



**City Council  
Special Meeting  
Monday, October 25, 2021  
5:00 PM  
Virtual Only**

**\*\*\*BY VIRTUAL TELECONFERENCE ONLY\*\*\***

**[CLICK HERE TO JOIN](#)   Zoom Meeting ID: 362 027 238   Phone:1(669)900-6833**

Pursuant to the provisions of California Governor's Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of Covid-19, this meeting will be held by virtual teleconference only, with no physical location. The meeting will be broadcast on Cable TV Channel 26, live on YouTube at <https://www.youtube.com/c/cityofpaloalto>, and Midpen Media Center at <https://midpenmedia.org>. Members of the public who wish to participate by computer or phone can find the instructions at the end of this agenda.

**PUBLIC COMMENT**

Members of the public may speak to agenda items; up to three minutes per speaker, to be determined by the presiding officer. All requests to speak will be taken until 5 minutes after the staff's presentation. Written public comments can be submitted in advance to [city.council@cityofpaloalto.org](mailto:city.council@cityofpaloalto.org) and will be provided to the Council and available for inspection on the City's website. Please clearly indicate which agenda item you are referencing in your email subject line.

**TIME ESTIMATES**

Time estimates are provided as part of the Council's effort to manage its time at Council meetings. Listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Council reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public.

**AMERICANS WITH DISABILITY ACT (ADA)**

Persons with disabilities who require auxiliary aids or services in using City facilities, services or programs or who would like information on the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact (650) 329-2550 (Voice) 24 hours in advance

**CALL TO ORDER**

**STUDY SESSION**

1. 1033 Amarillo Avenue (21PLN-00212): Request for Pre-screening of a Proposal by APIC Amarillo Avenue LLC for Zoning Code Text Amendments to Allow for the Subdivision of one 20,787 sf Single-family Residential (R-1) Zoned Parcel into Four Parcels, as well as Demolition of Four Residential Units to Develop Eight Dwelling units

[Public Comment](#)

[Staff Presentation](#)

[Applicant Presentation](#)

(Four Main residences and Four ADUs). Environmental Assessment: Not a Project. Zoning District: R-1. (5:00 - 6:00 PM)

2. 660 University Ave [21PLN-00199]: Request for a Planned Home Zoning Pre-screening by KSH Architects, to Combine Three Parcels (511 Byron St, 660 University Ave, 680 University Ave/500 Middlefield Rd), Demolish Existing Buildings (9,215 SF Office) and Construct a Four Story Mixed-Use Building with Ground Floor Office (9,115 SF) and Multi-Family Residential (70 units) and a Two Level Below-Grade Parking Garage. Environmental Assessment: Not a Project; any Subsequent Formal Application Would be Subject to CEQA Review. Zoning District: RM-20 (Low Density Multiple-Family Residence District). (6:00 - 7:00 PM)

[Public Comment](#)  
[Presentation](#)

### AGENDA CHANGES, ADDITIONS AND DELETIONS

#### PUBLIC COMMENT (7:00 - 7:20 PM)

*Members of the public may speak to any item NOT on the agenda. Council reserves the right to limit the duration of Oral Communications period to 30 minutes.*

#### CONSENT CALENDAR (7:20 - 7:25 pm)

*Items will be voted on in one motion unless removed from the calendar by three Council Members.*

3. Approval of Minutes From the September 27, 2021 City Council Meeting
4. Approval of Contract Number C21181509 with SCS Field Services in an Amount Not to Exceed \$370,809 to Provide Landfill Gas Monitoring and Reporting Services for a Period of Three Years

[At-places Memo](#)

#### CITY MANAGER COMMENTS (7:25- 7:40 PM)

#### ACTION ITEMS

*Include: Reports of Committees/Commissions, Ordinances and Resolutions, Public Hearings, Reports of Officials, Unfinished Business and Council Matters.*

5. Discuss the Preliminary Q1 FY 2022 Financial Status and Approve the following: 1) FY 2022 Budget Amendments in Various Funds, 2) Amendment to the Utilities Management and Professional Association of Palo Alto Salary Schedule, and 3) Amendments to the FY 2022 Table of Organization to Add 4.00 FTE Positions (7:40 - 9:00 PM)

[Presentation](#)

6. Direction to Engage the Sobrato Organization Regarding Future Uses of the 340 Portage/3200 Park site; Alternatively, Adopt a Formal

[Public Comment](#)

Interpretation of PAMC Section 18.70.070(b)(2)(E).  
Environmental Analysis: Not a Project In Accordance With CEQA  
Guidelines. (9:00 - 10:00 PM)

7. Public Hearing: Consider Adoption of Two Ordinances Implementing the Objective Standards Project, Including: 1) New Chapter 18.24, Objective Design Standards, to Replace Existing Context-Based Design Criteria; 2) Modifications to Affordable Housing (AH) and Workforce Housing (WH) Overlay Districts to Eliminate the Legislative Process; 3) Expansion of Affordable Housing (AH) and Housing Incentive Program (HIP) to PTOD-Eligible Properties; 4) Changes to Remove Inconsistencies and Redundancies, and Streamline Project Review Throughout Title 18 Chapters (10:00 - 11:30 PM) CONTINUED FROM OCTOBER 4, 2021

[Public Comment](#)

[Presentation](#)

### COUNCIL MEMBER QUESTIONS, COMMENTS, ANNOUNCEMENTS

*Members of the public may not speak to the item(s)*

### ADJOURNMENT

### OTHER INFORMATION

Schedule of Meetings

## **PUBLIC COMMENT INSTRUCTIONS**

Members of the Public may provide public comments to teleconference meetings via email, teleconference, or by phone.

- 1. Written public comments** may be submitted by email to [city.council@cityofpaloalto.org](mailto:city.council@cityofpaloalto.org).
- 2. Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Council, click on the link below to access a Zoom-based meeting. Please read the following instructions carefully.
  - A. You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
  - B. You may be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
  - C. When you wish to speak on an Agenda Item, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
  - D. When called, please limit your remarks to the time limit allotted.
  - E. A timer will be shown on the computer to help keep track of your comments.
- 3. Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow the instructions B-E above.
- 4. Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit \*9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Council. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

[CLICK HERE TO JOIN](#) **Meeting ID: 362 027 238 Phone:1(669)900-6833**



## City of Palo Alto City Council Staff Report

(ID # 13486)

**Report Type: Study Session**

**Meeting Date: 10/25/2021**

**Summary Title: 1033 Amarillo: Prescreening For Text Amendment**

**Title: 1033 Amarillo Avenue (21PLN-00212): Request for Pre-screening of a Proposal by APIC Amarillo Avenue LLC for Zoning Code Text Amendments to Allow for the Subdivision of one 20,787 sf Single-family Residential (R-1) Zoned Parcel into Four Parcels, as well as Demolition of Four Residential Units to Develop Eight Dwelling units (Four Main residences and Four ADUs). Environmental Assessment: Not a Project. Zoning District: R-1. For More Information Contact the Project Planner Claire Raybould at [claire.raybould@cityofpaloalto.org](mailto:claire.raybould@cityofpaloalto.org).**

**From: City Manager**

**Lead Department: Planning and Development Services**

### **Recommendation**

Staff recommends that Council conduct a prescreening and provide informal comments regarding zoning code text amendments that would be necessary to accommodate subdivision of the R-1 (single-family residential) property at 1033 Amarillo into four parcels and redevelopment of each parcel with a single-family residence and an accessory dwelling unit (ADU). Comments provided during the prescreening process are not binding on the City or the applicant.

### **Executive Summary**

This prescreening is a request by the applicant for legislative changes to Titles 18 and 21 of the Palo Alto Municipal Code (PAMC) in order to facilitate a four-parcel residential subdivision. The existing 20,787 square foot (sf) parcel, zoned single-family residential (R-1), is located at 1033 Amarillo Avenue. The applicant proposes to demolish the four existing residences on the property, subdivide the property into four parcels, and to redevelop each of the new parcels with a new two-story residence and an accessory dwelling unit, for a total of eight units. The project is located southwest of Greer Park in the Midtown neighborhood. Surrounding uses are single-family residential.

The conceptual project would require Zoning Code Text Amendments (Title 18) to revise the R-1 (Chapter 18.12) Zone District Development Standards, or, alternatively, establishment of a new combining district. A new combining district would also require a Zoning Map Amendment.

The applicant's proposed narrow driveway conflicts with the City's flag lot restrictions (e.g. prohibiting the creation of flag lots in most instances and prohibiting access to a flag lot via an easement) and would require modifications to the Subdivision Ordinance (Title 21).

Regardless of any code changes proposed, the project would also require a Preliminary Parcel Map in accordance with PAMC Sections 21.08.030 to create four lots. Unless code amendments incorporated changes to the minimum lot size requirements, the mapping process would need to include a request for a map with exceptions in accordance with PAMC Section 21.32.010 in order to allow for parcels that would each have less than the 6,000 sf minimum lot size and street frontages less than the 60-foot minimum. Architectural Review (PAMC Chapter 18.76) would be required for the development of the new two-story residences on the four parcels.

The applicant has also submitted an alternative proposal to subdivide the lot into two equal parcels and to build three units (single family dwelling, an accessory dwelling unit (ADU), and a junior ADU on each resulting lot for a total of six (6) units. This process would require Individual review applications and a parcel map with exceptions because the resulting lots would exceed the maximum allowable lot size.

The site contains one of the City's few remaining residential cottage cluster developments. There are currently no municipal code regulations to preserve this form of development though staff has discussed options with the applicant to achieve that intent. At present, the applicant's interests are oriented toward redevelopment, which means the existing structures would be demolished and replaced with new units.

Senate Bill 330 adopted by the State legislature and signed into law by the Governor in 2019 includes a 'no net unit loss' provision that would require the four existing units be restored on the subject R1 zoned property if redevelopment were to occur. Senate Bill 9, which goes into effect in January 2021, may also affect the future potential of the site, with or without the requested subdivision.

## **Background**

The four existing single-family residences and two detached garages on the subject property were constructed in the late 1940's. However, the property's single-family residential zone district and single-family land use designation do not allow for multi-family use; therefore, the use of the site for four units is considered "legal nonconforming."

In 1972, the property owner applied for a similar subdivision of the parcel into four lots (Application 72-PM-05), retaining the four existing residences. That application was denied because the resulting lots would be substandard in width and area, the two rear lots would be substandard in depth, and the two rear lots did not meet the code requirement for access (See Attachment D for the denial letter).

The applicant's proposal appears to be substantially similar to the previous proposal; the difference is that the proposal also includes demolition of the existing units and redevelopment of the site with four new two-story, single-family residential units and four new ADUs. It should be noted that various code requirements, such as development standards for private streets, have also been adopted since 1972.

At the state level, a number of housing policies have been implemented that favor greater unit density on single family zoned properties, including most recently, the passage of Senate Bill 9 (SB 9), which allows R1 zoned properties to be subdivided and for each resulting lot to be developed with two housing units. This law takes effect in January and would allow up to four units by right on the subject property without any discretionary action by the City.

The subject prescreening application presents some options on how the property might be subdivided at different densities. The applicant is not proposing a planned home zoning or PHZ application as the City Council on April 12, 2021 voted to exclude this application type from single family zones.<sup>1</sup>

#### Project Description

A location map of the subject property is included in Attachment A. The applicant's proposal is included in Attachment E and project plans are included in Attachment F.

The applicant proposes to demolish the four existing single-story structures and two detached garages on site, subdivide the parcel into four approximately equal lots of about 5,200 sf each, and redevelop the site with eight new housing units. This includes four single-family residences and four accessory dwelling units. Each of the new single-family residences are proposed to be two stories and approximately 2,300 sf. Each of the new ADUs would be an additional 800 sf. In accordance with Chapter 18.09, the ADUs would be exempted from floor area and lot coverage.

#### Surrounding uses

The applicant suggests in their proposal that many of the surrounding parcels are 6,000 sf or less. Staff found two parcels, abutting or near the subject site that are just under 5,000 sf on

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<sup>1</sup> April 12, 2021 Summary Minutes: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/04-12-21-ccm-summary-minutes.pdf>

the corner of Greer Road and Amarillo Avenue. Though some of the parcels on the south side of Amarillo Avenue appear to be just over 6,000 sf, no other parcels within the vicinity are less than 6,000 sf. Most of the parcels on the north side of Amarillo (adjacent the project) and along nearby streets such as Greer are well over 6,000 sf. Surrounding development is primarily single-story residences though it transitions to moderate and higher density development close to West Bayshore Road. On the south side of Amarillo, the zoning district transitions to R-1 with a single-story combining district overlay.

## Discussion

A thorough analysis of the project's Zoning Code and Comprehensive Plan compliance would be prepared upon submittal of a formal application, if filed. A review of the conceptual plans, however, highlights the applicant's key requests.

### Comprehensive Plan

The proposed use of each resulting lot for a single family residence and ADU is consistent with the single-family residential Comprehensive Plan land use designation of the site. However, the Comprehensive Plan anticipates a net density range from 1 to 7 units per acre and rises to a maximum of 14 units on parcels where second units or duplexes occur. With 8 units, the entire project site would have a density of 16.76 dwelling units per acre (before removing the private street area), which is over this limitation. The applicant's alternative proposal would subdivide the lot into two parcels, with 6 total units and therefore would have a density of 12.57 dwelling units per acre.

The applicant would be proposing an increase in housing units, consistent with a number of policies and goals outlined in the City's housing element. However, the proposal includes demolition of existing smaller residences on a lot. Policy L-2.7 encourages "retain[ing] housing that is more affordable in existing neighborhoods, including a range of smaller housing types."

### Zoning Compliance

The project, as proposed with a narrow, shared driveway, would exceed or otherwise be out of compliance with a number of standards set forth in Palo Alto Municipal Code Chapter 18.12 (R-1 zoning) as well as Title 21 (subdivisions). Specifically, amendments to address the following would be necessary:

- Creation of two flag lots<sup>2</sup> which is prohibited in the R-1 zone, in accordance with 21.20.301, unless the project includes preservation of a historic resource

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<sup>2</sup> "Flag lot" means an interior lot that is either a landlocked parcel which has a driveway easement across another lot abutting a street, or a lot having limited frontage providing only enough width for a driveway to reach the buildable area of the lot which is located behind another lot abutting a street.

- Use of an easement for access to the rear lots, which is prohibited for flag lots unless the project includes preservation of a historic resource
- Exceedance of various development standards for the newly created flag lots

The applicant states that a key component of their proposal is the utilization of an existing 15 foot wide easement as the point of access for the four parcels. However, the code prohibits creation of flag lots as well as use of an easement for access to a flag lot (PAMC Section 21.20.301[3]). To minimize the need for Code changes, the proposal could include a private street (which is deducted from lot area). A private street serving four or fewer lots must be 22 feet wide (21.20.240). Regardless of whether the applicant proposes a shared driveway easement or private street, for fire safety, at least a 20-foot wide access would be required to serve the development as proposed.

A summary of the project's consistency with R-1 zoning development standards for each proposed parcel is included in Attachment B.

#### *Combining District*

The applicant's proposal suggests the allowance of "gentle density" zoning in the R-1 zone district for lots greater than 10,000 sf, likening this proposal to allowances for village residential development in the RM-15 Zone. Along these lines, as an alternative to the code changes required under 18.12, the applicant could propose the creation of a combining district for "small lots" or "gentle density" within the R-1 zone district. Any formal application would need to propose parameters for this new combining district with the understanding that these standards could be applied to other future sites. There are approximately 14,425 R-1 parcels within the City; approximately 2,055 of which are 10,000 sf or more (about 15 percent). A map of R-1 parcels that are 10,000 sf or more is included in Attachment C.

While the project could create an opportunity for more units, as the applicant suggests, staff notes that a "small lots" combining district, would likely be expected to have stricter development standards, more aligned with the smaller parcels. This is especially significant, given that future development could include the creation of new ADUs and/or JADUs on each property, even if they are not proposed initially. The applicant, in contrast, currently proposes exceeding development standards that would be required for standard R-1 lots; for example, proposing approximately 25 feet in height and two-stories on a flag lot, where 17 feet in height and single-story development is required.

#### Alternative Subdivision

The applicant has provided plans for an alternative proposal to subdivide the parcel into two lots and to develop a single family residence, ADU, and JADU on each of the resulting parcels

for a total of six dwelling units. This proposal would still require a Preliminary Parcel Map with exceptions, which would be subject to the Planning and Transportation Commission and Council's purview, because the resulting lots (~10,393 sf) would exceed the maximum allowable lot size (9,999 sf).

### Senate Bill 9

On September 16, 2021 the governor signed Senate Bill (SB) 9 into law; the law will be effective January 1, 2022. SB 9 would require ministerial approval for the subdivision of single-family residential parcels into two lots and the redevelopment of each parcel with up to two units. In January, the applicant could choose to take advantage of Senate Bill 9 and legally subdivide the lot into two parcels without the need for a planning entitlement, but could be limited to a total of four units across the two lots. Notably, SB 9 contains a prohibition on serial lot splits under the new law as well as lot splits on adjacent parcels by the same owner or by persons acting in concert. Therefore, the applicant could not achieve their goals of creating four parcels that could be separately sold under SB 9. Notably, however, if the City approves a parcel map and the resulting parcels are sold, each individual owner would be eligible to further divide their lot under SB 9, so long as neighboring owners did not act in concert; thus a parcel map for four lots could result in a future total of eight lots and up to sixteen units. Staff intends to bring an interim ordinance to the City Council in December creating new regulations to address SB 9.

### Senate Bill 330

It should be noted that for any proposal that includes demolition of the existing residential rental units and redevelopment of the site, the applicant would be required to comply with applicable rental protection requirements in accordance with SB 330. These may include, but are not limited to, provision of relocation assistance and a right of first refusal in the new housing to displaced occupants and replacement of protected units (which includes units rented to tenants within the past five years that meet the low or very low income category as well as deed restricted units). The property owner would be required to provide sufficient information to determine the applicability of renter protections under SB 330 as part of any formal application.

## **Policy Implications**

Pre-screenings are intended to solicit early feedback on proposed projects and, like all study sessions, cannot result in any formal action. Therefore, informal comments from Councilmembers would not impart policy. That said, any formal application for the proposed development would require legislative actions that could be applied to other properties in the future.

With this proposal in particular, Council may consider how the overall concept of subdividing the property to create eight units of housing is or is not on balance with the Comprehensive

Plan.

## Resource Impact

No formal action is requested. Comments provided during a prescreening are non-binding and would have no impact on City resources. Staff time processing this prescreening as well as any future application is subject to cost recovery.

## Timeline

Following the prescreening review, the applicant will consider Council's comments and determine how they want to proceed. Any formal application for a zoning code text amendment, a Zoning Map Amendment, and a Preliminary Parcel Map with exceptions would be subject to Planning and Transportation Commission review and Council's purview. The Architectural Review application would be subject to review by and recommendation of the Architectural Review Board.

## Stakeholder Engagement

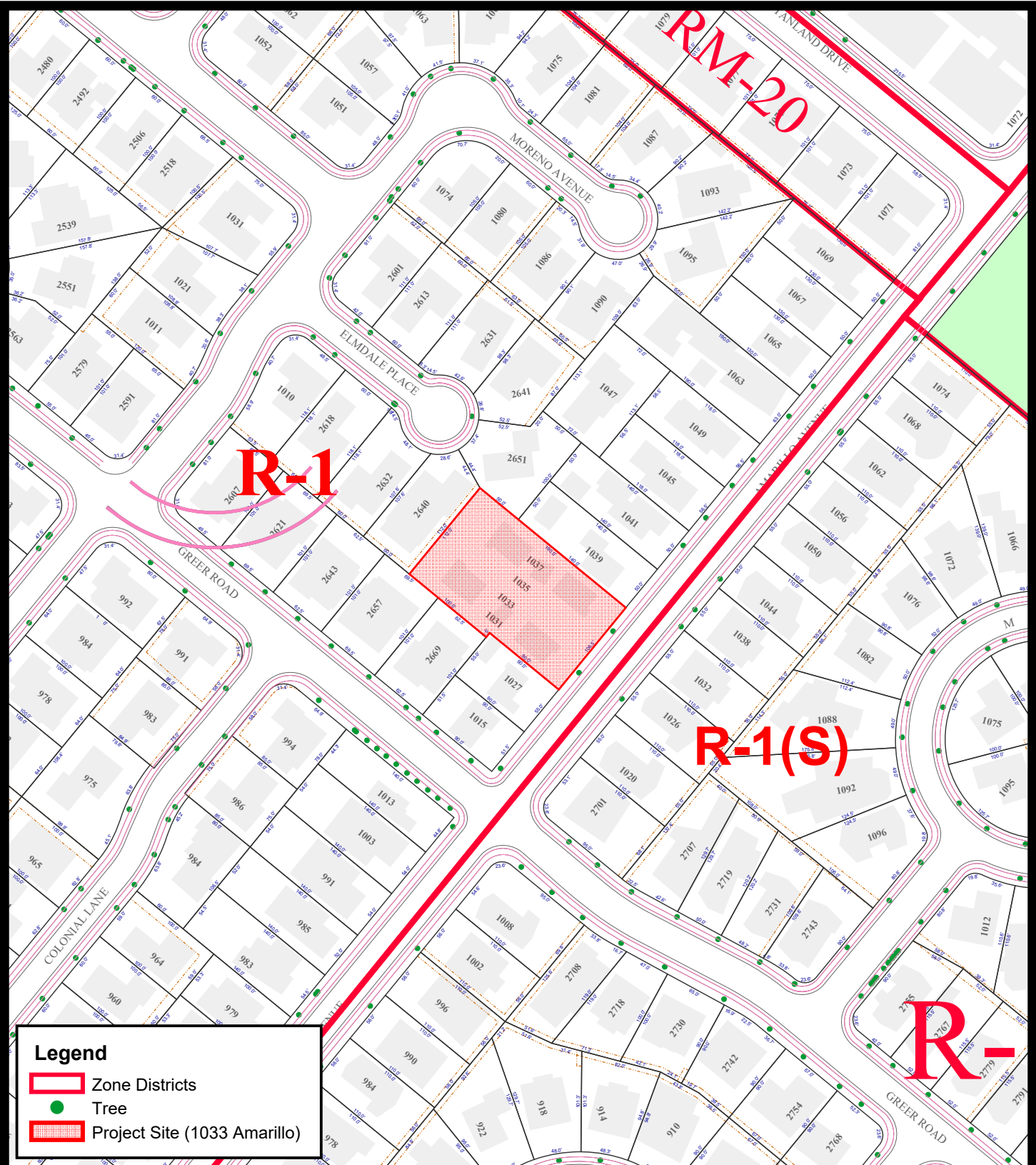
Notice of this prescreening was published in the Daily Post on October 15, 2021 and mailed to owners and occupants of property within 600 feet of the subject property on October 8, 2021. As of the writing of this report one member of the public, an adjacent property owner, expressed concern about the proposed project. Specifically, the neighboring resident expressed concern that the two-story developments would provide views into their backyard as well as their home, which is designed as an Eichler style building with large windows across the rear. .

## Environmental Review

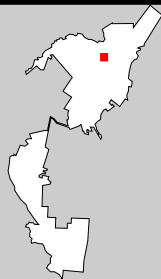
The prescreening is a preliminary review process in which Councilmembers may provide comment, but no formal action will be taken. Therefore, no review under the California Environmental Quality Action (CEQA) is required at this time. A full review in accordance with CEQA would be initiated with the formal filing of a development application.

### Attachments:

<b>Attachment1.a:</b>	<b>Attachment A: Location Map(PDF)</b>
<b>Attachment1.b:</b>	<b>Attachment B: Zoning Comparison Table (DOCX)</b>
<b>Attachment1.c:</b>	<b>Attachment C: Map of R-1 Parcels with Lot Area equal or greater than 10000 Square Feet (PDF)</b>
<b>Attachment1.d:</b>	<b>Attachment D: Denial Letter 1972 Application (PDF)</b>
<b>Attachment1.e:</b>	<b>Attachment E: Applicant's Project Description (PDF)</b>
<b>Attachment1.f:</b>	<b>Attachment F: Project Plans (DOCX)</b>



The City of  
Palo Alto



## Attachment A: Location Map

This map is a product of the  
City of Palo Alto GIS



**ATTACHMENT B**  
**ZONING COMPARISON TABLE**  
1033 Amarillo Avenue, 21PLN-00212

**Table 1: COMPARISON WITH CHAPTER 18.12 (R-1 DISTRICT)**

**\*Bold indicates inconsistency with code requirements**

<b>Regulation</b>	<b>Required</b>	<b>Existing</b>	<b>Proposed</b>
Minimum/Maximum Site Area, Width and Depth	6,000-9,999 sf area, 60 foot width, 100 foot depth	One parcel: <b>20,787 sf</b> , 106 foot width, 190 foot depth	<b>Four parcels: 5,196 sf each lot, ~56 feet wide; ~92-97 feet in depth</b>
Minimum/Contextual Front Yard	20 feet or the average setback (18.12.040(e)); 10 feet on flag lots	~30 feet	20 feet for all parcels
Permeability requirement for front yard setback	minimum of 60% of the required front yard shall have a permeable surface that permits water absorption directly into the soil.	Unknown (complies)	Unknown (Front parcels appear to comply; <b>rear parcels would not comply</b> )
Rear Yard	20 feet	~29 feet	20 feet for all parcels; A portion of the rear of the home on each lot encroaches 4 feet for less than half the width of the house in accordance with PAMC Section 18.12.050(a)(2)
Interior Side Yard	6 feet	~9-10 foot setbacks	Between 6-12 feet for all side yard setbacks
Street Side Yard	16 feet	Not applicable	Not applicable
Special Setback	24 feet – see Chapter 20.08 & zoning maps	Not applicable	Not applicable
Max. Building Height	30 feet or 33 feet for a roof pitch of 12;12 or greater <sup>(3)</sup>  17 feet and one habitable floor for flag lots	Unknown (single-story)	24 feet for front units  <b>24.9 feet, two-stories for flag lots</b>

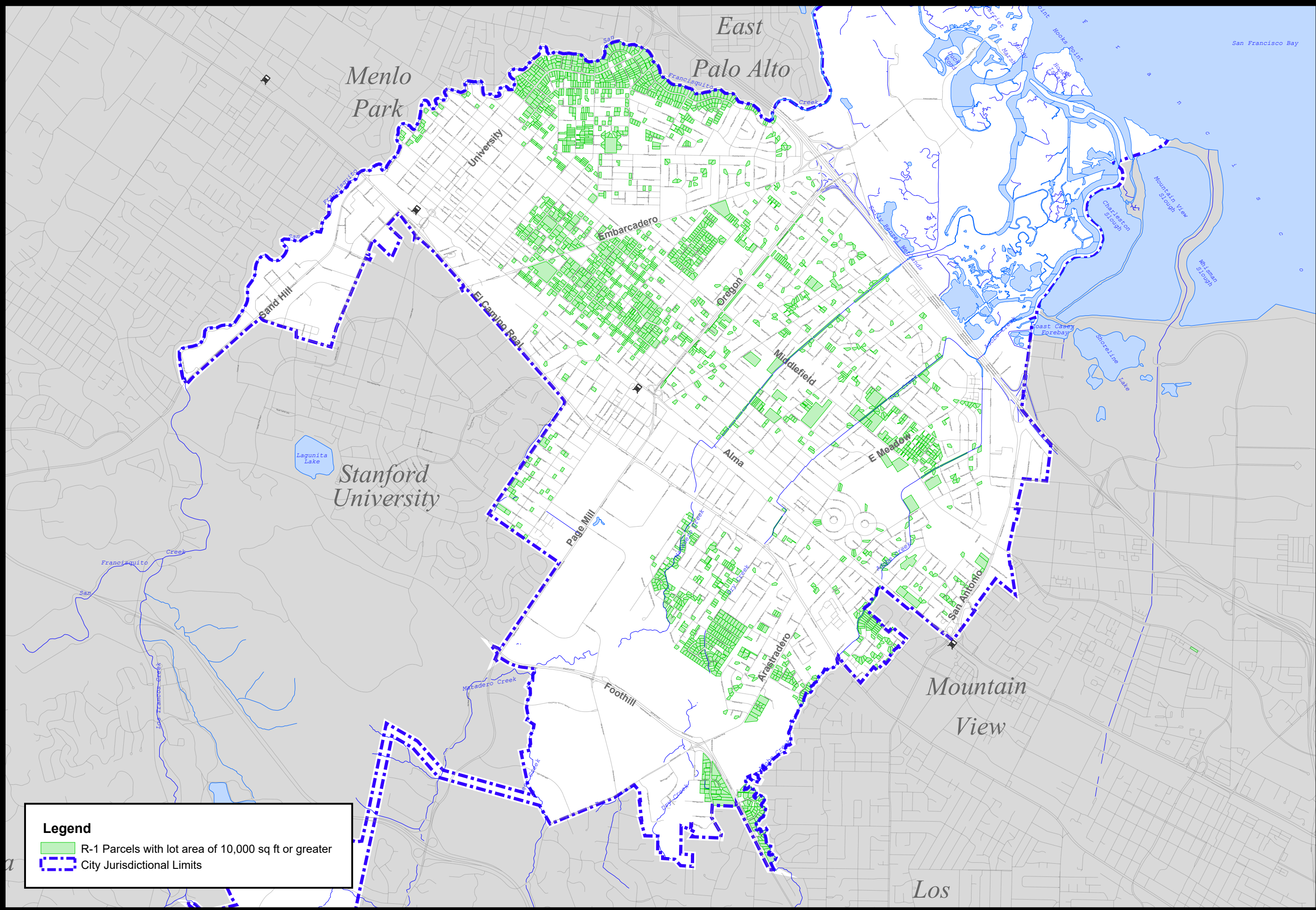
Side Yard Daylight Plane	10 feet at interior side lot line then 45 degree angle <sup>(6)</sup>	complies	<b>Eaves exceed daylight plane adjacent single-story developments (inconsistent with Individual Review Guidelines)</b>
Rear Yard Daylight Plane	16 feet at rear setback line then 60 degree angle <sup>(6)</sup>	complies	Complies
Max. Site Coverage	35% with an additional 5% for covered patio/overhangs (1,818 sf plus 260 sf for each lot)	Unknown	For each lot: 29.45% (1350 sf +180 sf covered patio=1530)  ADU=799 sf (exempt from site coverage)
Max. Total Floor Area Ratio	45% for first 5,000 sf lot size and 30% for lot size in excess of 5,000 sf (2,308 sf)	18.4% (~3,186sf)	44.4% (2,308 sf)  ADU exempt from floor area (-799 sf)
Max. House Size	6,000 sf	Unknown	3,107 sf
Residential Density	One unit, except as provided in 18.12.070	<b>4 units</b>	1 unit plus one allowed ADU per lot

(3) R-1 Floodzone Heights: Provided, in a special flood hazard area as defined in [Chapter 16.52](#), the maximum heights are increased by one-half of the increase in elevation required to reach base flood elevation, up to a maximum building height of 33 feet.

(6) R-1 Floodzone Daylight Plane: Provided, if the site is in a special flood hazard area and is entitled to an increase in the maximum height, the heights for the daylight planes shall be adjusted by the same amount.

**Table 2: CONFORMANCE WITH SECTION 18.12.060 and CHAPTER 18.52 (Off-Street Parking)  
for Single Family Residential Uses**

Type	Required	Existing	Proposed
Vehicle Parking	2 parking spaces per unit, of which one must be covered	2 spaces	2 spaces, one covered per lot



**Legend**

- R-1 Parcels with lot area of 10,000 sq ft or greater
- City Jurisdictional Limits

The City of  
**Palo Alto**

R-1 parcels  
with  
lot area equal or greater than  
10,000 sq ft  
Area Map

This map is a product of the  
City of Palo Alto GIS

Packet Pg. 15

March 27, 1972

Mr. Richard Radlick  
P.O. Box 1308  
Burlingame, California 94010

Dear Mr. Radlick:

Your Application 212-7205 to divide a portion of Lot 23, Block 6, Seale Subdivision No. 5 has been denied for the following reasons:

- (1) The proposed division results in three lots that are substandard in width and area.
- (2) The two rear lots are substandard in depth.
- (3) The two rear lots do not meet the requirement for access as required by Sec. 21.32.030(c) of the Palo Alto Municipal Code.

This decision may be appealed to the Planning Commission within ten days of the date of this letter. The appeal shall be in writing together with eighteen copies of the map and generally set forth the grounds for appeal. You should also make application to the Planning Commission for conditional exceptions as set forth in Chapter 21.28 of the Palo Alto Municipal Code.

Very truly yours,

CITY OF PALO ALTO

Louis J. Fourcroy  
Director of Planning and  
Community Development

By: Fred V. Nidiffer  
Planning Technician

FVN/bam

July 15, 2021

Jonathan Lait  
Director, Planning and Development Services  
City of Palo Alto  
250 Hamilton Avenue  
Palo Alto, CA 94301  
Email: [Jonathan.Lait@CityofPaloAlto.org](mailto:Jonathan.Lait@CityofPaloAlto.org)

**Subject:** Request for City Council Pre-Screening

Mr. Lait :

On behalf of APIC Amarillo Avenue, LLC, the owner of the property at 1033 Amarillo Ave, Palo Alto, we are requesting to subdivide the property into 4 fee simple lots and utilize R-1 design standards of the Palo Alto Municipal Code (PAMC). By doing so, the property would be redeveloped with 4 detached single-family homes with an Accessory Dwelling Units (ADU), creating 8 total with a net increase of 4 dwelling units.

The requested Pre-Screening seeks guidance on two matters from City Council. First, subdividing the existing 20,787 square foot into 4 fee simple lots of similar size, and second, a driveway via easements for the benefit of all 4 lots ingress and egress from the property. In fact, the driveway already exists on the property and currently serves 4 small rental units.

This proposed subdivision is built on three primary ideas:

1. Implementing a new and creative approach to address local and statewide housing shortages. In this case, the outcome would be more diversified housing opportunities than typically seen on redeveloped properties with similar characteristics in Palo Alto.
2. Utilizing existing components of the PAMC to enable smaller format dwelling units.
3. Establishing design guidelines for housing ideas contained in Palo Alto's Housing Work Plan from 2018.

## State & Local Housing Crisis

For the last several years, the State of California has been seeking methods to create more housing, particularly in areas with significant job densities and transit connectivity. The City of Palo Alto fits both criteria, and like similar municipalities are facing significant mandated housing creation targets in the next regional planning cycle.

To address these housing targets, it makes sense to take a multifaceted approach that considers both high density projects and moderate, or “gentle density” solutions. With the recent implementation of Planned Housing Zones, Palo Alto has seen a regular stream for high density residential projects, while little in the form of moderate and smaller scale housing proposals. These gentle density proposals might include townhomes, dup/tri/quad-plexes, or in this case, a cluster of detached homes that would be more affordable-by-design.

## Palo Alto Municipal Code

For over a decade, the PAMC has contained the "Village Residential" code applicable to RM-15 and more densely zoned property. Within this code are "gentle density" housing formats that can serve transitional zones and also can be suitable in certain R-1 zoned property and neighborhoods. By implementing such tools, Palo Alto could experience differentiated housing outcomes on smaller scale lots with smaller scale homes that yield a greater number of new dwelling units.

In particular, and one of the primary components of this request, would be to allow gentle density housing formats where there are existing and larger R-1 lots, for instance, greater than 10,000 square feet. The outcome would be more dwelling unit creation in both primary and ADU dwellings on lots perhaps 2,500 to 5,999 square feet that in turn produce smaller format housing alternatives. This would be the opposite of what is generally seen in Palo Alto redevelopment scenarios where the approach is to yield the largest single family home possible. Smaller single family lots would open more housing opportunities, new price points and ADU's that are used to offset housing expenses rather than as additional living space for larger lots.

For the subject property, it is also worthwhile to consider the context of existing housing inventory along Amarillo Avenue. Adjacent to the property are single family lots that are less than 6,000 square feet. Meanwhile ¼ mile away and also on Amarillo Avenue, are properties with existing driveway easements for rear units, as are properties zoned RM-15, RM-30 and a Planned Community on the corner of Amarillo and West Bayshore.

## The Palo Alto Housing Work Plan

Recently, members of the Planning & Transportation Committee have made observations at public hearings regarding housing creation on smaller format lots and the need to study such scenarios. The same concept is noted in Palo Alto's Housing Work Plan from 2018:

“As a key component of a diverse, inclusive community, allow and encourage a mix of housing types and sizes integrated into neighborhoods, and designed for greater affordability, particularly smaller housing types, such as studios, co-housing, cottages, clustered housing, accessory dwelling units and senior housing.”

“Encourage a mix of housing types and sizes integrated into neighborhoods, and designed for greater affordability, particularly smaller housing types, such as studios, co-housing, cottages, clustered housing, accessory dwelling units and senior housing.”

### **Scale of Similar Opportunities in Palo Alto**

Based on data from Santa Clara County, there are approximately 15,000 single family zoned properties in Palo Alto, 19% which are less than 6,000 square feet. With 1 in 5 single family properties in Palo Alto not in conformance with R-1 criteria according to PAMC guidelines, smaller sized lots are quite ordinary in Palo Alto. At the same time, 15% of R-1 zoned properties are greater than 10,000 square feet.

It is not possible to anticipate how many larger lots would seek to subdivide in a similar fashion as proposed herein. Various factors influence this including self-selection, property ownership changes, the condition of the existing property improvements as well as geography/neighborhood. Ultimately for a property that might consider creating smaller housing units, having defined and allowable guidelines can provide an organic opportunity for new types of smaller housing units over-the-passage-of-time as opposed to simply building the biggest single family home possible.

For most of the R-1 property in Palo Alto that are more customary single family lot sizes between 6,000 and 9,999 square feet, these might remain under current PAMC guidelines and limited to focus on the more flexible ADU provisions that City Council has approved in the last year.

In summary, Palo Alto should consider more flexible subdivision standards for large R-1 zoned lots as presented in this Pre-Screening application. We look forward to working with the City to explore such housing creation ideas, and in particular, as it could be implemented on the subject site of this Pre-Screening.

Best Regards



Ted O'Hanlon  
Project Manager & Owner Representative

Cc: APIC Amarillo Avenue, LLC  
Studio S-Squared

## Attachment E

### **Project Plans**

Hardcopies of project plans are provided to Councilmembers. During Shelter-in-Place, project plans are only available to the public online.

#### **Directions to review Project plans online:**

1. Go to: [bit.ly/PApendingprojects](https://bit.ly/PApendingprojects)
2. Scroll down to find “1033 Amarillo Avenue” and click the address link
3. On this project specific webpage you will find a link to the project plans and other important information

#### **Direct Link to Project Webpage:**

<https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1033-Amarillo-Avenue>



## City of Palo Alto City Council Staff Report

(ID # 13525)

**Report Type: Study Session**

**Meeting Date: 10/25/2021**

**Summary Title: 660 University Ave: Mixed Use Office & Residential (PHZ)**

**Title: 660 University Ave [21PLN-00199]: Request for a Planned Home Zoning Pre-screening by KSH Architects, to Combine Three Parcels (511 Byron St, 660 University Ave, 680 University Ave/500 Middlefield Rd), Demolish Existing Buildings (9,215 SF Office) and Construct a Four Story Mixed-Use Building with Ground Floor Office (9,115 SF) and Multi-Family Residential (70 units) and a Two Level Below-Grade Parking Garage. Environmental Assessment: Not a Project; any Subsequent Formal Application Would be Subject to CEQA Review. Zoning District: RM-20 (Low Density Multiple-Family Residence District).**

**From: City Manager**

**Lead Department: Planning and Development Services**

### **Recommendation:**

Staff recommends that Council conduct a prescreening review and provide informal comments regarding the applicant's request for a rezoning and land use map amendment for the proposed Planned Home Zoning (PHZ) project located on three RM-20 zoned properties.<sup>1</sup> Comments provided during the prescreening process are not binding on the City or the applicant.

### **Executive Summary:**

The Applicant proposes to submit a Planned Home Zoning (PHZ) mixed-use project application following a Council prescreening. The proposal is a multi-family residential and office mixed-use development. The project site is currently zoned RM-20, comprised of three parcels. Legal non-conforming medical office uses totaling 9,215 square feet exists on the three parcels. The

<sup>1</sup> Referred to in this report as "Planned Home Zone" to emphasize the focus on housing as the benefit to the community. Still, PAMC Section 18.38, which outlines the requirement and process for Planned Community (PC) Zoning, remains the underlying code supporting application of this policy.

parcels are proposed to be merged into a 22,526 square foot (sf) parcel.

The project would include 70 housing units (rental units) and 9,115 sf of replacement ground floor general business office with a floor area ratio (FAR) of 2.4 (52,960 sf) where a 0.5 FAR is allowed. Twenty percent or 14 units of the 70 dwelling units would be income-restricted across all income groups. The building would be four stories and 45 ft tall, where 30 ft is allowed.

Parking spaces for the project would be provided via two-level below-grade parking levels, providing a total of 103 parking stalls. This is a reduction of 12 parking stalls over the project requirement of 115 parking stalls.

The conceptual plans also show a minimum private open space per dwelling unit of 60 sf and a common roof terrace of 5,560 sf. The project is also proposing reduced setbacks including a 10 ft setback along Middlefield Road where a 24 ft special setback is required.

The PHZ concept has policy implications for applicants seeking to replace legal nonconforming office space when such office use is inconsistent with the project site's Comprehensive Land Use Designation. A land-use map amendment would be required to designate the project site with a land use designation that allows for mixed-use development to resolve the inconsistency.

### **Background:**

In accordance with Palo Alto Municipal Code (PAMC) Section 18.79.030(A), a prescreening review is required for legislative changes, including rezoning, before the submittal of a formal application. Pre-screenings are intended to solicit early feedback on proposed projects and, like all study sessions, cannot result in any formal action. Because this proposal may return to the City Council as a quasi-judicial application, Councilmembers should refrain from expressing firm opinions supporting or opposing the project. Concept plans can be found on the project webpage (<https://bit.ly/660University>).

### **Project Description**

KSH (Applicant) on behalf of Lund Smith (on behalf of Shachi Bahl, DMD) proposes a mixed-use 4-story building with a two-level below-grade parking garage. The project replaces 9,215 square feet of medical office space presently on-site with 9,115 square feet of general business office on the ground floor and 70 residential dwelling units.

The project site is comprised of three parcels that would be combined for redevelopment. The parcel at 660 University is a surface parking lot; this parcel is flanked by 511 Byron Street (a two-story 1950s office building) and 680 University/500 Middlefield (a two-story 1952 office building).

The layout of the development places the main pedestrian entrances along University Avenue and locates the vehicular entrance on Middlefield Road. The project concept reflects a building with varying heights, colors, recessed windows, and projecting balconies with glass railings for articulation. Landscaping would be installed around the building on each side and includes an outdoor deck set beneath the adjacent oak tree that overhangs onto the project site. The applicant is also including the housing affordability component for this project, planning to distribute the 20% inclusionary requirement across four income levels.<sup>2</sup> Additional details can be found in the Applicant's Project Description in Attachment C.

### Project Setting

Within the immediate vicinity of the project site are one and two-story buildings on nearby properties zoned RM40 and RM30. Nearby properties include the Lytton Gardens senior-living Planned Community (PC-2649 & PC-2968) across University, and a multi-family housing Planned Community (PC-4173) at 555 Byron. Properties across from the site on Middlefield are also zoned RM-30 and have a long-standing general business and medical office uses. Directly adjacent to the project site there is two small RM-20 zoned parcel with a two-story medical office at 517 Byron and a one-story single-family home at 524 Middlefield.

### **Discussion & Summary of Key Issues:**

This section describes some of the key areas of interest and areas where the proposed project differs from the City's typical development standards.

### Consistency with Comprehensive Plan, Area Plan, and Guidelines

The project as a mixed-use multifamily residential and office development would not be consistent with the sites' existing Comprehensive Plan land use designation of Multiple-Family Residential (MF). Though the existing development on site has legal non-conforming medical office uses, the redevelopment and replacement with a general business office use is a conflict with the existing land use designation as legal non-conforming uses cannot be replaced via redevelopment without legislative approval from the City Council. The Multiple-Family land use designation permits housing units; it does not permit office use or mixed-use development. The PHZ process that can include zoning changes and land use map designations.

In regards to housing densities, the Multiple-Family land use designation will range from 8 to 40 units and 8 to 90 persons per acre. The applicant is proposing 70 dwelling units on a proposed parcel of 0.52 acre (22,526 sf) for a housing density of 142 units per acre, exceeding the top tier 40 units per acre of the land use designation. The Comprehensive Plan enables higher densities than otherwise permitted "where measurable community benefits will be derived, services and

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<sup>2</sup> City Council Planned Home Zoning (PC Zoning) Affordability Requirements Staff Report 9/21/2020: <https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=43675.41&BlobID=78363>

facilities are available, and the net effect will be consistent with the Comprehensive Plan.” Given the Council's direction on Planned Home Zoning (PHZ) where the housing production is considered to be the community benefit, it would appear that the proposed housing unit density could be allowed if the Council ultimately supports the housing density.

Finally, the location of the project outside University Avenue Downtown means the Downtown Design Guidelines are not applicable. Similarly, there are no coordinated area plans applicable to the project site. Currently, the context-based design guidelines would apply as is standard for new projects. Although at the prescreening stage, conformance with the context-based design guidelines is not applicable; evaluation of a formal application, once submitted may include evaluation under new ‘objective standards’ rather than ‘context-based design guidelines’, which Council started reviewing on September 27, 2021.

### Housing Units

The project's 70 housing units would be primarily located on the upper floors of the development (only four units are on the ground floor). The unit sizes would range from 415 sf (studio) to 865 sf (two-bedroom units), with 56 studio units, six 1-bedroom units, and eight 2-bedroom units. As mentioned previously the density of the project would be 142 units per acre, seven times the allowed units per acre for the base zoning of RM-20 (20 housing units per acre). The proposes a 20% inclusionary requirement would be spread across four income levels as follows:

	Income level	Unit A	Unit B	Unit C	Unit D	Unit E	Unit F	Total
Below Market Rate Units	Very Low Income	1	2	1				4
	Low Income	1	2					3
	Moderate	1	2					3
Workforce Housing	Above Moderate	1	2			1		4
	<b>Total</b>							<b>14 units</b>
Unit Typology	Unit A – C & F= studio units from 415sf-465 sf, Unit D= 1 bedroom units of 645 sf, Unit E= 2 bedroom units of 865 sf							

With this level of affordability proposed, the project would meet the required inclusionary housing requirement for a PHZ project. All but one of the affordable units is provided at the studio unit size; staff would expect with a formal application that the number of bedrooms and the size of the affordable units shall be comparable to the average number of bedrooms in the market-rate units and reasonably dispersed within the residential project.

As previously mentioned, this project is seeking to replace the vast majority of existing office square feet (a 100 sf loss is proposed). In terms of the jobs to housing ratio, the project would be replacing the existing jobs and result in no net increase based on the concept endorsed by the City Council on September 21, 2020.<sup>3</sup>

### Open Space

The Applicant proposes each dwelling unit have a private terrace that ranges from 60 sf to 180 sf. There would also be open space via the open landscaped areas around the building. A proposed private office patio area of 1,980 sf will be limited to use by the office tenants. The project is also proposing a roof terrace that provides 5,560 sf of common open space for the dwelling units. The common and useable open space from the roof terrace would provide an average of 79 sf of open space per unit.

When considering that all of the dwelling units will have at least 60 sf of open space, the average open space per unit would be approximately 140 sf. Furthermore, the open ground area around the project building was not included in the analysis by staff as the information provided at the prescreening level is not detailed enough to accurately include this area. Given the size of the open space around the proposed development, it is likely that it would bring the total average open space above 150 sf. The base RM-20 zoning requires 150 sf of usable open space, 75 sf of common open space, and 50 sf of private open space.<sup>4</sup>

It should be noted that the typical open space per unit proposed with PHZ projects is 150 sf. In context, many of the PHZs have been proposed on sites that are zoned for commercial development that allows mixed-use projects, and the standard for open space is blended to include common, useable, and private open space for the 150 sf average per dwelling unit.

### Office Land Use

As previously mentioned, the project site is currently developed with three individual parcels that have legal non-conforming office buildings with medical offices. The project will replace the majority of the existing 9,215 sf of office space on the ground floor of the PHZ, with a minor office space reduction of 100 sf. Typically, a redevelopment project that seek to replace legal non-conforming uses cannot do so, however, the PHZ process allows for permitted and conditionally permitted land uses to be tailored to the project as City Council determines appropriate. As mentioned previously the existing Comprehensive Plan land-use designation is Multiple Family Residential and does not allow for office uses, nor does the existing RM-20 zoning of the project site. A formal PHZ application would require a land-use map amendment

<sup>3</sup> September 21, 2020 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmr/2020-2/id-11478.pdf?t=43675.41>

<sup>4</sup> PAMC 18.13.040 (a) Table 2

to be included to change the project site's land use designation to one that would allow for mixed-use development such as service commercial (CS). The applicant's intention for the office replacement space is to entitle a general business office<sup>5</sup> and not restore the existing medical office space.

### Vehicle & Bicycle Parking

The project includes a two-level below-grade parking garage that provides parking for both the residential dwelling units and the proposed office space. The project includes a total of 103 parking stalls where per code 115 parking stalls are required (12 less or a 10% reduction). The total required parking for the development was based on the existing code requirement for a general business office land use (1 parking space/250 sf), and the standard parking requirements per multifamily residential uses. The project does not detail exactly how many parking spaces would be allocated between the residential dwelling and the office use, though it does suggest that parking lifts would be included, providing 68 of the 103 parking stalls proposed.

The project site is located within the Downtown Residential Preferential Parking (RPP) area.<sup>6</sup> The residents of the proposed apartments would be allowed to purchase parking permits in the Downtown RPP. The six-month Downtown RPP employee parking permits which were set to expire in September were extended to December 31, 2021 (currently employees are allowed permits at limited volumes). The Downtown RPP program will have an option presented to Council on November 1, 2021, that would allow Employees within the Downtown RPP to be eligible to purchase RPP permits to allow them to park within the Downtown garages.

The project plans do not show the location or the total number of bicycle parking spaces that would be provided. Still, there appears to be enough area available within the parking garage where the 73 required long-term bicycle parking spaces (lockers) can be located.<sup>7</sup> Also, there are no loading zones provided in the project, nor are there any required based on the loading requirements for office and multifamily uses. A point of consideration is that PHZ projects per code allow for off-street parking and loading requirements may be set by reference to Chapter 18.54, or in-text if the regulations of Chapter 18.54 are modified for the individual PHZ, or a mixture of both if the Council deems appropriate. Also, parking reduction proposed for this project is minor and typical of a parking reduction that is common for major development project in the City (less than 15%).

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<sup>5</sup> PAMC 18.04.030(a)(61) "General business office" means a use principally providing services to individuals, firms, or other entities, including but not limited to real estate, insurance, property management, title companies, investment, personnel, travel, and similar services.

<sup>6</sup> Downtown RPP Map <https://bit.ly/DTRPP>

<sup>7</sup> PAMC 18.52.040 Table 1 requires 1 Long Term Bicycle Parking Space per dwelling unit for Multifamily Developments.

### Protected Trees

The proposed project site has several trees that line the public right of way (Byron St, University Ave, Middlefield Road). The project site does not have any protected or large trees on site. The only existing trees are four small trees within planter boxes and four small to medium size trees within the central parking lot of the site along with the University. There is one large Oak tree that is protected by City code on the adjacent property (517 Byron Street) that overhangs to the project site. The site planning and below-grade garage plan appear to have taken into consideration the Oak's tree protection zone (TPZ) by proposing a building and garage setback of 21' 6" from the interior side property line where the Oak is adjacent. At the pre-screening phase, no formal review of the project's impacts on the Oak has been done due to the high-level nature of the pre-screening process. Additional adjustments to the site plan of the proposed project would be subject to the findings of an arborist report and City arborist peer review during a formal application review, if filed.

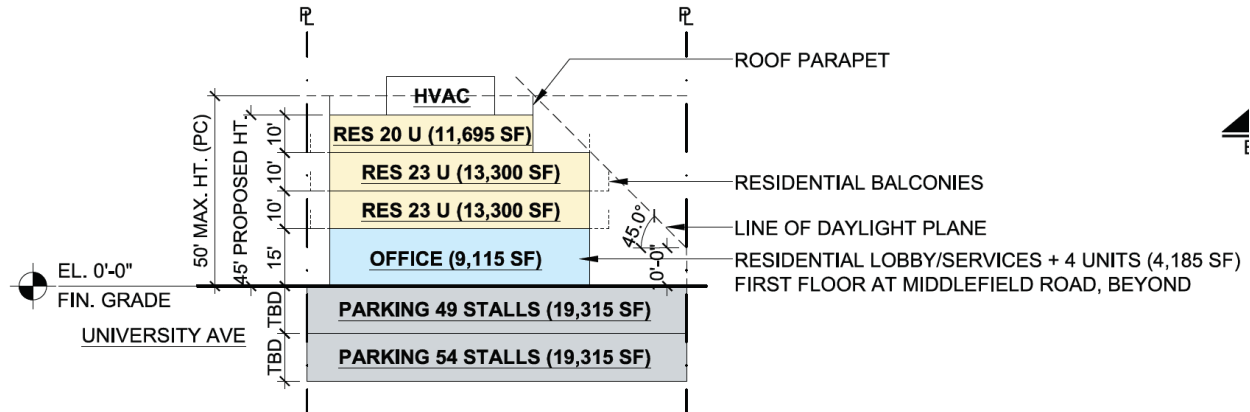
### Height, FAR, Site Plan

The 45-foot tall building would have rooftop mechanical equipment and screening exceeding 50 ft in height. The PHZ zoning allows for projects to be 50 ft tall and have rooftop equipment that exceeds that height. In context, the existing RM-20 zoning has a maximum height of 30 ft and a standard R-1 zone daylight plane (45 degrees at 10 ft high at the interior property lines). The project site is located directly adjacent to a single-family use at 524 Middlefield Road. The conceptual design shows a building compliant with the R-1 daylight plane where none of the upper floors encroach in the daylight plane. Though it does appear that a guard rail for the third-floor roof would encroach into the daylight plane (see elevation image below). This could be corrected by adjusting the guard rail placement, though that would reduce the useable area for the terrace that is located above the third floor.

A formal application would include a request to increase building height beyond the standard maximum RM-20 height of 30 ft and the PHZ height limitation of 35 ft when adjacent to RM-20 zones (residential transition area).<sup>8</sup> This would come in form of a zoning text amendment to encroach into the residential transition area and to extend more than 35 feet in height.

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<sup>8</sup> PAMC 18.38.150 (b) All Other Uses. The maximum height within one hundred fifty feet of any RE, R-1, R-2, RM, or applicable PC district shall be thirty-five feet; provided, however, that for a use where the gross floor area excluding any area used exclusively for parking purposes, is at least sixty percent residential, the maximum height within one hundred fifty feet of an RM-30 or RM-40 district shall be fifty feet



The conceptual project's FAR of 2.29:1 (51,595 sf) exceeds the current RM-20 zoning maximum FAR of 0.5 (11,263 sf). The RM-20 maximum FAR of 0.5 is for residential, community centers, daycares, and religious/private schools. The residential FAR is 1.89 and 0.40 FAR is proposed for the proposed office space. The residential portion represents 82.5% of the project's total FAR.

The project setbacks are not fully compliant with the setbacks that the base RM-20 zone requires nor is it compliant with the 24 ft special setback along Middlefield Road. The project's setbacks have been reduced to allow for the height of the proposed development to comply with the R-1 daylight plane. The interior side property line setback is proposed to be 25ft 6 in where a 10 ft setback is required. This pushes the development further away from the adjacent though compliant with the R-1 daylight plane, though the University Ave side is prosed with a 10 ft setback where a 16 ft setback is required. Similarly, the rear street-side of Byron St has a 10 ft setback where 16 ft is required. The Middlefield Road frontage has a proposed setback of 10 ft. In context, the reduced setbacks along University Ave and Byron St appear to be compatible with the existing setback patterns on the adjacent University Ave block between Webster & Byron St vary from approximately 10 ft to 16 ft. The block along Byron St between University & Hamilton Ave has existing setbacks that vary from approximately 5 ft to 18ft.

Through the PHZ process, the Council could establish setbacks for the project that do not align with the base district's setback standards. The reduced setbacks allow for more of the building mass to be shifted away from nearby residential uses and to provided greater protection for the protected Oak tree on the neighboring proprety and along the interior side property line.

Additional zoning analysis information can be found within Attachment B.

### Policy Implications:

The applicant's conceptual project replaces existing medical office floor area with general office (no net increase in floor area) and includes 70 net new housing units, including 20% income restricted units in accordance with the Council's parameters for PHZ projects. The project

would require amendments to the City's zoning code to permit allow for encroachments into the transitional height limit and a Comprehensive Plan amendment to allow the office component. Through the PHZ process, the project would also include deviation from a some development standards, including transitional height limits and FAR, which substantially exceeds the base district standard, but that is generally consistent with prior PHZ prescreening applications.

Following the subject applicant's submittal, the Council considered some refinements to the PHZ process. Not all aspects of the conceptual plan may align with that more recent guidance, however, the project's location near University Avenue downtown and the exsiting built environment may allow for some further adjustment. Without the PHZ, it is anticipated the site would remain unchanged based on current development standards.

### **Stakeholder Engagement:**

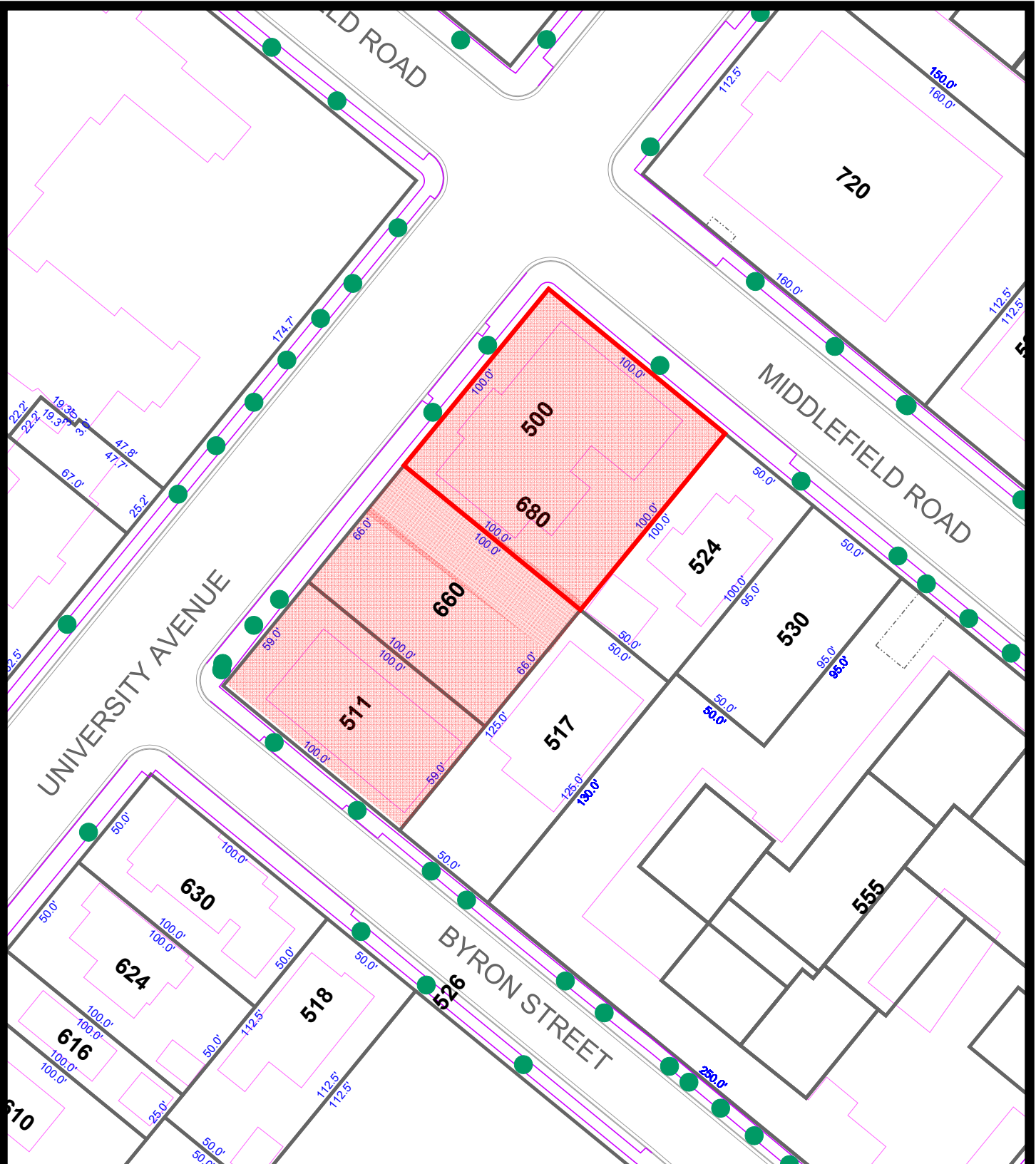
This item was published in the Daily Post on October 15, 2021, which is 10 days in advance of the meeting. Postcard mailing occurred on October 11, 2021, which is 15 days in advance of the meeting. AS of writing this report, public comments related to this project have been received by the City from the HOA of the senior living facility located at 555 Byron St. The concerns are regarding the intensity of the project and its proximately to their community. Additional, details beyond this were not provided by the HOA representative.

### **Environmental Review:**

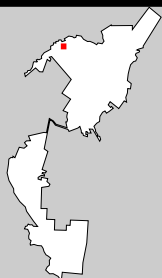
The prescreening application involves no discretionary action and is therefore not a project and not subject to review pursuant to the California Environmental Quality Act (CEQA). Subsequent projects will require project-specific environmental analysis.

#### **Attachments:**

<b>Attachment2.a:</b>	<b>Attachment A: Location Map(PDF)</b>
<b>Attachment2.b:</b>	<b>Attachment B: Zoning Comparison Table (DOCX)</b>
<b>Attachment2.c:</b>	<b>Attachment C: Applicant's Project Description (PDF)</b>
<b>Attachment2.d:</b>	<b>Attachment D: Project Plans (DOCX)</b>



The City of  
Palo Alto



660 University Ave

This map is a product of the  
City of Palo Alto GIS



**ATTACHMENT B**  
**ZONING COMPARISON TABLE**  
660 University Avenue, 21PLN-00199

**Table 1: COMPARISON WITH CHAPTER 18.13 (RM-20 DISTRICT)**

<b>Regulation per RM-20</b>	<b>Required</b>	<b>Proposed</b>
Minimum/Maximum Site Area, Width and Depth	8,500 sf area, 70 foot width, 100 foot depth	103 feet by 228 feet, 23,534 sf (0.24 acre)
Minimum Front Yard	24 ft Special Setback Middlefield Rd	10 feet
Rear Yard (street side Bryon St)	16 feet	10 feet
Street Side Yard (University Ave)	16 feet	10 feet
Interior Side Yard (for lots greater than 70 feet in width)	10 feet	25 ft 6 in
Max. Building Height	30 feet	45' (four story development)
Side Yard Daylight Plane	10 feet at interior side lot line then 45 degree angle	<b>Compliant</b>
Rear Yard Daylight Plane	10 feet at rear setback line then 45 degree angle	<b>N/A</b>
Max. Site Coverage	35% (plus an additional 5% for covered patios or overhangs)	59.1% (13,300 sf)
Max. Total Floor Area Ratio	0.5:1	~2.29:1 (51,595 sf) Mix-Use; Replacement Office 9,115 sf (0.40 FAR, net loss of 100sf), Residential 43,845 sf (1.95 FAR)
Residential Density	11 to 20 units per acre (5 to 10 units)	70 DU on 0.51 acre = 142 units per acre
Minimum Usable Open Space	150 sf per unit	~140 sf
Minimum Common Open Space	75 sf per unit	Common ~4,761sf sf (roof deck + 2 <sup>nd</sup> floor plaza)
Minimum Private Open Space	50 sf per unit	80 sf per unit (balconies)

**Table 2: CONFORMANCE WITH CHAPTER 18.52 (Off-Street Parking)  
for Multiple-Family Residential**

<b>Type</b>		<b>Required</b>	<b>Proposed</b>
Vehicle Parking	Office	1 space/250 sf (General Business Office)  37 spaces Required	Garage level 1: 49  Garage level 2: 54  68 stalls in mechanical lifts, 32 standard, 2 accessible.  The 2 accessible stalls would count twice towards the minimum parking requirement, which bring the provide park per code to 105 stalls provided.
	Housing	1 per studio unit 1.2 per 1-bedroom unit 1.5 per 2-bedroom or larger unit  Required: 56 – Studio; 56 spaces 6 - 1-bedroom; 6 spaces 8 - 2-bedroom; 16 spaces Tandem parking is permitted for multiple-family and two-family uses.	
	Total	37 Commercial 78 Residential Total required= 115 parking stalls	Total : 103 stalls, deficient 12
Loading Area for Office		1 space @ 10,000- 99,000 sf; not required for this project	<b>None Proposed</b>
Bicycle Parking		One (1) Long-term bicycle parking space	<b>None Proposed</b>

## PROJECT DESCRIPTION – 660 UNIVERSITY AVE, PALO ALTO

The proposed project at 660 University Avenue is a mixed-use 4-story building with two levels of below-grade parking. Proposed uses include 9,115 square feet of office space on the ground floor, 70 residential units and parking. Three parcels will be combined and two existing office buildings on the site will be demolished in order for this project to proceed. A large existing oak tree on the adjacent site will be preserved. The proposed design meets open space requirements, and complies with the daylight plane shared with the adjacent single-family use lot. The residential and office entrances are located on University Avenue and the vehicular entrance is located on Middlefield Road. Separate elevators are also provided for office and residential uses.

The project is designed to be a high-quality addition to Palo Alto. Features include changes in plane, the expression of varied heights in the building volumes, color variation, recessed windows and projecting balconies with glass railings. A terrace for residents is proposed at the roof, to provide common open space. The building responds to the context of the neighboring single-family use lot through setbacks along the common property line. The projecting canopies and cornices above the first floor will provide a comfortable pedestrian experience at the street level. A rich landscape is proposed at the ground floor on all 4 sides of the project, including an outdoor deck set beneath the existing oak tree. The project sponsor has also spoken with our neighbor at 524 Middlefield Road several times to understand potential concerns. The proposed project has incorporated changes to our shared fence and to the building location, and we believe the neighbor is satisfied with the current proposal.

On page 1 of this submittal package (Project Information), detailed information is provided regarding Land Use, FAR, Unit Counts, Building Area, Density, Parking counts, Site Coverage, Open Space, Building Height and Setbacks.

The project sponsor is also including the housing affordability component for this project, and are planning to distribute the 20% inclusionary requirement across four income levels. Here would be the breakdown of the 14 affordable units (20% of total unit count):

	Income Level	Unit A	Unit B	Unit D	Unit E	Total
Below Market Rate Units	Very – low income	1	2	1		4
	Low Income	1	2			3
	Moderate Income	1	2			3
Workforce Housing	Above Moderate Income	1	2		1	4
		<b>Total</b>				14 units

## Attachment D

### Project Plans

During the ongoing Shelter-in-Place, project plans are only available online.

#### **Directions to review Project plans online:**

1. Go to: [bit.ly/PAwaitingprojects](https://bit.ly/PAwaitingprojects)
2. Scroll to find “**660 University Ave**” and click the address link
3. On this project specific webpage you will find a link to the Project Plans and other important information

#### **Direct Link to Project Webpage:**

<https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/660-University-Avenue>



## City of Palo Alto City Council Staff Report

(ID # 13685)

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**Report Type:** Consent Calendar

**Meeting Date:** 10/25/2021

**Title:** Approval of Minutes From the September 27, 2021 City Council Meeting

**From:** City Manager

**Lead Department:** City Clerk

**Recommended Motion**

To review and approve the minutes from September 27, 2021 Special City Council Meeting as presented.

**Attachments:**

- **Attachment3.a:** Attachment A: 20210927amCCs Draft



# DRAFT ACTION MINUTES

City Council  
Special Meeting  
September 27, 2021  
Virtual Only

The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:01 P.M.

Participating Remotely: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Absent:

## Closed Session

1. ~~CONFERENCE WITH CITY ATTORNEY POTENTIAL LITIGATION Subject: Arbitration of Employee Discipline Matters Authority: Government Code Section 54956.9(d)(2) Two Potential Matters, as Defendant.~~
2. CONFERENCE WITH LABOR NEGOTIATORS City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Molly Stump, and Terence Howzell) Employee Organization: Service Employees International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA) Palo Alto Peace Officer's Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs Association (FCA), ; Authority: Government Code Section 54957.6 (a).

**MOTION:** Council Member Filseth moved, seconded by Council Member Kou to go into Closed Session.

**MOTION PASSED:** 7-0

Council went into Closed Session at 5:02 P.M.

Council returned from Closed Session at 6:00 P.M.

Mayor DuBois announced no reportable action

## Study Session

# DRAFT ACTION MINUTES

3. Study Session on a Proposal by Eden Housing, in Coordination with the County of Santa Clara, to Redevelop 525 East Charleston with a Mixed-Use Project That Includes Approximately 2,700 Square Feet of Ground Floor Office for Non-Profit Use and 50 Units of 100 Percent Affordable Rental Housing, 50 percent of which will be for Residents with Special Needs.

## NO ACTION TAKEN

### Agenda Changes, Additions and Deletions

None

### Public Comment

None

### Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 6 and 7.

**MOTION:** Mayor DuBois moved, seconded by Council Member Cormack to approve Agenda Item Numbers 4-8.

4. Approval of Minutes from September 13, 2021 City Council Meeting.
5. Adoption of **Resolution 9990** Approving and Attesting to the Veracity of the City's 2020 Annual Power Source Disclosure and Power Content Label Reports.
6. Approval of an Exemption to Competitive Solicitation per Palo Alto Municipal Code 2.30.360(j) for Cooperative Purchases, and Approval for the City Manager or Designee to Execute Purchase Order C22183161 with CarahSoft Technology Corporation, Utilizing a State of California Multiple Award Schedule Contract, to Procure DocuSign Services for a Three-Year Term with an Annual Amount of \$126,753, for a Total Not-To-Exceed Amount of \$380,258.
7. Finance Committee Recommends Adoption of **Resolution 9991** Approving an Agreement for the Purchase and Sale of Verified Emission Reductions With the Integrative Organization of Oaxaca Indigenous and Agricultural Communities to Purchase 24,000 Tons CO2e for a Total Purchase Price of \$228,000.

# DRAFT ACTION MINUTES

8. Approval of Construction Contract Number C22182320 with Golden Bay Construction, Inc. in the Amount of \$1,250,923, and Authorization for the City Manager to Negotiate and Execute Change Orders Up to a Not-to-Exceed Amount of \$125,093, for the Storm Drainage System Replacement and Rehabilitation Project, Capital Improvement Program Project SD-06101.

**MOTION ITEMS 4, 5, 8 PASSED:** 7-0

**MOTION ITEMS 6-7 PASSED:** 6-1, Tanaka no

## Action Items

10. Adopt a Resolution Declaring an Emergency Shelter Crisis, Adoption of a Resolution Authorizing the City Manager to Apply for California Project Homekey Funds in Conjunction with LifeMoves, and Related Direction to Staff Regarding an 88-132-unit Emergency Shelter Project at a Portion of the LATP site (1237 North San Antonio Road); Environmental Assessment: Exempt Pursuant to AB 140 and AB 2553; Alternatively, Exempt under CEQA Guidelines Section 15269 as an Action to Mitigate an Emergency.

**MOTION:** Mayor DuBois moved, seconded by Council Member Kou to:

- A. Adopt a resolution declaring an emergency shelter crisis with a one-year deadline and return to City Council for discussion on renewal;
- B. Adopt a resolution authorizing the City Manager to apply for California Project Homekey funds in conjunction with LifeMoves for an 88-unit emergency shelter project at a portion of the LATP site (1237 North San Antonio Road);
- C. Direct Staff to complete due diligence necessary for the application;
- D. Direct Staff to return with necessary actions related to capital and operating costs for the project and include the City's portion of the operating expenses as part of the City's Long Range Financial Forecasting, taking into account the funding from LifeMoves as a partner as well as financial support from other agencies (e.g., the State, and Santa Clara County); and
- E. Direct Staff to identify the costs associated with moving Green Waste operations within LATP Area C and to work with LifeMoves to identify funding sources for the relocation.

# DRAFT ACTION MINUTES

**AMENDMENT:** Council Member Stone moved, seconded by Council Member Cormack to modify Part B of the Motion to pursue a 132-unit emergency shelter project with 3-stories.

**AMENDMENT FAILED:** 7-0, Burt, DuBois, Filseth, Kou, Tanaka no

**MOTION:** Mayor DuBois moved, seconded by Council Member Kou to:

- A. Adopt **Resolution 9992** declaring an emergency shelter crisis with a one-year deadline and return to City Council for discussion on renewal;
- B. Adopt **Resolution 9993** authorizing the City Manager to apply for California Project Homekey funds in conjunction with LifeMoves for an 88-unit emergency shelter project at a portion of the LATP site (1237 North San Antonio Road);
- C. Direct Staff to complete due diligence necessary for the application;
- D. Direct Staff to return with necessary actions related to capital and operating costs for the project and include the City's portion of the operating expenses as part of the City's Long Range Financial Forecasting, taking into account the funding from LifeMoves as a partner as well as financial support from other agencies (e.g., the State, and Santa Clara County);
- E. Direct Staff to identify the costs associated with moving Green Waste operations within LATP Area C and to work with LifeMoves to identify funding sources for the relocation; and
- F. Direct Staff to continue to partner with Valley Water to identify a staging area in preparation for a purified water plant.

**MOTION PASSED:** 7-0

City Council went on break at 9:56 P.M. and returned at 10:09 P.M.

**MOTION:** Mayor DuBois, seconded by Council Member Filseth to move Item 9 to be heard on the October 4, 2021 City Council meeting.

**MOTION PASSED:** 7-0

- 11. Discussion of Options and Direction Regarding Virtual, In-Person, or Hybrid Council and Board and Commission Meetings.

**MOTION:** Vice Mayor Burt moved, seconded by Council Member Stone to:

# DRAFT ACTION MINUTES

- A. Begin hybrid City Council meetings on November 1, 2021, and not requiring Standing Committees, Ad-Hoc Committees, Boards and Commissions to physically convene until January 2022;
- B. Require the public, Staff and City Council Members to provide proof of vaccination or a negative COVID-19 test within 48 hours prior to the meeting;
- C. Provide an option for City Council to attend in-person or virtually as long as the Santa Clara County maintains mandatory indoor masking for public meetings;
- D. Upon the end of mandatory indoor masking, modify the City Council protocols to increase City Council's teleconference participation to 5 meetings per year;
- E. Request Staff to allow virtual attendees to participate by video, barring technical barriers in doing so; and
- F. Upon relevant changes in Santa Clara County's or the CDC's guidelines, for City Council to revisit the guidelines, consider a default standard for in-person meetings if provided by the Santa Clara County, and discuss other in-person meeting requirements.

## **MOTION PASSED: 7-0**

9. ~~Public Hearing: Adoption of Two Ordinances Implementing the Objective Standards Project, Including: 1) New Chapter 18.24, Objective Design Standards, to Replace Existing Context-Based Design Criteria; 2) Modifications to Affordable Housing (AH) and Workforce Housing (WH) Overlay Districts to Eliminate the Legislative Process; 3) Expansion of Affordable Housing (AH) and Housing Incentive Program (HIP) to PTOD-Eligible Properties; 4) Changes to Remove Inconsistencies and Redundancies, and Streamline Project Review Throughout Title 18 Chapters. (This item is to be heard on the October 4, 2021 City Council Meeting)~~

Adjournment: The meeting was adjourned at 11:29 P.M.



## City of Palo Alto City Council Staff Report

(ID # 12080)

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**Report Type: Consent Calendar**

**Meeting Date: 10/25/2021**

**Title: Approval of Contract Number C21181509 with SCS Field Services in an Amount Not to Exceed \$370,809 to Provide Landfill Gas Monitoring and Reporting Services for a Period of Three Years**

**From: City Manager**

**Lead Department: Public Works**

### **Recommendation**

Staff recommends that Council approve and authorize the City Manager or their designee to execute Contract No. C21181509 (Attachment A), with SCS Field Services, to provide landfill gas collection system monitoring and reporting services for a term of three years and a total amount not-to-exceed \$370,809, including \$337,098 for basic services and \$33,711 for additional services.

### **Background**

The City owns and operates a closed, class III municipal solid waste disposal site (landfill), located at 2380 Embarcadero Road in Palo Alto, California. The site was closed in phases and converted to parkland beginning in 1990 (Byxbee Park in the Baylands Nature Preserve). The landfill reached refuse capacity and ceased accepting waste in 2011 and underwent final capping and regulatory closure in 2015. The landfill is currently in its “post-closure” maintenance and monitoring period, under regulatory oversight by CalRecycle, the Regional Water Quality Control Board, the Bay Area Air Quality Management District (BAAQMD), and Santa Clara County Department of Environmental Health.

State and federal regulations require that landfill operators provide effective environmental control and monitoring systems to prevent the buildup and release of landfill gas and leachate from the buried waste. The environmental control systems are a vertical landfill gas extraction system and a vertical leachate extraction system. The landfill gas extraction system consists of buried underground piping, 96 vertical extraction wells, and a flare/blower system that keeps the wellfield under vacuum. The leachate system consists of 24 vertical extraction wells outfitted with pneumatic pumps that pull landfill leachate (fluid) from the waste mass. BAAQMD’s Regulation 8, Rule 34, has specific gas control activities and includes well-head monitoring, surface emissions monitoring, maintaining detailed operating records, continuous flow and temperature monitoring and recording at the flare/blower station, and source testing. The contract with SCS Field Services is to provide services for gas monitoring and reporting for

the landfill gas control system for the Palo Alto Landfill as required by these regulations. The work requires specialized instruments, tools, equipment, and trained personnel to meet the stringent requirements of the State and local oversight agencies.

The environmental control systems monitoring and reporting tasks are required after the landfill closure for as long as the landfill continues producing methane and leachate (estimated for a minimum period of 30 years). The City has had a contract for monitoring the gas control system for over 25 years. The current contract is with SCS Field Services for a total not-to-exceed amount of \$373,362 for 3 years, and expired on June 25, 2021; however, the contract was amended, extending the term of the contract by 6-months to December 24, 2021, to allow for a complete formal solicitation process. The recommended new contract C21181509 will supersede the current contract.

### Discussion

The City requires the services of a qualified and experienced contracting firm to assist with regulatory compliance of the landfill's gas collection system. Due to the nature and quantity of the work, outside resources are required. The new recommended three-year contract with SCS Field Services will continue to provide the City with monitoring and reporting services, ensuring landfill gas regulatory compliance, and includes the following tasks:

1. Perform routine landfill gas collection and emission control system monitoring and reporting including well-head monitoring, surface emissions monitoring, and flare/blower station monitoring;
2. Perform annual landfill flare stack emissions sampling, analyses, and reporting;
3. Compile and prepare required landfill gas reports, including Rule 8-34 New Source Performance Standard Annual Report, Landfill Methane Rule Annual Report, and Environmental Protection Agency greenhouse gas reporting; and
4. Provide miscellaneous engineering support services on an as-needed basis and as directed by City staff. These services may include providing consultation on equipment specifications, landfill gas quality evaluations and modeling, or assistance with the regulatory liaison or unforeseen regulatory requests.

### Solicitation Process

A request for proposals (RFP) for the project was posted on the Planet Bids Vendor Portal and was emailed to 903 contractors. The solicitation period was 19 days. Two proposals were received on April 27, 2021.

### *Summary of Solicitation Process:*

<b>PROPOSAL DESCRIPTION</b>	<b>LANDFILL GAS MONITORING AND REPORTING SERVICES/RFP #181509</b>
Proposed Length of Project	36 Months (3 years)
Number of Vendors Notified	903
Number of Proposal packages downloaded	12

Total Days to Respond to Proposal	19 days
Pre-Proposal Meeting	No
Pre-Proposal Meeting Date	N/A
Number of Proposals Received	2
Proposal Price Range	\$337,098 - \$795,815 per year

#### *Proposals Received*

COMPANY NAME	LOCATION (CITY, STATE)	PROPOSAL AMOUNT
SCS Field Services	Long Beach, CA	\$337,098
American International Environmental Inc.	La Mirada, CA	\$795,815

The proposals were evaluated and determined to be responsive to the criteria identified in the RFP. SCS Field Services was selected because of the quality and effectiveness of their services, the experience of their field staff, prior record of performance with the City, and their ability to provide future services. Additionally, SCS Field Services' cost for basic services (\$337,098) was significantly lower than the other proposal (\$795,815).

The City is required per federal and state regulations to provide effective environmental control and monitoring systems to prevent the buildup and release of landfill gas and leachate from the buried waste, therefore, if this contract is not approved, staff will be unable to comply with these requirements beginning December 2021. Alternatively, the City could either choose the second proposer, at a significantly higher cost, or conduct a second formal solicitation which would not be completed by the current contract end date of December 2021 and require another contract extension, in order to avoid placing the City in a position to be unable to comply with the federal and state requirements.

#### **Resource Impact**

Funding for this contract (term 10/25/21 through 10/10/24) will be provided by the Refuse Fund Operating Budget. The funding needs for the new contract are comparable to the existing contract and funding levels adopted in the Fiscal Year 2022 Refuse Fund Operating Budget. Funding for subsequent contract years is subject to the annual appropriation of funds through the annual budget process.

#### **Summary of Contract Costs for Landfill Gas Monitoring and Reporting Services:**

Monitoring and Reporting per Year	\$112,366
Additional Services per Year	\$11,237
<i>Total Annual Cost</i>	<i>\$123,603</i>
<b>Total Contract Not-to-Exceed Amount for the 3-year term</b>	<b>\$370,809</b>

#### **Policy Implications**

This contract does not represent any change to existing City policies.

**Stakeholder Engagement**

This contract is for a continuation of existing landfill monitoring and reporting services that is required by multiple regulations. Community engagement was not deemed necessary.

**Environmental Review**

This work is exempt from the California Environmental Quality Act (CEQA) under Class 1 categorical exemptions for existing facilities, Title 14 CCR Section 15301. This work involves monitoring of existing facilities and involves no expansion of the existing use.

**Attachments:**

- **Attachment4.a:** Attachment A: SCS Field Services (landfill gas) contract, C21181509

**CITY OF PALO ALTO CONTRACT NO. C21181509****AGREEMENT FOR PROFESSIONAL SERVICES FOR LANDFILL GAS  
MONITORING AND REPORTING SERVICES**

**BETWEEN THE CITY OF PALO ALTO AND STEARNS, CONRAD AND SCHMIDT,  
CONSULTING ENGINEERS, INC. dba SCS Field Services**

This Agreement for Professional Services (this "Agreement") is entered into as of the 25<sup>th</sup> day of October, 2021 (the "Effective Date"), by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and STEARNS, CONRAD AND SCHMIDT, CONSULTING ENGINEERS, INC. (DIR#1000004641), a Virginia corporation, located at 4730 Enterprise Way, Suite A, Modesto, CA 95356 ("CONSULTANT").

The following recitals are a substantive portion of this Agreement and are fully incorporated herein by this reference:

**RECITALS**

A. CITY owns and operates a closed, class III municipal solid waste disposal site, which includes landfill gas and leachate collection systems (the "Project") and desires to engage a consultant to provide monitoring and reporting services in connection with the Project (the "Services", as detailed more fully in Exhibit A).

B. CONSULTANT represents that it, its employees and subconsultants, if any, possess the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY, in reliance on these representations, desires to engage CONSULTANT to provide the Services as more fully described in Exhibit A, entitled "SCOPE OF SERVICES".

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, in this Agreement, the parties agree as follows:

**SECTION 1. SCOPE OF SERVICES.** CONSULTANT shall perform the Services described in Exhibit A in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

**SECTION 2. TERM.**

The term of this Agreement shall be from the date of its full execution through October 10, 2024 unless terminated earlier pursuant to Section 19 (Termination) of this Agreement.

**SECTION 3. SCHEDULE OF PERFORMANCE.** Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit B, entitled "SCHEDULE OF PERFORMANCE". Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and

timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY's agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

**SECTION 4. NOT TO EXCEED COMPENSATION.** The compensation to be paid to CONSULTANT for performance of the Services shall be based on the compensation structure detailed in Exhibit C, entitled "COMPENSATION," including any reimbursable expenses specified therein, and the maximum total compensation shall not exceed **Three Hundred Thirty Seven Thousand Ninety Eight Dollars (\$337,098.00)**. The hourly schedule of rates, if applicable, is set out in Exhibit C-1, entitled "SCHEDULE OF RATES." Any work performed or expenses incurred for which payment would result in a total exceeding the maximum compensation set forth in this Section 4 shall be at no cost to the CITY.

☒ Optional Additional Services Provision (This provision applies only if checked and a not-to-exceed compensation amount for Additional Services is allocated below under this Section 4.)

In addition to the not-to-exceed compensation specified above, CITY has set aside the not-to-exceed compensation amount of **Thirty Three Thousand Seven Hundred Eleven Dollars (\$33,711.00)** for the performance of Additional Services (as defined below). The total compensation for performance of the Services, Additional Services and any reimbursable expenses specified in Exhibit C, shall not exceed **Three Hundred Seventy Thousand Eight Hundred Nine Dollars (\$370,809.00)**, as detailed in Exhibit C.

"Additional Services" means any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described at Exhibit A. CITY may elect to, but is not required to, authorize Additional Services up to the maximum amount of compensation set forth for Additional Services in this Section 4. CONSULTANT shall provide Additional Services only by advanced, written authorization from CITY as detailed in this Section. Additional Services, if any, shall be authorized by CITY with a Task Order assigned and authorized by CITY's Project Manager, as identified in Section 13 (Project Management). Each Task Order shall be in substantially the same form as Exhibit A-1, entitled "PROFESSIONAL SERVICES TASK ORDER". Each Task Order shall contain a specific scope of services, schedule of performance and maximum compensation amount, in accordance with the provisions of this Agreement. Compensation for Additional Services shall be specified by CITY in the Task Order, based on whichever is lowest: the compensation structure set forth in Exhibit C, the hourly rates set forth in Exhibit C-1, or a negotiated lump sum.

To accept a Task Order, CONSULTANT shall sign the Task Order and return it to CITY's Project Manager within the time specified by the Project Manager, and upon authorization by CITY (defined as counter-signature by the CITY Project Manager), the fully executed Task Order shall become part of this Agreement. The cumulative total compensation to CONSULTANT for all Task Orders authorized under this Agreement shall not exceed the amount of compensation set forth for Additional Services in this Section 4. CONSULTANT shall only be compensated for Additional Services performed under an authorized Task Order and only up to the maximum amount of compensation set forth for

Additional Services in this Section 4. Performance of and payment for any Additional Services are subject to all requirements and restrictions in this Agreement.

**SECTION 5. INVOICES.** In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the Services performed and the applicable charges (including, if applicable, an identification of personnel who performed the Services, hours worked, hourly rates, and reimbursable expenses), based upon Exhibit C or, as applicable, CONSULTANT's schedule of rates set forth in Exhibit C-1. If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT's invoices shall be subject to verification by CITY. CONSULTANT shall send all invoices to CITY's Project Manager at the address specified in Section 13 (Project Management) below. CITY will generally process and pay invoices within thirty (30) days of receipt of an acceptable invoice.

**SECTION 6. QUALIFICATIONS/STANDARD OF CARE.** All Services shall be performed by CONSULTANT or under CONSULTANT's supervision. CONSULTANT represents that it, its employees and subcontractors, if any, possess the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subcontractors, if any, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services. All Services to be furnished by CONSULTANT under this Agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

**SECTION 7. COMPLIANCE WITH LAWS.** CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement, as amended from time to time. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

**SECTION 8. ERRORS/OMISSIONS.** CONSULTANT is solely responsible for costs, including, but not limited to, increases in the cost of Services, arising from or caused by CONSULTANT's errors and omissions, including, but not limited to, the costs of corrections such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

**SECTION 9. COST ESTIMATES.** If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds the CITY's stated construction budget by ten percent (10%) or more, CONSULTANT shall make recommendations to CITY for aligning the Project design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

**SECTION 10. INDEPENDENT CONTRACTOR.** CONSULTANT acknowledges and agrees that CONSULTANT and any agent or employee of CONSULTANT will act as and shall be

deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which CONSULTANT performs the Services requested by CITY under this Agreement. CONSULTANT and any agent or employee of CONSULTANT will not have employee status with CITY, nor be entitled to participate in any plans, arrangements, or distributions by CITY pertaining to or in connection with any retirement, health or other benefits that CITY may offer its employees. CONSULTANT will be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, workers' compensation, unemployment compensation, insurance, and other similar responsibilities related to CONSULTANT's performance of the Services, or any agent or employee of CONSULTANT providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between CITY and CONSULTANT or any agent or employee of CONSULTANT. Any terms in this Agreement referring to direction from CITY shall be construed as providing for direction as to policy and the result of CONSULTANT's provision of the Services only, and not as to the means by which such a result is obtained.

**SECTION 11. ASSIGNMENT.** The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT's obligations hereunder without the prior written approval of the City Manager. Any purported assignment made without the prior written approval of the City Manager will be void and without effect. Subject to the foregoing, the covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators and assignees of the parties.

**SECTION 12. SUBCONTRACTING.**

Notwithstanding Section 11 (Assignment) above, CITY agrees that subcontractors may be used to complete the Services. The subcontractors authorized by CITY to perform work on this Project are:

Best Environmental Services  
339 Stealth Ct  
Livermore, CA 94551

CONSULTANT shall be responsible for directing the work of any subcontractors and for any compensation due to subcontractors. CITY assumes no responsibility whatsoever concerning compensation of subcontractors. CONSULTANT shall be fully responsible to CITY for all acts and omissions of subcontractors. CONSULTANT shall change or add subcontractors only with the prior written approval of the City Manager or designee.

**SECTION 13. PROJECT MANAGEMENT.** CONSULTANT will assign Anton Svorinich as the CONSULTANT's Northwest Region Manager to provide total oversight and execution of service manager responsibilities and Stephen Harquail as the primary Project Manager to represent CONSULTANT during the day-to-day performance of the Services. If circumstances cause the substitution of the CONSULTANT's Project Manager or any other of CONSULTANT's key personnel for any reason, the appointment of a substitute Project Manager and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY's Project Manager. CONSULTANT, at CITY's request, shall promptly remove CONSULTANT personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative,

or present a threat to the adequate or timely completion of the Services or a threat to the safety of persons or property.

CITY's Project Manager is Elise Sbarbori, Public Works Department, Environmental Services Division, 3201 E. Bayshore Road, Palo Alto, CA, 94303, Telephone: (650) 496-5958. CITY's Project Manager will be CONSULTANT's point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate Project Manager from time to time.

**SECTION 14. OWNERSHIP OF MATERIALS.** All work product, including without limitation, all writings, drawings, studies, sketches, photographs, plans, reports, specifications, computations, models, recordings, data, documents, and other materials and copyright interests developed under this Agreement, in any form or media, shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work product pursuant to this Agreement are vested in CITY, and CONSULTANT hereby waives and relinquishes all claims to copyright or other intellectual property rights in favor of CITY. Neither CONSULTANT nor its subcontractors, if any, shall make any of such work product available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services.

**SECTION 15. AUDITS.** CONSULTANT agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for four (4) years from the date of final payment, CONSULTANT's records pertaining to matters covered by this Agreement, including without limitation records demonstrating compliance with the requirements of Section 10 (Independent Contractor). CONSULTANT further agrees to maintain and retain accurate books and records in accordance with generally accepted accounting principles for at least four (4) years after the expiration or earlier termination of this Agreement or the completion of any audit hereunder, whichever is later.

**SECTION 16. INDEMNITY.**

16.1.a. In the event that Additional Services requested by the City under Section 4, Optional Additional Services, require CONSULTANT services from any of the following design professionals pursuant to Civil Code Section 2782.8: architects; landscape architects; registered professional engineers and licensed professional land surveyors: to the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an "Indemnified Party") from and against any and all third party demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorney's fees, experts fees, court costs and disbursements ("Claims") to the extent that such Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party. CITY will reimburse CONSULTANT for the proportionate percentage of defense costs exceeding CONSULTANT's proportionate percentage of fault as determined by the final judgment of a court of competent jurisdiction.

16.1.b. For all CONSULTANT services that do not require the services of a design professional as defined in Civil Code Section 2782.8: to the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an "Indemnified Party") from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorney's fees, experts fees, court costs and disbursements ("Claims") resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from a Claim arising from the active negligence or willful misconduct of an Indemnified Party that is not contributed to by any act of, or by any omission to perform a duty imposed by law or agreement by, CONSULTANT, its officers, employees, agents or contractors under this Agreement.

16.3. The acceptance of CONSULTANT's Services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

**SECTION 17. WAIVERS.** No waiver of a condition or nonperformance of an obligation under this Agreement is effective unless it is in writing in accordance with Section 29.4 of this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.

**SECTION 18. INSURANCE.**

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit D, entitled "INSURANCE REQUIREMENTS". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best's Key Rating Guide ratings of A:-VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY's Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation

or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days' notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT's receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY's Chief Procurement Officer during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

## **SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.**

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. If CONSULTANT fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided under this Agreement or at law, the City Manager may terminate this Agreement sooner upon written notice of termination. Upon receipt of any notice of suspension or termination, CONSULTANT will discontinue its performance of the Services on the effective date in the notice of suspension or termination.

19.2. In event of suspension or termination, CONSULTANT will deliver to the City Manager on or before the effective date in the notice of suspension or termination, any and all work product, as detailed in Section 14 (Ownership of Materials), whether or not completed, prepared by CONSULTANT or its contractors, if any, in the performance of this Agreement. Such work product is the property of CITY, as detailed in Section 14 (Ownership of Materials).

19.3. In event of suspension or termination, CONSULTANT will be paid for the Services rendered and work products delivered to CITY in accordance with the Scope of Services up to the effective date in the notice of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT's Services provided in material conformity with this Agreement as such determination is made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 17, 19.2, 19.3, 19.4, 20, 25, 27, 28, 29 and 30.

19.4. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement, unless made in accordance with Section 17 (Waivers).

## **SECTION 20. NOTICES.**

All notices hereunder will be given in writing and mailed, postage prepaid, by

certified mail, addressed as follows:

To CITY: Office of the City Clerk  
City of Palo Alto  
Post Office Box 10250  
Palo Alto, CA 94303

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the Project Manager at the address of  
CONSULTANT recited on the first page of this Agreement.

CONSULTANT shall provide written notice to CITY of any change of address.

## **SECTION 21. CONFLICT OF INTEREST.**

21.1. In executing this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subcontractors or other persons or parties having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California, as amended from time to time. CONSULTANT agrees to notify CITY if any conflict arises.

21.3. If the CONSULTANT meets the definition of a “Consultant” as defined by the Regulations of the Fair Political Practices Commission, CONSULTANT will file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act of 1974, as amended from time to time.

## **SECTION 22. NONDISCRIMINATION; COMPLIANCE WITH ADA.**

22.1. As set forth in Palo Alto Municipal Code Section 2.30.510, as amended from time to time, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person due to that person’s race, skin color, gender, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, pregnancy, genetic information or condition, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

22.2. CONSULTANT understands and agrees that pursuant to the Americans Disabilities Act (“ADA”), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible

to the disabled public. CONSULTANT will provide the Services specified in this Agreement in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. CONSULTANT will not discriminate against persons with disabilities in the provision of services, benefits or activities provided under this Agreement.

**SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS.** CONSULTANT shall comply with the CITY's Environmentally Preferred Purchasing policies which are available at CITY's Purchasing Department, hereby incorporated by reference and as amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of CITY's Zero Waste Program. Zero Waste best practices include, first, minimizing and reducing waste; second, reusing waste; and, third, recycling or composting waste. In particular, CONSULTANT shall comply with the following Zero Waste requirements:

(a) All printed materials provided by CONSULTANT to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable-based inks.

(b) Goods purchased by CONSULTANT on behalf of CITY shall be purchased in accordance with CITY's Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Department's office.

(c) Reusable/returnable pallets shall be taken back by CONSULTANT, at no additional cost to CITY, for reuse or recycling. CONSULTANT shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

**SECTION 24. COMPLIANCE WITH PALO ALTO MINIMUM WAGE ORDINANCE.** CONSULTANT shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONSULTANT shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code Section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONSULTANT shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code Section 4.62.060.

**SECTION 25. NON-APPROPRIATION.** This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code, as amended from time to time. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This Section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

**SECTION 26. PREVAILING WAGES AND DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS.** This Project is not subject to prevailing wages and related

**requirements.** CONSULTANT is not required to pay prevailing wages and meet related requirements under the California Labor Code and California Code of Regulations in the performance and implementation of the Project if the contract:

- (1) is not a public works contract;
- (2) is for a public works construction project of \$25,000 or less, per California Labor Code Sections 1782(d)(1), 1725.5(f) and 1773.3(j); or
- (3) is for a public works alteration, demolition, repair, or maintenance project of \$15,000 or less, per California Labor Code Sections 1782(d)(1), 1725.5(f) and 1773.3(j).

**SECTION 27. CLAIMS PROCEDURE FOR “9204 PUBLIC WORKS PROJECTS”.** For purposes of this Section 27, a “9204 Public Works Project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. (Cal. Pub. Cont. Code § 9204.) Per California Public Contract Code Section 9204, for Public Works Projects, certain claims procedures shall apply, as set forth in Exhibit F, entitled “Claims for Public Contract Code Section 9204 Public Works Projects”.

**This Project is not a 9204 Public Works Project.**

**SECTION 28. CONFIDENTIAL INFORMATION.**

28.1. In the performance of this Agreement, CONSULTANT may have access to CITY’s Confidential Information (defined below). CONSULTANT will hold Confidential Information in strict confidence, not disclose it to any third party, and will use it only for the performance of its obligations to CITY under this Agreement and for no other purpose. CONSULTANT will maintain reasonable and appropriate administrative, technical and physical safeguards to ensure the security, confidentiality and integrity of the Confidential Information. Notwithstanding the foregoing, CONSULTANT may disclose Confidential Information to its employees, agents and subcontractors, if any, to the extent they have a need to know in order to perform CONSULTANT’s obligations to CITY under this Agreement and for no other purpose, provided that the CONSULTANT informs them of, and requires them to follow, the confidentiality and security obligations of this Agreement.

28.2. “Confidential Information” means all data, information (including without limitation “Personal Information” about a California resident as defined in Civil Code Section 1798 et seq., as amended from time to time) and materials, in any form or media, tangible or intangible, provided or otherwise made available to CONSULTANT by CITY, directly or indirectly, pursuant to this Agreement. Confidential Information excludes information that CONSULTANT can show by appropriate documentation: (i) was publicly known at the time it was provided or has subsequently become publicly known other than by a breach of this Agreement; (ii) was rightfully in CONSULTANT’s possession free of any obligation of confidence prior to receipt of Confidential Information; (iii) is rightfully obtained by CONSULTANT from a third party without breach of any confidentiality obligation; (iv) is independently developed by employees of CONSULTANT without any use of or access to the Confidential Information; or (v) CONSULTANT has written consent to disclose signed by an authorized representative of CITY.

28.3. Notwithstanding the foregoing, CONSULTANT may disclose Confidential

Information to the extent required by order of a court of competent jurisdiction or governmental body, provided that CONSULTANT will notify CITY in writing of such order immediately upon receipt and prior to any such disclosure (unless CONSULTANT is prohibited by law from doing so), to give CITY an opportunity to oppose or otherwise respond to such order.

28.4. CONSULTANT will notify City promptly upon learning of any breach in the security of its systems or unauthorized disclosure of, or access to, Confidential Information in its possession or control, and if such Confidential Information consists of Personal Information, CONSULTANT will provide information to CITY sufficient to meet the notice requirements of Civil Code Section 1798 et seq., as applicable, as amended from time to time.

28.5. Prior to or upon termination or expiration of this Agreement, CONSULTANT will honor any request from the CITY to return or securely destroy all copies of Confidential Information. All Confidential Information is and will remain the property of the CITY and nothing contained in this Agreement grants or confers any rights to such Confidential Information on CONSULTANT.

28.6. If selected in Section 30 (Exhibits), this Agreement is also subject to the terms and conditions of the Information Privacy Policy and Cybersecurity Terms and Conditions.

## **SECTION 29. MISCELLANEOUS PROVISIONS.**

29.1. This Agreement will be governed by California law, without regard to its conflict of law provisions.

29.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

29.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.

29.4. This Agreement, including all exhibits, constitutes the entire and integrated agreement between the parties with respect to the subject matter of this Agreement, and supersedes all prior agreements, negotiations, representations, statements and undertakings, either oral or written. This Agreement may be amended only by a written instrument, which is signed by the authorized representatives of the parties and approved as required under Palo Alto Municipal Code, as amended from time to time.

29.5. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the unaffected provisions of this Agreement will remain in full force and effect.

29.6. In the event of a conflict between the terms of this Agreement and the exhibits hereto (per Section 30) or CONSULTANT's proposal (if any), the Agreement shall control. In the event of a conflict between the exhibits hereto and CONSULTANT's proposal (if

any), the exhibits shall control.

29.7. The provisions of all checked boxes in this Agreement shall apply to this Agreement; the provisions of any unchecked boxes shall not apply to this Agreement.

29.8. All section headings contained in this Agreement are for convenience and reference only and are not intended to define or limit the scope of any provision of this Agreement.

29.9. This Agreement may be signed in multiple counterparts, which, when executed by the authorized representatives of the parties, shall together constitute a single binding agreement.

**SECTION 30. EXHIBITS.** Each of the following exhibits, if the check box for such exhibit is selected below, is hereby attached and incorporated into this Agreement by reference as though fully set forth herein:

- ☒ EXHIBIT A: SCOPE OF SERVICES
- ☒ EXHIBIT A-1 PROFESSIONAL SERVICES TASK ORDER
- ☒ EXHIBIT B: SCHEDULE OF PERFORMANCE
- ☒ EXHIBIT C: COMPENSATION
- ☒ EXHIBIT C-1: SCHEDULE OF RATES
- ☒ EXHIBIT D: INSURANCE REQUIREMENTS

***THIS AGREEMENT IS NOT COMPLETE UNLESS ALL SELECTED EXHIBITS ARE ATTACHED.***

**CONTRACT No. C21181509 SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement as of the date first above written.

**CITY OF PALO ALTO**

\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney or designee

**CONSULTANT  
STEARNS, CONRAD AND SCHMIDT,  
CONSULTING ENGINEERS, INC. dba  
SCS Field Services**

**Officer 1** DocuSigned by:

By: *Anton Z. Svorinich*  
Name: Anton Z. Svorinich  
Title: Vice President

**Officer 2** (Required for Corp. or LLC)  
DocuSigned by:

By: *Galen S. Petoyan*  
Name: Galen S. Petoyan  
Title: Sr. Vice President

## **EXHIBIT A SCOPE OF SERVICES**

CONSULTANT shall provide the Services detailed in this Exhibit A, entitled “SCOPE OF SERVICES”.

### **I. Background:**

History and Phasing: The CITY owns and operates an unlined, class III municipal solid waste disposal site, located at 2380 Embarcadero Road in Palo Alto, California. The landfill reached refuse capacity and ceased accepting waste in 2011 and underwent final capping and regulatory closure in 2015. The landfill occupies approximately 126 acres of the 1800-acre, CITY owned Byxbee Park and Baylands parcel. The landfill is divided into phases, Phase I, Phase IIA, Phase IIB, and Phase IIC based on the timing of closure and conversion to parkland. Phase I comprises approximately 29 acres and was closed and developed into parkland in 1990. Phases IIA (23 acres), IIB (24 acres) and IIC (51 acres) were closed and converted to parkland in 1992, 2000 and 2015 respectively. Smaller areas of the landfill are closed off to park users on an as-needed basis for control system maintenance and settlement repairs.

The environmental control systems within the landfill consist of a vertical landfill gas extraction system and a retrofitted vertical leachate extraction system.

Landfill Gas System: The CITY’s landfill gas (LFG) collection system consists of 91 vertical extraction wells. Most of the gas wells are spaced approximately 200 feet apart, have been constructed with a 4 to 6-inch diameter schedule 40 PVC casings or high-density polyethylene (HDPE) casings placed within 24-inch diameter boreholes and have an average depth of approximately 35 feet below the landfill surface. An HDPE piping network collects and transmits gas from the extraction wells to a blower-flare facility where it is combusted. The blower-flare facility is located on Palo Alto Regional Water Quality Control Plant (PARWQCP) Property near the landfill northwest boundary. The pipe network is below grade throughout the landfill facility, buried within the final cover system. In the Phases that were capped with a clay layer (Phase I, IIA, IIB), the gas collection system pipes are buried above the clay cap within a thickened vegetative soil layer. In Phase IIC the pipes are buried within a 4-ft thick layer of evapotranspirative cover material.

Currently, 5 leachate wells are connected to the gas collection system due to the detection of methane above regulatory limits inside and/or outside those wells. During the term of this contract, The CITY may elect to place an additional 19 leachate wells under vacuum and add them to the landfill gas collection system. Any monitoring required under the regulations of landfill gas wells would include those leachate wells that have been hooked up to the landfill gas collection system.

Leachate System: The CITY’s Leachate Collection and Removal System (LCRS) consists of 24 vertical extraction wells. These wells are typically constructed with 6-inch diameter Schedule 80 PVC casings, and strategically distributed throughout the landfill. Well spacing averages approximately 300 feet, with locations being selected based upon historic information and local leachate levels at the time of installation. Each well has a dedicated pneumatic pump, and

compressed air is delivered to each well from a centrally located compressor via a network of welded HDPE piping. Leachate is collected from the wells and transported via the piping network to the CITY sanitary sewer main adjacent to the western boundary of the landfill.

Leachate elevations within the refuse mass are measured through a set of 17 vertical piezometers.

Condensate Collection: Gas condensate produced by the LFG collection system is collected in sumps and pumped into the facility's LCRS via pneumatic submersible pumps. There are currently eleven (11) condensate sumps located in Byxbee Park (Phase I), Phase IIA, Phase IIB and Phase IIC, combined.

## **II. General Requirements:**

This scope of services includes: 1) Performing routine LFG collection and emission control system monitoring and reporting; 2) Performing annual landfill flare stack emissions sampling, analyses and reporting; and 3) Compiling and preparing various LFG reports and 4) provide miscellaneous engineering support services.

- A. CONSULTANT shall comply with all requirements of the Landfill's Permit to Operate, Regulation 8, Rule 34 of the Bay Area Air Quality Management District's (BAAQMD's) regulations, including the regulations for Methane Emissions from Municipal Solid Waste Landfills, CCR Title 17, §95460-95476, and the EPA Greenhouse Gas Rule (40 CFR Part 98, Subpart HH) as well as all pertinent plans and specifications relating to work associated with maintenance and operation of the site's environmental control systems.
- B. CONSULTANT shall provide all necessary services, labor, tools, materials, equipment, vehicles, and instrumentation for the routine scope of services in this Agreement including, but not limited to monitoring equipment for detecting LFG and any other equipment necessary to perform the routine scope of services contained herein. These items of equipment are considered necessary items for CONSULTANT, and separate charges for use of these items in the course of the routine work, shall not be paid by CITY.
- C. CITY will provide all applicable permits for work performed in accordance with this Agreement. The CITY has a landfill maintenance contractor that will perform repairs to the gas and leachate collection systems as needed. All routine operation or monitoring work shall take place either aboveground or in buried shallow vaults (less than three feet in depth). CONSULTANT shall not be responsible for the overall quality of the gas with regard to trace components.
- D. Personnel job titles and required experience levels are listed below. All field personnel performing work listed in this Agreement shall have the following minimum qualifications:

### Senior Technician (or equivalent)

- Five (5) years experience performing work on LCRS and LFG systems;

- Ability to tune and optimize the vacuum on the LFG collection system without supervision or close oversight;
- Ability to detect LFG system and LCRS leaks and diagnose potential failures before they occur; and,
- General understanding of landfill regulations relating to the LCRS and LFG systems.

#### Technician (or equivalent)

- Two (2) years experience performing work on LCRS and LFG systems;
- Ability to detect LFG system and LCRS leaks and diagnose potential failures before they occur; and,
- General understanding of landfill regulations relating to the LCRS and LFG systems.

CITY will authorize site access for CONSULTANT personnel, equipment, and materials for the completion of the work. CONSULTANT personnel shall be responsible for communication and coordination of onsite work by notifying appropriate CITY personnel at the landfill office prior to beginning work onsite.

### **III. Task 1:**

#### Work To Be Performed

Task 1 - Routine LFG System, Flare, Well-Head Monitoring, and Surface Monitoring and Reporting

#### Definition For Task 1:

CONSULTANT shall provide a Senior Technician (or equivalent) with an experience and skill level defined above, billed at the hourly rates specified in the rate sheets specified in the Fee Schedule for the performance of routine LFG system monitoring, well-head monitoring and surface monitoring and reporting

A) Senior Technician (or equivalent) is expected to spend 613 hours onsite per contract year. Field Time Estimate breakdown for Task 1 is expected to be:

- One 8 hour day (onsite) per week for well and component adjustment and monitoring (416 hours per year);
- Up to four 16 hour events (onsite) per year for surface and component monitoring (64 hour per year); and
- Miscellaneous additional follow-up time for adjusting high-oxygen LFG and Leachate wells (133 hours onsite per year).

At CITY's request, CONSULTANT shall train CITY staff while completing the routine work performed by the Senior Technician.

B) Management/Supervisor/Office Support Staff to support Task 1.

C) Remote monitoring and control of landfill flare.

### General Scope of Services For Task 1

Unless otherwise specified by CITY, a date-specific schedule or a set day of the week schedule shall be submitted by CONSULTANT for approval by CITY, and shall specify when the LFG maintenance needs to occur as prescribed in the Permit To Operate, and/or Rule 8-34 regulations. Generally, Task 1 services shall include the following:

- a. Monitoring once per week of 91 LFG well-heads, 5 (up to 24) leachate well-heads (connected to the gas collection system), 11 condensate sumps, flare station and other valves, fittings and components;
- b. Monthly measurement of methane and non-methane organic compounds (NMOC), oxygen concentration and pressure within each well-head (landfill gas wells and leachate wells which are connected to the gas collection system) in accordance with Regulation 8, Rule 34, and Title 17, Section 95469. If the well head does not meet the standards of Regulation 8, Rule 34, Section 305, and Title 17, §95469, then CONSULTANT shall document and make adjustments following Regulation 8, Rule 34, Section 414 scheduling requirements. It is anticipated that some follow up visits shall be necessary by the Senior Technician for the purpose of monitoring and adjusting wells with high oxygen content. CONSULTANT shall make recommendations to CITY for further repairs if necessary. CONSULTANT shall compile the wellhead information, including all follow-up monitoring results and submit monthly reports to CITY, within 21 days from the end of each month. At CITY discretion, CONSULTANT shall train CITY while completing the field work portion of this work. The monitoring requirements of the rule are located in §95469 and §95470. These requirements are listed below:
  - i. Monthly wellhead monitoring and requirement to achieve negative pressure at all wellheads, including corrective action/re-monitoring.
  - ii. Quarterly instantaneous surface emissions monitoring (SEM) at 25-foot spacing with a 500 ppmv methane limit, including testing of cover penetrations, with corrective action/re-monitoring.
  - iii. Quarterly leak testing of LFG collection system components not under vacuum at a 500 ppmv methane limit, including corrective action/re-monitoring.
  - iv. Quarterly integrated surface sampling with a limit of 25 ppmv methane.
  - v. Continuous flow and temperature monitoring.
  - vi. Quarterly monitoring of flare components which contain landfill gas and/or which contain landfill gas under positive pressure.
- c. In addition to the monthly well head monitoring, CONSULTANT shall monitor and compile records to support the LFG component quarterly leak monitoring requirements of the BAAQMD's Regulation 8, Rule 34, Section 501 and 503 and Title 17, §95460-95476. Separate Quarterly Component Monitoring reports shall be submitted to CITY within 21 days from the end of each quarter. At CITY discretion, CONSULTANT shall train CITY while completing the field work portion of this work.
- d. Adjust/tune and optimize the vacuum on the individual wells in order to maximize methane extraction while minimizing oxygen intrusion into the landfill; At CITY

discretion, CONSULTANT shall train CITY while completing the field work portion of this work.

- e. Quarterly measurement of methane and NMOC concentration on the landfill surface in accordance with site surface monitoring plan and Regulation 8, Rule 34, Section 501 and 506 and including the newly adopted regulations for Surface Emissions Monitoring (SEM), CCR Title 17, §95469 listed below:
  - i. Quarterly instantaneous surface emissions monitoring (SEM) at 25-foot spacing with a 500 ppmv methane limit, including testing of cover penetrations, with corrective action/re-monitoring.
  - ii. Quarterly leak testing of LFG collection system components not under vacuum at a 500 ppmv methane limit, including corrective action/re-monitoring.
  - iii. Quarterly integrated surface sampling with a limit of 25 ppmv methane.
- f. CONSULTANT shall establish a portable wind station or obtain measurements from the Palo Alto Airport to document compliance with meteorological conditions during the monitoring events. A detailed written report summarizing the results of the monitoring activities shall be provided to CITY within 21 days of the end of each quarter. A date-specific schedule shall be developed by CONSULTANT and submitted for approval by CITY.
- g. Weekly monitoring of the flare station, including download of the data logger. Document and collect all data including all startup, shutdown and malfunction paperwork. Data to be collected, recorded, and stored in a computer or web data base (with current security access provided to CITY) includes the following:
  - i. Date, time, and monitoring personnel.
  - ii. Meteorological condition (i.e., wind velocity, barometric pressure ambient temperature, weather conditions, etc.).
  - iii. Extraction blower operating inlet and outlet temperatures and pressures.
  - iv. Methane gas, oxygen gas, carbon dioxide and balance gas concentrations at flare inlet or Regional Water Quality Control Plant Incinerator as required by the BAAQMD.
  - v. Flare exit gas temperature (only when flare operational).
  - vi. LFG flow rate to flare, or CITY incinerator.
  - vii. Flare combustion louver (only when flare is operational).
  - viii. Flow control valve positions.
  - ix. Check pilot ignition system propane storage tank level.
  - x. LFG control system blowers, flame arresters, flares, control panel, well fields, and condensate pump systems shall be observed for the following:
    - Accessibility.
    - Vandalism.
    - Malfunctions.
    - Leaks.
  - xi. Weekly record blower running hours;

- h. Once per quarter, hydrogen sulfide (H<sub>2</sub>S) shall be tested by CONSULTANT at the Flare Station inlet utilizing field Draeger test tubes; Inspect flame arrester; and, inspect burner heads.
- i. Compile all data from the tasks listed above to be utilized by CONSULTANT in preparing the required annual reports (Task 3).

CONSULTANT shall provide one (1) copy of all field records generated during on-site service before leaving the site for the day.

#### **IV. Task 2:**

##### **Task 2 Routine Landfill Flare Stack Emission Sampling, Analytical Testing and Reporting**

CONSULTANT shall conduct the flare source test on the Flare located at the Regional Water Quality Control Plant in accordance with the Title V Major Facility Review Permit No. A2721, dated June 4, 2012 ("Title V Permit"), Condition 1028, Item Nos. 15 and 16 including determination of flare destruction efficiency. Additionally, because the landfill is subject to the AB32 Landfill Methane Rule (see Task 3 of this Scope of Services), the flare must be tested annually to document compliance with Rule's 99% methane destruction requirement, as specified in Section §95471 of the Rule. CONSULTANT shall perform the annual flare testing while the contract is in place. In accordance with Item No. 15 of the Title V Permit, CONSULTANT shall notify the Bay Area Air Quality Management District (BAAQMD) at least 14 days in advance of the test and shall submit to BAAQMD the compliance plan for the source test. CONSULTANT shall submit a report summarizing the results of the source test to CITY and BAAQMD within 45 days of completion of the test.

#### **V. Task 3:**

##### **Task 3 Routine Report Preparation**

Task 3 is outlined below and includes report preparation in compliance with Bay Area Air Quality Management District (BAAQMD) Rule 8-34, AB32 Landfill Methane Rule, and EPA Greenhouse Gas Reporting Rule, as listed below. CONSULTANT shall provide a draft of each report to CITY for review prior to submittal to BAAQMD, and shall incorporate CITY's comments into the final reports for submittal. The final reports and certifications shall be signed by the responsible CITY official, where required.

##### **A. Annual Rule 8-34 Report (One Report Annually)**

CONSULTANT shall prepare the Rule 8-34 annual reports required by the BAAQMD. CONSULTANT shall collect the necessary data to complete the reports under Section 411 of Rule 8-34. The reports shall be developed in the format prescribed by the BAAQMD. The reporting period covers December 1<sup>st</sup> through November 30<sup>th</sup>. The report is due the last day of the month after the end of the reporting period. The annual reports shall contain the following information, as required:

##### **1) Operating Records Required by Section 501:**

- a) All collection system downtime, including individual well shutdown times, length of time for shutdown, and the reason for the shutdown. All periods greater than five (5) days when the collection system was not operating.
- b) All emission control system downtime, length of time for shutdown, and the reason for the shutdown. Description and duration of all periods when the control device was not operating for greater than one (1) hour and the length of time that the device was not operating.
- c) Continuous temperature records (data logger) for all operating flares and any enclosed combustors with a listing of the dates/times when flare temperature went below permitted limits and any times when temperature gauge was off-line or not operational.
- d) Monthly LFG flow meter readings.
- e) Records of all quarterly LFG system component leak testing, including monitoring dates, leak concentration by volume if in excess of 1,000 parts per million, by volume (ppmv), location of leak, date of discovery, the actions taken by the City or its maintenance CONSULTANT to repair the leak, date of repair, date of any required re-monitoring, and the re-monitored concentration in ppmv.
- f) Continuous gas flow rate records (data logger information) with a listing of the dates/times when flow rate went above permitted limits and any times when the flow meter was off-line or not operational.
- g) Records of all quarterly surface emissions monitoring, including monitoring dates, surface emission concentration by volume if in excess of 500 ppmv, location of exceedance, date of discovery, the actions taken by the CITY or its maintenance CONSULTANT to repair the exceedance, date of repair, date of any required re-monitoring, and the re-monitored concentration in ppmv.
- h) For monthly wellhead monitoring (temperature, vacuum, and oxygen or nitrogen content), records of all monitoring dates and any excesses of the limits stated in Section 8-34-305, Title 17, §95460-§95476, and below (or approved alternative limits), including well identification number, the measured excess, the action taken by the CITY or its maintenance CONSULTANT to repair the excess, and the date of repair, date of any required re-monitoring, and the re-monitored value.

#### Gas wells

- i) A minimum of monthly recording of gauge pressure at all wellheads (all wells must operate under negative pressure conditions).
- ii) Monthly monitoring of oxygen or nitrogen concentrations at all wellheads (oxygen must not exceed 5 percent or nitrogen over 20 percent).
- iii) Monthly monitoring of temperatures at all wellheads (temperature shall not exceed 55°C (131°F)).

#### Leachate wells (connected to the LFG collection system)

- i) A minimum of monthly recording of gauge pressure, oxygen content, methane content, and temperature at each wellhead (the well(s) must be connected to vacuum if any pressure is detected);
  - iv) Monthly monitoring of oxygen concentrations at wellheads (oxygen must not exceed 15 percent by volume). If the oxygen concentration exceeds 15 percent by volume the vacuum to the leachate well may be turned off;
  - v) Monthly monitoring of temperatures at all wellheads (temperature shall not exceed 55°C (131°F)). If temperature exceeds 55°C (131°F) the vacuum to the leachate well may be turned off;
- 2) Calibration information for monitoring equipment used for the various monitoring activities listed above (e.g., OVA, GEM-500 unit, flow meter, temperature, etc.).
  - 3) Description and duration of all periods when the gas stream was diverted from the control device through a bypass line to the WQCP incineration.
  - 4) The date of installation and location of all wells or system expansions as the result of monitoring exceedances during previous reporting period.
  - 5) Data upon which the density of well and equipment sizing were based.
  - 6) Gas generation rate estimates.
  - 7) Provisions for increasing LFG extraction capacity as gas generation increases.
  - 8) The provisions for the control of LFG migration.

#### B. AB32 – Landfill Methane Rule Annual Reporting (One Report Annually)

CITY is subject to the AB32 Landfill Methane Rule (Title 17 California Code of Regulations (CCR), Chapter 10, Article 4, Sub-article 6, §95462 through §95476), which has an annual reporting requirement. The required annual report under this Rule must be submitted by March 15 of each year for the previous calendar year data.

Annual Reports must include the following information, as specified in §95470 of the Rule:

- General site information
- Total volume of LFG collected (reported in standard cubic feet (scf)),
- Average composition of LFG collected over the reporting period (reported in percent methane and percent carbon dioxide by volume),
- Gas control device type, installation, rating, fuel type, and total LFG combusted in each control device,
- Date LFG collection system installed
- Percent methane destruction efficiency
- Volume and composition of gas shipped off-site
- Type and amount of supplemental fuels burned with the LFG.
- Recent topographic map, and
- All required monitoring data.

CONSULTANT shall compile the required data into a report in a format suitable for submittal to the California Air Resources Board (CARB) Executive Officer. CONSULTANT shall provide a draft of the report to CITY for review. CONSULTANT shall incorporate CITY comments into the final report and submit to CARB on behalf of the CITY.

#### C. EPA – Greenhouse Gas Annual Reporting (One Report Annually Submitted Online)

CITY is required under the EPA GHG reporting rule, 40 CFR Part 98, Subpart HH, to submit a report annually. CONSULTANT shall compile the required data and input into an appropriate electronic format in accordance with EPA GHG rule specifications for upload to the EPA's online reporting tool (e-GRRT). CONSULTANT shall submit draft data file to CITY for review. CONSULTANT shall incorporate CITY comments into the final report and submit to EPA via e-GRRT. CONSULTANT will be added to the website as CITY agent and shall manage the website reports on behalf of CITY.

The data to be reported is for calendar year 2021, 2022 and 2023, and the reporting deadline is March 30 of the following year. As specified in the EPA Rule, the following information is required:

- Landfill Operations (Open/closed/Year)
- Waste Disposal Calculations
- Waste Composition (If Available)
- Modeling Parameters Used
- Methane Data
- Landfill Area, Cover Types by Area, and Oxidation Fractions Used
- LFG Modeling Results
- Emissions from stationary combustion units.
- Flow of collected LFG
- Methane content of LFG
- Temperature and pressure data for LFG
- Description of control device(s) both on- and off-site
- Control device operating hours
- Description of LFG collection system, landfill areas and waste depths
- Computed methane volume captured
- Computed methane generated (corrected for oxidation using EPA model)
- Computed methane generated (corrected for oxidation using LFG recovery flow and collection efficiency)
- Methane Emissions, Method 1 (Modeling)
- Methane Emissions, Method 2 (Gas Captured and Estimated Collection Efficiency)

**VI. Task 4:****Task 4 Other Engineering Services**

On occasion, CITY may ask CONSULTANT to evaluate the performance and design of the gas system using the services of a qualified LFG engineer. CONSULTANT shall provide engineering services for duties including, but not limited to possible LFG and LCRS system design, permitting and equipment change-out. Work on these engineering services requires written approval from CITY prior to CONSULTANT working on or billing to these subtasks. Typically, CONSULTANT shall develop and submit a written cost estimate prior to work on these subtasks. These engineering services will exclude any prevailing wage public works projects.

*End Scope of Services*

***(Optional – ONLY for On Call Agreements  
OR Agreements with an Additional Services amount)***

**EXHIBIT A-1  
PROFESSIONAL SERVICES TASK ORDER**

CONSULTANT shall perform the Services detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 are incorporated into this Task Order by this reference. CONSULTANT shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

CONTRACT NO. \_\_\_\_\_

OR PURCHASE ORDER REQUISITION NO. \_\_\_\_\_ (AS APPLICABLE)

- 1A. MASTER AGREEMENT NO. (MAY BE SAME AS CONTRACT / P.O. NO. ABOVE): \_\_\_\_\_
- 1B. TASK ORDER NO.: \_\_\_\_\_
2. CONSULTANT NAME: \_\_\_\_\_
3. PERIOD OF PERFORMANCE: START: \_\_\_\_\_ COMPLETION: \_\_\_\_\_
4. TOTAL TASK ORDER PRICE: \$ \_\_\_\_\_  
BALANCE REMAINING IN MASTER AGREEMENT/CONTRACT \$ \_\_\_\_\_
5. BUDGET CODE \_\_\_\_\_  
COST CENTER \_\_\_\_\_  
COST ELEMENT \_\_\_\_\_  
WBS/CIP \_\_\_\_\_  
PHASE \_\_\_\_\_
6. CITY PROJECT MANAGER'S NAME & DEPARTMENT: \_\_\_\_\_
7. DESCRIPTION OF SCOPE OF SERVICES (Attachment A)  
MUST INCLUDE:
- SERVICES AND DELIVERABLES TO BE PROVIDED
  - SCHEDULE OF PERFORMANCE
  - MAXIMUM COMPENSATION AMOUNT AND RATE SCHEDULE (as applicable)
  - REIMBURSABLE EXPENSES, if any (with "not to exceed" amount)
8. ATTACHMENTS: A: Task Order Scope of Services B (if any): \_\_\_\_\_

**I hereby authorize the performance of the work described in this Task Order.**

**I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.**

**APPROVED:**  
CITY OF PALO ALTO

**APPROVED:**  
COMPANY NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

BY: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

## **EXHIBIT B**

### **SCHEDULE OF PERFORMANCE**

CONSULTANT shall perform the Services so as to complete each milestone by the dates and/or with the frequencies specified on the Schedule. CONSULTANT shall submit a Monitoring and Reporting Schedule for approval by CITY within 2 weeks issuance of the notice to proceed (“NTP”). The schedule shall include date-specific reporting milestones and specify the set day-of-the-week and frequencies of regularly-scheduled monitoring events as prescribed in the current Permit to Operate and Rule 8-34 regulations.

☒ Optional Schedule of Performance Provision for On-Call or Additional Services Agreements.  
(This provision only applies if checked and only applies to on-call agreements per Section 1 or agreements with Additional Services per Section 4.)

The schedule of performance shall be as provided in the approved Task Order, as detailed in Section 1 (Scope of Services) in the case of on-call Services, or as detailed in Section 4 in the case of Additional Services, provided in all cases that the schedule of performance shall fall within the term as provided in Section 2 (Term) of this Agreement.

## EXHIBIT C COMPENSATION

CITY agrees to compensate CONSULTANT for Services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the rate schedule attached as Exhibit C-1 up to the not to exceed budget amount for each task set forth below.

CITY's Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below, provided that the total compensation for the Services, including any specified reimbursable expenses, and the total compensation for Additional Services (if any, per Section 4 of the Agreement) do not exceed the amounts set forth in Section 4 of this Agreement.

CONSULTANT agrees to complete all Services, any specified reimbursable expenses, and Additional Services (if any, per Section 4), within this/these amount(s). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to the CITY.

### **BUDGET SCHEDULE**

<b>ANNUAL TASKS</b>	<b>NOT TO EXCEED AMOUNT</b>
Task 1 (Routine Landfill Gas System, Flare, Well-Head Monitoring, and Surface Monitoring and Reporting) A. Senior Technician B. Management/Supervisor/Office Support C. Remote Monitoring and Control of Landfill Flare	 \$56,396 per year \$11,580 per year \$2,700 per year
Task 2 (Routine Landfill Flare Stack Emission Sampling, Analytical Testing and Reporting)	\$8,890.00 per year
Task 3 (Routine Report Preparation)	\$10,500.00 per year
Task 4 (Other Engineering Services)	\$20,000.00 per year
Annual Sub-total for Services	<b>\$110,066.00</b>
Annual Reimbursable Expenses	<b>\$2,300.00</b>
<b>Annual Total for Services and Reimbursable Expenses</b>	<b>\$112,366.00</b>
Additional Services (if any, per Section 4)	\$11,237.00 per year, \$33,711 over term
<b>Annual Maximum Total Compensation</b>	<b>\$123,603.00</b>
<b>3-YEAR Maximum Total Compensation</b>	<b>\$370,809.00</b>

## **REIMBURSABLE EXPENSES**

CONSULTANT'S ordinary business expenses, such as administrative, overhead, administrative support time/overtime, information systems, software and hardware, photocopying, telecommunications (telephone, internet), in-house printing, insurance and other ordinary business expenses, are included within the scope of payment for Services and are not reimbursable expenses hereunder.

Reimbursable expenses, if any are specified as reimbursable under this section, will be reimbursed at actual cost. The expenses for which CONSULTANT will be reimbursed are: unanticipated parts needed on an emergency basis to prevent flare downtime or non-compliance up to the not-to-exceed amount of: **\$6,900.00 for the term.**

Reimbursables include:

A. Travel outside the San Francisco Bay Area, including transportation and meals, if specified as reimbursable, will be reimbursed at actual cost subject to the City of Palo Alto's policy for reimbursement of travel and meal expenses.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges, if specified as reimbursable, will be reimbursed at actual cost.

All requests for reimbursement of expenses, if any are specified as reimbursable under this section, shall be accompanied by appropriate backup documentation and information. Any expense anticipated to be more than \$1,000 shall be approved in advance by the CITY's project manager.

## EXHIBIT C-1 SCHEDULE OF RATES

CONSULTANT's schedule of rates is as follows:

<b>Technical Field Personnel</b>	<b>Rate (\$)/Hour</b>
Technician .....	70
Senior Technician .....	92
Foreman .....	104
Superintendent.....	118

<b><u>Management/Support Personnel</u></b>	<b>Rate (\$)/Hour</b>
Secretarial .....	62
Senior Project Administrator .....	95
Designer/Drafter .....	110
Project Coordinator.....	115
Project Manager.....	175
Senior Project Manager.....	200
Regional Manager/Project Director.....	265

<b>Engineering Personnel</b>	<b>Rate (\$)/Hour</b>
Engineering Technician .....	90
CAD Drafter.....	103
Senior Engineering Technician.....	105
Engineering Associate Professional .....	115
Engineering Project Administrator.....	115
Engineering Project Analyst.....	120
CAD Designer.....	125
Engineering Staff Professional I .....	125
Engineering Staff Professional II .....	135
Engineering Staff Professional III .....	145
Engineering Project Professional I.....	150
Engineering Project Professional II.....	155
Engineering Project Professional III.....	165
Engineering Senior Project Professional I .....	170
Engineering Senior Project Professional II .....	175
Engineering Project Professional III.....	180
Industrial Hygienist/Safety Professional .....	185
Engineering Project Manager I .....	205
Engineering Project Manager II .....	210
Senior Certified Industrial Hygienist/Safety Professional .....	210
Engineering Project Manager III .....	215
Engineering Senior Project/Technical Manager.....	230
Engineering Senior Project Advisor.....	240

Engineering Project Director I.....	265
Engineering Project Director II.....	270
Engineering Senior Project Director.....	275
Principal.....	305
Senior Executive.....	325

Fee Schedule: OM&M Equipment and Analysis  
(Effective July 1, 2021 through June 30, 2022)

	Rate (\$)
GEM 5000 NAV/Envision Gas Analyzer(s):	
• Daily Rate .....	200/day
• Weekly Rate .....	555/week
• Monthly Rate .....	2,775/month
GEM 5000 w/H <sub>2</sub> S/CO:	
• Daily Rate .....	215/day
• Weekly Rate .....	600/week
• Monthly Rate .....	3,000/month
TVA 2020/TDL 500/ Site FID Emissions Monitor:	
• Daily Rate .....	200/day
• Weekly Rate .....	600/week
• Monthly Rate .....	3,000/month
Q Rae Gas Analyzer O <sub>2</sub> /H <sub>2</sub> S/CO/Combustibles.....	50/day
Micro Max Gas Analyzer O <sub>2</sub> /H <sub>2</sub> S/CO/COI Combustibles .....	50/day
4-Gas Meter.....	50/day
Magnehelic Pressure Meter .....	10/day
Digital Readout Thermocouple.....	25/day
Dewatering Pump (Trash Pump).....	45/day
Dräger Detector Tubes/Pump .....	20/each
MiniRae 2000/3000 PID:	
• Daily Rate .....	150/day
• Weekly Rate .....	450/week
• Monthly Rate .....	2,250/month
RKI Eagle II:	
• Daily Rate .....	150/day
• Weekly Rate .....	450/week
• Monthly Rate .....	2,250/month

**Rate (\$)****Air Sampling Station:**

- Daily Rate ..... 50/day
- Weekly Rate ..... 150/week
- Monthly Rate ..... 750/month

**Pipe Laser:**

- Daily Rate ..... 50/day
- Weekly Rate ..... 150/week
- Monthly Rate ..... 750/month

PAS 3000 Personal Air Sampling Pump ..... 25/day

Tedlar Bag (10-Liter) ..... 40/each

Non-Contaminating Air Sampling Pump ..... 25/day

Interface Probe ..... 50/day

**Handheld GPS:**

- Daily Rate ..... 25/day
- Weekly Rate ..... 75/week
- Monthly Rate ..... 375/month

**Submersible Pump:**

- Daily Rate ..... 50/day
- Weekly Rate ..... 150/week
- Monthly Rate ..... 750/month

**Water Level Indicator:**

- Daily Rate ..... 20/day
- Weekly Rate ..... 60/week
- Monthly Rate ..... 300/month

**Water Level Meter w/Temperature:**

- Daily Rate ..... 45/day
- Weekly Rate ..... 135/week
- Monthly Rate ..... 675/month

**Rate (\$)****100-Foot Temperature Probe:**

- Daily Rate ..... 15/day
- Weekly Rate ..... 45/week
- Monthly Rate ..... 225/month

Teflon Well Bailer ..... 25/each

Vacuum Box/Carbon Canister and Blower ..... 150/day

Tool Truck ..... 144/day

**No. 14 P.E. Fusion Machine (1"-4"):**

- Daily Rate ..... 110/day
- Weekly Rate ..... 330/week
- Monthly Rate ..... 1,650/month

**No. 26 P.E. Fusion Machine (2"-6"):**

- Daily Rate ..... 135/day
- Weekly Rate ..... 405/week
- Monthly Rate ..... 2,025/month

**No. 28 P.E. Fusion Machine (2"-8")**

- Daily Rate ..... 180/day
- Weekly Rate ..... 540/week
- Monthly Rate ..... 2,700/month

**No. 412 P.E. Fusion Machine (4"-12"):**

- Daily Rate ..... 275/day
- Weekly Rate ..... 825/week
- Monthly Rate ..... 4,125/month

**No. 618 P.E. Fusion Machine (6"-18"):**

- Daily Rate ..... 475/day
- Weekly Rate ..... 1,425/week
- Monthly Rate ..... 7,125/month

**No. 824 P.E. Fusion Machine (8"-24"):**

- Daily Rate ..... 950/day
- Weekly Rate ..... 2,850/week
- Monthly Rate ..... 14,250/month

**Rate (\$)****Trackstar 500 Fusion Machine:**

- Daily Rate ..... 425/day
- Weekly Rate ..... 1,275/week
- Monthly Rate ..... 6,375/month

**Sidewinder Fusion Machine:**

- Daily Rate ..... 150/day
- Weekly Rate ..... 450/week
- Monthly Rate ..... 2,250/month

**Electrofusion Processor Machine:**

- Daily Rate ..... 175/day
- Weekly Rate ..... 525/week
- Monthly Rate ..... 2,625/month

Leister Extrusion Welding Gun ..... 150/day

Air Compressor ..... 60/day

Arc Welder ..... 75/day

Generator (3,500-Watt) ..... 60/day

Generator (5,000-Watt) ..... 75/day

Generator (6,000-Watt) ..... 80/day

Generator (8,000-Watt) ..... 85/day

**Isolation Pinch-off Tool (1"-4"):**

- Daily Rate ..... 40/day
- Weekly Rate ..... 120/week
- Monthly Rate ..... 600/month

**Isolation Pinch-off Tool (2"-8"):**

- Daily Rate ..... 60/day
- Weekly Rate ..... 180/week
- Monthly Rate ..... 900/month

**Isolation Pinch-off Tool (8"-12"):**

- Daily Rate ..... 100/day
- Weekly Rate ..... 300/week
- Monthly Rate ..... 1,500/month

**Rate (\$)****4-Wheeler (ATV/UTV):**

- Daily Rate ..... 50/day
- Weekly Rate ..... 150/week
- Monthly Rate ..... 750/month

## 4-Wheeler with 44" Mow Deck:

- Daily Rate ..... 100/day
- Weekly Rate ..... 300/week
- Monthly Rate ..... 1,500/month

## Riding Mower:

- Daily Rate ..... 175/day
- Weekly Rate ..... 525/week
- Monthly Rate ..... 2,625/month

## Chain Saw:

- Daily Rate ..... 10/day
- Weekly Rate ..... 30/week
- Monthly Rate ..... 150/month

## Horiba Water Quality Meter:

- Daily Rate ..... 50/day
- Weekly Rate ..... 150/week
- Monthly Rate ..... 750/month

## Hydrogen Sulfide Meter:

- Daily Rate ..... 190/day
- Weekly Rate ..... 570/week
- Monthly Rate ..... 2,850/month

## Infrared Thermometer:

- Daily Rate ..... 10/day
- Weekly Rate ..... 30/week
- Monthly Rate ..... 150/month

## Micropurge Flow Cell (Groundwater):

- Daily Rate ..... 100/day
- Weekly Rate ..... 300/week
- Monthly Rate ..... 1,500/month

**Rate (\$)**

## Oilless Compressor and Control Box (Groundwater):

- Daily Rate ..... 75/day
- Weekly Rate ..... 225/week

- Monthly Rate ..... 1,125/month

## Earth/Resistance Tester:

- Daily Rate ..... 100/day
- Weekly Rate ..... 300/week
- Monthly Rate ..... 1,500/month

## Pitot Tube and Gauges:

- Daily Rate ..... 10/day
- Weekly Rate ..... 30/week
- Monthly Rate ..... 150/month

## Pressure Washer:

- Daily Rate ..... 50/day
- Weekly Rate ..... 150/week
- Monthly Rate ..... 750/month

## Turbidity Meter/Conductivity Meter:

- Daily Rate ..... 25/day
- Weekly Rate ..... 75/week
- Monthly Rate ..... 375/month

## Vacuum Air Pump:

- Daily Rate ..... 100/day
- Weekly Rate ..... 300/week
- Monthly Rate ..... 1,500/month

Downhole Video Camera System ..... 200/day

## Weed Trimmer:

- Daily Rate ..... 25/day
- Weekly Rate ..... 75/week
- Monthly Rate ..... 375/month

**Rate (\$)****Safety Equipment:**

• Tyvek Suit (each) .....	15/each
• Polyethylene suit (each).....	20/each
• Nitrile gloves (per pair) .....	15/each
• PVC Gloves (per pair) .....	15/each
• Rubber booties (per pair).....	15/each
• Organic Vapor Cartridges (per pair) .....	20/each
• Organic Vapor/Acid Cartridges (per pair).....	25/each
• Cartridges pre-filters (per pair) .....	15/each
• Half face respirator (each).....	20/day
• Full face respirator (each).....	25/day
• Ventilator/manhole blowers .....	25/day
• Parachute harness .....	10/day

**Tripod:**

• Daily Rate .....	75/day
• Weekly Rate .....	225/week
• Monthly Rate .....	1,125/month

SCBA..... 200/day

**General Terms**

1. Rates are in effect until June 30, 2022. Any work performed after that date will be subject to a new Schedule of Fees.
2. Equipment usage rates are exclusive of freight charges to and from the project site. Freight is an additional expense chargeable to the client.
3. Shipping, supplies, equipment rental, materials, vehicle mileage, and other non-labor equipment costs or direct costs are billed at cost plus 10 percent.
4. Equipment rented will be charged portal-to-portal from SCS Field Services offices. Renter is responsible for return charges.
5. The cost of equipment owned by SCS Field Services will not be subject to administrative mark-up.

**OVERHEAD AND BREAKDOWN OF OVERHEAD ELEMENTS**

In accordance with the RFP's request for overhead rate and breakdown of overhead elements, SCS is able to provide the following description:

Claimed Rates for fiscal year 2020 are:

- Allowable overhead 163.48%
- Allowable G&A 12.19 %

As directed by the Defense Contract Audit Agency (DCAA), the G&A rate was calculated on a base of direct labor, reimbursable expenses, and indirect overhead expenses before deducting indirect unallowable overhead expense as required by the Federal Acquisition Regulations (FARs).

A more detailed calculation including accounts and balances is available upon request.

## EXHIBIT D INSURANCE REQUIREMENTS

CONSULTANTS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS AS SPECIFIED HEREIN.

AWARD IS CONSIDERED IN COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS AS SPECIFIED HEREIN.				
REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY	STATUTORY	STATUTORY
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
YES	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	<b>THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED:</b> CONSULTANT, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING CONSULTANT WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, <b>CONSULTANT IS NOT REQUIRED TO ADD ITS SUBCONSULTANT(S) TO ITS INSURANCE, HOWEVER, ITS SUBCONSULTANT(S) IS REQUIRED TO HAVE THE SAME INSURANCE COVERAGE THROUGHOUT THE ENTIRE TERM OF THE RESULTANT AGREEMENT. NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.</b>			

I. INSURANCE COVERAGE MUST INCLUDE:

- A. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONSULTANT'S AGREEMENT TO INDEMNIFY CITY.

II. THE CONSULTANT MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE AT THE FOLLOWING URL: [HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569](https://www.planetbids.com/portal/portal.cfm?companyid=25569)

III. ENDORSEMENT PROVISIONS WITH RESPECT TO THE INSURANCE AFFORDED TO ADDITIONAL INSURED:

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURED.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSUREDS UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.
2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

**EVIDENCE OF INSURANCE AND OTHER RELATED NOTICES ARE REQUIRED TO BE FILED WITH THE CITY OF PALO ALTO.**



## City of Palo Alto City Council Staff Report

(ID # 13439)

**Report Type: Action Items**

**Meeting Date: 10/25/2021**

**Title: Discuss the Preliminary Q1 FY 2022 Financial Status and Approve the following: 1) FY 2022 Budget Amendments in Various Funds, 2) Amendment to the Utilities Management and Professional Association of Palo Alto Salary Schedule, and 3) Amendments to the FY 2022 Table of Organization to Add 4.00 FTE Positions**

**From: City Manager**

**Lead Department: Administrative Services**

### **RECOMMENDATION**

Staff recommends that the City Council discuss Palo Alto's current fiscal status and take the following actions:

1. Approve a Budget Amendment Ordinance for Fiscal Year 2022 in various funds, as identified in Attachment A (requires 2/3 super majority approval, or 5 affirmative votes);
2. Approve an amendment to the Utilities Management and Professional Association of Palo Alto (UMPAPA) Salary Schedule to increase the Utility Safety Officer classification salary in alignment with market rates in Attachment B;
3. Approve amendments to the FY 2022 Table of Organization in Attachment C consistent with the budget amendments in Attachment A; and
4. Review and accept this preliminary financial status report for the first quarter of FY 2022.

### **EXECUTIVE SUMMARY**

This report provides preliminary information on the financial condition for the first quarter (Q1) of FY 2022 (September 30, 2021). These findings are based on the data available at the time of reporting, with final Q1 data to be transmitted to the City Council in December 2021. This report also provides an update on highlights from the preliminary close of the prior fiscal year ending June 30, 2021, and an update on the status of City services. Due to the continued uncertainty associated with the impacts of the COVID-19 pandemic, staff continues to provide preliminary quarterly financial status updates to the City Council, (deprioritizing other annual bodies of work) to support Council ability to respond to the changing environment.

This report reflects a gradual improvement in the local economic outlook, similar to national trends. The City has diligently managed through the pandemic, reducing resources available for services to reflect decreased revenue while maintaining essential services for the community.

As we emerge from the most devastating periods of the pandemic, this report provides an initial review of the City's ability to restore day-to-day services and advance the priority work initiatives identified by Council, and the resources necessary to continue our organization's outstanding services and forward-looking projects.

This report is extensive and is organized as follows to aid in navigation of the various topics under consideration:

- A. Discussion on the current status of the organization and administrative areas impacting the timeline of transition and delivery of services;
- B. Update by fund type, e.g. General Fund, Internal Service Funds, on the preliminary FY 2021 Year-end results and preliminary Q1 FY 2022 financial status;
- C. Current status of service delivery and challenges as the City continues to manage through impacts from the pandemic by Department; and
- D. In the Resource Impact Section, recommended adjustments to the FY 2022 budget based on the preliminary FY 2021 year-end actuals and Council direction subsequent to the adoption of the budget.

Overall, major General Fund tax revenues are projected to exceed the FY 2022 Adopted Budget estimates that reflected a slow to moderate recovery pace. A few key highlights include:

- *Sales Tax*: In consultation with the City's Sales Tax consultant, FY 2022 receipts are projected to exceed budgeted levels by \$2.5 million to \$3.5 million. This is based on activity through June 2021 and does not include impacts from either the national financial uncertainty or the delta variant of COVID-19 impacts.
- *Transient Occupancy Tax*: Based on receipts through July, current estimates project that receipts in FY 2022 will exceed budgeted estimates by \$1.1 million. This increase notwithstanding, total receipts anticipated in FY 2022 are over 60% lower than pre-pandemic levels. Approximately 70% of this revenue is allocated to meet capital debt obligations for critical Council approved infrastructure projects in FY 2022.
- *Property Tax*: City's secured property tax receipts are in-line with FY 2022 Adopted Budget estimates; however, excess Educational Revenue Augmentation Fund (ERAF) funding of approximately \$1.7 - \$2.0 million not included in the adopted budget is expected, resulting from a favorable settlement between the State and local agencies on the distribution of these funds.

As staff and the Council discussed during the budget process, the transition period will take time and departments are facing some common challenges including but not limited to:

- Staff turnover across City departments is slowing the ability to restore programs and services impacted by the pandemic, coupled with the addition of new projects and priorities identified by the Council subsequent to the 2021 priority setting and FY 2022 Budget Adoption.
- Challenges with recruiting and hiring, due to the number of vacancies and the services restored in the FY 2022 Budget, are also contributing to slower service restoration.

- Supply chain issues related to manufacturing and construction are impacting various programs across the City, including replacement of City fleet vehicles, and acquiring materials for construction projects.
- As a notable example, the procurement team experienced a 75 percent turnover that started in 2018, including the Chief Procurement Officer position. The division has been able to maintain a one-month cycle time for smaller, more routine purchases; however, more complex and/or multi-year purchases, requiring a formal solicitation, can take up to nine months to complete. This includes on average two months of staff preparation time to ensure that the item is “bid ready”.

This report also includes significant budget adjustments to begin to realign resources with the priorities identified by the City Council after the FY 2022 Adopted Budget. Major changes recommended as directed by the Council and/or recommended by staff are below, and all transactions can be found in greater detail in Attachment A:

- Addition of four full-time positions at various levels to provide resources to complete Council priorities including housing and unhoused initiatives, economic development, reception services at the development center, and public safety call center oversight.
- Use of reserves such as \$125,000 from the Administrative Support Reserve for Information Technology consulting; \$220,000 from the Transition Costs Reserve for Public Safety Communications Management (\$120,000) and City Hall Lobby Support (\$100,000); \$475,000 from the Strategic Investments Reserve for Ballot Measure consulting, polling, outreach, and legal counsel (\$250,000), Economic Development Coordination and Management (\$150,000) and Police Overtime for Unhoused Services and Emergency Shelter Operations (\$75,000); and \$475,000 from the FY 2022 City Council Budget Uncertainty for Unhoused Services and Emergency Shelter Operations.
- Technical clean-up actions to align the FY 2022 budget with the preliminary FY 2021 year end allowing for completion of transactions such as transfers to the City’s pension and other post-employment benefit (OPEB) trust funds as well as litigation liability reserves.

In December 2021, a formal Q1 FY 2022 Financial Report, the City’s FY 2023-2032 Long Range Financial Forecast (LRFF), and the City’s FY 2021 Annual Comprehensive Financial Report (ACFR) and Year End Budget adjustments are all expected to be reported, as per normal annual reporting practices.

## **BACKGROUND**

The FY 2022 budget extended reductions taken in FY 2021 to address the loss of an approximately \$40 million in General Fund tax revenues resulting from the COVID-19 pandemic (CMR 11315). In prior years, Sales Tax and Transient Occupancy Taxes (TOT) alone made up nearly 30 percent of the General Fund revenues, both of which experienced significant declines since the onset of the pandemic, the later suffering a 95% loss in receipts. The City is a service-driven organization, with the workforce making up more than 60 percent of the City's General Fund budget. Therefore, to align expenditures with lower revenue, staff and resource reductions were unavoidable. As a result, nearly \$20 million in service and staffing reductions

were included in the FY 2022 budget on an ongoing basis. Although these reductions were needed, the City continued to focus on services with the greatest community impact, maintained core City services, and managed vulnerabilities and risks associated with a shrinking organization. The balancing strategy also used one-time Federal funding and one-time use of the General Fund Budget Stabilization Reserve to mitigate further and more steep service reductions. The continued reduction of \$20 million in services reflects an approximate 10% decline from the General Fund pre-pandemic level.

Recognizing the severity of the public health emergency and its changing impacts on the City's financial outlook, staff continues to provide regular check-ins with the City Council on the status of major tax revenues in the General Fund and operational impacts/roadblocks across the City to discuss more timely adjustments if necessary. This preliminary Q1 report does not contain the full set of financial data from July through September, as some information comes in after the close of the quarter, most notably Property and Sales Tax data that comes in approximately three months in arrears. As we continue into the 2022 fiscal year, staff will return to the Finance Committee and City Council over the next several months with a series of fiscal updates.

Staff have resumed the discussion on a potential tax ballot measure for the 2022 General Election and are actively working on this initiative with the Council and Finance Committee. Other planned key milestones pertaining to the financial status of the organization both past, present, and projected future are expected to be considered by the City Council as follows: (1) FY 2021 Annual Comprehensive Financial Report (ACFR) and FY 2021 Year-End Budget Adjustments, (2) Final FY 2022 1<sup>st</sup> Quarter Financial Report, (3) FY 2023-2032 Long Range Financial Report, and (4) a status check-in on FY 2022 Adopted Budget Finance Committee referrals in November/December 2021. Following in February 2022, staff will return with the (5) FY 2022 Mid-Year Budget Review.

## **DISCUSSION**

The subsequent sections of this report include a more detailed discussion of the current status of revenues and expenses by fund types, as well as information on service delivery status by department.

### ***A. Current Status of Challenges Impacting the Organization and Administrative Areas***

As staff and the Council discussed during the budget process, organizational transitions take time and departments are facing some common challenges. Below are further details of the primary common challenges.

#### ***Staffing Vacancies, Recruitment, & Retention***

As a service driven organization, the City's General Fund is approximately 60% allocated to staffing resources, salaries and benefits. A number of factors are impacting the City's workforce and therefore impacting the organization's capacity to address day-to-day operations, priority projects, and to both recruit and retain a high performing workforce. Below are some

workforce metrics and data points to help provide context to the current capacity of the organization:

- Citywide, the City has reduced authorized staffing levels from 1,035 full-time positions to 956 full-time positions. This reduction of 83 full-time and 107 part-time positions (76.50 and 26.18 FTE respectively) reflects a greater than 7% reduction in authorized staffing levels. The City continues to maintain vacancies of approximately 100 positions, though this changes frequently which reflects approximately a 10% vacancy rate.
- When comparing staff capacity to deliver services to the community beyond the authorized staffing levels, looking at September 2020 to September 2021, the City has 50 fewer full-time employees and is approximately 9% below pre-pandemic benefitted employee (typically full-time) counts. If looking at all employees, including part-time staffing from March 2020 (pre-pandemic) to September 2021, the total number of City employees is down over 11%.
- Use of leaves<sup>1</sup> also impacts service capacity. Looking at the six-month period ending September 2021 versus that same period in September 2020, use of leave has increased over 40%. Use of leave in the six-month period ending September 2021 is equivalent to the pre-pandemic holiday season (six months ending March 2020) just prior to the shelter-in-place orders. Workers' Compensation claims have gone up significantly, reflecting employee absenteeism, as well as federally mandated FFCRA leave.

The City's fiscal and service challenges also reflect a particular vulnerability to forces at play impacting other Bay Area employers. As recently reported in the media, a significant uptick in resignations and an identified shortage of labor are impacting the City's ability to both recruit and retain a high performing workforce. These labor trends are impacting the City's recruitment for hourly staffing as well as full-time staffing. In the wake of the pandemic, employees have choices, and many are re-evaluating decisions with new perspectives. Inherent in turnover is capacity lost to train new staff, which can be a significant period as long-tenured employees are replaced with new hires.

With the labor market so competitive and at unprecedented levels, not only is it difficult to recruit for vacant positions but significant focus must also be placed on retaining our current talented workforce serving the community daily. At increased risk due to the reduced staffing levels is the significant impact with key staff departures without redundancies. This may have significant impacts on the organization and its capacity. Therefore, not only is it important to focus attention and resources on recruiting but also on retaining current employees and maintaining Palo Alto's reputation as an employer of choice. Recognition of the difficult work and continued dedication is important, and City management is working to support these through flexible work arrangements where feasible and advancing a positive work environment. Staff welcomes Council feedback on programs to express appreciation for our workforce through the ongoing pandemic and economic strains.

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<sup>1</sup> Vacation, Sick, FMLA, Management Annual Leave, Parental Leave, Personal Business, Disability Leave, Jury Duty, Admin leave, Military Leave, and Comp time are all considered use of leave balances.

### *Supply Chain Delays*

Supply chain issues related to manufacturing and construction are impacting various programs across the City, including replacement of City fleet vehicles, and acquiring materials for construction projects such as the highly visible bike/pedestrian bridge over Highway 101. Staff are working to proactively look ahead for daily supplies as well as major projects to plan for and account for the current uncertainties. Major areas this may impact moving forward include Public Works operations, Utilities operations, warehouse operations, and replacement of fleet vehicles and equipment. The City has also faced delays in the transportation of animals for the re-opening of the Junior Museum and Zoo due to these delays. In some instances, vehicle replacement contracts have been canceled due to the lack of inventory from vendors, causing staff to find other available vehicles, usually at costs slightly higher than originally negotiated.

### *Procurement Process*

The procurement team experienced a 75 percent turnover that started in 2018, including the Chief Procurement Officer position. The division has been able to maintain a one-month cycle time for smaller, more routine purchases. More complex and/or multi-year purchases, that require a formal solicitation, at present take an average of eight to nine months to complete. This assumes an average of two months of staff preparation time to ensure that the item is “bid ready”. This timeline reflects the initiation of a procurement need by a department through City Council approval of a final contract.

Significant staff turnover, both within the procurement team and the organization such as project managers, and the resulting loss of institutional knowledge has slowed the procurement cycle time as often, processing a request and training on how to complete a public process are occurring simultaneously. Continuous training is needed to bring all staff up to speed on processes/requirements to reduce cycle times while maintaining quality review by Purchasing Staff, the City Attorney’s Office, and the requesting department. As such, staff is working on balancing the current backlog of procurement requests with reallocating staffing to developing continuous training opportunities to, in the long term, work to streamline processes and ultimately reduce cycle time.

### ***B. Financial Status Update on the Preliminary FY 2021 Year-end Results and Preliminary Q1 FY 2022 Status***

This section provides a status update on the preliminary status of the close of Fiscal Year 2021 and financial status as of June 30, 2021. Staff is actively working with the City’s outside auditors for the review and compilation of the FY 2021 Annual Comprehensive Financial Report (ACFR) and year end budget adjustments to be considered in November/December 2021. In addition, staff have updated for preliminary information for the first three months of FY 2022 and comparison to the FY 2022 adopted budget. The City is well positioned to continue to invest in services and critical priorities and continue to work to recover from the impacts of the pandemic.

## General Fund

Overall, the General Fund is tracking at or above adopted estimated revenues and at or below adopted expenses. Based on the continued phased reopening from the shelter-in-place orders imposed in March 2020, consumer behaviors continue to evolve, impacting the financial forecasts. The organization has carefully planned for the financial implications of COVID-19 on the City of Palo Alto. As a result of the City Council's leadership and adoption of a fiscally conservative budget, the identification of critical priority projects as directed by the City Council, and current projected financial trends, staff have included in this report recommended adjustments to the FY 2022 budget. Although economic trends and data continue to be uncertain, based on the FY 2021 close, federal recovery funds, and the difficult planning and action taken by the City Council in addressing the financial impacts of COVID-19, staff believe that these recommended adjustments are measured and necessary.

### *COVID – 19 Response Financial Highlights - American Rescue Plan Act (ARPA) Funds*

As part of the Federal American Rescue Plan Act, the City's total allocation is estimated to be \$13.7 million. The City received the first disbursement of \$6.8 million in 2021. These funds, along with \$1.3 million of the second disbursement were incorporated into the FY 2022 Adopted Budget to reinstate services that were originally planned to be reduced as part of the FY 2022 Proposed Budget. The second allotment of ARPA funding of \$6.8 million is anticipated to be received in the spring of 2022. The FY 2022 budget and near term forecast presumed use of the remainder of these funds for replacement of revenue estimates still lagging from the pandemic in order to maintain services in FY 2023. Formal use and programming of these funds will be discussed as part of the FY 2023 budget development process.

This follows \$0.9 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding received in FY 2021. These funds went towards employee costs related to the City's early response to the pandemic including public safety personnel activity, communicating with the public, shifting city services to a virtual model, and cleaning facilities among other activities.

As part of the FY 2021 Budget, several Reserves for COVID-19 Recovery were established to assist with work related to recovery from the pandemic. These reserves were not fully expended in FY 2021 and have been reappropriated to FY 2022 to fund activities related to contact tracing/testing, workplace restoration, and business and communication support. Staff continues to monitor these reserves and use the funding to offset expenses related to COVID-19 Recovery across the City. An example of use of these funds which was delayed due to the timeline and status of the pandemic includes the cost of rapid tests currently used as part of the City's vaccination mandate or testing requirement and the purchase of air filtration devices for City facilities.

## Revenues: General Fund

The FY 2022 Adopted Operating Budget approved a \$206.5 million estimate for sources, of which \$35.8 million has been collected to date, or 17.3 percent of the budgeted estimate. The overall tax revenue estimates in the FY 2022 Adopted Budget remain relatively constant to FY

2021 Adopted Budget levels of approximately \$110 million. Adjustments to realign revenue estimates such as increasing estimates for Sales Tax receipts and lowering estimates for Transient Occupancy Tax receipts were adopted in FY 2022 to align with actual activities in FY 2021. Highlights of current data on major revenue sources are included below. Overall, staff is optimistic that revenues will meet or exceed FY 2022 Adopted Budget levels and will continue to monitor results closely. The ongoing impacts of this will be evaluated more closely as part of the FY 2023-2033 Long Range Financial Forecast which will update projections for both revenues and expenses for the coming year to begin the planning for the FY 2023 budget.

- **Property Tax:** The FY 2022 Adopted Budget assumes an estimate of \$51.2 million, a \$1.9 million or 3.7% decrease from the FY 2021 adjusted level of \$53.2 million. In FY 2021, Property Tax receipts of \$56.6 million were received, \$3.4 million higher than the FY 2021 budget estimate of \$53.2 million. Higher than anticipated assessed value growth and a favorable settlement of the calculation for excess Educational Revenue Augmentation Fund (ERAF) distributions<sup>2</sup> contributed to these increased receipts.

As discussed previously, the County of Santa Clara and the State were in a dispute over the calculation and disbursement of excess ERAF funds. The City has been reserving these funds, pending a resolution to the dispute beginning in FY 2020 and through the prior near-term forecasts. The dispute has been settled and these funds are no longer needed to be reserved. Staff recommends these funds from prior years (FY 2020 and FY 2021), that will fall to the FY 2021 Budget Stabilization Reserve, approximately \$3.2 million, be reallocated to the City's Reserve: Utilities Transfer Litigation (Equity Transfer) to continue to proactively plan for the potential financial impacts of an ongoing lawsuit. Consistent with the County of Santa Clara Assessor's Office, revenues are expected to meet or exceed FY 2022 budget levels due to excess ERAF of approximately \$1.7 - \$2.0 million from the favorable resolution regarding Excess ERAF distributions.

- **Sales Tax:** The FY 2022 Adopted Budget included an estimate of \$28.2 million, an assumed growth of 12.6% from the FY 2021 adjusted level of \$25.0 million. Actual Sales Tax receipts of \$29.1 million in FY 2021 were above year end estimated levels, however, overall receipts remain 20% below pre-pandemic actuals of \$36.5 million in FY 2019. Currently staff in consultation with the City's sales tax consultant expect receipts to exceed FY 2022 budgeted levels by \$2.5 million to \$3.5 million. However, it is important to note that typically during a downturn period, the consultant is more optimistic and staff continue to evaluate financial impacts of the changing economic base in Palo Alto.

Additional information on sales tax activities during January – March 2021 is available as

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<sup>2</sup> ERAF is the fund used to collect and disburse property taxes that are shifted to/from cities, the County, and special districts prior to their reallocation to K-14 school agencies. When the state shifts more local property tax than required to support schools these funds are returned and known as excess ERAF. In a claim by the State, calculations for excess ERAF incorrectly shifted too much property tax from schools to local agencies. This has since been resolved in the favor of the local agencies.

part of the September 20 City Council meeting packet, as an informational report (CMR [12401](#), packet page 127). The sales tax activity for April – June 2021 is anticipated to be transmitted in early November 2021.

- Transient Occupancy Tax:** The FY 2022 Adopted Budget assumes an estimate of \$8.4 million, a 74.5% increase from FY 2021 actual receipts of \$5.2 million or \$3.6 million above. FY 2021 actual receipts were slightly higher than revised budget levels of \$4.8 million by \$0.4 million but remain significantly lower than pre-pandemic actuals of \$25.7 million in FY 2019. This revenue remains extremely low compared to typical levels, up to a 90% reduction or more over the course of the pandemic. Preliminary July receipts indicate that this revenue category continues to have robust growth from the unprecedented lows seen during the pandemic; optimistically, if current activity levels continue through the full fiscal year, staff expects revenues to exceed FY 2022 budget estimates by up to \$1.0 million. A portion of this would be allocated to the General Capital Improvement Fund to assist in providing funding for the debt obligations for capital infrastructure improvements.
- Documentary Transfer Tax:** The FY 2022 Adopted Budget assumes an estimate of \$7.1 million, a 3.8% increase from the FY 2021 adjusted level of \$6.9 million or \$0.3 million above. FY 2021 experienced record receipts of \$10.6 million in this category, significantly above adjusted budget levels by \$3.7 million. This high level of receipts is primarily attributed to six large commercial transactions during the year. To date, receipts are down 14% as compared to the prior year. Staff will continue to monitor these receipts closely as this revenue source is highly volatile and dependent on sales volume and the mix of commercial and residential sales. Therefore, significant fluctuations can occur month to month depending on real estate transactions.
- Utility User Tax:** The FY 2022 Adopted Budget assumed an estimate of \$14.4 million, a 2.1% increase from the FY 2021 adjusted level of \$14.1 million or \$0.3 million above. FY 2021 receipts of \$14.6 million were higher than the adjusted budget level by \$0.5 million. To date, revenues are tracking 3% to 12% below prior year levels for utility taxes and telephone taxes respectively. These declines are in part due to water reduction programs, lower consumption of utilities, and lower telephone receipts due to business closures and reduced workforces present in the City. This is in line with overall expectations assumed in the FY 2022 Adopted budget at this time.
- Charges for Services & Permits and Licenses:** The FY 2022 Adopted Budget assumed an estimate of \$23.9 million in Charges for Services, consistent with the FY 2021 adjusted level. The FY 2022 Adopted Budget assumed an estimate of \$8.4 million in permit and license revenue, a 5.9% reduction from the FY 2021 adjusted level of \$8.9 million or \$0.5 million below. Together, these revenue categories make up nearly half of all non-tax revenues. In total, \$32.4 million was received during FY 2021, slightly below the revised budget estimates by \$0.4 million. These revenue categories consist of charges to

Stanford for fire services and paramedic services, fees related to the City's golf course, arts and science classes, plan check fees, and payments to the City for issuance of Building Permits, Fire Permits, and miscellaneous health and safety-related licenses. Currently, revenues in these categories are in line with activity levels anticipated thus far.

*Community Services Department:* CSD has resumed most programming and operations in accordance with the lifting of many State and County Public Health restrictions. Overall, CSD revenue is currently at 12% of levels assumed in the adopted budget, at approximately \$1.5 million. This is similar to this same time last fiscal year, when revenues were approximately 13% to target, or \$1.4 million. Consumer demand for classes has returned with the desire and willingness for in-person participation. Some programs and classes continue to be offered in both virtual and in-person formats. Golf play was a strong revenue performer last fiscal year and that trend is continued in Q1 of FY 2022, resulting in a consistent and robust revenue stream. Looking ahead to Q2 and Q3, revenue in the coming fall and winter is difficult to predict. If the pandemic necessitates continuance of current restrictions for indoor programming or additional restrictions are mandated, program participants may be less willing to register for classes and programs. If mild weather continues through the fall and winter, there will be more opportunities for outdoor programming and golf play will likely remain high.

With some COVID-19 public health pandemic restrictions still in place, there are program areas within CSD where revenue is below the pre-pandemic average for Q1. These program areas include the following:

*Facility rentals:* Although facility rentals have resumed, most facilities are experiencing fewer rentals than prior to the pandemic. Indoor celebratory events are not as desirable due to masking requirements and some facilities lost on-going organization rentals at the onset of the pandemic and the organizations have not returned. There are also facilities, such as the Art Center, that moved youth classes to outdoor spaces that previously would be available as a revenue source for rentals. Additionally, due to staffing reductions the Art Center is not able to staff after hours and weekend facility rentals.

*Theaters:* Theater capacity and performances have been reduced due to masking and social distancing requirements indoors. Additionally, the Children's Theatre has moved some performances outdoors with less capacity, attendance, and revenue. School field trip attendance of shows has also declined as schools have reduced or eliminated their budget for school sponsored field trips.

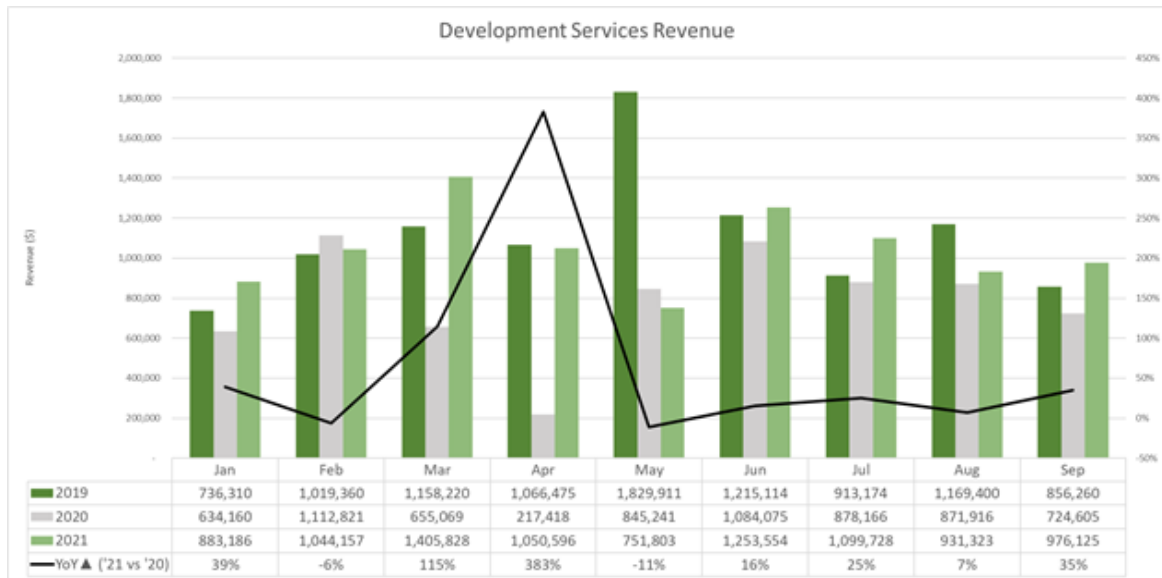
*Middle School Athletics:* This program is unable to accommodate as many student athletes as pre-pandemic levels due to difficulty in recruiting coaches, likely due to the national labor shortage, resulting in a waitlist for some sports. In addition, there is also

roughly a 10% reduction in demand from pre-pandemic levels due to the concerns around wearing a mask and maintaining close contact while playing a sport.

*Junior Museum & Zoo (JMZ):* The new JMZ will open in November 2021, a month delay from the previously anticipated October opening. The first month of opening will be limited to Friday, Saturday and Sunday hours only. The JMZ will fully open in mid-December. The opening was deferred one month and initial hours reduced due to difficulty in hiring animal care and visitor services staff and delays in procuring and transporting new animals. This delay is estimated to generate slightly less ticket revenue than previously estimated. Staff will continue to monitor the opening of this facility and update the Council with any further adjustments. There remains and outstanding referral to follow-up with the Finance Committee after the first six months of operation of the facility that staff will address during calendar year 2022, after the facility opens.

To the extent practical and possible, the department continues to curb expenses for those revenue generating activities that are performing below maximum capacity, however some of these program areas such as rentals and theaters do have fixed costs.

*Development Services:* Preliminary FY 2022 Development Services revenue is up 34% compared to last year and is currently at 22% of the FY 2022 revenue target. Compared to pre-Covid levels (Q1 FY 2020), Q1 FY 2022 revenue is only down 6%, and activity levels are returning close to pre-pandemic levels. Due to seasonality and significant fluctuations in development activity, staff is not able to anticipate whether this pace will continue into the winter season. If activity levels continue to meet pre-pandemic levels, the Department will request resource adjustments to keep up with the pace of development demands during the mid-year budget process. Department-managed expenses are currently under or on pace to meet the budget. The department is monitoring this category closely as Development Services strives to remain cost neutral. The table below articulates development services revenues from January through September 2021 versus the same 2019 timeframe. 2020 is also provided to reflect a pre-Covid baseline.



- Rental Income:** The FY 2022 Adopted Budget assumed an estimate of \$14.5 million, a 9.6% reduction from the FY 2021 adopted level or \$1.5 million below. Revenues in this category primarily reflects rent paid to the General Fund from the City's Enterprise Funds and the Cubberley Community Center. On June 7, 2021, Council approved a rent forgiveness program ([CMR 12234](#)) to forgive three months of rent for active non-profit tenants. Staff is currently evaluating applications from tenants to determine eligibility for the program. Funding for this program (\$744,000) was reappropriated to FY 2022 in order to limit impacts to rental income revenue in FY 2022. Since the program was established, 11 tenants have applied as of September 30, 2021. The total amount of rent requested to be forgiven by those tenants that have applied is approximately \$200,000, though additional tenants may apply during an upcoming round of applications prior to the program's culmination on June 30, 2022. Some tenants may also qualify for protection under the County of Santa Clara's eviction moratorium, which expired on August 19, 2021. Those tenants have up to six months after the moratorium expired to repay at least 50% of past-due rent and up to 12 months after the moratorium expired to repay in full the past-due rent. Some tenants continue to express facing hardship due to operating restrictions and reduced customers, and have requested further rent forgiveness and lease restructuring. Staff is working internally to address these issues.

**Cubberley:** Rent is also collected from outside vendors who rent space at the Cubberley Community Center. The amount of rent collected during Q1 FY 2022 from long-term Cubberley tenants amounts to \$0.3 million, as of September 30, 2021. Rental income collected during this time from hourly renters, is deposited into the general fund and is approximately \$50,000. While these figures align with Q1 estimates, they include back rent due from FY 2021 as tenants caught up with late payments. It is expected for subsequent FY 2022 quarterly funds and total annual revenue to be down due to vacancies and tenant inability to pay rent.

Many long-term Cubberley tenant leases previously expired on December 31, 2019, in line with the prior Cubberley agreement between the City and PAUSD, although they continue to occupy their premises on a month-to-month basis under the holding over provision of their agreements. As the County's Eviction Moratorium is now expired, staff is working on new leases with Cubberley tenants in good standing and filling vacancies.

**Other City Tenants:** In addition to tenants at Cubberley, the City has a number of tenants at other facilities including but not limited to the Airport, 445 Bryant Street, and the City Hall Cafeteria.

With the Eviction Moratorium having been lifted in Santa Clara County, the Palo Alto Airport sent out a communication to all of its tenants on September 30 that the Airport would once again be charging late fees for any payments not being received on time. Airport management is anticipating an increase of on-time payments. Presently, the Airport has only one business account with a past due balance of \$52,000 which the tenant is currently in the process of making payment arrangements in order to get their account current in the 12-month period that the eviction moratorium presently allows.

#### **Expenses: General Fund**

Overall General Fund expenses are currently expected to remain within the FY 2022 Adopted budget levels of \$209.2 million. To date, \$42.4 million has been expended or approximately 27 percent of the FY 2022 Adopted Budget. As a service driven organization, the largest expenses are salaries and benefits. Total salary and benefits expenditures through preliminary September 2021 are approximately \$30.4 million, or 23.1 percent of the \$131.5 million Adopted Budget, compared to \$31.5 million in the same period in the prior year. This is slightly below prior year levels due to costs in Q1 FY 2021 to separate employees in frozen positions, including a 30-day notice and other related transition costs. Additionally, the City is experiencing high vacancy levels of approximately 10-12%, as compared to 8% in the prior year (full-time staffing). These savings are partially offset by Fire Department overtime for strike team deployments to California wildfires. The State will reimburse costs for strike teams later in the fiscal year.

### **Budget Stabilization Reserve: General Fund**

Preliminary FY 2021 year-end financial reflect a Budget Stabilization Reserve (BSR) of \$48.2 million, this is above the estimated level of \$35.8 million that was cited in June 2021 ([CMR #12307](#)). Not included in this figure is \$1.8 million that the City Council used to balance the FY 2022 budget. Use of these funds brings the BSR to \$46.4 million or \$7.7 million above the 18.5% target. As noted earlier, the majority of this increased BSR level is due to additional property tax and sales tax revenue. The property tax was bolstered by the excess Educational Revenue Augmentation Fund (ERAF) distributions discussed previously and sales tax was driven by a strong FY 2021 Q4 as the economy continued to show signs of recovery beyond initial projections.

The excess ERAF funding was set aside to be reserved for potential resolution of pending litigation. In order continue this practice of setting aside funding to plan for the potential financial impacts of an ongoing lawsuit, this report recommends that \$4.0 million of the excess BSR funding previously set aside for excess ERAF dispute be reallocated to the Utilities Transfer Litigation Reserve to partially mitigate funding needs for this item as part of the FY 2023 budget development process. With this adjustment the BSR is projected at \$42.4 million or **\$3.7 million above the 18.5% target.**

### **Internal Service Funds**

Minimal technical adjustments are recommended in the various internal services funds to complete transactions for supplemental contributions towards liabilities in the General Benefit and Retiree Health Care Funds. The Vehicle Maintenance & Replacement Fund is prioritizing and pausing replacements as per the Council approved budget adjustments in FY 2021 for a two-year reduction in replacement activities. Below highlights a few areas tracking outside of expected levels.

*Workers' Compensation Fund:* Workers' Compensation claims costs are trending slightly lower. Over the past several years, the City has experienced increases in workers' compensation claims expenses, increasing from \$5.1 million in FY 2019 to \$6.4 million in FY 2020. In FY 2021, expenditures decreased by \$0.3 million or 5 percent, from \$6.4 million to \$6.1 million in the prior year. Through Q1 of FY 2022 claims expenses are \$0.6 million or 9.0 percent of the \$5.9 million budget, as compared to \$0.9 million in Q1 of FY 2021. Staff will continue to monitor expenditures in the fund and bring forward adjustments as necessary.

The appropriation for Workers' Compensation claims expense includes an estimate for claims incurred and reserves for current filings at an 85 percent confidence level, based on actuary estimates. As part of practice, staff aligns reserves for current filings with updated actuarial estimates at the end of the fiscal year. At year-end FY 2021, the updated actuarial analysis estimated claims costs at \$2.1 million higher than anticipated, resulting in actual expenses exceeding budgeted levels. An additional \$1.5 million was charged to departments to offset these expenses and ensure a positive fund balance.

**General Liability Fund:** General Liability claims costs are trending down. The method to establish the appropriation and record expenditures for General Liability claims is similar to the Workers' Compensation Fund, described above. Preliminary estimates for FY 2021 claims are approximately \$100,000, significantly below the actuary estimates of \$1.7 million. These savings were not refunded to departments and remain in the fund for future risks that the City continues to be susceptible to and liabilities that may accrue. Through Q1 of FY 2022, claims costs incurred are \$24,000 or 1.2 percent of the \$1.9 million budget. Though claims expenses are trending lower than anticipated, the City is experiencing increased costs in other areas, such as umbrella excess insurance and property loss. As of Q1 FY 2022, umbrella excess insurance is \$480,000 above budget levels of \$2.8 million for the payment of annual coverage, and property loss is \$220,000 above budget levels of \$330,000. Staff will continue to monitor expenditures in the fund and bring forward adjustments as part of the Mid-Year Budget review to realign projections within the appropriate expense categories and outlined above.

**General Benefit Fund:** The FY 2022 Adopted Budget continues the practice to budget the normal cost of pensions at a more conservative 6.2 percent discount rate and transmits the amounts above required CalPERS payments to the City's irrevocable IRS Section 115 Pension Trust Fund, consistent with the Pension Funding Policy adopted by the City Council ([CMR 11722](#)). In FY 2022, a total of \$5.1 million (\$3.1 million General Fund) is planned, bringing total principal contributions to \$37.3 million since the fund's inception.

In this report, staff recommends that one-time retirement savings in FY 2020 (\$2.0 million) and FY 2021 (\$875,000) are used to make additional contributions to the trust fund, bringing total planned contributions to \$40.2 million (approximately 65 percent of the total is from General Fund). These savings represent amounts collected from departments that exceeded annual required payments in the respective fiscal years and remain unspent in the fund balance. Per the Pension Funding Policy, these excess funds are to be contributed to the 115 Trust Fund to continue to work towards the goal of a 90 percent funded plan.

**Retiree Healthcare / Other Post-Employment Benefits (OPEB):** The FY 2022 Adopted Budget continues the practice to budget the cost for retiree healthcare at a more conservative 6.25 percent discount rate and transmit the amount above the required payment as an additional discretionary payment ("prefunding") to the California Employers' Retiree Benefit Trust (CERBT) Fund, consistent with City Council direction in May 2020 ([CMR 11284](#)). In FY 2022, this additional contribution is approximately \$2.2 million (\$1.4 million General Fund). In this report, staff recommends corrective action for the planned contribution in FY 2021 at the more conservative discount rate of \$1.4 million (\$0.9 million General Fund). Although this amount was collected from departments, it was inadvertently not paid to the CERBT prior to the FY 2021 close and remains unspent in the fund balance, this action corrects for that error.

### **Special Revenue Funds**

**Parking Funds:** Parking permit revenues are the largest revenue source in all parking funds and on average are currently at 4.1 % of budgeted levels, first quarter. Parking permit revenues in

pre-pandemic times were at 26.5% and 25.7% respectively during the first quarter. FY 2022 Adopted permit revenue in the parking funds is \$2.2M in the University Avenue Parking Fund, \$0.6 million in the California Avenue Parking Fund, and \$0.8 million in the Residential Preferential Parking Fund (RPP).

Parking enforcement resumed in all parking district on October 1, 2021 so the associated permit sales and violation revenue is anticipated to resume. RPP permit revenue impact may not be seen in the RPPs until spring 2022 when the all permit renewal cycles are completed.

In the last year and a half, County Public Health Shelter in Place Orders and the City's suspension of most parking enforcement in April 2020 ([CMR 11238](#)) have dramatically decreased the demand for parking permits in all districts and violation revenue in the RPP fund. It is projected that permit sales in all parking districts would not immediately return to pre-pandemic levels due to the delayed level of employees returning to work sites. This would explain the lower than pre COVID-19 level of permit revenue for the parking funds in the first quarter. The adopted FY 2022 revenue figures take this trend into account.

The transfer of approximately 250 employee parking permits is proposed from the Evergreen/Mayfield RPP into the California Avenue fund due to the opening of the new California Ave garage ([CMR 12348](#)). This will further decrease the RPP Fund's FY 2022 permit revenues by approximately \$37,000. The RPP Fund is forecast to remain solvent by increased permit prices and using accumulated fund balance to supplement lost revenue.

### **Enterprise Funds**

As of June 30, 2021, the City's Enterprise Funds reported a total net position of \$804.0 million, an increase of \$23.0 million, or 2.9 percent, from the prior year. All Enterprise Funds contributed to this increase except the Electric Fund, which saw a decrease of \$22.6 million from prior year. This decrease was mainly due to lower commercial retail revenues as a result of lower consumption and increase purchases of electricity, which in-turn was due to low hydroelectric supply. Below are the details of change in net position for all Enterprise Funds in FY 2021.\*

*Change in Net Position for the Year Ended June 30*  
(in millions)

<u>Fund Name</u>	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>
Water	\$ 6.6	\$ 8.0	\$ (1.4)
Electric	(4.0)	18.6	(22.6)
Fiber Optics	1.5	2.9	(1.4)
Gas	3.5	3.0	0.5
Wastewater Collection	0.7	2.1	(1.4)
Wastewater Treatment	3.1	0.3	2.8
Refuse	1.9	(3.1)	5.0
Storm Drainage	3.0	2.2	0.8
Airport	6.7	5.6	1.1
<b>Total Change in Net Position</b>	<b>\$ 23.0</b>	<b>\$ 39.6</b>	<b>\$ (16.6)</b>

*\*Note: These figures are preliminary and may change following the annual audit.*

**Airport Fund:** The Airport has seen some increase in people choosing to take charter flights, which may be attributed to changing travel preferences during the pandemic toward private planes rather than commercial airlines. Additionally, the City plans to take steps to address concerns regarding the use of leaded fuel in certain airplanes ([CMR 13636](#)).

**Utilities:** Revenues and expenses for utilities are trending close to what was originally anticipated. Some utilities, such as Water, experienced a slightly larger variance mainly attributed to a reduction in usage as more customers voluntarily reduce water consumption and increase conservation efforts. Customer bill aging delinquency amounts increased from pre-pandemic count of 140 accounts with delinquent balances greater than 90 days to approximately 1,400 accounts.

### **Capital Improvement Program**

Overall, work on the capital projects adopted as part of the FY 2022 budget continues as planned in most of the capital programs/funds across the City. The Infrastructure Plan projects that are under construction in FY 2022 are on schedule and currently remain within budget. However, potential impacts from construction material costs and shortages may result in higher than anticipated project costs and lead times as the year progresses.

### **C. Current Status of City Service Delivery by Department**

Staff has diligently managed through the pandemic with reduced resources to maintain high quality services for the community to the extent possible. However, due to the reductions across the City and other citywide issues that have been discussed previously in this report staff is struggling to consistently meet day-to-day service requirements. This section provides a snapshot by department and recognizes that in addition to providing day to day services, staff work on priorities that involve high profile, cross functional projects. At this point, a number of these projects are competing with operational tasks. These cross functional projects include the Sustainability and Climate Action Plan (S/CAP), Housing Support, Ballot Measures, Advancing Racial Equity, and Uplift Local activities including business support and street

closures. Actions in this report begin to add support for these important and engaging projects; however, it will take time to realize the benefit of increased capacity.

### **City Services Status**

The City continues to provide services to the community, adapting and modifying service delivery to ensure proper protocols for the health and safety of the community and employees. Below is a brief description of service adaptations. Additional information can be found in an informational report that summarizes work completed while the City Council was on break ([CMR #13474](#)).

#### *Neighborhood, Community and Library Services*

- *Community Services Department:* CSD has resumed most programs and services with some modification to continue to adhere with State and County Public Health requirements. All staff are either reporting to work full time or are working a hybrid work schedule that aligns with open hours of facilities. In-person classes, camps, and special events have been held and continue to be planned. Additionally, some programs and classes are offered in both virtual and in-person formats. Parks and Open Space preserves have remained open throughout the COVID-19 pandemic.

Recreation and Arts and Science staff completed a successful summer camp season and are offering a full selection of classes for the fall season. Where possible, classes and programming are held outdoors such as adult fitness classes, youth classes at the Art Center and some theatre performances at Children's Theatre. Public Art provided opportunities for the community to participate in brightening their neighborhoods through microgrants, and temporary and permanent installations continue to be planned. Junior Museum and Zoo staff continue with animal care and preparing for the opening of the new facility in November, instead of October as originally assumed.

Parks and Open Space areas and services remain available to visitors, with higher-than-normal visitation numbers in open space preserves. Maintenance service levels in parks have been reduced as a result of changes to the FY 2022 capital budget. Prioritization of maintenance needs remains for issues related to health and safety, so the aesthetics of parks may be reduced in terms of additional weeds or dead plants not being replaced as timely. Playground inspections, field maintenance, and ranger response to medical and fire emergencies continue to be provided. The animal shelter operates under a management contract and provides services to visitors by appointments.

The golf course remains open for business with high demand. All facilities are open, including the course, driving range, practice areas, and restaurant. The course is staffed and maintained under a management contract.

During the budget hearings for FY 2022, funding was restored or increased to several program areas including the Children's Theatre, Twilight Concert Series, Human Services, and Teen Services. This resulted in outdoor Summer Hot Dog performances at

the Children's Theatre with more planned for Summer 2022. School outreach theatre performances are planned for December and next calendar year. The Twilight Summer Concert Series held three events in July and August. In Human Services, a second round of requests for proposals was issued to community service providers from an additional round of \$0.2 million in one-time Human Services Resource Allocation Process (HSRAP) funding approved as part of the FY 2022 budget. This resulted in nine of ten proposal applicants being recommended funds through upcoming [CMR 13635](#) (October 18, 2021).

Due to challenges with hiring during a labor shortage, the Teen Center at Mitchell Park Community Center remains closed until adequate staffing becomes available. Middle School Athletics are also at reduced capacity due to difficulty in hiring coaching staff. Other teen services such as the teen advisory boards and the ThinkFund are active. There is minimal administrative support to the Department so most tasks have been temporarily reassigned to existing staff. This has resulted in some tasks, such as preparation of the Enjoy! Catalog, special events planning and Commission support becoming increasingly difficult to manage. Upcoming recruitments of key staff will help to resolve some of this.

- *Library Department:* All the libraries are open now with restricted hours. The full reopening will be completed once all vacant positions are filled. Mitchell Park and Rinconada libraries are open to the public six days per week and the Children's, Downtown, and College Terrace libraries are open three days per week. The Library has worked to accelerate reopening as the Department works to fill vacancies, securing the necessary staffing to reopen all of its branches. The Downtown and College Terrace branches were partially reopened on August 26, 2021. Starting September 25, 2021 the Mitchell Park and Rinconada libraries added more service days and hours. Mitchell Park is now open 11am to 8pm Tuesdays through Thursdays and 12pm to 6pm Fridays and Saturdays. Rinconada is now open 10am to 6pm on Wednesdays, Fridays, and Saturdays, and 12pm to 8pm on Thursdays.

Due to the community expectation regarding reopening of the facilities, staff have been deployed to provide in person services at all the libraries. This has resulted in a significant decrease in the number of events and programs available. The Library has been offering virtual programs and some outdoor storytimes. Indoor event programming has not resumed due to the status of the pandemic and the onset of the Delta variant, but the Department is hoping to resume indoor programming in January 2022.

The Library's Adult material selector will be separating from the City in October. Library is looking for ways for other staff to absorb essential tasks in the interim including answering more than 30 inquiries per day related to collections. The Library's Management Analyst position, a critical administrative role, is also vacant and going

through the recruitment process; at present there is no administrative staffing in the Library department and therefore significant delays in many administrative areas are being triaged with some support for other departments.

### *Public Safety*

- *Fire Department:* Fire has been working on a few core projects such as, but not limited to, the development of new revenue generating programs, applying for federal grants, completing an Insurance Service Office rating assessment, and Stanford reporting and agreement updates. Calls for service are beginning to increase from re-openings throughout the community, and the Department is testing a new deployment model. Staff expects to run this new deployment model for six months and review statistics for effectiveness.

Unfortunately, this year continues to see increasing injuries requiring more mandatory overtime assignments than ever before; this occurs when firefighters are required to work to cover a shift vacancy. This is putting a strain on crews and Fire Administration is working closely with the Human Resources Department and the City Manager's Office to alleviate this issue by expediting a hiring process for spring 2022. Current operations in the department are structured with the reduced authorized staffing of 5.0 firefighter positions, however, staff is working on the implementation of the recently awarded SAFER grant which will provide grant funding for 5.0 sworn positions that the City is actively recruiting for. Fire inspectors are conducting inspections in-person and remotely using video solutions to limit face to face contact with developers; however, with approved staff reductions, the division is unable to complete all required inspections and has an increasing backlog. Staff will continue to evaluate the workload activity levels, revenues, expenses, and the effectiveness of new changes and regiments to better understand of the operational needs of the Fire Department.

- *Office of Emergency Services:* All staff are continuing to work on site and in the field as essential workers. OES has resumed some community facing functions in support of the Emergency Services Volunteer (ESV) program, as well as participating in certain community training events. Consistent with Public Health rules and best practices, most routine functions are still being performed virtually as we collaborate with our various stakeholders, City workgroups, allied agencies, and community members. Our staff continues the OES mission to identify risks to the community, prepare, mitigate, and respond to all hazards, not only the current pandemic. This includes work to on topics such as wildfires, earthquakes, large criminal events, and other public safety critical operations.
- *Police Department:* The Police Department continues to be open for business with 88% of staff working in the office or in the field, as assigned with the remaining 12% either working remotely or hybrid schedules. All customer facing services that were temporarily halted due to the pandemic have been resumed. Open lobby hours are

officially Tuesday-Thursday 11am- 4pm but a two-way communication system at the front door allows the public to be serviced anytime the Records Division is staffed, which in general is Monday through Friday 8am to 5pm. Outside of those hours, the public at the front door are directed to the 24-hour dispatch center where matters can be handled by uniformed patrol officers as appropriate. Service changes as a result of the pandemic, and the subsequent budget reductions are documented in the last two adopted budgets. Some of the most critical issues currently impacting the Department today are retention and recruiting of police officers and training and development of dispatchers. As of this report, the Department has 10 vacant police officer positions.

Longer term, one of the primary challenges will be strategic management of the Technical Services Division and direct management of dispatchers. The elimination of the Deputy Director and Communications (Dispatch) Manager positions in FY 2022 have created significant operational disruptions throughout the Department. Other longer-term impacts include a reduced training budget coupled with an increase in training needs, Independent Police Auditor reports, and public records requests. This report recommends the addition of the Communications Manager to provide direct management of dispatchers. Moving forward this team and recruitment and retention are primary focuses of the department in the immediate term.

#### *Planning and Transportation Services*

- *Planning and Development Services Department:* Building applications and permit activity levels have increased from the prior year; however, it is difficult to conclude whether the activity is driven by a new pace of development or a backlog of rebounding activity. From January to September, building application levels have increased 33% from 2020 to 2021. Compared to the same time period in 2019 as a pre-Covid baseline, activity levels are 5% lower. Similar trends are noted for building permits issued, and staff will continue to monitor activity levels throughout the year.

Building inspection staffing is currently at minimal levels to keep pace with the demands of inspections. At optimal conditions, when all staff is fully available, inspection wait times will vary from one to three days. Under typical operating conditions, this wait time will increase somewhere between three to 14 days due to any type of leave as staffing availability fluctuates from day to day. The ability to respond to peak demands is operationally limited as there is currently no dedicated contract budget for scaling up inspections as needed. Pre-pandemic the department had sufficient contract dollars to cover two additional consultant inspectors.

The plan review program has also been impacted by the difficulty in identifying consultant availability, and staff is not able to rapidly respond to peak work volumes. Consultant firms report decreased availability of plan checkers and are not able to provide dedicated plan review consultants. Further, skilled consultant plan checkers

have moved away from the area, limiting availability for plan check staff to provide in-person services. This impacts the ability to provide customer service at the counter.

Similarly, consultant services to supplement current planning reviews has been limited. The on-call consultant firms report limited availability of additional staff to perform plan reviews. This has led to planning staff carrying several projects beyond the recommended number of projects per staff person. The department remains hopeful that the consultant resources will be available soon and be integrated and trained so that development reviews can continue in a timely manner.

PDS continues to respond to and receive additional policy and program initiatives from the City Council. These initiatives acutely impact the long-range planning team as well as the Development Center team. While the long-range planning program is fully staffed, there remains considerably more work than can be sustained by the department. Recent and ongoing efforts that this program contributes to, include: the City's Uplift Local initiative, Parklets, Street Closures, Safe Parking, Project Homekey, California Avenue Parking discussions, and Electrification. These efforts cannot be managed by existing line positions and instead are being absorbed by program managers, the department director and assistant director. Other areas of interest, including exploring opportunities to use City-owned surface parking lots for future affordable housing partnerships, capitalizing on an \$800,000 grant funding opportunity to explore housing solutions Downtown (University Avenue Area) and anticipated further engagement on S/CAP objectives simply exceed the department's ability to effectively participate in these efforts. Typically, in such instances, staff from the department's current planning program can be leveraged to support long range planning, which is being done where feasible; however, current planning consultant funding has been substantially reduced (\$336K) leaving little resources available to support these long-range efforts. The department is oversubscribed when new Council-initiatives are assigned and is challenged in responding to emerging issues, such as related to SB 9 and other changes in State law.

- *Office of Transportation:* Progress on several key initiatives continue in FY 2022. These include rail grade separation and safety, coordinating with Planning & Development Services and Public Works with the City's Uplift Local efforts, on-demand transit program, street calming projects, parking program modifications, and Safe Routes to School.

Staff is in the process of garnering Council direction for additional studies on all rail grade separation alternatives and continuing to provide expertise to local street closures and streetscape endeavors. The rail safety grant funded (Section 130) upgrades at Churchill Avenue are finishing up the design phase and will move to construction by the end of FY 2022. The City has been awarded \$2M in VTA's Measure B Innovative Transit funding for a pilot on-demand transit service and is seeking Council approval for

a funding agreement with VTA on Oct 25, 2021, CMR 13589.

Most Transportation programs and projects have continued to progress with minor modifications; two projects are the Crescent Park traffic calming pilot and the installation of school zone speed signage. Within the parking division, Residential Preferential Parking (RPP) program enforcement has been paused since March 2020 but resumed on October 1, 2021, and RPP permit sales are moving toward a virtual system. Installation of new parking signage continues to be on hold but staff is ready to have installation occur once virtual permitting is established in RPP districts, sometime in the beginning of calendar year 2022.

Safe Routes to School (SRTS) staff are responding to a record number of parent complaints about safety for all modes of travel due to a variety of post-pandemic dynamics, including the elimination of the PAPD traffic team and the cancellation of the Palo Alto Shuttles. Staff are responding to elevated requests for field-based safety observations and educational presentations. At the same time, pandemic-related absences in PTA leadership have resulted in city staff supporting activities typically led by the PTA.

#### *Infrastructure and Environment*

- *Public Works Department:* A high volume of staff vacancies are attributable to positions held vacant during the development of the FY 2022 budget, as well as a particularly high level of turn over and attrition. In addition, the Department is seeing a very competitive hiring market resulting in difficulties hiring qualified candidates. The current count of vacancies across all funds and service areas totals 34 positions. The Public Works services most affected by vacancies are streets, sidewalks, and storm drains in-house operations. This twelve-person work group is currently down five positions. Larger projects requiring a full work crew and some standard maintenance work have been postponed, while the group continues to address issues like pothole repair, temporary sidewalk repair, tripping hazards, and emergency repairs

Vehicle procurement has also seen unique challenges this year stemming from supply chain issues. Manufacturers have adjusted purchase request cut-off dates resulting in increased purchase costs and ordering delays. Some manufacturers have been unable to honor quotes due to increases in material costs. The Department has seen orders canceled by manufacturers due to supply and demand issues.

- *Utilities Department:* Fiscal Year 2022 supply trends through August remain aligned to trends in prior years, fluctuating along similar seasonal patterns, such as lower gas consumption in summer months due to less use of gas during warmer weather. Some fluctuations may be greater than originally anticipated, for example water sales may decrease as more customers voluntarily reduce consumption in the face of rising awareness on drought conditions and conservation efforts. Wastewater collection sales

may decrease more than originally anticipated due to a two-month delay implementing the FY 2022 rate increases, and less wastewater collections resulting from reductions in commercial water usage. Staffing levels in the Utilities department remain mostly on-track in spite of high vacancies, mostly due to work being programmed in capital projects according to anticipated staffing levels. Potential impacts from unplanned departures may slow down project velocity. However, potential staffing issues are mitigated with contract services, where possible, that help augment staffing levels.

As of Q1 2022, the total delinquent balance greater than 90 days for utility bills (electric, gas, water, sewer, refuse, storm drain) is approximately \$2.1 million. Prior to the pandemic, the average total delinquency balance was less than \$50,000 for accounts greater than 90 days. In addition, the number of accounts with delinquent balances greater than 90 days has increased tenfold from 140 to 1,400 accounts. The total aging delinquency balance is beginning to flatten as some customers begin to pay off their outstanding balance. In the FY 2022 financial forecasts that assisted in development of the FY 2022 rate changes, Utilities budgeted approximately \$4 million for delinquent bills.

Staff is currently monitoring and applying for financial relief (on behalf of the customers) from state programs such as the California Department of Community Services and Development ([California Arrearage Payment Program](#)). Thus far, Utilities has submitted a request for \$1.1 million of electric and gas bills in arrear during the pandemic for residential and non-residential customers. Utilities is waiting to hear back from the state on the final funding allocation for the City. Utilities will also begin sending letters to customers with delinquent balances to establish payment installation plans and provide information on financial relief programs.

#### *Internal Services/Strategic Support*

- *City Attorney's Office:* Full-service legal support activities are being provided to all City units, with emphasis on land use, housing, parking and transportation, sustainability and climate action, finance and ballot measures, infrastructure capital projects, race and equity work, human resources support, and litigation defense. Additional ongoing work includes: drafting and negotiating contracts, MOUs, and intergovernmental agreements; procurement advice; construction contract administration guidance; CEQA review; PDS project review support; long range Planning support; Public Records Act advice; utility rate setting; audit support; Board & Commission training and support; and ethics and conflicts advice. The Attorney's Office has temporarily taken on coordination of Public Records Act responses, pending filling of vacancies in the Clerk's Office.

Our restored services have been implemented as planned; however, in several key areas, some work is subject to extended response times as projects are prioritized. This is partly due to challenges with filling a key in-house position, while the volume of City initiatives requiring legal support continues to flow at a robust pace. Qualified senior-

level municipal lawyers are in short supply in our region, as a significant wave of retirements and departures has created many vacancies in senior-level attorney positions and supply remains limited due in part to high relocation costs. While continuing hiring efforts, the Office is supplementing in-house staff with outside consultant services.

- *City Clerk's Office:* In the last 4 months, the Clerk's Office has experienced significant staffing changes. Currently there are only two members of the team: the new City Clerk, appointed by Council in July 2021, and the Administrative Assistant, both of whom continue to provide in-person services to the public four days per week. Recruitments are currently underway to fill positions to rebuild the capacity of the department.

Despite these challenges, the Clerk's Office continues to support all public meetings, which are still being held virtually. As there is no active election in the 2021 calendar year, Staff is using this opportunity to focus on long-term projects and identify operational efficiencies, including: replacing the agenda management system; acquiring a record management system to better facilitate public access; and fostering relationships with Boards and Commissions for synergies, commissioner onboarding, and process standardization.

- *City Manager's Office:* While the City Manager and Executive Assistant are working in-office daily, all other CMO staff are working a hybrid schedule of in-office and remote-work. Key priority projects are still being worked on, including: race & equity workplans and actions; community and business support; City of Palo Alto communications; and fiscal monitoring. Website optimization continues to be a priority for Communications staff. Staff continues to support all COVID-19 response activities, especially related to: policy decisions; public safety needs; tracking department COVID-19 work; monitoring and implementing County and State health responses and measures; communicating and informing the community and other stakeholders on public health emergency details; and continued organizational management through the pandemic and recovery.
- *Administrative Services Department:* Operations continue relatively uninterrupted as most of the work within the Department can be completed remotely. A gradual hybrid return to work model has been initiated in the various divisions, with Revenue Collections increasing in-person customer-facing work at the service windows while continuing mail, lock box, and phone support. Special project support including support of economic recovery and revenue generating ballot measures, in addition to continuing race and equity initiatives, economic and fiscal monitoring and recovery planning, implementation of a new parking permit system, administration of the small business grants, fiscal modeling for major capital investments, and monitoring and reporting as required by FEMA and CARES Act. Staff continue annual duties including, but not limited to, the daily operations of both warehouses at the water quality control plant and municipal service yard, year-end close and third-party financial audit for production of

the annual comprehensive financial report, development and preparation for the FY 2023 annual budget process beginning with the long range financial forecast, the issuance of solicitations and contract issuance, management of the City's real estate portfolio including lease agreements and tenant transitions, and bi-weekly payroll.

The department is currently facing a continued number of vacancies or onboarding of new staff in the financial and procurement operations which is straining staff's ability to balance the annual processes and practices with the additional activities due to the COVID-19 pandemic. For example, staff have increased the number of reports for Council consideration with increased frequency of financial reporting that is impacting the depth of work in other areas. In addition, due to vacancies, high priority projects such as the exploration of a November 2022 ballot measure are being absorbed by division managers, the department director and assistant directors. New staff are working furiously to come up to speed however, the training process takes time and is resulting in delays in cycle time as well as some gaps in best practices such as updating written policies and procedures.

- *Human Resources Department:* Priority activities continue to focus on COVID-19 response, in addition to supporting the organization to adjust to impacts due to changes in the citywide budget. COVID-19 activities include providing updated employee information to align with changing health conditions; implementing and interpreting COVID-19 safety protocols; providing COVID-19 exposure tracking, reporting, contact tracing and case management; implementing a citywide COVID-19 Vaccination Policy and regular testing program, and coordinating community testing sites in a city-county partnership. Supporting the budget includes prioritizing recruiting for essential positions exempted from the current hiring freeze, and providing citywide health, safety and benefits advice and consultation.

The Department continues to provide support for activities related to Council Ad Hoc Subcommittees on Race and Equity. Regular and ongoing work that is part of the core responsibilities of HR include updating website information, conducting technical work for the SAP upgrade and oversight of benefits annual open enrollment. Other regular work includes administering employee benefits plans and coordination with benefits brokers; maintenance of collective bargaining agreements, responding to State and Federal agencies related to workplace complaints and investigations; processing employee personnel action changes (PAFs), maintaining employee salary plans, processing invoices for payment; manage workers' compensation leaves and benefits, intake of new injury and illness claims, oversight of ergonomics program including tips for teleworkers, risk management review of city contracts, and maintenance of ten City insurance policies.

- *Information Technology Department:* The Information Technology Department (ITD) continues to support remote staff and return to work efforts. ITD received additional

funding for professional services to help with providing the necessary resources to help with restoring City services. In addition, ITD will continue to modernize GIS, initiate the SAP Phase 2 project, improve services, support staff, and upgrade the network and computer infrastructure.

### **Timeline, Next Steps**

Staff expect to continue to diligently manage financials across the organization, providing City Council updates as information becomes available. As we continue into the 2022 fiscal year, staff is already beginning to prepare work on the FY 2023 budget as well as a number of regular reporting activities over the coming months. Below is a list of expected reports and Council updates planned over the next few months. The Council will continue to be updated on the financials of FY 2022 through these planned discussions with adjustments brought forward as necessary once more information is available and known. Expected upcoming financial status, budget reporting and Community and Economic Recovery Strategy conversations include:

#### *November 2021:*

Continued discussion related to 2022 ballot measure  
Status check-in FY 2021 Adopted Budget City Council Referrals  
FY 2021 Annual Comprehensive Financial Report & Year-End Budget Adjustments

#### *December 2021:*

Final 1<sup>st</sup> Quarter Financial Report  
FY 2023-2032 Long Range Financial Report

#### *February 2022:*

FY 2022 Mid-Year Budget Review and Preliminary 2<sup>nd</sup> Quarter Financial Status

### **Stakeholder Engagement**

This effort to manage and monitor the financial status of City funds continues to be a citywide effort coordinated among all departments. Outside consultants for expertise on major revenues categories including Sales Tax and Property Tax are consulted regularly to provide updates to the forecasted revenue collections.

### **Resource Impact**

This report recommends actions to amend the City's financials, however, depending on trends and further input from Council, actions may be necessary later in the year to better align revenues with expected collections as well. The City has prudently planned for this economic recessionary period and at this time, should continue to monitor activities closely before making further adjustments.

### **D. Recommended Adjustments to the Budget and Table of Organization**

This report includes budget adjustments to begin to realign resources with the priorities identified by the City Council after the FY 2022 Adopted Budget. Major changes recommended

as directed by the Council and/or recommended by staff are below, and all transactions can be found in greater detail in Attachment A.

#### *Position/Table of Organization Changes*

Critical staffing challenges are being faced on new City Council priorities. This report includes recommendations to add 4.00 positions, increasing staffing levels in the General Fund from 506.80 FTE to 510.80 FTE (956.00 FTE to 960.00 FTE Citywide):

- 2.00 Assistant to the City Manager positions to add resources for City Council priorities such as housing support initiatives and economic development, as previously directed by Council.
- 1.00 Administrative Associate III position to restore front desk reception staffing at the Development Center in alignment with increased activity levels.
- 1.00 Public Safety Communications Officer position to restore management resources for dispatch staff and operations.

#### *Budget Adjustments*

- Critical funding for Council priorities as directed by the Council include: Ballot Measure Consultant Contracts and Legal Counsel (\$250,000), Economic Development Coordination and Management (\$150,000) from Strategic Investment Reserve, Support for Unhoused Services and Emergency Shelter Operations (\$550,000).
- Support for the restoration of services and administration of the transition of services both due to changes in service levels as well as adaptation to the COVID-19 recovery include: Strategic Investment Reserve Geographic Information System (GIS) Software Support (\$125,000), additional Lobby Support (\$100,000), Development Center Front Desk Staffing (\$65,000), and Public Safety Communications Management (\$120,000).
- Proactive funding of the Reserve: Utilities Transfer Litigation (Equity Transfer (\$4.0 million) from Budget Stabilization Reserve, a reallocation of prior reserved funds from a separate dispute.
- Technical clean-up actions to align the FY 2022 budget with the preliminary FY 2021 year end allowing for completion of transactions such as transfers to the City's pension and other post-employment benefit trust funds as well as litigation liability reserves.

These actions and the changing landscape were in large part anticipated through the annual budget process and are recommended to be offset by the use of reserves set aside. Below is a summary of the remaining reserve balances after adjusting for the recommended uses in this report:

- Reserve: Administrative Support \$175,000, from \$300,000
- Reserve: FY 2022 City Council Budget Uncertainty \$0, from \$475,000 (The Council has a contingent account with an unallocated balance of \$95,000.)
- Reserve: Strategic Investments \$275,000, from \$750,000

- Reserve: Transition Costs \$515,000, from \$1.1 million (it is expected that an additional up to \$200,000 will be recommended for executive and contractual recruitment services, to be considered with the contract award at a later date)
- Preliminary FY 2021 year-end financial reflect a Budget Stabilization Reserve (BSR) of \$42.4 million or \$3.7 million above the 18.5% target, once adjusted for the reallocation of reserved funds to the Utilities Transfer Litigation (Equity Transfer) Reserve.

*Utilities Management and Professional Association of Palo Alto (UMPAPA) changes*

This report includes a recommendation to amend UMPAPA salary schedule to increase the Utility Safety Officer classification salary in alignment with market rates, from a maximum salary of \$138,528 to a new maximum salary of \$154,586 (Attachment B). The FY 2022 Table of Organization includes 1.00 FTE Utility Safety Officer position that will be impacted by this action. The Utility Safety Officer is responsible for the design, implementation, management, and evaluation of the Utilities department health and safety programs. This sensitive and critical position is directly impacting the 200+ employees who work each day to ensure the safe and reliable use of public utilities in the City of Palo Alto. It requires a high level of independent judgement, technical knowledge, and leadership. As a high-level supervisory classification, the Utilities Safety Officer must coordinate across all divisions within utilities as well as address key stakeholders throughout the City to successfully implement health and safety programs.

In order to recruit and retain for this position the City must remain competitive against the open market and keep top talent once brought on board. Based on advice from external consultants and an internal study of duties and responsibilities, it is recommended that the Utility Safety officer be set at a maximum annual salary of \$154,586. This action better positions the City in this competitive market and aligns to appropriate internal comparators (Senior Management Analyst) with equal levels of required judgment, knowledge, and technical competency.

**Environmental Review**

The action recommended is not a project for the purposes of the California Environmental Quality Act.

**Attachments:**

- **Attachment5.a:** Attachment A: Recommended Budget Adjustments
- **Attachment5.b:** Attachment B: Amended UMPAPA Salary Schedule
- **Attachment5.c:** Attachment C: Amended FY 2022 Table of Organization

## ATTACHMENT A

**CITY OF PALO ALTO**  
**RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET**

Department		FTE	Revenues		Expenses	
			Adjustment		Adjustment	
GENERAL FUND (102)						
Administrative Services	<b><u>Ballot Measure Contracts: Property Tax Consultant, Polling, and Outreach Consultants</u></b> Based on the workplan presented to the City Council on August 16, 2021 (CMR 12299) for the potential November 2022 ballot measure, two rounds of constituent polling and two intervals of stakeholder outreach will commence in November/December 2021. Prior to roll out of polling and coordination with the outreach consultant, staff has tentatively scheduled City Council review of the draft poll in November2021. In order to adequately staff this work, outside consultant support is needed. In addition, the City Council has directed staff to explore a square footage business tax; therefore, analytical and research support is needed from the City's property tax consultant, HdL Coren and Cone. Funding for this action comes from the Strategic Investments Reserve.	0.00	\$	-	\$	200,000
City Attorney's Office	<b><u>Ballot Measure Contracts: Legal Support</u></b> Municipal revenue generation is a specialized area of law that is actively continuing to develop as courts address unsettled issues of law. Litigation is not uncommon, which makes it imperative that the City receive high-quality legal support in considering and developing a ballot measure or measures. This action would provide funding for special counsel resources to: (a) assist Council with legal analysis of revenue generation options, mandatory and discretionary exemptions, and procedural requirements; and (b) support drafting of ballot materials, including tax ordinances, for presentation to the voters. Funding for this action comes from the Strategic Investments Reserve.	0.00	\$	-	\$	50,000
City Manager's Office	<b><u>Economic Development Coordination and Management</u></b> Per Council direction on September 13, 2021 (CMR 13433), this action adds a 1.00 FTE Assistant to the City Manager position to the Office of the City Manager to focus on and enhance the coordination and management of economic development activities. The cost of this position has been pro-rated for seven months, from December 1, 2021 to June 30, 2022 (\$150,000). Additionally, in accordance with the Request for Proposals (RFP) scope reviewed by Council, an RFP will be issued to hire an economic development strategy consultant, based on the identified scope for services, with a primary focus on retail and hotel occupancy. There is not enough information at this time to appropriate the associated contract expenses, which is currently estimated at an additional cost of \$250,000. Upon completion of the RFP, staff will bring an amendment to Council for these expenses. Funding for this action comes from the Strategic Investments Reserve.	1.00	\$	-	\$	150,000
City Manager's Office	<b><u>Housing Support Operations: Program Staffing</u></b> Per Council direction on August 9, 2021 (CMR 13453), this action adds a 1.00 FTE Assistant to the City Manager position to the Office of the City Manager to manage and oversee the implementation of unhoused services and emergency shelter operations. The cost of this position has been pro-rated for seven months, from December 1, 2021 to June 30, 2022 (\$150,000). Additional funding for related work is recommended in the Community Services and Police Departments as discussed elsewhere in this attachment. Funding for this action comes from the FY 2022 City Council Budget Uncertainty Reserve.	1.00	\$	-	\$	150,000
Community Services	<b><u>Housing Support Operations: Case Management Resources for Unhoused Services</u></b> As presented to Council on August 9, 2021 (CMR 13453), this action adds \$100,000 in contract expenses for case management resources, and this service can best be provided via a professional services contract. An outreach case worker would proactively conduct outreach to unhoused individuals (unsheltered and in RV's/Vehicles) on our streets, commercial corridors, parking garages, transit center, community centers/libraries, creeks, parks, and open spaces. The goal would be to connect an individual with social services, shelter and ultimately housing. Funding for this action comes from the FY 2022 City Council Budget Uncertainty Reserve.	0.00	\$	-	\$	100,000

## ATTACHMENT A

## CITY OF PALO ALTO

## RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses	
			Adjustment		Adjustment	
GENERAL FUND (102)						
Non- Departmental	<b><u>Covid-19 Recovery: Workplace Restoration for City Hall Lobby Support</u></b> This action increases funding for COVID-19 Recovery: Workplace Restoration to provide consistent support for City Hall lobby services on a daily basis. As the organization adapts to the changes and lessons learned from the pandemic, new features including a virtual receptionist function that will dial to a live employee has been added to assist the public in their business needs. This will allow for 'live' customer services presense in the City Hall lobby to greet visitors, make appointments, and direct them to the correct department/contact to answer questions. This will also help the City better understand customers, their needs, and adaptations to current busines processes with the intention to increase ease for the public. Funding for this action is reallocated from the Transition Costs Reserve.	0.00	\$	-	\$	100,000
Non- Departmental	<b><u>Transfer to the Information Technology Fund</u></b> This action appropriates \$125,000 transfer to the Information Technology Fund to support work on the City's Geographic Information Sysyem (GIS) software. Fundng for the Information Technology Department may be used for internal staffing or consutant services and will dependent on the market. Ultimately this resource will assist in further work on the City's GIS platform to upgrade, replace, and develop new applications to support the city department's GIS needs. Current and potential future projects anticipated to leverage this pltform include Fiber to the Home (FTTH) initiatives, Parcel Reporting, Urban Forestry, and Electric.	0.00	\$	-	\$	125,000
Non- Departmental	<b><u>Reserve: Administrative Support</u></b> This action reduces the Administrative Support Reserve by \$125,000 and transfers the funding to the Information Technology Fund to support work on the City's Geographic Information System (GIS) software. This action brings the Reserve down to \$175,000.	0.00	\$	-	\$	(125,000)
Non- Departmental	<b><u>Reserve: FY 2022 City Council Budget Uncertainty</u></b> This action reduces the FY 2022 City Council Budget Uncertainty Reserve to fund several items related to Housing Services, Unhoused Services and Emergency Shelter Operations in this report: \$150,000 will be moved to the City Manager's Office, \$100,000 to the Community Services Department, and \$225,000 to the Police Department. These actions bring the Reserve to \$0.	0.00	\$	-	\$	(475,000)
Non- Departmental	<b><u>Reserve: Strategic Investments</u></b> This action reduces the Strategic Investments Reserve to fund several items in this report: \$250,000 will be allocated for Ballot Measure Consultant Contracts, \$150,000 will be allocated for Economic Development Coordination and Management, and \$75,000 will be allocated to support public safety overtime for Unhoused Services and Emergency Shelter Operations. These actions bring the reserve from \$750,000 to \$275,000; remaining funding is anticipated to be allocated once the Request for Proposal (RFP) is completed for economic development review and strategies as directed by the City Council September 13, 2021 (CMR 13433).	0.00	\$	-	\$	(475,000)
Non- Departmental	<b><u>Reserve: Transition Costs</u></b> This action reduces the Transition Costs Reserve to fund several items in this report: \$100,000 will be moved to Covid-19 Recovery: Workplace Restoration to provide additional administrative support for City Hall lobby services. \$120,000 will be moved to the Police Department to restore a 1.00 FTE Public Safety Communications Manager position. These actions bring the reserve to \$515,000, it was originally \$1.1 million beginning in FY 2021; up to \$200,000 of the remaining funding is anticipated to be recommended to fund contract assistance for recruitment activities.	0.00	\$	-	\$	(220,000)

## ATTACHMENT A

## CITY OF PALO ALTO

## RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET

Department		FTE	Revenues		Expenses	
			Adjustment		Adjustment	
GENERAL FUND (102)						
Non-Departmental	<b><u>Reserve: Utilities Transfer Litigation (Equity Transfer)</u></b> This action increases the reserve for the potential financial impacts of an ongoing lawsuit, Green v. City of Palo Alto (Santa Clara Superior Court, Case No. 1-16-CV-300760) that was established as part of the FY 2022 Adopted Budget. This increase would bring the reserve to \$12.4 million. The City estimates an annual financial impact of over \$8 million over the coming four years and an average of \$4 million annually after the initial four-year period. This would reduce the previously planned annual \$8 million funding need over the coming three years. Funding for this action reflects the reallocation of funds previously reserved for a dispute over the distribution of Excess ERAF funds which has been resolved and these funds are able to be released. The reallocation to this litigation reserve positions the City in a more favorable manner to address the ongoing financial forecast for the organization and help smooth the financial impacts of COVID-19 and the uncertain recovery pace.	0.00	\$	-	\$	4,000,000
Planning & Development Services	<b><u>Charges for Services/Development Center Front Desk Staffing</u></b> This cost neutral action restores front desk reception services to the Development Center by adding a 1.00 FTE Administrative Associate III. In the FY 2021 Budget this role, previously performed by a consultant, was eliminated. This has resulted in significant administrative and customer service impacts at the Development Center. As activity levels return as part of COVID-19 recovery, the department is no longer able to absorb this workload with existing staff resources. Staff are now providing services both in-person and in a remote fashion; thus continuing new service delivery models adapted as part of the pandemic, however, this multimodal service delivery cannot be sustained in the constrained staffing levels.	1.00	\$	65,000	\$	65,000
Police	<b><u>Public Safety Communications Manager</u></b> As part of expense reductions in FY 2021, the Public Safety Communications Manager was frozen and eliminated in FY 2022. This salary exempt civilian management position managed four lead dispatchers who oversee dispatch staff in the public safety call center. The position functioned as both the primary supervisor and strategic manager of dispatch operations, requiring both technical and management skills. Since its elimination, a Sergeant has been redirected from the Investigations Division to fill the role. This position will allow the Departments to fulfill the mission of the 24/7 emergency call center, which serves emergency 911 telephone calls and texts, computer information and public safety records and two-way radio communication for police, fire, medical response, and calls for a number of other City departments. In addition, due to the limited number of filled sworn personnel, this ensures that the department is able to focus sworn resources on patrol activities. Funding for this action comes from the Transition Costs Reserve.	1.00	\$	-	\$	120,000
Police	<b><u>Housing Support Operations: Police Support Unhoused Services</u></b> This action adds \$300,000 in overtime expenses to the Police Department to support unhoused services and emergency shelter operations. The overtime hours will be used to support activities previously performed by the Utility Team (formerly referred to as the Special Enforcement Team). Due to significantly low staffing levels, the department is unable to dedicate patrol staffing to provide support, however this funding will allow for overtime to deploy on a limited schedule (not the typical 24/7 patrol schedule) that will focus on the health and safety of downtown and commercial cores and conduct outreach to the unhoused population that inhabit vehicles, streets, and/or parking facilities. Funding for this action comes from the FY 2022 City Council Budget Uncertainty Reserve (\$225,000) and from the Strategic Investments Reserve (\$75,000).	0.00	\$	-	\$	300,000
Fund Balance	<b><u>Adjustment to Fund Balance</u></b> This action decreases the fund balance to offset adjustments recommended in this report. This reflects funding that were released to the fund balance, previously reserved pending resolution of a dispute over the disbursement of excess ERAF funds.		\$	-	\$	(4,000,000)
GENERAL FUND (102) SUBTOTAL			\$	65,000	\$	65,000

## ATTACHMENT A

**CITY OF PALO ALTO**  
**RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET**

Department		Revenues Adjustment	Expenses Adjustment
<b>INTERNAL SERVICE FUNDS</b>			
<b><u>GENERAL BENEFITS FUND (688)</u></b>			
Non- Departmental	<b><u>Supplemental Pension 115 Trust Fund Contribution</u></b> This action increases the expense appropriation for additional contributions to the City's irrevocable Section 115 Pension Trust Fund for one-time pension savings in FY 2020 (\$2.0 million) and FY 2021 (\$875,000), consistent with the Pension Funding Policy adopted by the City Council (CMR 11722). These savings represent amounts collected from departments that exceeded annual required payments in the respective fiscal years and remains unspent in the fund balance. With this action, the total planned contributions to the pension trust are \$40.2 million (approximately 65 percent of the total is from General Fund).	\$ -	\$ 2,875,000
Fund Balance	<b><u>Adjustment to Fund Balance</u></b> This action adjusts the fund balance to offset adjustments recommended in this report.	\$ -	\$ (2,875,000)
<b>GENERAL BENEFITS FUND (688) SUBTOTAL</b>		<b>\$ -</b>	<b>\$ -</b>
<b><u>INFORMATION TECHNOLOGY FUND (682)</u></b>			
Information Technology	<b><u>Transfer from the General Fund/Geographic Information System (GIS) Software Support</u></b> This action increases the transfer from the General Fund administrative Support Reserve to fund additional support for the City's GIS software. Funding for the Information Technology Department may be used for internal staffing or consultant services and will dependent on the market. Ultimately this resource will assist in further work on the City's GIS platform to upgrade, replace, and develop new applications to support the city department's GIS needs. Current and potential future projects anticipated to leverage this platform include Fiber to the Home (FTTH) initiatives, Parcel Reporting, Urban Forestry, and Electric.	\$ 125,000	\$ 125,000
<b>INFORMATION TECHNOLOGY FUND (682) SUBTOTAL</b>		<b>\$ 125,000</b>	<b>\$ 125,000</b>
<b><u>RETIREE HEALTH FUND (694)</u></b>			
	<b><u>Supplemental Retiree Healthcare / Other Post Employment Benefit (OPEB) Contribution (for the FY 2021 period)</u></b> This action increases the expense appropriation to the City's California Employers' Retiree Benefit Trust (CERBT) Fund at a more conservative 6.25% discount rate, consistent with City Council direction in May 2020 (CMR 11284) for the 2021 fiscal year. The additional planned contribution of \$1.4 million (\$0.9 million in the General Fund) was inadvertently not transmitted to the CERBT by the close of the fiscal year, this action appropriates that funding in FY 2022 to correct for that error.	\$ -	\$ 1,358,000
Fund Balance	<b><u>Adjustment to Fund Balance</u></b> This action adjusts the fund balance to offset adjustments recommended in this report.	\$ -	\$ (1,358,000)
<b>RETIREE HEALTH FUND (694) SUBTOTAL</b>		<b>\$ -</b>	<b>\$ -</b>

## ATTACHMENT A

**CITY OF PALO ALTO**  
**RECOMMENDED AMENDMENTS TO THE CITY MANAGER'S FY 2022 BUDGET**

Department		Revenues Adjustment	Expenses Adjustment
<b>SPECIAL REVENUE FUNDS</b>			
<b><u>Stanford Research Park/El Camino Real CS Zone Traffic Impact Fund (245)</u></b>			
<i>Inter-Agency Expenses</i>	<b><u>Inter-Agency Expenses: Traffic Improvements Reimbursement</u></b> This action increases the Inter-Agency Expenses appropriation in the Stanford Research Park/El Camino Real CS Zone Traffic Impact Fund by \$2.2 million to pay the City share of costs detailed in the Sharing Agreement between the County of Santa Clara and the City of Palo Alto, as approved by Council on August 8, 2017 (CMR 7990). The City agreed to provide transportation impact fees for the design, review, and construction of improvements for Mill Road intersections at both Hanover Street and El Camino Real. The project took longer than originally anticipated, so the balance of funding owed was never delivered to the County. Therefore, this action is a technical clean-up to appropriate the funding in FY 2022 and reimburse the County, now that the project is complete.	\$ -	\$ 2,200,000
<i>Fund Balance</i>	<b><u>Adjustment to Fund Balance</u></b> This action decreases the fund balance to offset adjustments recommended in this report.	\$ -	\$ (2,200,000)
<b>Stanford Research Park/El Camino Real CS Zone Traffic Impact Fund (245) SUBTOTAL</b>		<b>\$ -</b>	<b>\$ -</b>

**City of Palo Alto**  
**Utilities Management and Professional Association of Palo Alto (UMPAPA) Salary Schedule**  
 \*Effective 11/06/2021 - For Utility Safety Officer Only

Job Code	FLSA Status	Classifications	GC	Min Hourly Rate (new)	Max Hourly Rate	Approx. Max Monthly Salary	Approx. Max Annual Salary
2017	Exempt	Utility Safety Officer	390	\$49.95	\$66.60	\$11,544	\$138,528
2017	Exempt	Utility Safety Officer	390	\$55.74	\$74.32	\$12,882	\$154,586

# TABLE OF ORGANIZATION

## Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
<b>General Fund</b>						
<b>Administrative Services</b>						
Account Specialist	4.63	4.63	3.13	4.13	1.00	31.9%
Account Specialist (Freeze)	—	—	1.50	—	(1.50)	(100.0)%
Account Specialist-Lead	3.45	3.45	3.45	3.45	—	—%
Accountant	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	1.00	1.00	0.50	0.50	—	—%
Administrative Associate II (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Administrative Associate III	1.00	1.00	1.00	1.00	—	—%
Assistant Director Administrative Services	1.65	1.65	1.65	1.65	—	—%
Buyer	1.00	1.00	1.00	2.00	1.00	100.0%
Chief Procurement Officer	1.00	1.00	1.00	1.00	—	—%
Contracts Administrator	2.70	2.70	2.30	1.70	(0.60)	(26.0)%
Contracts Administrator (Freeze)	—	—	0.40	—	(0.40)	(100.0)%
Director Administrative Services/CFO	0.80	0.80	0.80	0.80	—	—%
Director Office of Management and Budget	1.00	1.00	—	1.00	1.00	—%
Director Office of Management and Budget (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Management Analyst	1.00	2.00	2.00	2.00	—	—%
Manager Budget	2.00	2.00	2.00	2.00	—	—%
Manager Real Property	1.00	1.00	1.00	1.00	—	—%
Manager Revenue Collections	0.62	0.62	0.62	0.62	—	—%
Manager Treasury, Debt & Investments	0.60	0.60	0.60	0.60	—	—%
Manager, Finance	1.00	1.00	1.00	1.00	—	—%
Payroll Analyst	2.00	2.00	2.00	2.00	—	—%
Performance Auditor II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Senior Accountant	3.00	3.00	3.00	3.00	—	—%
Senior Buyer	1.00	1.00	1.00	1.00	—	—%

## TABLE OF ORGANIZATION

## Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Senior Management Analyst	2.30	2.30	2.30	2.30	—	—%
Storekeeper	1.00	1.00	1.00	1.00	—	—%
Storekeeper-Lead	0.20	0.20	0.20	0.20	—	—%
Warehouse Supervisor	0.20	0.20	0.20	0.20	—	—%
<b>Total Administrative Services</b>	<b>38.15</b>	<b>39.15</b>	<b>40.15</b>	<b>37.15</b>	<b>(3.00)</b>	<b>(7.5)%</b>
<b>City Attorney</b>						
Assistant City Attorney	3.00	3.00	3.00	3.00	—	—%
Chief Assistant City Attorney	1.00	1.00	1.00	1.00	—	—%
City Attorney	1.00	1.00	1.00	1.00	—	—%
Claims Investigator	1.00	1.00	1.00	1.00	—	—%
Deputy City Attorney	1.00	1.00	1.00	1.00	—	—%
Legal Fellow	1.00	1.00	0.50	1.00	0.50	100.0%
Legal Fellow (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Secretary to City Attorney	1.00	1.00	1.00	1.00	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
<b>Total City Attorney</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>—</b>	<b>—%</b>
<b>City Auditor</b>						
City Auditor	1.00	1.00	1.00	—	(1.00)	(100.0)%
Performance Auditor I	1.00	—	—	—	—	—%
Performance Auditor II	1.00	2.00	—	—	—	—%
Senior Performance Auditor	1.00	1.00	2.00	—	(2.00)	(100.0)%
<b>Total City Auditor</b>	<b>4.00</b>	<b>4.00</b>	<b>3.00</b>	<b>—</b>	<b>(3.00)</b>	<b>(100.0)%</b>
<b>City Clerk</b>						
Administrative Associate III	2.00	2.00	2.00	2.00	—	—%
Assistant City Clerk	1.00	1.00	1.00	1.00	—	—%
City Clerk	1.00	1.00	1.00	1.00	—	—%
Deputy City Clerk	1.00	1.00	1.00	1.00	—	—%
<b>Total City Clerk</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>—</b>	<b>—%</b>
<b>City Manager</b>						
Administrative Assistant	1.00	2.00	2.00	2.00	—	—%
Administrative Associate III	1.00	—	—	—	—	—%
Assistant City Manager	—	1.00	1.00	1.00	—	—%
Assistant City Manager/Utilities General Manager	0.25	—	—	—	—	—%

## TABLE OF ORGANIZATION

## Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Assistant to the City Manager ***	2.00	2.00	1.00	3.00	2.00	200.0%
Assistant to the City Manager (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Chief Communications Officer	1.00	1.00	1.00	1.00	—	—%
Chief Sustainability Officer	1.00	—	—	—	—	—%
City Manager	1.00	1.00	1.00	1.00	—	—%
Deputy City Manager	2.00	1.00	1.00	1.00	—	—%
Executive Assistant to the City Manager	1.00	1.00	1.00	1.00	—	—%
Management Analyst	0.75	0.75	—	—	—	—%
Manager Communications	1.00	1.00	1.00	1.00	—	—%
<b>Total City Manager</b>	<b>12.00</b>	<b>10.75</b>	<b>10.00</b>	<b>11.00</b>	<b>1.00</b>	<b>10.0%</b>
<b>Community Services</b>						
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate III	1.00	1.00	—	—	—	—%
Administrative Associate III (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Assistant Director Community Services	2.00	2.00	1.00	1.00	—	—%
Assistant Director Community Services (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Building Serviceperson	1.25	1.25	1.00	1.00	—	—%
Building Serviceperson-Lead	0.60	0.60	0.60	0.60	—	—%
Coordinator Recreation Programs	3.00	4.00	4.00	4.00	—	—%
Director Community Services	1.00	1.00	1.00	1.00	—	—%
Division Manager Open Space, Parks and Golf	1.00	1.00	—	—	—	—%
Heavy Equipment Operator	0.07	0.07	0.07	—	(0.07)	(100.0)%
Inspector, Field Services	2.00	2.00	2.00	2.00	—	—%
Junior Museum & Zoo Educator	3.60	3.60	3.25	3.25	—	—%
Junior Museum & Zoo Educator (Freeze)	—	—	0.35	—	(0.35)	(100.0)%
Management Analyst	1.00	1.00	1.00	1.00	—	—%
Management Assistant	1.00	1.00	1.00	1.00	—	—%
Manager Community Services	5.00	5.00	4.00	5.00	1.00	25.0%
Manager Community Services (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Manager Community Services Senior Program	4.00	4.00	4.00	4.00	—	—%
Manager Human Services	1.00	1.00	1.00	1.00	—	—%
Park Maintenance Person	6.00	6.00	6.00	6.00	—	—%
Park Maintenance-Lead	1.00	1.00	1.00	1.00	—	—%
Park Ranger	5.00	5.00	5.00	5.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Parks/Golf Crew-Lead	2.00	2.00	2.00	2.00	—	—%
Producer Arts/Science Program	11.00	11.00	10.25	11.00	0.75	(12.0)%
Producer Arts/Science Program (Freeze)	—	—	1.75	—	(1.75)	(100.0)%
Program Assistant I	8.00	8.00	3.00	3.00	—	—%
Program Assistant I (Freeze)	—	—	4.00	—	(4.00)	(100.0)%
Program Assistant II	4.00	3.00	4.00	4.00	—	—%
Project Manager	0.10	0.10	0.10	0.10	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Sprinkler System Representative	4.00	4.00	4.00	4.00	—	—%
Superintendent Community Services	2.00	2.00	2.00	2.00	—	—%
Superintendent Recreation	1.00	1.00	—	—	—	—%
Superintendent Recreation (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Theater Specialist	2.00	2.00	2.00	2.00	—	—%
WGW Heavy Equipment Operator	—	—	—	0.07	0.07	—%
<b>Total Community Services</b>	<b>75.62</b>	<b>75.62</b>	<b>75.37</b>	<b>67.02</b>	<b>(8.35)</b>	<b>(11.1)%</b>
<b>Fire</b>						
40-Hour Training Battalion Chief	1.00	1.00	1.00	1.00	—	—%
40-Hour Training Captain	1.00	1.00	—	1.00	1.00	100.0%
40-Hour Training Captain (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	2.20	2.20	1.20	2.20	1.00	83.3%
Administrative Associate II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Battalion Chief	3.00	3.00	3.00	3.00	—	—%
Business Analyst	0.80	0.80	0.80	0.80	—	—%
Deputy Chief/Fire Marshal	0.05	0.05	0.05	0.05	—	—%
Deputy Director Technical Services Division	0.20	0.20	—	—	—	—%
Deputy Director Technical Services Division (Freeze)	—	—	0.20	—	(0.20)	(100.0)%
Deputy Fire Chief	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Emergency Medical Service Director	1.00	1.00	1.00	1.00	—	—%
Emergency Medical Services Data Specialist	1.00	1.00	1.00	1.00	—	—%
Fire Apparatus Operator	26.00	26.00	26.00	26.00	—	—%
Fire Captain	21.00	21.00	21.00	20.00	(1.00)	(4.8)%
Fire Chief	1.00	1.00	1.00	1.00	—	—%
Fire Fighter	34.00	34.00	29.00	29.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Fire Fighter (Freeze)	—	—	5.00	—	(5.00)	(100.0)%
Fire Inspector	0.80	0.80	0.40	0.40	—	—%
Fire Inspector (Freeze)	—	—	0.40	—	(0.40)	(100.0)%
Geographic Information System Specialist	0.50	0.50	0.50	0.50	—	—%
Hazardous Materials Inspector	0.30	0.30	0.30	0.30	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
<b>Total Fire</b>	<b>97.85</b>	<b>97.85</b>	<b>97.85</b>	<b>90.25</b>	<b>(7.60)</b>	<b>(7.8)%</b>
<b>Human Resources</b>						
Assistant Director Human Resources	1.00	1.00	1.00	1.00	—	—%
Director Human Resources/CPO	1.00	1.00	1.00	1.00	—	—%
Human Resources Representative	3.00	3.00	2.50	2.00	(0.50)	(20.0)%
Human Resources Representative (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Human Resources Technician	4.00	4.00	3.50	3.00	(0.50)	(14.0)%
Human Resources Technician (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Manager Employee Benefits	1.00	1.00	1.00	1.00	—	—%
Manager Employee Relations	1.00	1.00	1.00	1.00	—	—%
Senior Human Resources Administrator	3.00	3.00	3.00	3.00	—	—%
Senior Management Analyst	2.00	2.00	2.00	2.00	—	—%
<b>Total Human Resources</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>	<b>14.00</b>	<b>(2.00)</b>	<b>(12.5)%</b>
<b>Library</b>						
Administrative Associate III	1.00	1.00	—	—	—	—%
Administrative Associate III (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Assistant Director Library Services	1.00	1.00	—	—	—	—%
Assistant Director Library Services (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Business Analyst	1.00	1.00	1.00	1.00	—	—%
Coordinator Library Programs	1.00	1.00	1.00	1.00	—	—%
Director Libraries	1.00	1.00	1.00	1.00	—	—%
Division Head Library Services	1.00	1.00	1.00	1.00	—	—%
Librarian	7.00	6.00	6.00	6.00	—	—%
Library Associate	7.00	7.00	6.00	6.00	—	—%
Library Associate (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Library Specialist	11.50	11.50	10.50	10.50	—	—%
Library Specialist (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Management Analyst	1.00	1.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Manager Library Services	4.00	3.00	3.00	3.00	—	—%
Senior Librarian	9.00	8.00	6.00	6.00	—	—%
Senior Librarian (Freeze)	—	—	2.00	—	(2.00)	(100.0)%
Supervising Librarian	2.00	4.00	4.00	4.00	—	—%
<b>Total Library</b>	<b>47.50</b>	<b>46.50</b>	<b>46.50</b>	<b>40.50</b>	<b>(6.00)</b>	<b>(12.9)%</b>
<b>Office of Emergency Services</b>						
Director Office of Emergency Services	1.00	1.00	1.00	1.00	—	—%
Office of Emergency Services Coordinator	1.00	1.00	1.00	1.00	—	—%
Program Assistant II	1.00	1.00	—	—	—	—%
Program Assistant II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
<b>Total Office of Emergency Services</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>	<b>(1.00)</b>	<b>(33.3)%</b>
<b>Office of Transportation<sup>b</sup></b>						
Administrative Assistant	—	0.50	0.50	0.60	0.10	20.0%
Administrative Associate III	0.30	—	—	—	—	—%
Associate Engineer	0.65	0.30	0.30	0.35	0.05	16.7%
Associate Planner	0.24	0.30	0.45	0.40	(0.05)	(11.1)%
Chief Transportation Official	0.55	0.70	0.70	0.70	—	—%
Coordinator Transportation Systems Management	0.74	1.25	1.25	0.65	(0.60)	(48.0)%
Management Analyst	0.02	0.50	0.50	0.50	—	—%
Parking Operations-Lead	0.10	—	—	0.05	0.05	—%
Project Engineer	0.50	0.45	0.45	0.25	(0.20)	(44.4)%
Senior Engineer	—	0.20	0.20	0.20	—	—%
Senior Planner	0.28	0.50	0.50	0.15	(0.35)	(70.0)%
Traffic Engineering-Lead	0.65	0.35	0.35	0.35	—	—%
Transportation Planning Manager	0.36	1.15	1.15	1.00	(0.15)	(13.0)%
<b>Total Office of Transportation</b>	<b>4.39</b>	<b>6.20</b>	<b>6.35</b>	<b>5.20</b>	<b>(1.15)</b>	<b>(18.1)%</b>
<b>Planning and Development Services<sup>c</sup></b>						
Administrative Assistant	2.00	1.00	1.00	1.00	—	—%
Administrative Associate I	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	2.80	2.80	2.80	2.80	—	—%
Administrative Associate III ***	3.29	4.00	4.00	4.00	—	—%
Assistant Chief Building Official	1.00	1.00	1.00	1.00	—	—%
Assistant Director PCE	1.00	1.00	1.00	1.00	—	—%

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Associate Engineer	0.02	0.22	0.20	—	(0.20)	(100.0)%
Associate Planner	3.03	3.15	3.00	3.25	0.25	8.3%
Building Inspector Specialist	4.00	4.00	6.00	6.00	—	—%
Building/Planning Technician	3.00	3.00	2.00	2.00	—	—%
Building/Planning Technician (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Business Analyst	1.00	—	—	—	—	—%
Chief Building Official	1.00	1.00	1.00	1.00	—	—%
Chief Planning Official	1.00	1.00	1.00	1.00	—	—%
Chief Transportation Official	0.09	—	—	—	—	—%
Code Enforcement Officer	2.00	2.00	—	—	—	—%
Code Enforcement Officer (Freeze)	—	—	2.00	—	(2.00)	(100.0)%
Code Enforcement-Lead	1.00	1.00	1.00	1.00	—	—%
Deputy Chief/Fire Marshal	0.80	0.80	0.80	0.80	—	—%
Development Project Coordinator II	2.00	2.00	2.00	2.00	—	—%
Development Project Coordinator III	3.00	3.00	3.00	3.00	—	—%
Development Services Director	1.00	—	—	—	—	—%
Director Planning/Community Environment	1.00	1.00	1.00	1.00	—	—%
Engineer	0.64	0.64	0.52	0.52	—	—%
Engineering Technician III	1.78	1.78	1.50	1.50	—	—%
Fire Inspector	3.20	3.20	1.60	1.60	—	—%
Fire Inspector (Freeze)	—	—	1.60	—	(1.60)	(100.0)%
Hazardous Materials Inspector	1.60	1.60	1.60	1.60	—	—%
Industrial Waste Inspector	0.01	0.01	—	—	—	—%
Industrial Waste Investigator	0.35	0.35	0.35	0.35	—	—%
Inspector, Field Services	0.68	0.68	0.68	0.68	—	—%
Landscape Architect Park Planner	0.50	0.50	0.50	0.50	—	—%
Management Analyst	1.79	0.01	—	—	—	—%
Manager Development Center	1.00	—	—	—	—	—%
Manager Environmental Control Program	0.10	0.10	—	—	—	—%
Manager Planning	3.00	5.00	4.00	4.00	—	—%
Manager Urban Forestry	0.04	0.04	—	—	—	—%
Planner	4.00	4.00	4.00	4.00	—	—%
Planning Division Manager	1.00	—	—	—	—	—%
Principal Management Analyst	—	1.00	—	—	—	—%
Principal Planner	1.00	2.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Principal Planner (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Program Assistant	—	1.00	—	—	—	—%
Program Assistant I (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Project Engineer	0.33	0.13	0.10	—	(0.10)	(100.0)%
Senior Business Analyst	—	1.00	1.00	1.00	—	—%
Senior Engineer	0.46	0.46	0.40	0.40	—	—%
Senior Industrial Waste Investigator	0.01	0.01	—	—	—	—%
Senior Management Analyst	1.88	2.00	2.00	2.00	—	—%
Senior Planner	3.60	3.60	2.60	3.65	1.05	40.0%
Senior Planner (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Supervisor Inspection and Surveying	0.27	0.27	0.25	0.25	—	—%
Traffic Engineering-Lead	—	0.10	0.10	0.05	(0.05)	(50.0)%
Transportation Planning Manager	0.05	—	—	0.05	0.05	—%
<b>Total Planning and Development Services</b>	<b>62.32</b>	<b>62.45</b>	<b>61.60</b>	<b>55.00</b>	<b>(6.60)</b>	<b>(10.7)%</b>
<b>Police</b>						
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	3.00	3.00	2.00	2.00	—	—%
Administrative Associate II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Animal Control Officer	3.00	3.00	2.00	2.00	—	—%
Animal Control Officer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Animal Control Officer-Lead	1.00	1.00	1.00	1.00	—	—%
Animal Services Specialist II	2.00	—	—	—	—	—%
Assistant Police Chief	1.00	1.00	1.00	1.00	—	—%
Business Analyst	1.20	1.20	1.20	1.20	—	—%
Code Enforcement Officer	1.00	1.00	1.00	1.00	—	—%
Communications Manager	1.00	1.00	—	—	—	—%
Communications Manager (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Communications Technician	1.00	1.00	—	—	—	—%
Communications Technician (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Community Service Officer	7.50	7.50	5.63	5.63	—	—%
Community Service Officer (Freeze)	—	—	1.87	—	(1.87)	(100.0)%
Court Liaison Officer	1.00	1.00	1.00	1.00	—	—%
Crime Analyst	1.00	1.00	1.00	1.00	—	—%
Deputy Director Technical Services Division	0.80	0.80	—	—	—	—%

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Deputy Director Technical Services Division (Freeze)	—	—	0.80	—	(0.80)	(100.0)%
Geographic Information System Specialist	0.50	0.50	0.50	0.50	—	—%
Police Agent	19.00	19.00	19.00	19.00	—	—%
Police Captain	2.00	2.00	2.00	2.00	—	—%
Police Chief	1.00	1.00	1.00	1.00	—	—%
Police Lieutenant	5.00	5.00	4.00	4.00	—	—%
Police Lieutenant (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Police Officer	50.00	50.00	39.00	39.00	—	—%
Police Officer (Freeze)	—	—	11.00	—	(11.00)	(100.0)%
Police Records Specialist II	6.00	6.00	6.00	6.00	—	—%
Police Records Specialist-Lead	1.00	1.00	1.00	1.00	—	—%
Police Sergeant	14.00	14.00	14.00	14.00	—	—%
Program Assistant II	1.00	1.00	1.00	1.00	—	—%
Property Evidence Technician	2.00	2.00	2.00	2.00	—	—%
Public Safety Communications Manager ***	1.00	1.00	—	1.00	1.00	100.0%
Public Safety Communications Manager (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Public Safety Dispatcher	16.00	16.00	12.00	12.00	—	—%
Public Safety Dispatcher (Freeze)	—	—	4.00	—	(4.00)	(100.0)%
Public Safety Dispatcher-Lead	4.00	4.00	4.00	4.00	—	—%
Public Safety Program Manager	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Superintendent Animal Services	1.00	—	—	—	—	—%
Veterinarian	1.00	—	—	—	—	—%
Veterinarian Technician	2.00	—	—	—	—	—%
<b>Total Police</b>	<b>155.00</b>	<b>149.00</b>	<b>149.00</b>	<b>124.33</b>	<b>(23.67)</b>	<b>(16.6)%</b>
<b>Public Works</b>						
Administrative Assistant	1.00	1.00	1.00	0.50	(0.50)	(50.0)%
Administrative Associate I	0.60	0.10	0.10	—	(0.10)	(100.0)%
Administrative Associate II	2.65	2.65	2.65	2.65	—	—%
Administrative Associate III	0.01	0.01	0.01	—	(0.01)	(100.0)%
Assistant Director Public Works	0.87	0.73	0.73	0.73	—	—%
Associate Engineer	0.30	—	—	—	—	—%
Building Serviceperson-Lead	1.00	1.00	1.00	1.00	—	—%

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Cement Finisher	2.00	2.00	2.00	2.00	—	—%
Cement Finisher-Lead	0.26	0.26	0.26	0.26	—	—%
Coordinator Public Works Projects	1.50	1.50	1.50	1.50	—	—%
Director Public Works/City Engineer	1.00	1.00	1.00	1.00	—	—%
Electrician	0.80	0.80	0.80	0.80	—	—%
Engineer	0.66	0.36	0.48	0.48	—	—%
Engineering Technician III	1.47	1.47	1.75	1.75	—	—%
Equipment Operator	2.46	2.46	2.46	2.46	—	—%
Facilities Carpenter	1.00	1.00	1.00	1.00	—	—%
Facilities Maintenance-Lead	1.85	1.85	1.85	1.85	—	—%
Facilities Painter	1.75	1.75	1.75	1.75	—	—%
Facilities Technician	4.05	4.05	4.05	4.05	—	—%
Heavy Equipment Operator	2.33	2.33	2.33	2.10	(0.23)	(9.9)%
Heavy Equipment Operator-Lead	0.85	0.85	0.85	0.85	—	—%
Inspector, Field Services	0.11	0.11	0.11	0.11	—	—%
Landscape Architect Park Planner	0.60	0.60	0.60	0.60	—	—%
Management Analyst	0.70	0.70	1.45	1.45	—	—%
Manager Facilities	0.90	0.90	0.90	0.90	—	—%
Manager Maintenance Operations	1.20	1.20	1.20	1.20	—	—%
Manager Urban Forestry	0.96	0.96	1.00	1.00	—	—%
Manager Watershed Protection	0.05	0.05	0.05	0.05	—	—%
Project Engineer	0.50	—	—	—	—	—%
Project Manager	2.65	2.65	2.00	2.00	—	—%
Project Manager (Freeze)	—	—	0.65	—	(0.65)	(100.0)%
Senior Engineer	0.79	0.59	0.60	0.60	—	—%
Senior Management Analyst	1.11	1.11	1.11	1.11	—	—%
Senior Project Manager	0.10	—	—	—	—	—%
Supervisor Inspection and Surveying	0.10	0.10	0.10	0.10	—	—%
Surveyor, Public Works	0.33	0.33	0.33	0.33	—	—%
Traffic Controller Maintainer I	1.94	1.94	1.94	1.94	—	—%
Traffic Controller Maintainer II	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Tree Maintenance Person	1.00	1.00	1.00	1.00	—	—%
Tree Trim/Line Clear	7.00	7.00	7.00	7.00	—	—%
Tree Trim/Line Clear-Lead	1.00	1.00	1.00	1.00	—	—%
WGW Heavy Equipment Operator	—	—	—	0.23	0.23	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
<b>Total Public Works</b>	<b>51.45</b>	<b>49.41</b>	<b>50.61</b>	<b>48.35</b>	<b>(2.26)</b>	<b>(4.5)%</b>
<b>Total General Fund</b>	<b>582.28</b>	<b>574.93</b>	<b>574.43</b>	<b>510.80</b>	<b>(63.63)</b>	<b>(11.1)%</b>
<b>Enterprise Fund</b>						
<b>Public Works</b>						
Account Specialist	0.30	0.30	0.30	—	(0.30)	(100.0)%
Accountant	0.40	0.40	0.40	0.70	0.30	75.0%
Administrative Associate I	0.10	0.10	0.10	—	(0.10)	(100.0)%
Administrative Associate II	2.15	2.15	2.15	2.15	—	—%
Administrative Associate III	0.10	0.10	0.10	0.20	0.10	100.0%
Assistant Director Public Works	1.30	1.30	1.30	1.30	—	—%
Assistant Manager WQCP	2.00	2.00	2.00	2.00	—	—%
Associate Engineer	2.99	2.99	3.00	3.00	—	—%
Chemist	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Deputy Chief/Fire Marshal	0.07	0.07	0.07	0.07	—	—%
Electrician	3.00	3.00	3.00	3.00	—	—%
Electrician-Lead	2.00	2.00	2.00	2.00	—	—%
Engineer	0.90	0.90	0.90	0.90	—	—%
Engineering Technician III	0.25	0.25	0.25	0.25	—	—%
Environmental Specialist	2.00	2.00	2.00	2.00	—	—%
Equipment Operator	0.54	0.54	0.54	0.54	—	—%
Facilities Maintenance Lead	1.00	1.00	1.00	1.00	—	—%
Facilities Technician	1.50	1.50	1.50	1.50	—	—%
Hazardous Materials Inspector	0.04	0.04	0.04	0.04	—	—%
Heavy Equipment Operator	0.90	0.90	0.90	0.90	—	—%
Heavy Equipment Operator-Lead	1.15	1.15	1.15	1.15	—	—%
Industrial Waste Inspector	2.99	2.99	3.00	3.00	—	—%
Industrial Waste Investigator	1.15	1.15	1.15	1.15	—	—%
Laboratory Technician WQC	3.00	3.00	3.00	3.00	—	—%
Landfill Technician	1.00	1.00	1.00	1.00	—	—%
Management Analyst	2.30	2.30	2.30	2.30	—	—%
Manager Airport	1.00	1.00	1.00	1.00	—	—%
Manager Environmental Control Program	4.90	4.90	5.00	5.00	—	—%
Manager Laboratory Services	1.00	1.00	1.00	1.00	—	—%
Manager Maintenance Operations	1.96	1.96	1.96	1.96	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Manager Solid Waste	1.00	1.00	1.00	1.00	—	—%
Manager Water Quality Control Plant	1.00	1.00	1.00	1.00	—	—%
Manager Watershed Protection	0.95	0.95	0.95	0.95	—	—%
Plant Mechanic	7.00	7.00	7.00	7.00	—	—%
Program Assistant I	1.00	1.00	1.00	1.00	—	—%
Program Assistant II	2.00	2.00	2.00	2.00	—	—%
Project Engineer	1.83	1.83	1.83	1.83	—	—%
Project Manager	1.35	1.35	1.35	1.35	—	—%
Senior Accountant	0.30	0.30	0.30	0.30	—	—%
Senior Buyer	1.00	1.00	1.00	1.00	—	—%
Senior Chemist	1.00	1.00	1.00	2.00	1.00	100.0%
Senior Engineer	3.76	3.76	3.76	3.76	—	—%
Senior Industrial Waste Investigator	0.99	0.99	1.00	1.00	—	—%
Senior Management Analyst	0.21	0.21	0.21	0.21	—	—%
Senior Mechanic	1.00	1.00	1.00	1.00	—	—%
Senior Operator WQC	6.00	6.00	6.00	6.00	—	—%
Senior Technologist	1.00	1.00	1.00	1.00	—	—%
Storekeeper	1.00	1.00	1.00	1.00	—	—%
Street Maintenance Assistant	1.00	1.00	1.00	1.00	—	—%
Street Sweeper Operator	1.63	1.63	1.63	1.63	—	—%
Supervisor WQCP Operations	3.00	3.00	3.00	3.00	—	—%
Surveyor, Public Works	0.12	0.12	0.12	0.12	—	—%
Technologist	1.00	1.00	1.00	1.00	—	—%
Traffic Controller Maintainer I	0.06	0.06	0.06	0.06	—	—%
WQC Plant Operator II	16.00	16.00	16.00	16.00	—	—%
Zero Waste Coordinator	1.00	1.00	1.00	1.00	—	—%
<b>Total Public Works</b>	<b>101.19</b>	<b>101.19</b>	<b>101.32</b>	<b>101.32</b>	<b>—</b>	<b>—%</b>
<b>Utilities</b>						
Account Specialist	1.70	1.70	1.70	1.00	(0.70)	(41.2)%
Accountant	0.60	0.60	0.60	1.30	0.70	116.7%
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Administrative Associate II	7.00	6.00	6.00	6.00	—	—%
Assistant City Manager/Utilities General Manager	0.75	—	—	—	—	—%
Assistant Director Administrative Services	0.25	0.25	0.25	0.25	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Assistant Director Utilities Customer Support Services	1.00	1.00	1.00	1.00	—	—%
Assistant Director Utilities Engineering	1.00	1.00	—	1.00	1.00	100.0%
Assistant Director Utilities Engineering (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Assistant Director Utilities Operations	1.00	1.00	1.00	1.00	—	—%
Assistant Director Utilities/Resource Management	1.00	1.00	1.00	1.00	—	—%
Business Analyst	6.00	6.00	5.00	6.00	1.00	20.0%
Business Analyst (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Cathodic Protection Technician Assistant	1.00	1.00	1.00	1.00	—	—%
Cathodic Technician	1.00	1.00	1.00	1.00	—	—%
Cement Finisher	2.00	2.00	2.00	2.00	—	—%
Contracts Administrator	0.70	0.70	0.70	0.70	—	—%
Coordinator Utilities Projects	6.00	6.00	6.00	6.00	—	—%
Customer Service Representative	7.00	7.00	7.00	7.00	—	—%
Customer Service Specialist	2.00	2.00	2.00	2.00	—	—%
Customer Service Specialist-Lead	2.00	2.00	2.00	2.00	—	—%
Deputy Chief/Fire Marshal	0.08	0.08	0.08	0.08	—	—%
Deputy City Attorney	1.00	1.00	1.00	1.00	—	—%
Director Administrative Services/CFO	0.20	0.20	0.20	0.20	—	—%
Electric Heavy Equipment Operator	—	—	2.00	2.00	—	—%
Electric Project Engineer	2.00	4.00	4.00	4.00	—	—%
Electric Underground Inspector	2.00	2.00	2.00	2.00	—	—%
Electric Underground Inspector-Lead	1.00	1.00	1.00	1.00	—	—%
Electrical Equipment Technician	1.00	1.00	1.00	1.00	—	—%
Electrician Assistant I	3.00	3.00	3.00	3.00	—	—%
Engineer	4.00	4.00	4.00	4.00	—	—%
Engineering Manager - Electric	1.00	1.00	1.00	1.00	—	—%
Engineering Manager - WGW	1.00	1.00	1.00	1.00	—	—%
Engineering Technician III	3.00	3.00	3.00	3.00	—	—%
Gas and Water Meter Measurement and Control Technician	4.00	4.00	4.00	4.00	—	—%
Gas and Water Meter Measurement and Control Technician - Lead	1.00	1.00	1.00	1.00	—	—%
Hazardous Materials Inspector	0.06	0.06	0.06	0.06	—	—%
Heavy Equipment Operator	6.70	6.70	—	—	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Heavy Equipment Operator - Install/Repair	4.00	4.00	4.00	4.00	—	—%
Human Resources Representative	—	—	—	1.00	1.00	—%
Industrial Waste Investigator	0.50	0.50	0.50	0.50	—	—%
Inspector, WGW Utilities Field Services	5.00	5.00	5.00	5.00	—	—%
Lineperson/Cable Specialist	11.00	11.00	10.00	10.00	—	—%
Lineperson/Cable Specialist-Lead	4.00	4.00	4.00	4.00	—	—%
Maintenance Mechanic-Welding	2.00	2.00	2.00	2.00	—	—%
Manager Communications	1.00	1.00	1.00	1.00	—	—%
Manager Customer Service	1.00	1.00	1.00	1.00	—	—%
Manager Electric Operations	1.00	1.00	1.00	1.00	—	—%
Manager Treasury, Debt & Investments	0.40	0.40	0.40	0.40	—	—%
Manager Utilities Compliance	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Credit & Collection	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Operations WGW	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Program Services	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Strategic Business	1.00	1.00	1.00	1.00	—	—%
Manager Utilities Telecommunications	1.00	1.00	1.00	1.00	—	—%
Meter Reader	6.00	6.00	6.00	6.00	—	—%
Meter Reader-Lead	1.00	1.00	1.00	1.00	—	—%
Metering Technician	3.00	3.00	3.00	3.00	—	—%
Metering Technician-Lead	1.00	1.00	1.00	1.00	—	—%
Offset Equipment Operator	0.48	0.48	0.48	0.48	—	—%
Overhead Underground Troubleshooter	2.00	2.00	2.00	2.00	—	—%
Power Engineer	3.00	1.00	1.00	1.00	—	—%
Principal Business Analyst	1.00	1.00	1.00	1.00	—	—%
Program Assistant I	1.50	1.50	1.50	1.50	—	—%
Program Assistant II	—	1.00	1.00	1.00	—	—%
Project Engineer	5.00	5.00	5.00	5.00	—	—%
Project Manager	0.75	0.75	0.75	0.75	—	—%
Resource Planner	6.00	5.00	5.00	5.00	—	—%
Restoration Lead	1.00	1.00	1.00	1.00	—	—%
SCADA Technologist	2.00	2.00	2.00	2.00	—	—%
Senior Accountant	0.70	0.70	0.70	0.70	—	—%
Senior Business Analyst	3.00	3.00	3.00	3.00	—	—%
Senior Electrical Engineer	4.00	4.00	4.00	5.00	1.00	25.0%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Senior Engineer	5.00	5.00	5.00	5.00	—	—%
Senior Management Analyst	0.70	0.70	0.70	0.70	—	—%
Senior Mechanic	1.00	1.00	1.00	1.00	—	—%
Senior Performance Auditor	1.00	1.00	1.00	—	(1.00)	(100.0)%
Senior Resource Planner	6.00	6.50	6.50	6.50	—	—%
Senior Utilities Field Service Representative	1.00	1.00	1.00	1.00	—	—%
Senior Water Systems Operator	2.00	2.00	2.00	2.00	—	—%
Storekeeper	1.00	1.00	1.00	1.00	—	—%
Storekeeper-Lead	0.80	0.80	0.80	0.80	—	—%
Street Light, Traffic Signal & Fiber Technician	5.00	5.00	5.00	5.00	—	—%
Street Light, Traffic Signal & Fiber-Lead	2.00	2.00	2.00	2.00	—	—%
Substation Electrician	6.00	6.00	5.00	6.00	1.00	20.0%
Substation Electrician (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Substation Electrician-Lead	2.00	2.00	2.00	2.00	—	—%
Supervising Electric Project Engineer	1.00	1.00	1.00	—	(1.00)	(100.0)%
Sustainability Programs Administrator	—	—	—	4.00	4.00	—%
Tree Maintenance Person	1.00	1.00	1.00	1.00	—	—%
Utilities Chief Operating Officer	1.00	1.00	—	1.00	1.00	100.0%
Utilities Chief Operating Officer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Utilities Compliance Technician	2.00	2.00	3.00	3.00	—	—%
Utilities Compliance Technician-Lead	1.00	1.00	1.00	1.00	—	—%
Utilities Credit/Collection Specialist	2.00	2.00	2.00	2.00	—	—%
Utilities Director	—	1.00	1.00	1.00	—	—%
Utilities Engineer Estimator	5.00	5.00	5.00	5.00	—	—%
Utilities Field Services Representative	5.00	5.00	5.00	5.00	—	—%
Utilities Install Repair-Lead-Welding Certified	2.00	2.00	2.00	2.00	—	—%
Utilities Install Repair-Welding Certified	3.00	3.00	3.00	3.00	—	—%
Utilities Install/Repair	10.00	10.00	10.00	10.00	—	—%
Utilities Install/Repair Assistant	1.00	1.00	1.00	1.00	—	—%
Utilities Install/Repair-Lead	5.00	5.00	5.00	5.00	—	—%
Utilities Key Account Representative	3.00	3.00	3.00	3.00	—	—%
Utilities Locator	3.00	3.00	3.00	3.00	—	—%
Utilities Marketing Program Administrator	3.00	4.00	4.00	—	(4.00)	(100.0)%
Utilities Safety Officer	1.00	1.00	1.00	1.00	—	—%
Utilities Supervisor	12.00	12.00	11.00	12.00	1.00	100.0%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Utilities Supervisor (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Utilities System Operator	5.00	5.00	5.00	5.00	—	—%
Utility Engineering Estimator - Lead	1.00	1.00	1.00	1.00	—	—%
Warehouse Supervisor	0.80	0.80	0.80	0.80	—	—%
Water System Operator II	4.00	4.00	4.00	4.00	—	—%
WGW Heavy Equipment Operator	—	—	4.70	4.70	—	—%
<b>Total Utilities</b>	<b>256.67</b>	<b>257.42</b>	<b>257.42</b>	<b>257.42</b>	<b>(0.00)</b>	<b>—%</b>
<b>Total Enterprise Fund</b>	<b>357.86</b>	<b>358.61</b>	<b>358.74</b>	<b>358.74</b>	<b>(0.00)</b>	<b>—%</b>
<b>Other Funds</b>						
<b>Capital Project Fund</b>						
Administrative Assistant	—	0.15	0.15	0.65	0.50	333.3%
Administrative Associate I	0.80	0.80	0.80	—	(0.80)	(100.0)%
Administrative Associate III	1.09	0.89	0.89	0.80	(0.09)	(10.1)%
Assistant Director Public Works	0.58	0.72	0.72	0.72	—	—%
Associate Engineer	3.04	2.49	1.50	1.65	0.15	10.0%
Associate Engineer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Associate Planner	0.31	0.30	0.30	0.35	0.05	16.7%
Building Serviceperson	0.75	0.75	1.00	1.00	—	—%
Building Serviceperson-Lead	1.40	1.40	1.40	1.40	—	—%
Cement Finisher-Lead	0.74	0.74	0.74	0.74	—	—%
Chief Transportation Official	0.36	0.30	0.30	0.30	—	—%
Contracts Administrator	0.60	0.60	0.60	0.60	—	—%
Coordinator Public Works Projects	1.30	1.30	1.30	1.30	—	—%
Coordinator Transportation Systems Management	0.76	0.75	0.75	1.35	0.60	80.0%
Engineer	2.80	3.10	2.10	2.10	—	—%
Engineer (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Engineering Technician III	0.50	0.50	0.50	0.50	—	—%
Facilities Technician	1.50	1.50	1.50	1.50	—	—%
Inspector, Field Services	1.21	1.21	1.21	1.21	—	—%
Landscape Architect Park Planner	0.90	0.90	0.90	0.90	—	—%
Management Analyst	0.82	0.94	0.95	0.95	—	—%
Manager Facilities	0.10	0.10	0.10	0.10	—	—%
Manager Maintenance Operations	0.65	0.65	0.65	0.65	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Parking Operations-Lead	0.35	0.40	0.40	0.30	(0.10)	(25.0)%
Project Engineer	6.84	7.59	7.62	7.92	0.30	3.9%
Project Manager	1.15	1.15	0.80	0.80	—	—%
Project Manager (Freeze)	—	—	0.35	—	(0.35)	(100.0)%
Senior Engineer	1.99	2.99	4.04	4.04	—	—%
Senior Management Analyst	0.72	0.60	0.60	0.60	—	—%
Senior Planner	0.72	0.50	0.50	0.80	0.30	60.0%
Senior Project Manager	0.90	1.00	—	—	—	—%
Supervisor Inspection and Surveying	0.63	0.63	0.65	0.65	—	—%
Surveyor, Public Works	0.55	0.55	0.55	0.55	—	—%
Traffic Engineering-Lead	0.35	0.55	0.55	0.60	0.05	9.1%
Transportation Planning Manager	0.35	0.35	0.35	0.45	0.10	28.6%
<b>Total Capital Project Fund</b>	<b>34.76</b>	<b>36.40</b>	<b>36.77</b>	<b>35.48</b>	<b>(1.29)</b>	<b>(3.5)%</b>
<b>Printing and Mailing Services</b>						
Manager Revenue Collections	0.10	0.10	0.10	0.10	—	—%
Offset Equipment Operator	1.52	1.52	1.52	1.52	—	—%
<b>Total Printing and Mailing Services</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>—</b>	<b>—%</b>
<b>Special Revenue Funds</b>						
Account Specialist	1.87	1.87	1.37	1.37	—	—%
Account Specialist (Freeze)	—	—	0.50	—	(0.50)	(100.0)%
Account Specialist-Lead	0.55	0.55	0.55	0.55	—	—%
Administrative Assistant	—	0.35	0.35	0.25	(0.10)	(28.6)%
Administrative Associate II	0.20	0.20	0.20	0.20	—	—%
Administrative Associate III	0.21	—	—	—	—	—%
Associate Planner	0.42	0.25	0.25	—	(0.25)	(100.0)%
Community Service Officer	0.50	0.50	0.37	0.37	—	—%
Community Service Officer (Freeze)	—	—	0.13	—	(0.13)	(100.0)%
Coordinator Public Works Projects	0.20	0.20	0.20	0.20	—	—%
Electrician	0.20	0.20	0.20	0.20	—	—%
Facilities Maintenance-Lead	0.15	0.15	0.15	0.15	—	—%
Facilities Painter	0.25	0.25	0.25	0.25	—	—%
Facilities Technician	0.45	0.45	0.45	0.45	—	—%
Management Analyst	0.17	0.35	0.35	0.35	—	—%
Manager Community Services Senior Program	1.00	1.00	1.00	1.00	—	—%

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	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Manager Maintenance Operations	0.19	0.19	0.19	0.19	—	—%
Manager Revenue Collections	0.28	0.28	0.28	0.28	—	—%
Parking Operations-Lead	0.55	0.60	0.60	0.65	0.05	8.3%
Senior Planner	0.40	0.40	0.40	0.40	—	—%
Street Maintenance Assistant	2.00	2.00	2.00	2.00	—	—%
Street Sweeper Operator	0.37	0.37	0.37	0.37	—	—%
Transportation Planning Manager	0.24	0.50	0.50	0.50	—	—%
<b>Total Special Revenue Funds</b>	<b>10.20</b>	<b>10.66</b>	<b>10.66</b>	<b>9.73</b>	<b>(0.93)</b>	<b>(8.7)%</b>
<b>Technology Fund</b>						
Administrative Assistant	1.00	1.00	1.00	1.00	—	—%
Assistant Director Administrative Services	0.10	0.10	0.10	0.10	—	—%
Business Analyst	1.00	1.00	1.00	1.00	—	—%
Desktop Technician	6.00	6.00	6.00	6.00	—	—%
Director Information Technology/CIO	1.00	1.00	—	1.00	1.00	100.0%
Director Information Technology/CIO (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Manager Information Technology	3.00	3.00	3.00	3.00	—	—%
Manager Information Technology Security	1.00	1.00	1.00	—	(1.00)	(100.0)%
Principal Business Analyst	1.00	1.00	1.00	—	(1.00)	(100.0)%
Senior Business Analyst	2.00	2.00	2.00	2.00	—	—%
Senior Management Analyst	1.00	1.00	1.00	1.00	—	—%
Senior Technologist	18.00	18.00	16.00	14.00	(2.00)	(12.5)%
Senior Technologist (Freeze)	—	—	2.00	—	(2.00)	(100.0)%
Technologist	1.00	1.00	—	—	—	—%
Technologist (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
<b>Total Technology Fund</b>	<b>36.10</b>	<b>36.10</b>	<b>36.10</b>	<b>29.10</b>	<b>(7.00)</b>	<b>(19.4)%</b>
<b>Vehicle Replacement and Maintenance Fund</b>						
Administrative Associate III	1.00	—	—	—	—	—%
Assistant Director Public Works	0.25	0.25	0.25	0.25	—	—%
Assistant Fleet Manager	1.00	1.00	1.00	1.00	—	—%
Equipment Maintenance Service Person	2.00	2.00	2.00	1.00	(1.00)	(50.0)%
Fleet Services Coordinator	2.00	1.00	1.00	1.00	—	—%
Management Analyst	0.20	0.20	0.20	0.20	—	—%
Management Assistant	—	1.00	1.00	1.00	—	—%
Manager Fleet	1.00	1.00	1.00	1.00	—	—%

## TABLE OF ORGANIZATION

## Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget <sup>a</sup>	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Motor Equipment Mechanic II	6.00	6.00	5.00	5.00	—	—%
Motor Equipment Mechanic II (Freeze)	—	—	1.00	—	(1.00)	(100.0)%
Motor Equipment Mechanic-Lead	2.00	2.00	2.00	2.00	—	—%
Project Manager	1.00	1.00	1.00	1.00	—	—%
Senior Management Analyst	0.08	0.08	0.08	0.08	—	—%
<b>Total Vehicle Replacement and Maintenance Fund</b>	<b>16.53</b>	<b>15.53</b>	<b>15.53</b>	<b>13.53</b>	<b>(2.00)</b>	<b>(12.9)%</b>
<b>Workers' Compensation Program Fund</b>						
Senior Human Resources Administrator	1.00	1.00	1.00	1.00	—	—%
<b>Total Workers' Compensation Program Fund</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>—</b>	<b>—%</b>
<b>Total Other Funds</b>	<b>100.21</b>	<b>101.31</b>	<b>101.68</b>	<b>90.46</b>	<b>(11.22)</b>	<b>(11.0)%</b>
<b>Total Citywide Positions</b>	<b>1,040.35</b>	<b>1,034.85</b>	<b>1,034.85</b>	<b>960.00</b>	<b>(74.85)</b>	<b>(7.2)%</b>

a. The FY 2021 Adopted Budget includes position freezes that reduced the funding equivalent to holding a position vacant. The positions impacted by this action are identified with "(Freeze)" following the job classification title and summarized in two rows; one to reflect the total FTE authorized (less freezes), and another to reflect FTE freezes. The FY 2022 Adopted Budget includes City Council direction to eliminate these positions (CMR 11872).

b. The Office of Transportation was created within the City Manager's Office in FY 2020 through the reallocation of staff and resources from the Planning and Development Services Department (previously the Planning and Community Environment Department). Prior year staffing levels have been restated for demonstrative purposes.

c. The Planning and Development Services Department was established in FY 2020 through the merging of the Development Services Department and Planning and Community Environment Department and the reallocation of resources to create a dedicated Office of Transportation within the City Manager's Office. Prior year staffing levels have been restated for demonstrative purposes.

\*\*\* Indicates positions additions consistent with recommendations in CMR 13439 - Attachment A. In total, 4.00 Full-Time Equivalent (FTE) positions are added in the City Manager's Office (2.00 FTE), Planning and Development Services Department (1.00 FTE), and Police Department (1.00 FTE), increasing staffing levels from 506.80 FTE to 510.80 FTE in the General Fund (956.00 FTE to 960.00 FTE Citywide).



## City of Palo Alto City Council Staff Report

(ID # 13592)

**Report Type: Action Items**

**Meeting Date: 10/25/2021**

**Summary Title: 340 Portage: Interpretation on Nonconforming Uses**

**Title: Direction to Engage the Sobrato Organization Regarding Future Uses of the 340 Portage/3200 Park site; Alternatively, Adopt a Formal Interpretation of PAMC Section 18.70.070(b)(2)(E). Environmental Analysis: Not a Project In Accordance With CEQA Guidelines.**

**From: City Manager**

**Lead Department: Planning and Development Services**

### Recommendation

Staff recommends that the City Council:

- 1) Postpone formal interpretation of Palo Alto Municipal Code (PAMC) section 18.70.070(b)(2)(E) for four months, and;
- 2) Begin conversations with representatives of the Sobrato Organization, possibly involving a Council ad hoc committee, and return to the Council within that same time period with a recommendation on whether or not to continue discussion on a possible negotiated agreement with the property owner for the future redevelopment of the property located at 3200 Park/340 Portage/Olive Avenue.

Alternatively,

- 3) Provide a formal interpretation of Palo Alto Municipal Code (PAMC) section 18.70.070(b)(2)(E) with respect to nonconforming uses at 3200 Park/340 Portage/Olive Avenue, as recommended in the September 13, 2021 report, and subject to implementation following preparation of an amortization study for the abatement of all non-conforming uses on the subject property.

### Executive Summary

This report provides an update since the Council's initial review of the subject matter in June. A planned public hearing last month was postponed allowing staff time to review a letter prepared by the subject property owner's legal counsel. While staff generally has a different perspective on many of the points raised in the letter, staff does agree with the property owner that an amortization study is appropriate before requiring any reduction in floor area to any of the existing tenant spaces within the former cannery building. Notably, staff has updated its recommendation based on the Council's June discussion on the subject topic, Council direction concerning the NVCAP and recent conversations with the property owner's representatives.

## Background

There is a provision in the municipal code that specifically regulates the property located at 3200 Park/340 Portage/Olive Avenue; the former Fry's Electronics site, which includes other active research and development and limited warehouse uses. The referenced code provision<sup>1</sup> allows for the continuation of non-conforming land uses on the residentially zoned property for an indefinite period of time provided the ratio of uses remains consistent with the ratio of uses that existed as of 2016. Staff's review of the code section concludes the language governing land uses at the site could be interpreted in one of two ways and, accordingly, requested the City Council to decide on how this provision should be applied. This review occurred on June 14, 2021; the accompanying staff report includes additional background information.<sup>2</sup> The Council's meeting minutes are also available online.<sup>3</sup>

In summary, some Councilmembers expressed their support for an interpretation that would ultimately require re-alignment of the existing land uses at the site to match with the ratio of uses that existed as of 2006. Recognizing some of the challenges with implementation, there was a suggestion for a pause in enforcement in part to see how efforts related to the North Ventura Coordinated Area Plan (NVCAP)<sup>4</sup> process was addressed and to allow time to further engage the landowner on future use of the property. The interpretation was subsequently continued and no action taken.

Staff prepared an updated report<sup>5</sup> for September 13, 2021 with interpretation language that it believes reflected the direction the City Council was proceeding. The landowner's legal counsel

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<sup>1</sup> Palo Alto Municipal Code (PAMC) section 18.70.070(b)(2)(E):

[https://codelibrary.amlegal.com/codes/paloalto/latest/paloalto\\_ca/0-0-0-36950](https://codelibrary.amlegal.com/codes/paloalto/latest/paloalto_ca/0-0-0-36950)

<sup>2</sup> June 14, 2021 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/2021/id-12271.pdf>

<sup>3</sup> June 14, 2021 Council Summary Minutes: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/06-14-21-ccm-summary-minutes.pdf>

<sup>4</sup> North Ventura Coordinated Area Plan website: <https://www.paloaltonvcap.org/about>

<sup>5</sup> September 13, 2021 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/09-september/20210913/20210913pccsm-amended-linked-final-council-qa.pdf>

in response submitted a letter that required additional staff time to analyze. Accordingly, the hearing was postponed. Staff's analysis of the letter is addressed later in this report.

## Discussion

The recommendation in this report is intended to address comments raised during the Council's June 14<sup>th</sup> deliberation and reflect other discussion related to the ongoing NVCAP process. The subject property is an integral component of the NVCAP process and the owner has shared with Council a conceptual design that it believes can adapt to future Council direction on that planning initiative. The property owner has a pending 91 unit housing project on file with the City and a text amendment to address the ambiguous code section that is the subject to the code interpretation. The owner's representative has also participated as a working group member in the NVCAP process and shares an interest expressed by many in the community for retaining historical elements of the former cannery building. In conversations with staff, it is clear that the Sobrato Organization is willing to have a more specific conversation with the City about the mix of future land uses and amenities at the site.

On June 14<sup>th</sup> some Councilmembers expressed an interest to engage the property owner in a discussion about the future of the site, particularly as it relates to the NVCAP process. Through that public process there have been expressions of the City's interests to advance affordable housing opportunities, increase open space and improve bike and pedestrian movement through the study area. Many have also expressed an interest for active retail or an eatery with outdoor dining with possible entertainment and/or a community meeting space.

To best realize the shared interests of the City and the property owner, it may be worthwhile to engage in a non-binding conversation to explore what a future redevelopment of the site could achieve. The property owner has signaled its interest and willingness to proceed with such a dialogue. If the City Council similarly finds a conversation would be valuable, staff recommends assignment of a Council ad hoc committee working with staff, to meet with Sobrato Organization representatives.

Staff recommends efforts related to the code interpretation be stayed pending the outcome of any discussion and would reach an agreement with the property owner regarding the processing of pending applications. It is further recommended that a report return to the City Council within four months to provide an update and seek Council direction for continued discussion, if appropriate. If conversations reveal little agreement or a lack of interest from either party to continue, the effort would end and staff would seek Council guidance on proceeding with the code interpretation and amortization study as described below.

As the Council deliberates on whether to engage in a discussion with the property owner, it is worth reaffirming the owner's continued interest to use the former cannery building as

research and development space and to extend that use to the existing, though limited, warehouse space. Moreover, the owner has an interest in ensuring any project, which may include higher levels of affordable housing or public open space as potentially negotiated by the City, remains economically viable. Through conversation, the City and owner can explore these various aspects and adjust different community-interest levers in an effort to find common ground or decide to table future discussion.

### Code Interpretation

As an alternative to engaging the property owner in a conversation about a future redevelopment of the subject property, the Council could proceed with implementation of the code interpretation. The September 13, 2021 staff report<sup>6</sup> includes information that staff believes is responsive to a majority of the Council's June 14<sup>th</sup> deliberation to require existing land uses at the subject property to transition toward the ratio of uses that existed in 2006. The report shows how the floor area of each land use would change in order to comply with the interpretation.

If the City Council is interested in pursuing this interpretation, staff recommends that Council also direct staff to prepare an amortization study to abate all the nonconforming land uses on the property, which will also inform when the existing land uses or tenancies can transition to meet the 2006 ratio. Until the amortization study is complete and endorsed by Council, there would be no realignment of land use floor area within the former cannery building.

If Council is interested in pursuing amortization for this site, staff would work to obtain a cost and scope from a qualified consultant in order to prepare an analysis of property owner costs for past site improvements. This is the necessary first step in establishing an enforceable timeframe for amortization of the site. Staff would return to Council for approval of the contract and a budget amendment to fund preparation of this study.

### Staff's Response to Owner's Letter, Dated September 10, 2021

The following provides a brief response to the property owner's letter, dated September 10, 2021, regarding the proposed code interpretation. While staff dispute certain elements of the timeline prepared by the property owner – particularly the characterization of recent events – these issues are not material to the code interpretation itself and are therefore not addressed.

As an initial matter, staff acknowledge that the September 13, 2021 staff report likely understated the importance of an amortization study in implementing a code interpretation that would terminate existing uses in the building. As explained above, staff do not recommend

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<sup>6</sup> September 13, 2021 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/09-september/20210913/20210913pccsm-amended-linked-final-council-qa.pdf>

implementation of an interpretation realigning floor area until an amortization study is prepared and analyzed.

Staff dispute, however, the property owner's contention that a formal interpretation of PAMC Section 18.70.040, addressing discontinuance or abandonment of nonconforming uses, is required. In contrast Section 18.70.070(b)(2)(E), the code language regarding discontinuance is straightforward and has been consistently applied by staff over the course of many decades. While the property owner may disagree with staff's longstanding application of this provision, staff believe it would be inappropriate to simply interpret the code to apply differently in these circumstances. If, for example, the Council wished to extend the permissible period of discontinuance in light of the COVID-19 pandemic, staff would recommend an ordinance enacting such a change.

In addition, staff do not believe it is clear that PAMC Section 18.70.070(b)(2)(E) is meant to apply to the additional buildings on the site. While it is true that the agenda title for the Council's November 1995 action mentions "the adjacent former railroad right-of-way with Park Boulevard and Olive Avenue frontage," this is likely because that portion of the site – which is on the other side of the former cannery from the additional buildings – was under consideration for a Comprehensive Plan amendment. Indeed, if the code language applied to the whole site, those additional buildings would also be limited to R&D, retail, warehouse, or conforming uses. To staff's knowledge, at least 3250 Park and 270 Lambert have not been subject to these constraints.

### **Policy Implications**

Staff has learned that there is no immediate need to resolve the subject code interpretation as the property owner reports none of the existing tenants are expected to vacate the premises in the near term. This affords the City and the property owner some time to have a focused discussion on a possible redevelopment outcome if there is a shared interest in doing so. This dialogue can occur in concert with staff's continued work on the NVCAP and has the potential to realize some goals set forth in that planning initiative.

Starting a conversation with the Sobrato Organization is non-binding and presents no risk to the City. If the dialogue is unproductive, the City can resume its interests in advancing an amortization study for the project site.

Staff does not believe it would be helpful to initiate the amortization work while simultaneously engaging the property owner in a conversation about future uses on the site.

Establishing an ad hoc provides an opportunity for the Council to explore options with the property owner and report back to the full Council during an open public meeting any progress

being made and deliberate on whether to continue any conversation or terminate the effort.

### **Resource Impact**

Council direction to engage in a conversation about the future of the subject site would not have a fiscal impact on the City. Council direction to clarify the subject code interpretation combined with the amortization study will have staff and budgetary impacts; staff would return to Council with a proposed contract and associated budget amendment for consideration.

### **Timeline**

Staff recommends the City Council stay any code interpretation for at least four months to allow the opportunity for a conversation with the property owner about the future redevelopment of the subject property. If Council decides to adopt a code interpretation it could not be implemented until completion and acceptance of an amortization study. An amortization study is estimated to take 18 months to complete.

### **Stakeholder Engagement**

Since the Council's discussion on June 14<sup>th</sup>, staff has met twice with the property owner's representatives.

### **Environmental Review**

The recommendation in this report does not qualify as a project in accordance with the California Environmental Quality Act as defined in Public Resources Code 21065.



## City of Palo Alto City Council Staff Report

(ID # 13686)

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**Report Type: Action Items**

**Meeting Date: 10/25/2021**

**Summary Title: Council Review of Objective Standards**

**Title: Public Hearing: Consider Adoption of Two Ordinances Implementing the Objective Standards Project, Including: 1) New Chapter 18.24, Objective Design Standards, to Replace Existing Context-Based Design Criteria; 2) Modifications to Affordable Housing (AH) and Workforce Housing (WH) Overlay Districts to Eliminate the Legislative Process; 3) Expansion of Affordable Housing (AH) and Housing Incentive Program (HIP) to PTOD-Eligible Properties; 4) Changes to Remove Inconsistencies and Redundancies, and Streamline Project Review Throughout Title 18 Chapters (7:55 PM - 9:45 PM) CONTINUED FROM OCTOBER 4, 2021**

**From: City Manager**

**Lead Department: Planning and Development Services**

THIS PROJECT WAS CONTINUED FROM OCTOBER 4, 2021.

At the first hearing, Council discussed Section 1 (Objective Design Standards) and 4 (minor Code changes and streamlined process) of the staff report. In this hearing, we will discuss Section 2 (legislative changes) and Section 3 (expansion of Housing Incentive Program, HIP).

To save paper and reduce confusion over packet page numbers, staff will reuse the October 4<sup>th</sup> staff report for this hearing. Click link - <https://bit.ly/OS100421>. The Objective Standards staff report starts on page 293.

## Schedule of Meetings

Published October 14, 2021

This is a courtesy notice only. Meeting dates, times, and locations are subject to change. Almost all Palo Alto Council and some Standing Committee meetings are cablecast live on Channel 26. If there happens to be concurrent meetings, one meeting will be broadcast on Channel 29.

**Until further notice, all meetings will be held by virtual teleconference via Zoom and streamed on YouTube.**

### THURSDAY, OCTOBER 14

Historic Resources Board Meeting, 8:30 a.m. (**CANCELLED**)

Sp. Human Relations Commission Meeting, 6 p.m.

### MONDAY, OCTOBER 18

Sp. City Council Meeting, 5 p.m.

### TUESDAY, OCTOBER 19

Sp. Finance Committee Meeting, 6 p.m.

### THURSDAY, OCTOBER 21

City/School Liaison Committee Meeting, 8:30 a.m.

Architectural Review Board Meeting, 8:30 a.m.

Public Art Commission Meeting, 7 p.m. (**CANCELLED**)

### MONDAY, OCTOBER 25

Sp. City Council Meeting, 5 p.m.

### TUESDAY, OCTOBER 26

Parks & Recreation Commission Meeting, 7 p.m.

### WEDNESDAY, OCTOBER 27

Planning & Transportation Commission Meeting, 6 p.m.

### MONDAY, NOVEMBER 1

Sp. City Council Meeting, 5 p.m.

### TUESDAY, NOVEMBER 2

Sp. Finance Committee Meeting, 6 p.m.

### WEDNESDAY, NOVEMBER 3

Utilities Advisory Commission Meeting, 5 p.m.

### THURSDAY, NOVEMBER 4

Architectural Review Board Meeting, 8:30 a.m.

Sp. Public Art Commission Meeting, 6 p.m.

### MONDAY, NOVEMBER 8

Sp. City Council Meeting, 5 p.m.

### TUESDAY, NOVEMBER 9

Policy & Services Committee Meeting, 7 p.m.