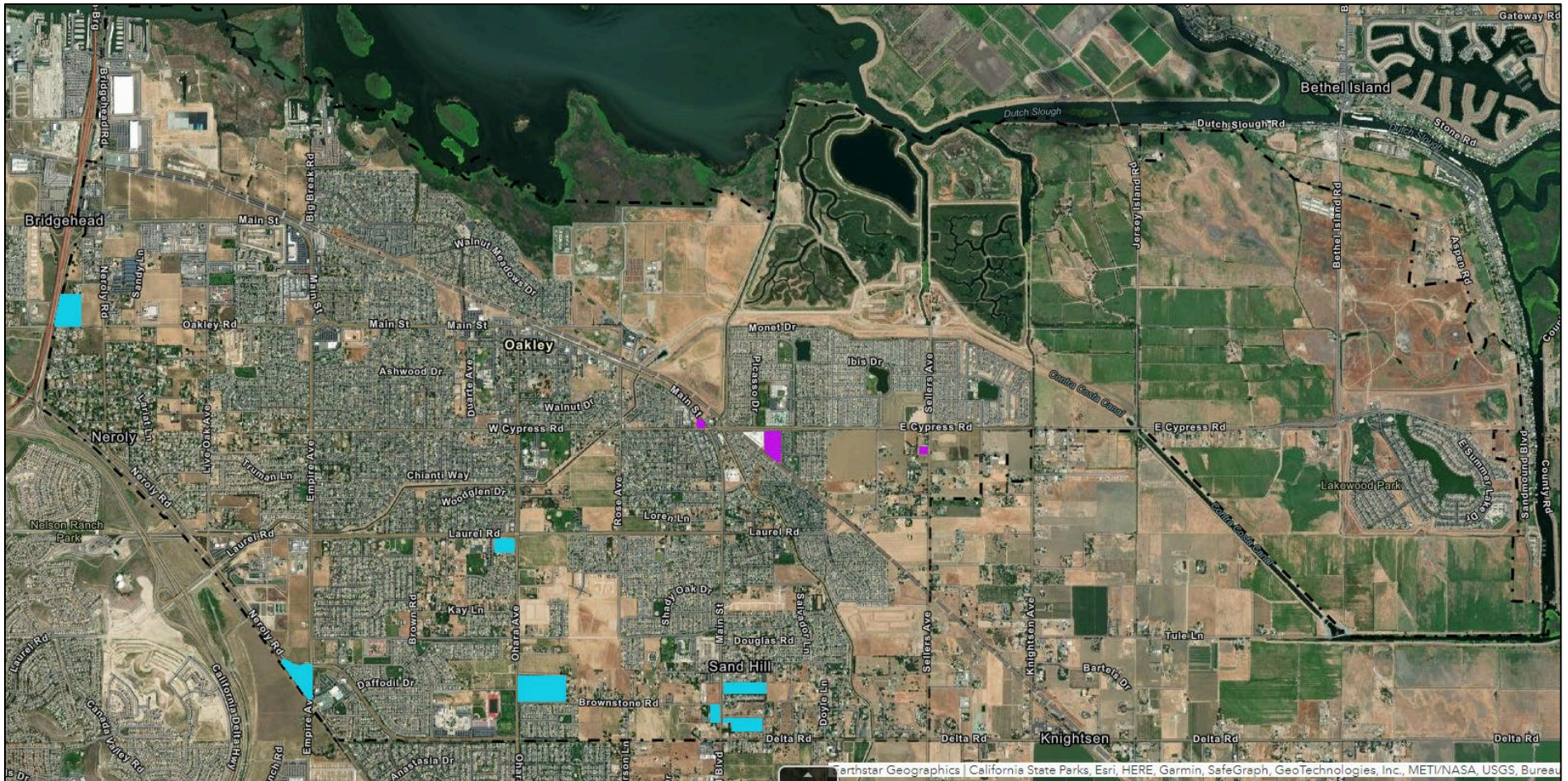
7. North of Oakley Rd. and east of SR 160 (2 parcels) – 8.78 and 1.24 acres (APNs 051-210-016 and 051-210-022)

- Zoning: C (General Commercial Business) District
- General Plan: CO (Commercial)
- Vacant



Work Session on the 2023-2031 6th Cycle Housing Element Update

Attachment 3 – Citywide Map of Existing (Purple) and Potential (Blue) Sites for Affordable Housing Overlay (AHO) District



STAFF REPORT

DATE: March 22, 2022

TO: Joshua McMurray, City Manager

Approved and Forwarded to the City Council

FROM: Ariana Ruiz, Planning Technician

SUBJECT: 2092 Oakley Road Preliminary General Plan Amendment (PA 08-21) - Work Session to discuss the merits of a potential project to amend the General Plan Land Use Designation of an approximately 9.9-acre site from Commercial (CO) to Multi-Family Residential, Low Density (ML)

Summary

This is a work session on a request by Dan Cosgrove on behalf of Jon D'Ambrosio Family Trust, ("Applicant") to discuss the merits of a potential project to amend the General Plan Land Use Designation of four parcels totaling apx. 9.9-acre site from *Commercial* ("CO") to *Multi-Family Residential, Low Density* ("ML")¹. The applicant has provided three (3) different master plotting plans ranging between 7.42 dwelling units per acre to 8.24 dwelling units per acre. The project site is located at 2092 Oakley Road and is zoned General Commercial (C) District. (APN: 037-110-031).

Preliminary General Plan Amendment Process

The process of amending the City of Oakley 2020 General Plan ("General Plan") is subject to California Government Code ("GC") Sections 65350 – 65362, which apply to the preparation, adoption and amending of general plans and general plan elements. GC Section 65351 is written as follows:

"During the preparation or amendment of the general plan, the [City] shall provide opportunities for the involvement of citizens, California Native American Indian tribes, public agencies, public utility companies, and civic, education, and other community groups, through public hearings and any other means the planning agency deems appropriate."

The application process for a General Plan Land Use Amendment can come with significant costs when factoring in Staff time involved in preparing documents, conducting analysis,

¹ Retitled to "Residential Medium" as part of the Focused General Plan Update adopted January 11, 2022.

holding non-public and public meetings, hiring consultants for technical and environmental studies and documents, and consulting with outside agencies. Since a General Plan Land Use Amendment is a legislative and discretionary action that sets the tone for all other land use decisions on a property, Staff encourages potential applicants to first file a Preliminary General Plan Amendment, or “PGPA.”

The purpose of the PGPA is to allow Staff to provide a brief description of the proposed amendment, and provide a concept of the project, as submitted by the Applicant. The Applicant is provided a chance to present the request and further describe the project and provide insight behind the request. Requiring a conceptual design, helps to prevent requests for land use amendments for the sole purpose of increasing allowable density and therefore property value. Conceptual plans for this work session are accompanied by a land use plan and cover letter addressed to the City Council.

Background and Project Description

Existing Land Use Designations

- *Commercial* (“CO”) – The Commercial designation allows for a broad range of commercial uses typically found adjacent to residential neighborhoods, downtowns, and freeways. The particular form of commercial zoning for different areas of the City will depend, among other factors, on the characteristics of surrounding land uses. General types of commercial uses include retail and service facilities, and limited office uses. Through sensitive design, commercial uses can be located near single-family residences with minimal disruption or impact. Typical uses will vary widely in size and purpose and include large-scale retail, regional-serving retail, grocery and convenience stores, salons, professional offices, restaurants, drug stores, dry cleaners, post office facilities, banks, and other uses of similar character and impacts.

Proposed Land Use Designation

As footnoted above, the Oakley General Plan was updated on January 11, 2022. Part of that update was a retitle of several residential land use designations. The resulting retitles did not modify the underlying gross density ranges or compatible zoning designations. As a result, the ML land use designation was retitled to “Residential Medium (RM)”.

- *Residential Medium* (“RM”) – The Residential Medium (RM) designation provides for more affordable, small lot development and to increase the availability of rental or entry-level housing. Primary land uses include single-family dwellings, attached single family residences (such as duplexes and duets), multiple-family residences (such as condominiums, town houses, apartments), and accessory structures normally auxiliary to the primary uses. Public and semi-public uses and similar and compatible uses are also allowed.

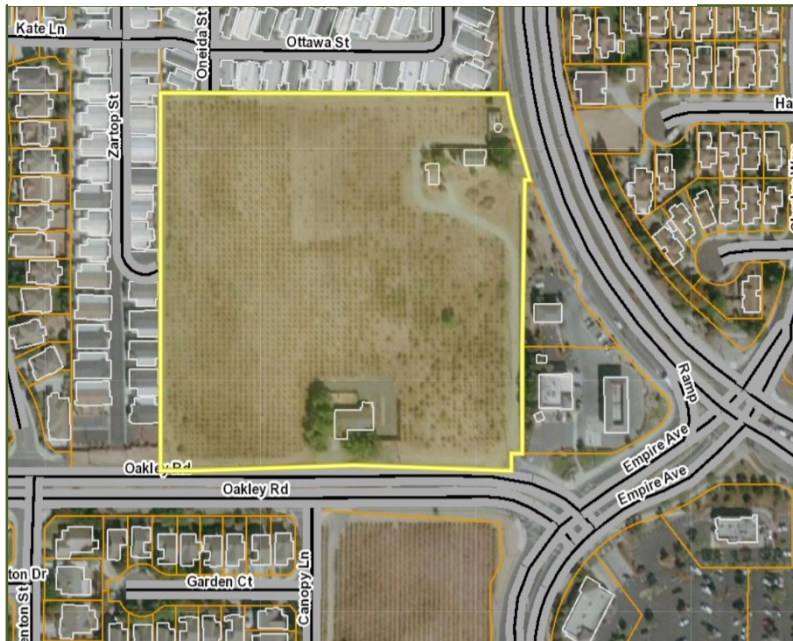
Existing Entitlements

In 2017, Resolution No. 113-15 approved the design review for a wireless communication facility disguised as a faux water-tower on the project site utilizing approximately twenty-five (25) foot by forty-five (45) foot screened area or eleven hundred square-feet of the project site. This water-tower shall remain on the property.

Site Conditions and Surrounding Land Uses

The subject property is a rectangular shaped site with an approximately 625-foot frontage along Oakley Road, and an approximately 120-foot frontage along Main Street in the northeast corner.

Figure 1. Aerial of Project Site



The property has two existing single-family residences: one along Oakley Road, and another near the existing wireless communication facility.

There is also an existing mobile home community known as the Eagle City Mobile Home which sits to the north and west of the site. These parcels are designated *Residential Mobile Home* (RMH) within Oakley's General Plan. The parcels to the southwest contain existing single-family residences and are designated as *Residential*

Medium. Directly to the east of the site are the Valvoline Instant Oil Change service station and the 7-11 gas station. The south lot line is bonded with a legal non-conforming residence. The land use designation for these parcels are noted as *Commercial*.

Conceptual Plans

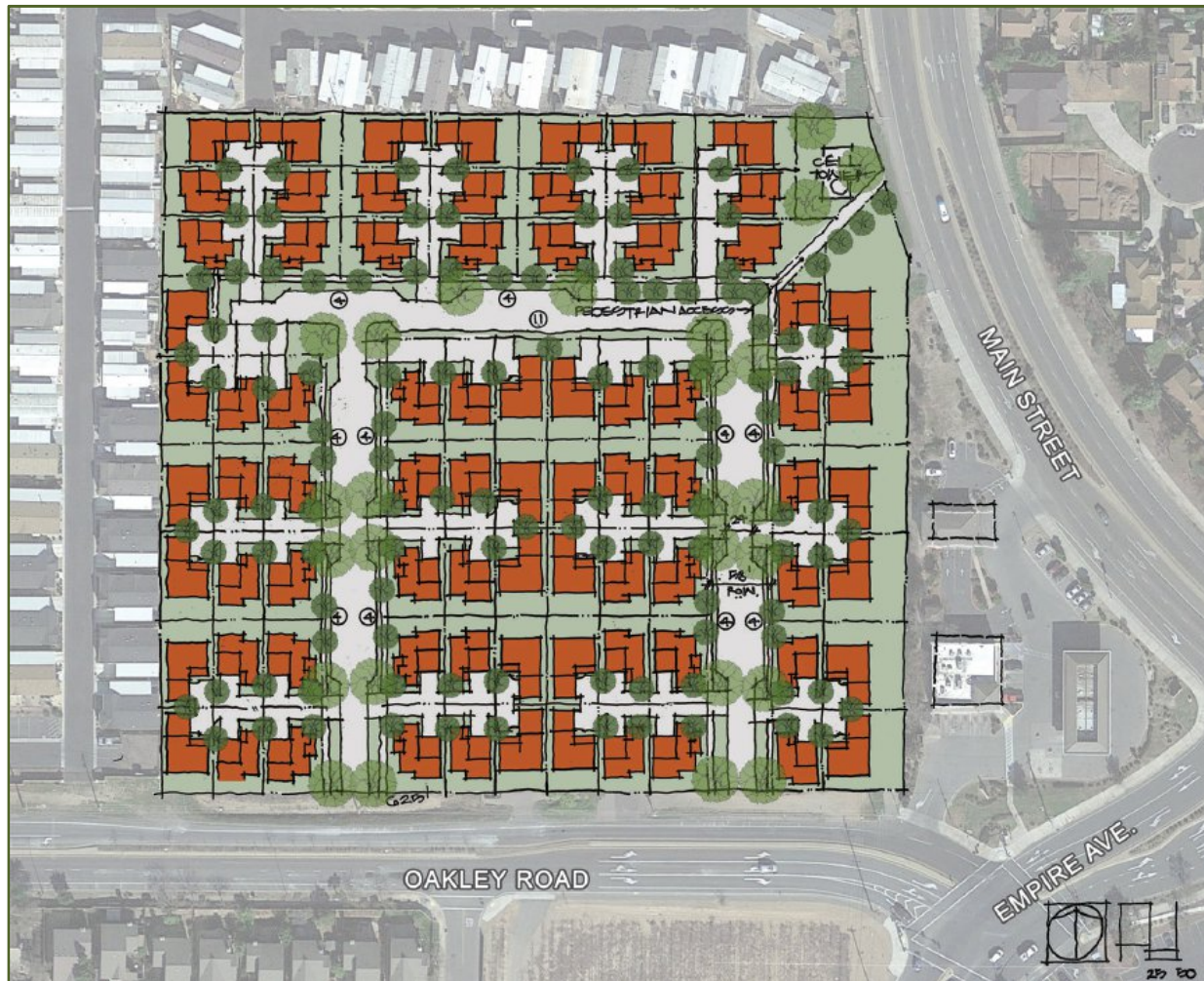
The applicant submitted three (3) conceptual plans to help visualize how the project of the proposed designation may look. The three plans vary in type, density, and each providing opportunities for on-street parking.

Figure 2 - Conceptual Plan A



The first conceptual plan includes single-family residences design on small lots. The lots proposed would comprise of lots forty feet in width by ninety feet in depth with a total lot area of 3,600 square-feet. This design would allow a total of seventy-two (72) homes to be constructed on the parcel. The gross density of this plan is 7.42 dwelling units per acre. This plan also allows for seventy-two (72) on-street parking spaces on the street. Additionally, there is one vehicular entryway proposed along Oakley Road. No other housing type such as size, architecture, or setbacks are provided at this time.

Figure 3 - Conceptual Plan B



The second conceptual plan includes auto-court homes with a full driveway. Auto court homes are typically designed with four or more units that share a common driveway or alley. These homes are arranged so the front doors and garages will front the shared driveway. Each auto-court home is designed in this plan to include two-car garage and a driveway that can accommodate two cars each. This plan would allow a total of seventy-nine (79) home to be constructed on the parcel. The gross density of this plan is 8.14 dwelling units per acre. This plan would accommodate a total of fifty-one (51) on-street parking spaces along the street sides. There are two (2) vehicular entries along Oakley Road. There is a proposed pedestrian access point to the development along Main Street. No other housing type such as size, architecture, or setbacks are provided at this time.

Figure 4 - Conceptual Plan C



The final conceptual plan reflects a paseo-like community with alleys throughout the development. Paseo homes are known for their walkability and proximity to one-another, creating a walkable community. The plan shows a total of eighty (80) alley-loaded homes. The gross density of this plan is 8.24 dwelling units per acre. These homes are proposed with private backyards, each leading to an alley behind the lot. There is a main pedestrian access point along Main Street, which connects to each lot on the subject property. The layout of this plan encourages pedestrian travel, while accommodating residences' prospective vehicles. Each home is proposed with a two-car garage and a driveway. This plan can accommodate up to ninety-nine (99) on-street parking spaces along the streets. There is a common shared vehicular entry along Oakley Road. No other housing type such as size, architecture, or setbacks are provided at this time.

Analysis

Land Use and Potential Zoning

Requests for amendments to the underlying General Plan land use designation on a property should not be considered in a vacuum, or without consideration of not only surrounding uses or property, but their respective land use designations. This site at approximately 9.9-acres and designated CO would not allow for any residential development unless it proposed in conjunction with a mixed-use development with approval of a conditional use permit on the CO designated portion only.

Making spot amendments, or amendments where a land use designation for a property is inconsistent with surrounding properties, can create other land use conflicts in the areas of impacts by nearby uses and nuisance complaints, density, neighborhood character, and appliance of developments standards. In the case of this site, residential land use designation (RM), would be consistent with and match surrounding residential uses to the north, west, and south, but would have inconsistency with the parcels directly to the east and the southeast of the parcel. Designating this subject parcel to residential would likely decrease the land use conflicts with the surrounding land use designations and existing uses, including those across both frontage roads, while increasing inconsistency with the commercial uses to the east and southeast of parcel.

Fiscal Impact

None. This is a developer funded account. All Staff time and City of Oakley generated materials are charged to the account.

Recommendation

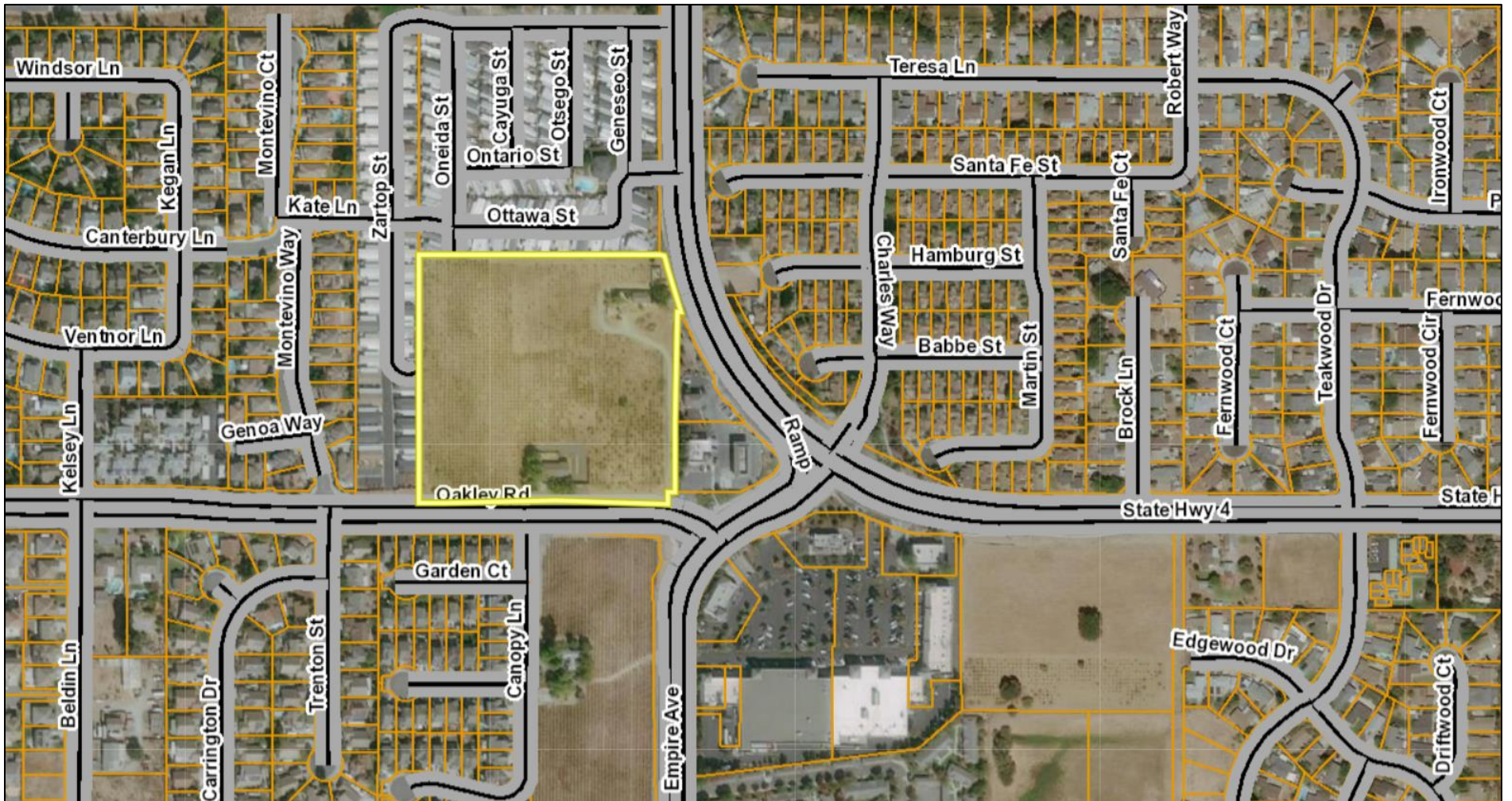
This is an advisory hearing only. There is no process to approve a project because of this work session. The City Council may act in an advisory role to the applicant on whether there is interest in considering an application for the requested project. If the Council shows favorable interest in the preliminary application, it may advise the applicant to submit, and direct Staff to process, a General Plan Amendment application. Directing staff to process a General Plan Amendment application would not guarantee Staff support or City Council approval of the project.

Attachments

1. Vicinity Map
2. Notice of Work Session
3. City of Oakley General Plan Land Use Map
4. Existing and Conceptual General Plan Land Use Designations Illustration
5. Applicant's Conceptual Site Plans

Vicinity Map

2092 Oakley Road Preliminary General Plan Amendment (PA 08-21) APN: 037-110-031





City of Oakley
3231 Main Street
Oakley, CA 94561
www.oakleyinfo.com

NOTICE OF WORK SESSION

NOTICE IS HEREBY GIVEN that on **March 22, 2022** at 6:30 p.m., or as soon thereafter as the matter may be heard, the City Council of the City of Oakley will hold a **Work Session** at the Council Chambers located at 3231 Main Street, Oakley, CA 94561 for the purposes of considering the item as described below:

Project Name: 2092 Oakley Road Preliminary General Plan Amendment (PA 08-21).

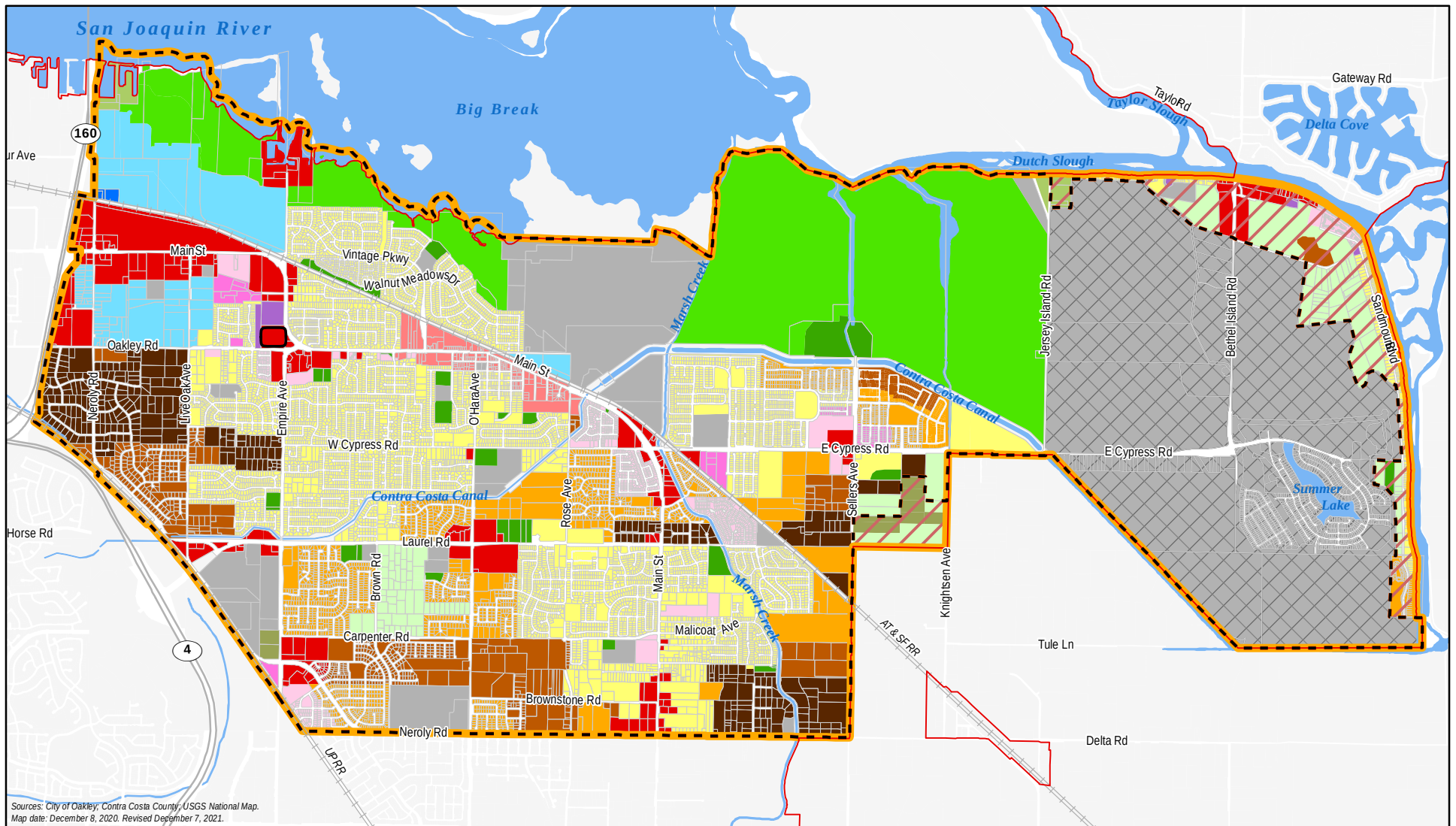
Project Location: 2092 Oakley Road, Oakley, CA 94561. APN: 037-110-031.

Applicant: Dan Cosgrove on behalf of John D'Ambrosio Family Trust, 3130 Balfour Road Suite D, #269, Brentwood, CA 94513. dan.cosgrove@mercysystems.com

Request: This is a work session on a request by Dan Cosgrove on behalf of John D'Ambrosio Family Trust ("Applicant") to discuss the merits of a potential project to amend the General Plan Land Use Designation of an approximately 9.7-acre site from *Commercial* ("C") to *Multi-Family Residential, Low Density* ("ML"). The applicant has provided three (3) different master plotting plans ranging between 7.42 dwelling units per acre to 8.24 dwelling units per acre. The project site is located at 2092 Oakley Road and is zoned General Commercial (C) District. (APN: 037-110-031).. This is an advisory hearing only.

How to Review: The Staff Report and its attachments will be available for public review, on or before March 17, 2022 online at www.ci.oakley.ca.us/agendas-minutes-videos-archive/ by navigating to the March 22, 2022 agenda and clicking the project title link. Interested persons are invited to submit written comments prior to 5:00 P.M. the day of the hearing to Ariana Ruiz, Planning Technician, ruiz@ci.oakley.ca.us.

NOTICE IS ALSO GIVEN pursuant to Government Code Section 65009(b) that, if this matter is subsequently challenged in Court by you or others, you may be limited to raising only those issues you or someone else has raised at a Public Hearing described in this notice or in written correspondence delivered to the City of Oakley City Clerk at, or prior to, the Public Hearing.



OAKLEY

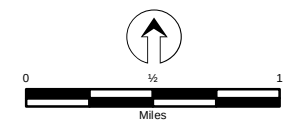
General Plan

- Oakley City Limit
- Oakley Sphere of Influence
- Oakley Planning Area
- Country Costa County Urban Limit Line
- Agriculture
- Agricultural Limited
- Rural Residential
- Residential Very Low

LEGEND

- Residential Low
- Residential Low/Medium
- Residential Medium
- Residential High
- Residential Mobile Home
- Commercial
- Commercial Downtown
- Commercial Recreation
- Business Park
- Light Industrial
- Utility Energy
- Public and Semi-Public
- Delta Recreation
- Parks and Recreation
- SP-4

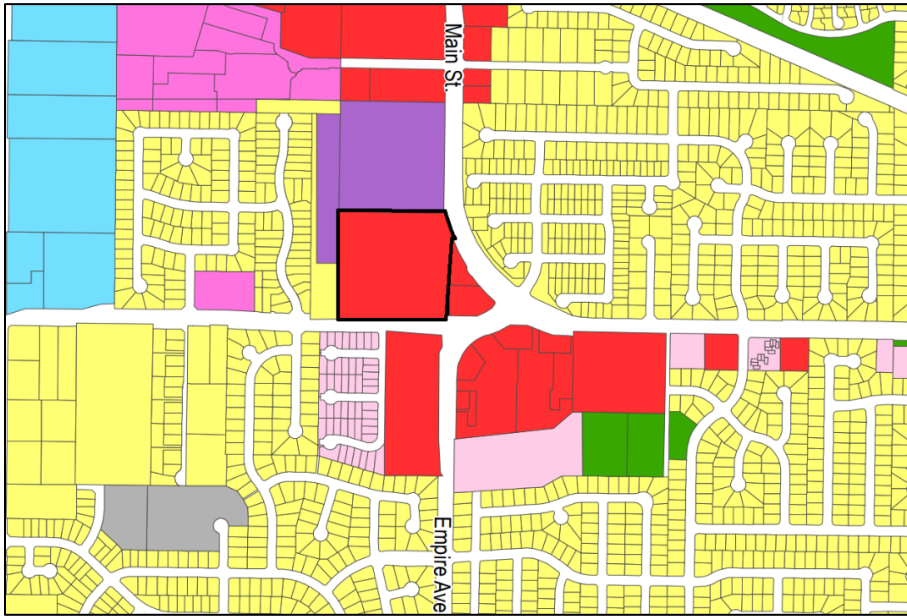
Figure 2-2:
Land Use Diagram



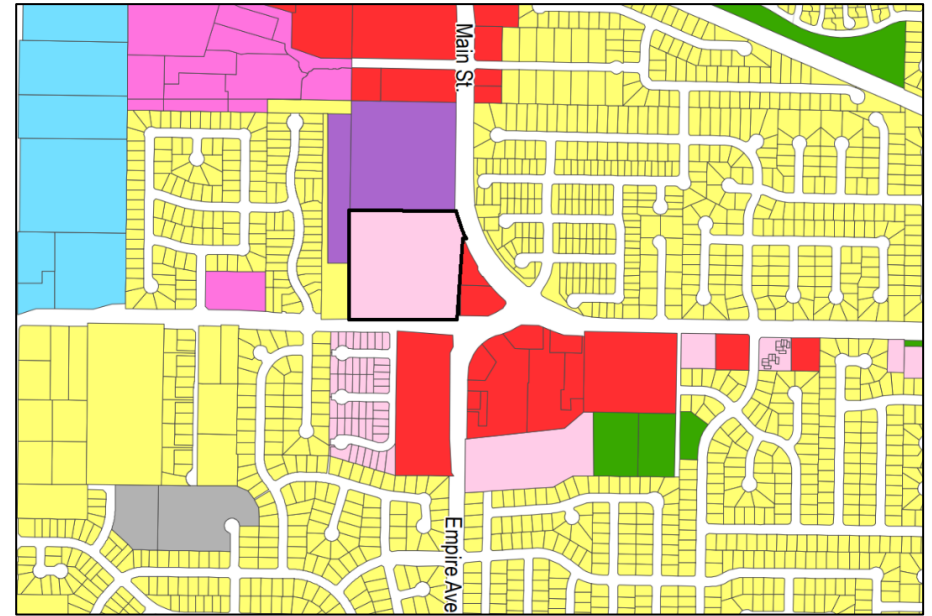
De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm

Existing and Conceptual General Plan Land Use Designation Illustration

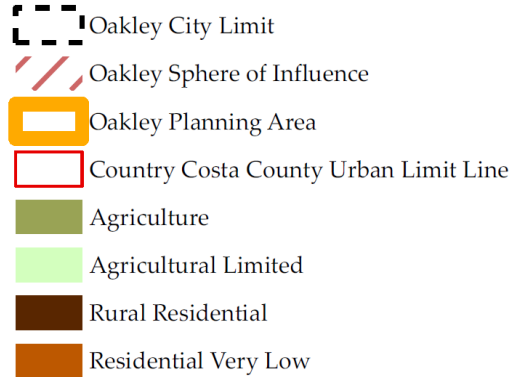
2092 Oakley Road Preliminary General Plan Amendment (PA 08-21)



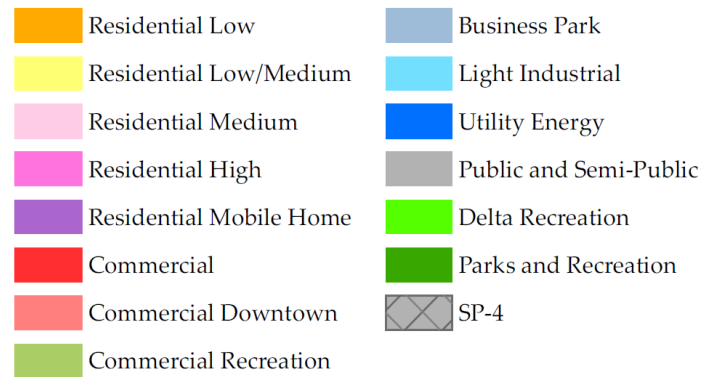
1. Existing General Plan Land Use Designation

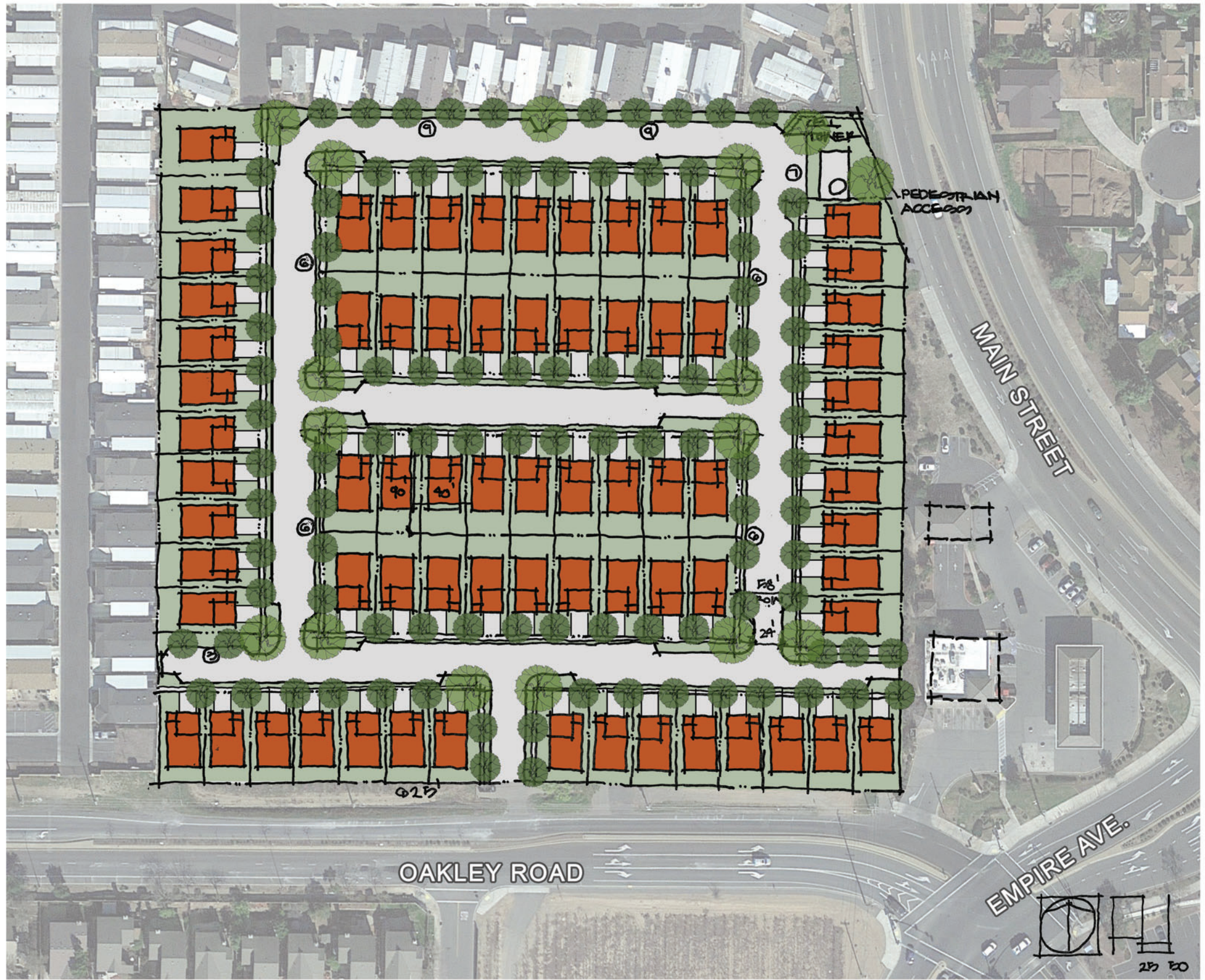


2. Conceptual General Plan Land Use Designation



LEGEND





A. SMALL LOT SINGLE FAMILY
DETACHED HOMES

NOTE: EACH HOME HAS A 2 CAR GARAGE
AND A 2 CAR DRIVEWAY APRON

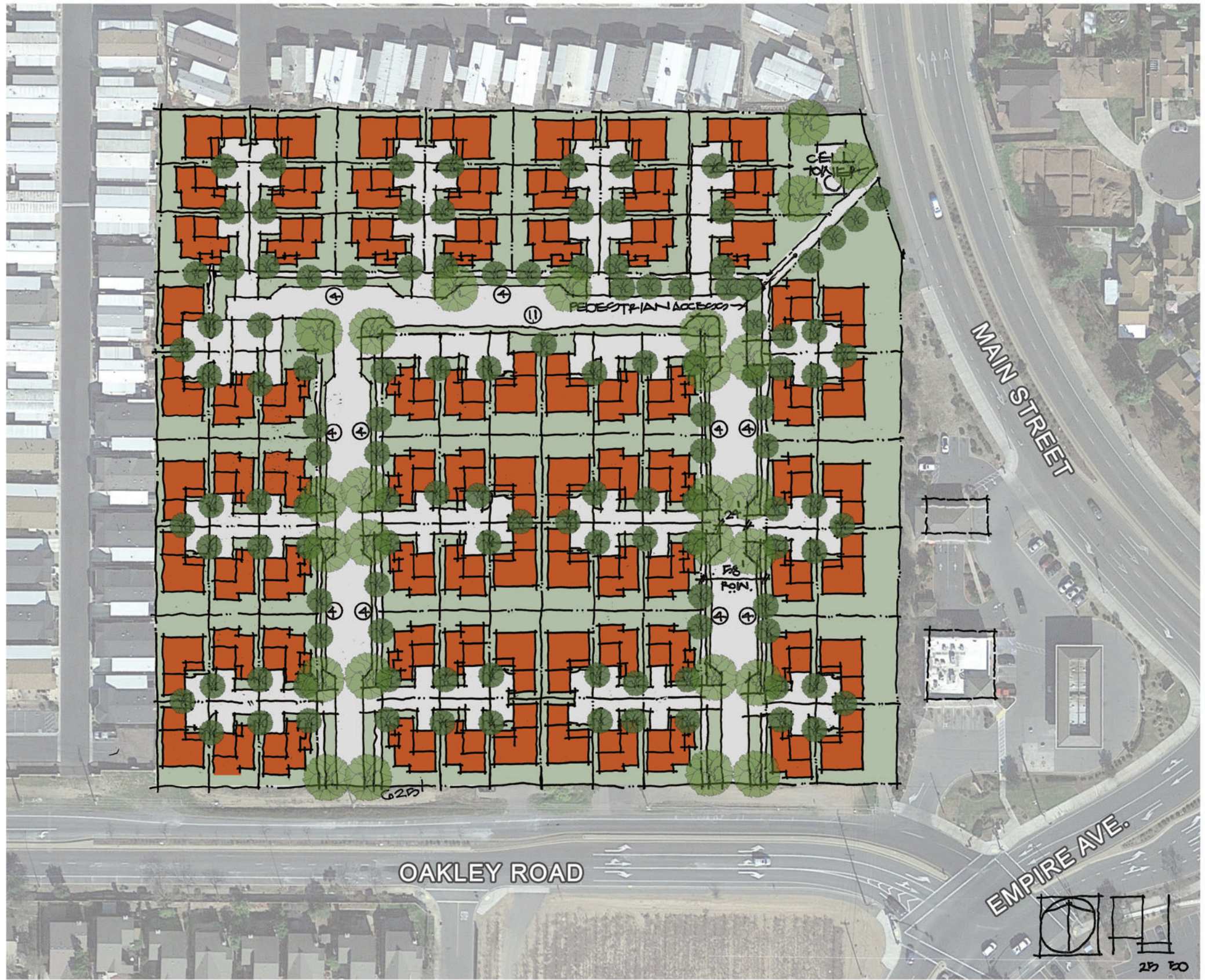
72 LOTS (40 X 90)

GUEST PARKING (ON STREET)
72 PROVIDED

9.7 ACRES
DENSITY = 7.42 DU/AC

399.203 2092 Oakley Road
Oakley, CA
07.13.2021

SITE PLAN A



B. AUTO COURT HOMES WITH FULL DRIVEWAY

NOTE: EACH UNIT HAS A 2 CAR GARAGE AND A FULL SIZE DRIVEWAY TO ACCOMMODATE PARKING FOR 2 ADDITIONAL VEHICLES.

79 LOTS (AUTO-COURT)

GUEST PARKING (ON STREET)
51 PROVIDED

9.9 ACRES - .19 (CELL TOWER)
9.7 ACRES TOTAL
DENSITY = 8.14 DU/AC

399.203 2092 Oakley Road
Oakley, CA
07.13.2021

SITE PLAN B



C. PASEO HOMES WITH ALLEYS AND PRIVATE BACKYARDS

80 ALLEY LOAD HOMES

GUEST PARKING (ON STREET)
99 PROVIDED

9.7 ACRES
DENSITY = 8.24 DU/AC

399.203 2092 Oakley Road
Oakley, CA
07.13.2021

SITE PLAN C