



**City Council
Special Meeting
Monday, November 1, 2021
5:00 PM
Council Chambers & Virtual
AMENDED AGENDA
Amended items are listed in Red**

Pursuant to [AB 361](#) Palo Alto City Council meetings will be held as “hybrid” meetings with the option to attend by teleconference/video conference or in person. To maximize public safety while still maintaining transparency and public access, members of the public can choose to participate in the meeting from home or attend the meeting in person. Information on how the public may observe and participate in the meeting is located at the end of the agenda.

HOW TO PARTICIPATE

VIRTUAL PARTICIPATION

[CLICK HERE TO JOIN](https://cityofpaloalto.zoom.us/j/362027238) (<https://cityofpaloalto.zoom.us/j/362027238>)
Meeting ID: 362 027 238 Phone: 1(669)900-6833

The meeting will be broadcast on Cable TV Channel 26, live on YouTube at <https://www.youtube.com/c/cityofpaloalto>, and streamed to Midpen Media Center at <https://midpenmedia.org>.

IN PERSON PARTICIPATION. YOU MUST:

- Provide Proof of Vaccination or negative COVID-19 test (taken within 48 hours) and a photo ID
- Wear a mask at all times
- Maintain social distancing
- If you cannot or do not wish to comply, you can still participate virtually

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.

PUBLIC COMMENTS

Public Comments will be accepted both in person and via Zoom meeting. 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 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.

HEARINGS REQUIRED BY LAW

Applicants and/or appellants may have up to ten minutes at the outset of the public discussion to make their remarks and up to three minutes for concluding remarks after other members of the public have spoken.

CALL TO ORDER

Closed Session (5:00 PM – 6:00 PM)

Public Comments: Members of the public may speak to the Closed Session item(s); three minutes per speaker.

1. 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)

SPECIAL ORDERS OF THE DAY (6:00 – 6:10 PM)

2. Proclamation for the 100th Anniversary of the Garden Club of Palo Alto

~~3. — Pets In Need~~

AGENDA CHANGES, ADDITIONS AND DELETIONS

PUBLIC COMMENT (6:10 – 6:30 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 (6:30 – 6:35 PM)

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

4. Approval of Minutes October 18, 2021
5. SECOND READING: Adopt an Ordinance Amending Palo Alto Municipal Code Title 10 (Parking) to Allow Virtual Parking Permits and Update Definitions and Procedures; and Direct Staff to Implement Virtual Parking Permits in a Phased Approach (FIRST READING: October 4, 2021 PASSED: 7-0)
6. Approval of Five-year Memorandum of Agreement with Stanford University regarding City's Traffic Control Services during Athletic Events, Costing Each Party Roughly \$8,000 per Athletic Event with Seven Expected Events Each Year
7. Approval of the Acceptance and Appropriation of Federal Staffing for Adequate Fire and Emergency Response (SAFER) Grant Funds: 1)

Amendment to the FY 2022 Table of Organization to Add 5.0 FTE Firefighter Positions, and 2) Approval of Budget Amendments (Requires 2/3 Approval) in the General Fund

8. Approve a Design Change to the Public Safety Building Community Room Exterior *Supplemental Report Added*
9. Accept the Stanford University Medical Center (SUMC) Annual Report for Fiscal Years 2017-2018, 2018-2019 and 2019-2020 and Find the SUMC Parties in Compliance With the Development Agreement
10. Staff and the Finance Committee Recommend the City Council Approve Design Guidelines for the 2022 Electric Cost of Service and Rates Analysis
11. Approve Modifications to the University Avenue and California Avenue Parking Policy to Expand Eligibility for City Garage Parking Permits and Update Feeds; Adopt an Ordinance to Amend the FY 2022 Municipal Fee Schedule Increasing Parking Permit Fees; Adopt Three Resolutions Modifying the Downtown, Evergreen Park Mayfield, and Southgate Residential Preferential Parking (RPP) Programs to Reduce Employee Parking in the RPP Districts and Allow for Monthly Employee Permits; and Direct Staff to Develop a Program to Alleviate Parking Requirements in the California Avenue Area (Continued From October 26, 2020)
12. SECOND READING: Adopt Ordinance to Establish Fire Department Ambulance Subscription Program Fees (FIRST READING: October 18, 2021 PASSED: 6-1, Tanaka no)

AA1. Adoption of a Resolution Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency

CITY MANAGER COMMENTS (6:35 – 7:00 PM)

ACTION ITEMS

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

13. Adoption of an Ordinance Amending Existing Palo Alto Municipal Code Chapter 5.20, Collection, Removal and Disposal of Refuse, and Adding Chapter 5.40, Edible Food Recovery, to Comply with Senate Bill 1383 (Short-Lived Climate Pollutants Reduction Strategy); Finding of Exemption from CEQA Review; Adoption of a Resolution Amending the Administrative Penalty Schedule to add the SB 1383 Requirements;

and Review of Other Requirements Related to Senate Bill 1383.
(7:00 – 8:00 PM)

14. Adoption of an Amended 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) *Supplemental Report Added*
(8:00 – 9:00 PM)

[Presentations](#)

15. Review Three Grade Separation Design Alternatives for Churchill Avenue and Confirm Which Alternative(s) Continue Towards Selection of Preferred Alternative, and Direction to City Staff for Conducting Additional Studies for Consideration of Final/Preferred Alternative; and Authorize Staff to Negotiate with AECOM for Additional Scope of Work for Amendment to the Contract *Title Only Updated*
(9:00 – 10:30 PM)

[Public Comment](#)

[Presentations](#)

COUNCIL MEMBER QUESTIONS, COMMENTS, ANNOUNCEMENTS

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

ADJOURNMENT

INFORMATION REPORTS

Information reports are provided for informational purposes only to the Council and the public but are not listed for action during this meeting's agenda.

16. Sales Tax Digest Summary Calendar 2021 Q2

AMENDED AGENDA ITEMS

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

~~3. — Pets In Need —~~ Item removed by presenter

- 8 Approve a Design Change to the Public Safety Building Community Room Exterior *Supplemental Report Added*

AA1. Adoption of a Resolution Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency

14. Adoption of an Amended 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) *Supplemental Report Added*

15. Review Three Grade Separation Design Alternatives for Churchill Avenue and Confirm Which Alternative(s) Continue Towards Selection of Preferred Alternative, and Direction to City Staff for Conducting Additional Studies for Consideration of Final/Preferred Alternative; and Authorize Staff to Negotiate with AECOM for Additional Scope of Work for Amendment to the Contract (Title Only Updated)

OTHER INFORMATION

Standing Committee Meetings

Finance Committee Meeting November 2, 2021

Public Letters to Council

PUBLIC COMMENT INSTRUCTIONS

Members of the Public may provide public comments to hybrid meetings via in-person, teleconference, by phone, or by email. All requests to speak will be taken until 5 minutes after the Staff's presentation.

- 1. In-person public comments** will be accepted by the Clerk when a completed speaker request card, located on the table at the entrance to the Council Chambers, is delivered to the Clerk. You are not required to give your name on the speaker card in order to speak to the Council, but it is encouraged and very helpful.
- 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.
- 5. Written public comments** may be submitted by email to city.council@cityofpaloalto.org.

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



City of Palo Alto

City Council Staff Report

(ID # 13640)

Report Type:

Meeting Date: 11/1/2021

Title: Proclamation for the 100th Anniversary of the Garden Club of Palo Alto

From: City Manager

Lead Department: City Clerk

Attachments:

- **Attachment2.a:** Attachment A: 100th Anniversary of the Garden Club



Proclamation

Celebrating the 100th Anniversary of the Garden Club of Palo Alto

WHEREAS, on October 28, 1921, twelve ladies, led by Mrs. Frederick Wheeler, gathered together and formed an organization called the Garden Club of Palo Alto to encourage an interest in gardening, horticulture, artistic use of flowers and plants, and conservation of natural resources; to educate the community in these subjects; and to assist in the beautification of public areas in the City of Palo Alto and elsewhere; and

WHEREAS, Garden Club members have helped create interest in gardening and artistic use of flowers in public areas by providing flower arrangements or planting flowers, shrubs, trees, in public areas such as libraries, schools, City Center, Community Center, fire stations, hospitals; and

WHEREAS, Garden Club members have effectively provided education in gardening techniques from composting, hybridization, natural methods of pest control, vitalizing vacant lots for the planting of Victory Gardens to support our Veterans, and establishing special vegetable gardens to meet the needs of the unemployed, to developing the first tree map, tree labels, and a book of Palo Alto Trees; and

WHEREAS, due to the Garden Club members' vision of a public garden center that would provide educational programs and demonstration gardens to the public, the members of the Garden Club have been key in the establishment in 1985 of the Elizabeth F. Gamble Garden and it's continued support; and

WHEREAS, Garden Club members, through fundraising have given hundreds of thousands of dollars; purchased war bonds, gardening books for libraries, Christmas trees and wreaths for the City; have donated to Audubon Society for teacher scholarships, the California Council for Roadside Beauty, the Woman's Club for Garden Restoration; and pledge to plant 100 trees in the Palo Alto area in the Clubs 100th year.

NOW, THEREFORE, I, Tom DuBois, Mayor of the City of Palo Alto on behalf of the entire City Council do hereby proclaim October 28th as the Garden Club of Palo Alto Day in the City of Palo Alto. We honor and congratulate the Garden Club of Palo Alto on its 100th Anniversary and commend it for its significant educational and horticultural contributions to the community.

PRESENTED: November 1, 2021

Tom DuBois
Mayor



City of Palo Alto

City Council Staff Report

(ID # 13701)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: Approval of Minutes October 18, 2021

From: City Manager

Lead Department: City Clerk

Staff recommends approval of the draft minutes from October 18, 2021.

Attachments:

- **Attachment4.a:** 20211018amCCs



DRAFT ACTION MINUTES

City Council
Special Meeting
October 18, 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

2. CONFERENCE WITH CITY ATTORNEY-EXISTING LITIGATION Subject: Hamilton and High, LLC, The Keenan Family Trust, et al. v. City of Palo Alto, et al. Santa Clara County Superior Court Case No. 20CV366967 Authority: Government Code Section 54956.9(d)(1).

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

MOTION PASSED: 7-0

Council went into Closed Session at 5:03 P.M.

Council returned from Closed Session at 6:01 P.M.

Mayor DuBois announced no reportable action.

Special Orders of the Day

1. The Great California Shake Out.

Agenda Changes, Additions and Deletions

None

DRAFT ACTION MINUTES

Consent Calendar

Council Member Kou registered a no vote on Agenda Item Number 4.

Mayor DuBois registered a no vote on Agenda Item Number 4.

Council Member Tanaka registered a no vote on Agenda Item Numbers 5-7.

MOTION: Mayor DuBois moved, seconded by Vice Mayor Burt to approve Agenda Item Numbers 3-11.

3. Approval of Minutes from October 4, 2021.
4. Adoption of an Ordinance and **Resolution 9992** to Extend the Temporary Outdoor Encroachment Permit Program for Dining, Retail, and Other Uses, Including the Parklet Pilot Program, until June 30, 2022.
5. Approval of Funding Allocations for the Second Round of Human Services Resource Allocation Process Funding for FY 2022 in the Amount of \$200,000 and Authorize the City Manager to Execute Contracts with the Nine Recipient Organizations.
6. Review and Approve a Fire Department Ambulance Subscription Program: 1) Adopt Ordinance to Establish Program and Fees, and 2) Approval of a Budget Amendment in the General Fund.
7. Approval of Facility Interior Finishes Replacement Purchase as Approved in the CIF With Pivot Interiors in the Amount of \$349,545 Project PF-02022.
8. Adoption of a Park Improvement Ordinance for Renovations, Expansion and New Amenities at John Boulware Park as Recommended by the Parks and Recreation Commission.
9. Review and Approval of the Annual Williamson Act Contract Renewals Within Palo Alto City Limits (2021).
10. Approval of Fiscal Year 2021 Reappropriation Requests to be Carried Forward Into Fiscal Year 2022 and Budget Amendments in Various Funds.
11. Approval of Contract Number C21181420 with West Coast Arborists, Inc. for a Total Not-to-Exceed Amount of \$3,765,380 Over a Three-Year Term for Tree Pruning and Removal Services.

DRAFT ACTION MINUTES

ITEM 4 OF MOTION PASSED: 5-2, DuBois, Kou no

ITEMS 5-7 OF MOTION PASSED: 6-1, Tanaka no

ITEMS 3, 8-11 OF MOTION PASSED: 7-0

Action Items

12. Approval of Advanced Metering Infrastructure (AMI) Contract with Sensus USA Inc. in the Amount of \$15,283,218; and Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$1,484,000, for a Total Contract Amount Not-to-Exceed \$16,767,218; Approval of Amendment No. 2 with E Source in an Amount Not-to-Exceed \$1,339,947 for Phase 3 AMI Consulting; and 3) Adoption of a Resolution to Transfer up to \$18,900,000 from the Electric Special Project Reserves to the Smart Grid Technology Installation Project EL-11014.

MOTION: Council Member Cormack moved, seconded by Mayor DuBois to:

- A. Approve and authorize the City Manager or their designee to execute Contract C22177782 (Attachment A) with Sensus USA Inc. (Sensus), for advanced metering infrastructure (AMI) system and installation services, in an amount not to exceed \$15,283,218 through 12/31/31;
 - i. Authorize the City Manager or their designee to negotiate and execute one or more task orders for additional services under the contract with Sensus for related additional, but unforeseen work which may develop during the project; the total of which shall not exceed \$1,484,000 or 10% of the implementation cost, for a total contract amount not to exceed of \$16,767,218;
 - ii. Authorize the City Manager or their designee to determine whether executing the optional Network Performance Assurance Services (Contract Exhibit N) for post deployment support of the AMI network and extension of performance warranty for two years, in an amount not to exceed \$338,531 (included in the total Sensus contract amount above) is in the City's best interests, and approve and authorize the City Manager or their designee to execute Contract Exhibit N if it is determined to be in the City's best interests, not later than six months from the anticipated completion of AMI deployment;
- B. Approve and authorize the City Manager or their designee to execute Amendment No. 2 to Contract C17165774A (Attachment B) with E

DRAFT ACTION MINUTES

Source Companies, LLC, for phase 3 AMI consulting services including project management, system integration, change management, and field installation oversight, in an amount not to exceed \$1,339,947 through 12/31/2025;

- C. Approve the adoption of **Resolution 9993** (Attachment C), in which Council:
- i. Authorizes the transfer of up to \$18.9M from the Electric Special Project (ESP) reserves to the Smart Grid Technology Installation Project (EL-11014), as follows:
 - i. Transfer up to \$8.4 million from the ESP reserves to the Smart Grid Technology Installation Project (EL-11014) for Electric Advanced Metering Infrastructure (AMI) and smart grid-related expenditures;
 - ii. Transfer up to \$6.5 million from the ESP reserves to the Smart Grid Technology Installation Project (EL-11014) for Water AMI and smart grid-related expenditures as an inter-fund loan with a repayment term of 5-years with appropriate interest, upon completion of the project;
 - iii. Transfer up to \$4.0 million from the ESP reserves to the Smart Grid Technology Installation Project (EL-11014) for Gas AMI and smart grid-related expenditures as an inter-fund loan with a repayment term of 5-years with appropriate interest, upon completion of the project; and
 - iv. Individual fiscal year transfer amounts up to the totals listed in the subsections above will be determined based on annual CIP budgets, and are currently estimated to be \$7 million in FY 2022, \$7 million in FY 2023, and \$4.9 million in FY 2024.
 - ii. Approves the commitment of ESP funds to support the electric AMI Project expenses, and the loan of ESP funds to support the water and gas AMI Project expenses, and finds that the proposed fund transfers meet Council's guidelines for managing the Electric Special Project Reserve.

MOTION PASSED: 6-1, Tanaka no

13. Consideration of Policy and Services Committee Recommendations to Council on the Updates to Title 8 of Municipal Code (Tree Protection), Expanding the Role of the Parks & Recreation Commission, and Elevating the Position of Urban Forester.

DRAFT ACTION MINUTES

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

- A. Accept the Policy and Services motion and recommendations and incorporate them into the updated ordinance;
- B. Evaluate the redlines regarding tree replacement and the removal of protected trees, which were sent in today for inclusion from the Ad-Hoc Resident group;
- C. Evaluate and return with an option to modify the definition of protected trees 8.10.020.j (3) to include any tree at least 15" in diameter;
- D. Return no later than April 2022 with an ordinance for City Council review and approval;
- E. Return with a recommendation on the elevation of Urban Forester as part of the budget process;
- F. Explore #6 on the role of Parks and Recreation Commission as a forum for Urban Forestry issues and #8 on the incentives for tree planting and other issues, such as review of appeals process when there is no construction proposed, review impacts of neighboring trees, outlying structures and other concerns with further amendments if needed after April 2022; and
- G. Expand the prioritization of native and drought tolerant tree use in the Tree Technical Manual and ordinance for replacement of trees.

AMENDMENT: Council Member Stone moved, seconded by Council Member Kou to add onto the Motion as Part H:

- H. Direct Staff to formalize a role in the Parks and Recreation Commission on Urban Forestry issues

AMENDMENT PASSED: 4-3, Cormack, DuBois, Filseth no

AMENDMENT: Council Member Cormack moved, seconded by Council Member Tanaka to add onto the Motion as Part I:

- I. Direct Staff to conduct further public outreach with the appropriate Boards and Commissions.

AMENDMENT PASSED: 5-2, Kou, Stone no

DRAFT ACTION MINUTES

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

- A. Accept the Policy and Services motion and recommendations and incorporate them into the updated ordinance;
- B. Evaluate the redlines regarding tree replacement and the removal of protected trees, which were sent in today for inclusion from the Ad-Hoc Resident group;
- C. Evaluate and return with an option to modify the definition of protected trees 8.10.020.j (3) to include any tree at least 15" in diameter;
- D. Return no later than April 2022 with an ordinance for City Council review and approval;
- E. Return with a recommendation on the elevation of Urban Forester as part of the budget process;
- F. Explore Policy and Services' recommendation #8 on the incentives for tree planting and other issues, such as review of appeals process when there is no construction proposed, review impacts of neighboring trees, outlying structures and other concerns (e.g., fire protection and tree watering during a drought) with further amendments if needed after April 2022;
- G. Expand the prioritization of native and drought tolerant tree use in the Tree Technical Manual and ordinance for replacement of trees;
- H. Direct Staff to formalize a role in the Parks and Recreation Commission on Urban Forestry issues; and
- I. Direct Staff to conduct further public outreach with the appropriate Boards and Commissions.

MOTION SPLIT FOR THE PURPOSE OF VOTING

PARTS A, B, D, F-I OF MOTION PASSED: 7-0

PART C OF MOTION PASSED: 5-2, Cormack, Tanaka no

PART E OF MOTION PASSED: 6-1, Tanaka no

- 14. PUBLIC HEARING: Discussion of an Updated Commercial Linkage Fee Feasibility Study and Adoption of an Ordinance Amending the City's

DRAFT ACTION MINUTES

Fiscal Year (FY) 2022 Municipal Fee Schedule to Adjust the Affordable Housing Commercial Impact Fee; the Current Fee is \$39.50 per Square Foot (\$20.37 / Square Foot for Hotels).

Public Hearing opened at 10:33 P.M.

Public Hearing closed at 10:41 P.M.

MOTION: Council Member Filseth moved, seconded by Council Member Kou to adopt an ordinance amending the City's FY 2022 Adopted Municipal Fee Schedule for commercial/R&D development to \$68.50 per square foot.

MOTION PASSED: 5-2, Cormack, Tanaka no

Adjournment: The meeting was adjourned at 11:20 P.M.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with [Ordinance No. 5423](#), the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.



City of Palo Alto City Council Staff Report

(ID # 13663)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: SECOND READING: Adopt an Ordinance Amending Palo Alto Municipal Code Title 10 (Parking) to Allow Virtual Parking Permits and Update Definitions and Procedures; and Direct Staff to Implement Virtual Parking Permits in a Phased Approach (FIRST READING: October 4, 2021 PASSED: 7-0)

From: City Manager

Lead Department: City Clerk

This was heard by the City Council on October 4, 2021 for a first reading and was approved 7-0. The ordinance attached has been corrected since the first reading to delete outdated references to Revenue Collections as discussed by the City Council; it is now before you for a second reading.

Attachments:

- **Attachment5.a:** Attachment A: Ordinance Amending Title 10 (Parking) to Allow Virtual Parking Permits and Update Definitions and Procedures to Conform with Current Practices

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Various Chapters of Title 10 (Parking) of the Palo Alto Municipal Code to Allow Virtual Parking Permits, Update Definitions and Processes, and Limit “Loading and Unloading” to “Active Loading and Unloading”

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and declarations. The City Council finds and declares as follows:

- A. The City Council desires to allow virtual permits for the City’s various permit parking programs.
- B. The City Council desires to update various sections of Title 10 to update job titles, definitions, and processes to reflect current practices.
- C. The City Council desires to clarify that “loading or unloading” be limited to “active loading or unloading” when permitted by various sections of Title 10.
- D. The City Council hereby amends Title 10 to implement these changes as specifically described in this Ordinance.

SECTION 2. The following sections of Chapter 10.04 (Definitions) of Title 10 (Vehicles and Traffic) are hereby amended as follows (new text is underlined, deletions are in ~~strikethrough~~):

10.04.060 Loading zone.

"Loading zone" means that space adjacent to a curb reserved for the exclusive use of vehicles during the active loading or unloading of passengers or materials.

10.04.080 Park.

"Park" means the standing of a vehicle, whether occupied or not, otherwise than temporarily for a period of less than thirty seconds for the purpose of and while actually engaged in active loading or unloading passengers or materials.

10.04.100 Passenger loading zone.

"Passenger loading zone" means the space adjacent to a curb reserved for the exclusive use of vehicles during the active loading or unloading of passengers.

SECTION 3. Chapter 10.04 (Definitions) is hereby amended to add new section 10.04.185 as follows:

10.04.185 Transportation Network Company.

"Transportation Network Company" means an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity,

operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.

SECTION 4. Section 10.36.050 (Parallel Parking) of Chapter 10.36 (Stopping, Standing and Parking - Generally) is hereby amended as follows:

10.36.050 Parallel parking.

(a) Subject to other and more restrictive limitations, a vehicle may be stopped or parked within eighteen inches of the left-hand curb facing in the direction of traffic movement upon any one-way street unless the city manager has caused signs to be erected prohibiting such stopping or standing.

(b) In the event a highway includes two or more separate roadways and traffic is restricted to one direction upon any such roadway, no person shall stand or park a vehicle upon the left-hand side of such one-way roadway unless the city manager has caused signs to be erected permitting such standing or parking.

(c) The city manager is authorized to determine when standing or parking shall be prohibited upon the left-hand side of any one-way street or alley or when standing or parking may be permitted upon the left-hand side of any one-way roadway of a highway having two or more separate roadways and shall erect signs giving notice thereof.

(d) The requirement of parallel parking in this section shall not apply in the event any commercial vehicle is actually engaged in the process of actively loading or unloading freight or goods, in which case that vehicle may be backed up to the curb, provided that such vehicle does not extend beyond the center line of the street and does not block traffic thereby; however, pursuant to Section 10.40.040 commercial vehicles may not stop, park, or stand in business districts between the hours of 11 a.m. and 6 p.m. unless they are legally parallel parked or are legally parked in any angle parking space.

SECTION 5. The following sections of Chapter 10.40 (Stopping, Standing and Parking - Loading And Unloading) are hereby amended as follows:

10.40.020 Signs or curb markings to indicate no stopping and parking regulations.

(a) The city manager is authorized, subject to the provisions and limitations of this title, to place signs or the following curb markings on any street, alley, or public parking facility to indicate parking or standing regulations, and curb markings shall have the meaning as herein set forth:

(1) Red shall mean no stopping, standing or parking at any time whether the vehicle is attended or unattended except that a bus may stop in a red zone marked or signed as a bus zone.

(2) Yellow shall mean no stopping, standing or parking ~~at during any the period of time between six a. m. and six p.m. of any day except Sundays and holidays~~ designated by posted signage for any purpose other than the active loading or unloading of passengers or materials; provided that the loading or unloading of passengers shall not consume more than three minutes nor the loading or unloading of materials more than twenty minutes by commercial

vehicles during which the operator must be in attendance, under any circumstances during times when parking is restricted at a yellow zone.

(3) White shall mean no stopping, standing or parking at any time, unless limited to specific hours and/or days by posted signs, for any purpose other than the active loading or unloading of passengers which shall not exceed three minutes.

(4) Green shall mean no standing or parking for a period of time longer than thirty minutes at any time between eight a.m. and five p.m. of any day except Saturdays, Sundays and holidays the specified time limit and on the days indicated by the posted signs.

(5) Blue shall mean no stopping, standing or parking except for vehicles that lawfully display a disabled placard or disabled license plate while transporting a disabled person. Such restrictions shall apply at all times.

(b) When the city manager, as authorized under this chapter, has caused signs or curb markings to be placed, no person shall stop, stand or park a vehicle adjacent to any such legible sign or curb marking in violation of any of the provisions of this title except as specifically authorized by law.

10.40.030 Effect of permission to load or unload.

(a) Permission herein granted to stop or stand a vehicle for purposes of active loading or unloading of materials shall apply only to commercial vehicles and shall not extend beyond the time necessary therefor and in no event for more than twenty minutes.

(b) The loading or unloading of materials shall apply only to commercial deliveries including the delivery or pickup of express and parcel post packages and United States mail.

(c) Permission herein granted to stop or park for purposes of active loading or unloading passengers shall include the loading or unloading of personal baggage but shall not extend beyond the time necessary therefor and in no event for more than three minutes.

(d) The provisions of this section shall be enforced so as to accommodate necessary and reasonable loading or unloading but without permitting abuse of the privileges hereby granted. (Ord. 4558 § 4 (part), 1999)

10.40.045 Special parking permit for construction or maintenance work.

(a) The chief transportation official may issue a permit for the temporary use of any parking space in a public street or in a public parking facility upon a showing that the applicant will be moving property or conducting construction and/or maintenance work in the immediate area and that no alternative off-street site for the parking of vehicles or for the temporary storage of equipment and/or materials is available reasonably near the work site. Such permit shall entitle the holder temporarily to use a designated parking space or spaces in a public street or a public parking facility as specified in the permit without regard to time limits otherwise imposed, but shall not permit illegal parking or use and parking or use of unauthorized places.

(b) A permit, when issued for the use of a vehicle, shall contain the name of the permittee, the make and type of vehicle, the license number, and the location where and time when the permit shall be in effect. A permit, when issued for the temporary storage of equipment and/or materials, shall contain the name of permittee, the specific type of equipment and/or materials to be stored and the location where and the time when the permit shall be in effect. When a single permit is issued for both parking and storage, the information required for both parking

and storage permits, as set forth in this chapter, shall be contained therein.

(c) When issued for parking or for storage, the permit shall be ~~placed on the windshield of the vehicle and, when issued for storage, the permit shall be posted in a conspicuous place on the equipment or materials~~ displayed as directed by the City.

(d) No permit shall be issued for any initial period greater than thirty working days, but the chief transportation official may renew the permit for additional periods not to exceed thirty working days each. The fee for such permit shall be established in the municipal fee schedule. No permit shall be issued until said fee has been paid to the ~~supervisor of revenue collections~~ City.

(e) In addition to the permits described in this section, the chief transportation official may issue permits authorizing the temporary use by commercial vehicles of any parking space in a public street or in a public parking facility upon a showing that the applicant provides emergency repair work. Such permit shall entitle the holder to use a parking space in a public street or a public parking facility without regard to the limits otherwise imposed, but shall not permit illegal parking or parking in unauthorized places; the permit shall authorize parking for the duration of the emergency only. Each use of the permit shall be recorded with the date, time, place, and nature of the emergency, as well as with other information required by the forms provided for reporting purposes. The completed form shall be submitted to the chief transportation official on a monthly basis for verification.

A permit shall be effective for one year and shall contain the name of the permittee, the make and type of vehicles, the license numbers and the effective dates of the permit. The ~~original~~ permit shall be ~~placed on the vehicle windshield so as to be visible from outside the vehicle and shall include an indication as to the specific location of the emergency~~ displayed as directed by the City. No person shall reproduce a permit. The annual fee for such permit shall be established in the municipal fee schedule. No permit shall be issued until said fee has been paid to the ~~supervisor of revenue collections~~ City.

It is unlawful and an infraction for any person:

- (1) To use an emergency repair parking permit for other than parking for emergency repair work;
- (2) To use an emergency repair parking permit for other than commercial vehicles;
- (3) To use an expired or revoked emergency repair parking permit; or
- (4) To reproduce an emergency repair parking permit. Two violations in any calendar year shall automatically revoke privileges for the next succeeding twelve months.

For purposes of this subsection, "emergency repair work" means repair work done to a structure or to mechanical, electrical, or plumbing devices where there exists a threat to life or property.

10.40.050 Standing for loading or unloading only.

No person shall stop, stand or park a vehicle in any yellow loading zone for any purpose other than active loading or unloading passengers or materials for such time as is permitted in Section 10.40.030.

10.40.060 Standing in passenger loading zone.

No person shall stop, stand or park a vehicle in any passenger loading zone for any purpose

other than the active loading or unloading of passengers for such time as is specified in Section 10.40.030.

10.40.070 Standing in any alley.

When official signs prohibiting such parking are in place, no person shall stop, stand or park a vehicle for any purpose other than the active loading or unloading of materials in any alley. Such parking shall not exceed twenty minutes. In no event shall the driver of such vehicle leave less than one traffic lane for unobstructed passage. When an alley is designated as a one-way alley, such parking by vehicles shall be permitted on the right side only.

SECTION 6. Chapter 10.40 (Stopping, Standing and Parking - Loading and Unloading) is hereby amended to add new section 10.40.110 as follows:

10.40.110 Transportation Network Company (TNC) Vehicles.

No owner or driver of a TNC vehicle shall park or stand the same upon any public highway or street for any period of time longer than is necessary to discharge or receive passengers.

SECTION 7. The following sections of Chapter 10.46 (College Terrace Residential Parking Permit Program (RPPP)) are hereby amended as follows:

10.46.010 Definitions.

As used in this chapter:

(a) "Address" means and includes any residential address. Each dwelling unit within an apartment building that is distinguished by an apartment number shall be considered an address.

(b) "Block" means any street segment intersected by two other streets. Blocks include the following:

North-South Blocks

- 1) Yale Street from Stanford Avenue to Oxford Avenue
- 2) Yale Street from Oxford Avenue to College Avenue
- 3) Yale Street from College Avenue to Cambridge Avenue
- 4) Yale Street from Cambridge Avenue to California Avenue
- 5) Williams Street from Stanford Avenue to College Avenue
- 6) Williams Street from College Avenue to California Avenue
- 7) Wellesley Street from Stanford Avenue to Oxford Avenue
- 8) Wellesley Street from Oxford Avenue to College Avenue
- 9) Wellesley Street from College Avenue to Library
- 10) Wellesley Street from Library to California Avenue
- 11) Cornell Street from Stanford Avenue to College Avenue
- 12) Cornell Street from College Avenue to California Avenue
- 13) Princeton Street from Stanford Avenue to College Avenue
- 14) Princeton Street from College Avenue to California Avenue
- 15) Oberlin Street from Stanford Avenue to College Avenue
- 16) Oberlin Street from College Avenue to California Avenue

- 17) Harvard Street from Stanford Avenue to College Avenue
- 18) Harvard Street from College Avenue to California Avenue
- 19) Hanover Street from Stanford Avenue to College Avenue
- 20) Hanover Street from College Avenue to California Avenue
- 21) Dartmouth Street from Stanford Avenue to Werry Park
- 22) Dartmouth Street from Werry Park to College Avenue
- 23) Dartmouth Street from College Avenue to Weisshaar Park
- 24) Dartmouth Street from Weisshaar Park to California Avenue
- 25) Columbia Street from Stanford Avenue to College Avenue
- 26) Columbia Street from College Avenue to California Avenue
- 27) Bowdoin Street from Stanford Avenue to College Avenue
- 28) Bowdoin Street from College Avenue to California Avenue
- 29) Amherst Street from Stanford Avenue to College Avenue
- 30) Amherst Street from College Avenue to California Avenue
- 31) Staunton Court from Oxford Avenue to College Avenue

East-West Blocks

- 1) Stanford Avenue from El Camino Real to Yale Street
- 2) Stanford Avenue from Yale Street to Williams Street
- 3) Stanford Avenue from Williams Street to Wellesley Street
- 4) Stanford Avenue from Wellesley Street to Cornell Street
- 5) Stanford Avenue from Cornell Street to Princeton Street
- 6) Stanford Avenue from Princeton Street to Oberlin Street
- 7) Stanford Avenue from Oberlin Street to Harvard Street
- 8) Stanford Avenue from Harvard Street to Escondido Street
- 9) Stanford Avenue from Escondido Street to Hanover Street
- 10) Stanford Avenue from Hanover Street to Dartmouth Street
- 11) Stanford Avenue from Dartmouth Street to Columbia Street
- 12) Stanford Avenue from Columbia Street to Bowdoin Street
- 13) Stanford Avenue from Bowdoin Street to Amherst Street
- 14) College Avenue from Yale Street to Williams Street
- 15) College Avenue from Williams Street to Wellesley Street
- 16) College Avenue from Wellesley Street to Cornell Street
- 17) College Avenue from Cornell Street to Princeton Street
- 18) College Avenue from Princeton Street to Oberlin Street
- 19) College Avenue from Oberlin Street to Harvard Street
- 20) College Avenue from Harvard Street to Hanover Street
- 21) College Avenue from Hanover Street to Dartmouth Street
- 22) College Avenue from Dartmouth Street to Columbia Street
- 23) College Avenue from Columbia Street to Bowdoin Street
- 24) College Avenue from Bowdoin Street to Amherst Street
- 25) California Avenue from Yale Street to Williams Street
- 26) California Avenue from Williams Street to Wellesley Street
- 27) California Avenue from Wellesley Street to Cornell Street
- 28) California Avenue from Cornell Street to Princeton Street

- 29) California Avenue from Princeton Street to Oberlin Street
- 30) California Avenue from Oberlin Street to Harvard Street
- 31) California Avenue from Harvard Street to Hanover Street
- 32) California Avenue from Hanover Street to Dartmouth Street
- 33) California Avenue from Dartmouth Street to Columbia Street
- 34) California Avenue from Columbia Street to Bowdoin Street
- 35) California Avenue from Bowdoin Street to Amherst Street
- 36) Oxford Avenue from Stanton Court to Yale Street
- 37) Cambridge Avenue from El Camino Real to Yale Street

(c) "College Terrace" means the area bounded by El Camino Real on the east, Amherst Street on the west, California Avenue on the south, and Stanford Avenue on the north. The residential portion of the CN zone on the east side of Yale Street, the north side of Cambridge Avenue, the west side of Stanton Court and Oxford Avenue from Staunton Court to Yale, is also included in the boundary of College Terrace. Areas, including block faces on the north side of Stanford Avenue and on the south side of California Avenue are excluded.

(d) "Day care center" means and includes any state-licensed day care center with five or more employees.

(e) "Designated residential parking area," sometimes referred to as "residential permit parking area," means any block upon which the Council imposes parking limitations pursuant to the authority granted by this chapter.

(f) "Guest parking permit" means a parking permit issued pursuant to this chapter or an ordinance or resolution enacted pursuant to authority granted herein, which when displayed ~~upon a motor vehicle as directed by the City, as described herein,~~ shall exempt the motor vehicle from parking time restrictions established pursuant to this chapter.

(g) "Guest" means an individual who calls upon a resident in the designated residential permit parking area with specific intent to spend time in or about that resident's residence for the purpose of social intercourse or to provide a service.

(h) "Motor vehicle" means and includes automobile, truck, motorcycle or other motor driven form of transportation.

(i) "Neighborhood-serving establishment" means all libraries, schools, day care centers, and nonprofit public service organizations.

(j) "Nonresident vehicle" means a motor vehicle not eligible to be issued a residential parking permit, pursuant to the terms and conditions of this chapter, for the specific area in which it is parked.

(k) "One-day guest parking permit" means a parking permit issued pursuant to this chapter which when displayed ~~upon a motor vehicle, as described herein,~~ as directed by the City, shall exempt the motor vehicle from parking time restrictions established pursuant to this chapter or an ordinance or resolution enacted pursuant to authority granted herein, for the date indicated upon the face of said permit or as authorized by a virtual permit.

(l) "Residential parking permit" means a permit issued under this chapter which, when displayed ~~upon a motor vehicle, as described herein,~~ as directed by the City, shall exempt said motor vehicle from parking time restrictions established pursuant to this chapter.

(m) "Residence" means a legal residential address and shall exclude business addresses.

(n) "Resident" means any person sixteen (16) years of age or older whose legal residential

address is in the designated residential permit parking area.

(o) "RPPP" means residential parking permit program.

(p) "RPPP year" means and includes the days between September 1 and August 31 of the following year.

(q) "School" means and includes any state-licensed preschool, elementary, middle, junior high, or high school with five or more employees.

(r) "Virtual permit" allows the holder to park according to the type of permit purchased without displaying a physical permit affixed to or displayed in a vehicle. A virtual permit relies on cross-referencing a vehicle's license plate or other vehicle-specific identifier with the City's parking permit database to identify any valid parking permits for that vehicle.

10.46.060 Issuance of residential parking permits.

(a) Residential parking permits shall be issued by the ~~Administrative Services Department's Revenue Collections Division~~ City in accordance with requirements set forth in this chapter. Each such permit shall be designed to state or reflect thereon the identification of the particular residential permit parking area (i.e. College Terrace) as well as the license number of the motor vehicle for which it is issued. The City may also issue virtual permits in combination with or instead of physical permits. No more than one residential parking permit shall be issued to each motor vehicle owned or leased for which application is made.

(b) ~~Revenue Collections~~ The City shall issue residential parking permits with a term of one year from September 1 to August 31 regardless of when during the year a resident purchases the parking permit, to motor vehicles which comply with the requirements set forth in this chapter. Purchase of permits will be available starting thirty days prior to the beginning of the next RPPP year. A grace period will be recognized from September 1 to September 30 for residents with a permit from the previous year. Vehicles displaying a permit from the previous year will not be cited during the grace period.

(c) Residents applying for a permit will be required to provide proof of vehicle ownership and residency. A vehicle registration form as well as one of the following shall be required at the time of registration showing College Terrace residency:

- Driver's license – indicating College Terrace Address
- Rental agreement – with name of resident
- Current (i.e., not more than sixty days old) utility bill with street address noted

(d) One residential parking permit may be issued for each vehicle owned, leased or any person who can demonstrate that they are currently a resident of the area for which the permit is to be issued.

(e) A residential parking permit may be issued for any vehicle owned, leased or any person who is employed by or a representative of a neighborhood-serving establishment located within the particular residential permit parking area. Each employee or representative of a neighborhood-serving establishment will be allowed to obtain one permit for each vehicle they own or lease subject to the following criteria which shall be used to establish the eligibility of a neighborhood-serving establishment and the maximum number of permits to be issued:

- (1) An establishment for which there is no off-street parking and no financially feasible way of creating adequate off-street parking on the site of the establishment;
- (2) In areas where it appears that the number of permits sold per block would exceed the

number of legal on-street parking spaces per block the initial sale would be limited to two or possibly one permit per neighborhood-serving establishment;

(3) Distribution of permits shall be through a designated representative of the establishment who will be responsible for allocation of the permits to employees.

(f) Renewal of residential parking permits shall be subject to the same conditions imposed on new permits.

(g) The residential parking permit shall ~~consist of a bumper sticker that is to be affixed to the left side of the rear bumper or on the outside of the rear window on the lower left hand corner.~~ be displayed as directed by the City. The City may issue a residential parking permit in any form, including as a virtual permit.

(h) ~~Revenue Collections~~ The Director of the Office of Transportation is authorized to issue such rules and regulations, not inconsistent with this chapter, governing the issuance and display of residential parking permits.

(i) Any person to whom a residential parking permit has been issued pursuant to this section shall be deemed a parking permit holder.

10.46.070 Guest permits.

(a) ~~Revenue Collections~~ The City shall issue guest parking permits in accordance with this section. A guest parking permit shall be of limited duration, but shall otherwise grant to the holder thereof all the rights and privileges of a regular residential parking permit. Guest parking permit shall be of two types:

- (1) One-day guest parking permits; and
- (2) Annual guest parking permits.

(b) A one-day guest parking permit shall clearly display the date upon which it becomes effective, and shall designate the particular residential permit parking area for which it applies (i.e., College Terrace). A one-day guest parking permit shall, during the date indicated upon the face of said permit, exempt the applicable vehicle from parking time restrictions established pursuant to this chapter. The City may also issue virtual permits in combination with or instead of physical permits.

(c) An annual guest parking permit shall, for the period between September 1 and August 31 of the following year exempt the applicable vehicle from parking time restrictions established pursuant to this chapter.

(d) ~~Guest passes parking permits shall hang from the rear view mirror and must be clearly displayed in this fashion.~~ be displayed as directed by the City. The City may issue guest parking permits in any form, including as a virtual permit.

(e) ~~Revenue Collections~~ The Director of the Office of Transportation is authorized to establish rules and regulations, not inconsistent with this chapter, concerning the issuance and display of guest parking permits to permit holders.

(f) An eligible applicant for a guest parking permit shall be any person having obtained a residential parking permit pursuant to criteria set forth in this chapter, but no more than two annual guest parking permits per address shall be issued during a single RPPP year.

(g) The total number of one-day guest permits issued will be limited to twenty permits in a three-month calendar quarter.

(h) The use of guest permits is restricted to visitors to the permit parking area. Holders of

residential parking permits are prohibited from displaying guest permits in the permit parking area.

10.46.080 Parking permit fees.

(a) The initial purchase of a residential parking permit for a vehicle owned or leased of a resident and registered at a qualifying residence in addition to vehicles owned, leased of an owner or employee of a qualifying neighborhood serving center shall be assessed the corresponding fees set forth in the city Municipal Fee Schedule.

(b) Renewal of residential parking permits shall be subject to the fees set forth in the city Municipal Fee Schedule.

(c) Replacement of stolen, lost, or damaged residential parking permits shall be subject to the fees set forth in the city Municipal Fee Schedule.

(d) Lost or stolen guest permits will be subjected to a higher replacement fee as set forth in the City Municipal Fee Schedule.

(e) The fee for each guest parking permit (one-day and annual) will be as set forth in the city Municipal Fee Schedule.

(f) Residential parking permit fees will be pro-rated for half year increments. Thus permits applied for between September 1 and the last day of February pay full price. Permits applied for between March 1 and August 31 pay half price.

(g) One-day guest permits pay full price.

(h) No partial or full refund will be administered for any resident or guest permit.

~~(i) Residents will be required to complete their initial application for the resident permit and guest passes in person at the Revenue Collections office at the City of Palo Alto City Hall located at 250 Hamilton Avenue, Palo Alto, CA 94301. Subsequent renewal of the resident permit and guest passes will also required to be completed in person at the Revenue Collections office.~~

SECTION 8. The following sections of Chapter 10.50 (Residential Preferential Parking Districts) are hereby amended as follows:

10.50.020 Definitions.

The following words and phrases shall have the following meanings:

(a) "Director" shall mean the director of ~~planning and community environment~~ the office of transportation.

(b) "Dwelling unit" shall mean a self-contained house, apartment, stock cooperative unit, or condominium unit occupied by a single household exclusively for residential purposes. These residential purposes may include lawful home occupations.

(c) "Employee permit" shall mean a permit issued to an employee working at a business located within an RPP District or as defined in an RPP district specific resolution.

(d) "Guest permit" shall mean a permit issued to a resident on an for use by a person visiting a residence in an RPP District or for workers providing services such as caregiving, gardening, repair maintenance and construction, to the resident. The number of guest permits issued to residents shall be specified in administrative regulations adopted by the director. Guest permits shall be valid for no more than one year based on the permit renewal cycle.

(e) "Non-resident vehicle" shall mean a vehicle operated by a person whose destination is

not to a residence within the Residential Preferential Parking District.

(f) "Resident" shall mean a natural person living in a dwelling unit in an RPP District.

(g) "Residential Preferential Parking District" or "RPP District" shall mean a geographical area in which the city council has established a preferential parking permit system pursuant to California Vehicle Code section 22507.

(h) "Visitor permit" shall mean a temporary 24-hour permit issued to a resident for use by a person visiting a residence in an RPP District.

10.50.050 Initiation by neighborhood petition.

Residents may request the formation of an RPP District in their neighborhood. The request shall be made, and considered, in the following manner:

(a) Form of Application.

(1) The director shall establish a standard form for the application for the formation of a new RPP District, as well as a list of submittal requirements for use by interested residents. These requirements shall include a narrative describing the nature and perceived source of non-residential parking impact, as well as suggested district boundaries. The director shall also approve a standard form for use in demonstrating resident support for the application.

(2) Residents shall initiate a request for establishment of an RPP District by neighborhood petition by completing the official application form.

(3) Residents are encouraged to consult with the employers and employees thought to be the source of the parking impact as they develop their proposals.

(b) Timing and Review of Applications. Each calendar year, the director of planning and community environment shall review all applications received prior to March 31st of that year to determine whether the RPP District criteria established in this Chapter and the administrative guidelines are met.

(c) Prioritization of Applications. Applications determined by the director to meet the criteria in paragraph (b) above shall be presented to the planning and transportation commission. The commission shall review the requests and recommend to the director which proposal or proposals should be given priority for review and possible implementation in the current calendar year. In making its recommendations, the commission shall consider the severity of non-residential parking impact, the demonstrated level of neighborhood support, and the staff resources needed to process requests.

(d) Staff Review of Applications and Community Outreach. Once an application has been selected for council consideration during the current calendar year, staff shall promptly review the application, gather additional information and conduct a community outreach program. At a minimum the review process shall include the following:

(1) The city shall complete parking occupancy studies to quantify the nature of the problem identified in the petition. Data shall be collected when schools in the Palo Alto Unified School District and Stanford University are in session, unless these institutions are irrelevant to the problem to be addressed.

(2) Upon completion of the consultation and outreach process, the city attorney shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake a survey of resident support within the RPP District. The results of this survey shall be included in and reported to the planning and transportation commission and the city

council.

(e) Planning and Transportation Commission Review. Staff shall bring the proposed RPP District to the planning and transportation commission no later than September of the calendar year in which consideration began. The commission shall review the draft resolution at a noticed public hearing and make a recommendation to the city council regarding the RPP District. This recommendation may include proposed modifications of the boundaries. The commission's recommendation shall be forwarded to the city council no later than September 30th.

10.50.070 Administration of districts.

(a) Issuance and Fees.

(1) No permit will be issued to any applicant until that applicant has paid all of his or her outstanding parking citations, including all civil penalties and related fees.

(2) A residential parking permit may be issued for a motor vehicle if the following requirements are met:

(A) The applicant demonstrates that he or she is currently a resident of the area for which the permit is to be issued.

(B) The applicant demonstrates that he or she has ownership or continuing custody of the motor vehicle for which the permit is to be issued.

(C) Any motor vehicle to be issued a permit must have a vehicle registration indicating registration within the area for which the permit is to be issued.

(3) Visitor or guest parking permits may be issued for those vehicles or to those individuals or households that qualify for those permits under the resolution establishing the RPP District.

(4) Employee parking permits may be issued to those individuals and for those vehicles that qualify for such permits under the resolution establishing the RPP District.

(b) All permits shall be displayed as directed by the City.

~~(b)~~ No Guarantee of Availability of Parking. A parking permit shall not guarantee or reserve to the permit holder an on-street parking space within the designated residential preferential parking zone.

~~(c)~~ Restrictions and Conditions. Each permit issued pursuant to this Section shall be subject to each and every condition and restriction set forth in this Chapter and as provided for in the resolution establishing the specific RPP District, as may be amended from time to time. The issuance of such permit shall not be construed to waive compliance with any other applicable parking law, regulation or ordinance.

~~(d)~~ Exemptions. The following vehicles are exempt from RPP District parking restrictions in this Chapter:

(1) A vehicle owned or operated by a public or private utility, when used in the course of business.

(2) A vehicle owned or operated by a governmental agency, when used in the course of official government business.

(3) A vehicle for which an authorized emergency vehicle permit has been issued by the Commissioner of the California Highway Patrol, when used in the course of business.

(4) A vehicle parked or standing while actively delivering materials or freight.

(5) A vehicle displaying an authorized exemption permit issued by the City of Palo Alto.

(6) A vehicle displaying a State of California or military-issued disabled person placard or license plates.

(7) A vehicle parked for the purpose of attending or participating in an event taking place at a school within the Palo Alto Unified School District or another event venue within the RPP District, provided that the vehicle is parked within two blocks of the venue, the venue has requested and received approval from the city at least fourteen days before the event date, and the venue distributes notices to all addresses within a two-block radius of the venue. The RPP District resolution shall specify the covered venues and number of permitted events per year.

(8) All vehicles are exempt from parking restrictions pursuant to this Chapter on the following holidays: January 1, July 4, Thanksgiving Day, and December 25.

(e) Authority of Staff.

(a) The director is authorized to adopt administrative regulations that are consistent with the purposes of this Chapter. Prior to adoption the director shall conduct a noticed public meeting soliciting input on such guidelines.

(b) The police department or private parking enforcement contractor as approved by the chief of police City shall have the authority to enforce the this Chapter and the administrative regulations established pursuant to this Chapter.

10.50.090 Modification or termination of districts.

(a) Opting out. After final adoption of an RPP District, Residents may file an application with the director to opt out of the RPP District. The minimum number of blocks and percentage of units supporting the opt-out shall be specified by the director in the administrative guidelines. Applications for opting out shall be made in the form and manner prescribed by the director and shall be acted up on by the director.

(b) Timing and Review of Opt Out Applications. Each calendar year, the director of planning and community environment shall review all opt out applications received prior to March 31st of the year to determine whether the opt out criteria established in the administrative guidelines are met.

(c) Dissolution. The city council following a noticed public hearing may adopt a resolution dissolving the RPP District:

(1) Upon receipt and verification of a petition signed by 50% or more of all the households within an approved RPP District boundary; or

(2) Upon findings by the city council that the criteria for designating the RPP District are no longer satisfied.

10.50.100 Violations and Penalties.

(a) No person shall park a vehicle adjacent to any curb in a residential preferential parking zone in violation of any posted or noticed prohibition or restriction, unless the person has a valid and current residential preferential parking permit, visitor permit, guest permit or employee permit for that vehicle, or is otherwise exempt. Use of any permit issued under this Chapter shall be subject to the provisions of this Chapter and the administrative regulations.

Violations of this subsection shall be punishable by a civil penalty under Chapter 10.60.010.

(b) In RPP Districts with a time limit for non-permitted vehicles, vehicles not displaying a valid

permit may park up to the posted time limit during the period designated by posted signage. After the maximum time limit period, vehicles will be prohibited from re-parking within the same district.

(~~b~~c) No person shall sell, rent, or lease, or cause to be sold, rented, or leased for any value or consideration any RPP District parking permit, visitor permit or guest permit. Upon violation of this subsection, all permits issued to for the benefit of the dwelling unit or business establishment for which the sold, rented, or leased permit was authorized shall be void. Violation of this subsection (b) shall be punishable as an infraction.

(~~e~~d) No person shall buy or otherwise acquire for value or use any RPP District parking permit, guest permit or visitor permit except as provided for in this chapter. Violation of this subsection (c) shall be punishable as an infraction.

SECTION 9. Chapter 10.50 (Residential Preferential Parking Districts) is hereby amended to add new section 10.50.110 as follows:

10.50.110 Revocation of permit.

In addition to all other remedies, the City may temporarily revoke (for a period of time not to exceed ten working days) a parking permit issued under this Chapter of any person found to be in violation of this chapter by providing written notice of the temporary revocation to the permittee. Such written notice shall include a statement outlining the grounds for revoking the permit as well as the date, time, and place set for a hearing before the Hearing Officer or their representative to determine if the revocation shall be in effect until the expiration of the permit. Written notice of the date, time and place of such hearing shall be served upon the permittee five days prior to the date set for such hearing.

At the hearing before the Hearing Officer or their representative, the permittee shall have the right to present evidence and a written or oral argument, or both.

No decision shall be invalidated because of the admission into the record and the use of any proof of any fact in dispute of any evidence not admissible under the common law or statutory rules of evidence.

Within five working days after close of hearing, the Hearing Officer or their representative shall enter their decision based upon the record presented and notify the permittee in writing of such decision. The decision of the Hearing Officer shall be final. Failure, when so requested, to surrender a parking permit so revoked shall constitute a violation of this section. There will be no refunds for revoked permits.

SECTION 10. The following sections of Chapter 10.51 (Crescent Park No Overnight Parking Program) of Title 10 (Parking) are hereby amended as follows:

10.51.020 Definitions.

The following words and phrases as used in this chapter shall have the following meanings.

(a) "Crescent Park" means the area bound by Edgewood Drive on the northeast, Channing Avenue on the south, Lincoln Avenue on the west, University Avenue on the northwest and including the entirety of Crescent Drive.

(b) "Director" shall mean the chief transportation official.

(c) "Dwelling unit" shall mean any self-contained house, apartment, stock cooperative, or condominium occupied solely for residential purposes.

(d) "Restricted parking area" shall mean a residential area upon which the council imposes overnight parking limitations pursuant to the authority granted by this chapter.

(e) "Resident" shall mean any person who lives in a dwelling unit located in a residential restricted parking area.

(f) "Overnight residential parking permit" shall mean a permit issued under this chapter which, when displayed ~~upon a motor vehicle, as described herein~~ as directed by the City, shall exempt said motor vehicle from parking time restrictions established pursuant to this chapter.

(g) "Guest" shall mean a person visiting residents living in a residential preferential parking zone.

(h) "Guest parking permit" shall mean a parking permit issued pursuant to this chapter or an ordinance or resolution enacted pursuant to authority granted herein, which when displayed ~~upon a motor vehicle, as described herein~~ as directed by the City, shall exempt the motor vehicle from parking time restrictions established pursuant to this chapter.

10.51.040 Inclusion of approved parking areas.

(a) Eligibility for inclusion. Residents of any street or street segment tentatively approved for inclusion may petition the director for inclusion into the Crescent Park no overnight parking area. If the petition meets the criteria established in Section 10.51.040(b) and the administrative regulations adopted by the director, parking restrictions will be implemented on that block.

(b) City staff shall consider for designation any proposed street or street segment in Crescent Park which satisfies the following enumerated requirements:

(1) Residents submit a petition, prepared for residents by city staff and signed by at least one member of fifty percent of the parcels on the street.

(2) Upon receipt of a completed petition, city staff shall issue a postal survey to verify participation and interest of all residents in the proposed restricted parking area.

(3) At least seventy percent of responses to the survey received by city staff shall be in support of participation in the restricted overnight parking program.

(c) Following validation of majority support, city staff shall implement signs within the newly designated restricted parking area and notify residents of eligibility to purchase parking permits ~~at city hall~~.

10.51.060 Administration of restricted parking area.

(a) Issuance and fees.

(1) No permit will be issued to any applicant until that applicant has paid all of his or her outstanding parking citations, including all civil penalties and related fees.

(2) An overnight residential parking permit may be issued for a dwelling if the following requirements are met:

(A) The applicant demonstrates that he or she is currently a resident of the restricted parking area for which the permit is to be issued.

(B) The applicant demonstrates that he or she has ownership or continuing custody of the motor vehicle for which the permit is to be issued.

(C) Any dwelling to be issued a permit must have a vehicle registration indicating registration within the area for which the permit is to be issued.

(3) Visitor or guest parking permits may be issued for those individuals or dwellings that qualify for those permits under the resolution establishing the restricted parking area.

(b) No guarantee of availability of parking. An overnight residential parking permit shall not guarantee or reserve to the permit holder an on-street parking space within the designated residential preferential parking zone.

(c) Restrictions and conditions. Each permit issued pursuant to this section shall be subject to each and every condition and restriction set forth in this chapter and as provided for in the resolution establishing the specific restricted parking area, as may be amended from time to time. The issuance of such permit shall not be construed to waive compliance with any other applicable parking law, regulation or ordinance.

(d) Exemptions. The following vehicles are exempt from the Crescent Park overnight parking restrictions in this chapter:

(1) A vehicle owned or operated by a public or private utility, when used in the course of business.

(2) A vehicle owned or operated by a governmental agency, when used in the course of official government business.

(3) A vehicle for which an authorized emergency vehicle permit has been issued by the commissioner of the California Highway Patrol, when used in the course of business.

(4) A vehicle parked or standing while actively delivering materials or freight.

(5) A vehicle displaying an authorized exemption permit issued by the City of Palo Alto.

(6) A vehicle displaying a State of California or military-issued disabled person placard or license plates.

(7) A vehicle parked for the purpose of attending or participating in an event taking place at a school within the Palo Alto unified school district or another event venue within the restricted parking area, provided that the vehicle is parked within two blocks of the venue, the venue has requested and received approval from the city at least fourteen days before the event date, and the venue distributes notices to all addresses within a two-block radius of the venue. The restricted parking area resolution shall specify the covered venues and number of permitted events per year.

(8) All vehicles are exempt from parking restrictions pursuant to this chapter on the following holidays: January 1, July 4, Thanksgiving Day, and December 25.

(e) Authority of staff.

(1) The director is authorized to adopt administrative regulations that are consistent with the purposes of this chapter.

(2) The director has the discretion to grant the issuance of any additional permits to a dwelling for which the maximum residential parking permits has previously been issued. Any permit approved by the director that is in addition to the two overnight residential parking permits issued pursuant to this chapter may be subject to additional fees and limitations as designated by the director.

(3) The police department or private parking enforcement contractor as approved by the ~~chief of police~~ City shall have the authority to enforce this Chapter and the administrative regulations established pursuant to this chapter.

SECTION 11. Section 10.60.070 (Permit parking in city lots) of Chapter 10.60 (Parking violations) is hereby amended as follows:

10.60.070 Permit parking in city lots.

(a) The city manager or designee is authorized to set aside any portion or all of any city-owned parking lot for permit parking and to issue permits therefor as provided in this section.

(b) The city manager or designee may issue parking permits upon application therefor and upon the payment of a fee in an amount to be determined by the city manager or municipal fee schedule. Such permit shall designate the parking lot for which it is issued and shall be ~~affixed at or near the left side of the rear window or left side of the rear bumper in such a manner that it can be readily identified from the rear of the vehicle for which it is issued~~ displayed as directed by the City. Such permit may contain such instructions as to its use as may be deemed appropriate by the city manager. The city manager or designee may issue virtual parking permits instead of, or in combination with, physical parking permits.

(c) The city manager or designee shall install signs in the permit parking areas indicating that they are reserved for permit parking only, and the holder of such a permit properly displayed may park in any such space on the lot, but only in such space.

(d) A vehicle with a permit shall not park for more than seventy-two consecutive hours in the same city-owned public parking facility. This subsection shall not apply to official city vehicles.

(e) No person who owns or has possession, custody or control of a vehicle shall park that vehicle or allow it to be parked in any permit parking space in a permit area where sign indicating that such space is reserved for permit parking only without displaying a valid permit therefor. This prohibition shall ~~not only~~ apply to the use of such spaces during the period from five p.m. to eight a.m. or on Saturdays, Sundays and holidays as indicated on the posted signage.

SECTION 12. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 13. The Council finds that adoption of this Ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301 (Existing Facilities).

//

//

//

SECTION 14. This Ordinance shall be effective on the thirty-first date after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

NOT PARTICIPATING:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Chief Transportation Official

Director of Administrative Services



CITY OF PALO ALTO OFFICE OF THE CITY MANAGER

November 1, 2021

The Honorable City Council
Palo Alto, California

Approval of Five-year Memorandum of Agreement with Stanford University regarding City's Traffic Control Services during Athletic Events, Costing Each Party Roughly \$8,000 per Athletic Event with Seven Expected Events Each Year

Recommendation

Staff recommends the City Council approve a Memorandum of Agreement (**Attachment A**) with the Board of Trustees of the Leland Stanford Junior University (Stanford) governing partial reimbursement for the City of Palo Alto's traffic control expenditures during certain athletic events, consistent with historic practice.

Background

During each academic year, Stanford hosts a number of large events at Stanford Stadium, including home football games and other special athletic events. These events require the movement of large numbers of vehicles into and out of the stadium parking areas in a short period of time.

Stanford and the City of Palo Alto (City) share a goal of moving traffic as safely and efficiently as possible to and from the stadium area while minimizing impacts to nearby vehicles, pedestrians, businesses and residents.

To accomplish this shared goal, Stanford and the City have partnered for many years to share the costs of supplemental traffic control services needed to facilitate safe and efficient vehicle movements.

Discussion

The Memorandum of Agreement provided in **Attachment A** (Agreement) confirms Stanford and the City's agreement that Stanford shall share in the City's cost of providing additional traffic control services during large athletic events in compliance with section 53069.8 of the Government Code of the State of California. Section 53069.8 grants the City Council the authority to approve the Agreement.

The Agreement restates Stanford and Palo Alto's historic relationship sharing 50/50 in the cost of managing traffic control and will formalize and extend that relationship for a five-year term. The Agreement sets out conditions under which either party may terminate the Agreement prematurely. If the Agreement remains in effect until August 31, 2026, then Stanford and the

City will have to execute a new agreement in order to continue their traffic management cost sharing relationship.

Under this Agreement, the City agrees to provide services from Department of Public Works employees and uniformed peace officers to control traffic around Stanford Stadium during athletic events where Stanford requests such services.

For each hour of traffic control services rendered by City employees other than peace officers providing services pursuant to this Agreement, Stanford shall pay the City half the hourly overtime rate of those employees. Compensation for one-half of the uniformed officers assigned overtime to provide additional traffic control services pursuant to this Agreement will be at cost to Stanford.

Neither the City nor Stanford will be liable to each other for any special, consequential, indirect or incidental damages in connection with the Agreement. No late fees shall be charged.

Resource Impact

The primary cost to the City for events at Stanford Stadium is payroll. Most payroll costs will be overtime, with the exception of Reserve Police Officers, which will be straight time. In FY 2019, the average payroll cost per event was \$16,000, the Police Department accounting for approximately 86% and the remaining 14% incurred by the Public Works Department. Stanford University reimburses 50% of this cost for each of the expected 7 events each year. Costs and the subsequent revenue are allocated from the General Fund for the Police Department and Public Works.

ATTACHMENTS:

- **Attachment6.a:** Stanford Athletics CoPA Traffic Control MOA (PDF)

Department Head: Ed Shikada, City Manager

**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF PALO ALTO AND
THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY**

This Memorandum of Agreement between Stanford University Athletics and the City of Palo Alto ("Agreement") is dated for convenience October 1, 2021 and is entered into between the **City of Palo Alto** (hereinafter "City") and the **Board of Trustees of the Leland Stanford Junior University** (hereinafter "Stanford"), collectively "Parties."

RECITALS

During each academic year, Stanford hosts a number of large events at Stanford Stadium, including home football games and other special athletic events.

These events require the movement of large numbers of vehicles into and out of the stadium parking areas in a short period of time.

Stanford and City share a goal of moving traffic as safely and efficiently as possible to and from the stadium area while minimizing impacts to other nearby vehicles, pedestrians, businesses and residents.

To accomplish this shared goal, Stanford and City have partnered for many years to share the costs of supplemental traffic control services needed to facilitate safe and efficient vehicle movements. This Agreement confirms the Parties' agreement that Stanford shall share in the City's cost of providing additional traffic control services during large athletic events at Stanford in compliance with Section 53069.8 of the California Government Code.

Now, therefore, the Parties enter into this Agreement for City to, in return for a consideration, provide Stanford with services as detailed herein.

1. EFFECTIVE DATE / TERM

The term of this Agreement shall begin October 1, 2021, after approval by the Palo Alto City Council. It shall remain in effect until August 31, 2026, unless terminated by either party.

2. SERVICES CITY AGREES TO PERFORM

City will provide services from Department of Public Works employees and uniformed peace officers to control traffic around Stanford Stadium during Stanford Athletics' ticketed football events and at other athletic events where Stanford Athletics requests such services (hereinafter "Athletics Events").

The schedule of games, hours for traffic control services, and number of employees providing services will be agreed upon by the Parties at the beginning of each academic year. Should either Party wish to change the schedule or the number of employees requested for any Athletics Event, it will do so at least 48 hours prior to the game at which Stanford anticipates a need for additional traffic control support.

3. COMPENSATION

3.1 Compensation for Supplemental Law Enforcement Services

The Parties agree that one-half of the uniformed officers assigned to provide additional traffic control services during Athletics Events, calculated as described below, will be provided pursuant to this Agreement and at cost to Stanford. The City will assign the remaining officers at no cost to Stanford.

Stanford will pay to City the hourly overtime rate for services rendered by one-half of the peace officers required to provide traffic control services pursuant to this Agreement, rounded up to the nearest whole officer. In other words, if 17 officers are required to meet the need, Stanford will pay the hourly overtime rate for nine officers. This rate will be calculated each year based on the actual costs of staffing overtime officers in these positions.

The City, at its discretion, may assign additional peace officers to provide traffic control services during Athletic Events, as the Chief of Police deems necessary.

3.2 Compensation for Services Provided by Other City Employees

For each hour of traffic control services rendered by City employees other than peace officers pursuant to this Agreement, Stanford shall pay the City half the hourly overtime rate of those employees.

3.3 No Interest or Late Fees

Stanford shall not be liable for interest or late charges for late payments.

4. LIABILITY OF STANFORD ATHLETICS AND CITY

Stanford's payment obligations under this Agreement shall be limited to the payment provided for in Section 3 ("Compensation") of this Agreement. Stanford shall not be liable for any special consequential, indirect or incidental damages in connection with this Agreement.

City shall not be liable to Stanford for any special consequential, indirect or incidental damages, including but not limited to lost profits in connection with this Agreement.

5. TERMINATION

This Agreement may be terminated at any time in writing by the agreement of both Parties. In the alternative, this Agreement may be terminated upon thirty (30) days written notice by either Party to this Agreement.

Within 30 days after the specified termination date, City shall submit to Stanford an itemized invoice detailing the unpaid costs incurred for the services rendered up to the date of termination.

Stanford's payment obligation under this Section shall survive termination of this Agreement.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof, and supersedes any prior or contemporaneous written or oral understanding or agreement, and may be amended only by written amendment executed by the Parties to this Agreement.

7. SEVERABILITY

If any term or provision of this Agreement shall be found illegal or unenforceable, this Agreement shall remain in full force and effect and such term or provision shall be deemed stricken.

8. NOTICE TO PARTIES

All notices to be given by the Parties hereto shall be in writing and served by depositing the same in the United States Post Office as follows:

NOTICE TO STANFORD:

SITE/DEPARTMENT	Office of the General Counsel
HEAD OF SITE/DEPARTMENT	Debra Zumwalt
CONTACT PERSON	c/o Lauren Schoenthaler
STREET ADDRESS	Building 170, 3d Floor
CITY, STATE, ZIP	Stanford, CA 94035
TELEPHONE	650-723-9611
EMAIL ADDRESS	lks@stanford.edu

NOTICE ALSO TO :

Brian Talbott
 Executive Associate Athletics Director, CFO
 Stanford University
 btalbott@stanford.edu
 650.723.8113

NOTICE TO THE CITY OF PALO ALTO:

	CITY OF PALO ALTO
CITY DEPARTMENT	Error! Reference source not found.
CONTACT NAME	Chief of Police
STREET ADDRESS	275 Forest Avenue
CITY, STATE, ZIP	Palo Alto, CA, 94301
TELEPHONE	650-329-2406
EMAIL ADDRESS	pd@cityofpaloalto.org

NOTICE ALSO TO THE OFFICE OF THE CITY ATTORNEY:

Office of the City Attorney
 250 Hamilton Avenue
 Palo Alto, CA 94301
 (650) 329-2646
city.attorney@cityofpaloalto.org

(Continued on next page.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF the Parties hereto have executed this Agreement

FOR CITY OF PALO ALTO**FOR BOARD OF TRUSTEES OF THE LELAND
STANFORD JUNIOR UNIVERSITY**

APPROVED:

APPROVED:

BY: _____
Ed Shikada
City Manager

BY: *Bernard Muir*
Bernard Muir
Director of Athletics, Stanford University

Electronically signed by:
Bernard Muir
Reason: I have reviewed this
document
Date: Sep 22, 2021 16:30 PDT

REVIEWED:

BY: _____
Robert Jonsen
Chief of Police

APPROVED AS TO FORM:

APPROVED AS TO FORM:

BY: *Lauren K. Schoenthaler /s/*
Lauren Schoenthaler
Senior University Counsel

BY: _____
Molly Stump
City Attorney



City of Palo Alto City Council Staff Report

(ID # 13643)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: Approval of the Acceptance and Appropriation of Federal Staffing for Adequate Fire and Emergency Response (SAFER) Grant Funds: 1) Amendment to the FY 2022 Table of Organization to Add 5.0 FTE Firefighter Positions, and 2) Approval of Budget Amendments (Requires 2/3 Approval) in the General Fund

From: City Manager

Lead Department: Fire

Recommendation

To accept federal funds through the Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program, staff recommends that the City Council:

1. Approve and authorize the City Manager to accept \$3,657,685 in grant funding from the Federal Emergency Management Agency to fund up to 5.0 FTE firefighters for a three-year period by:
 - a. Authorizing the City Manager or their designee to sign the Obligating Document for the award, Agreement No. EMW-2020-FF-01734; and
 - b. Authorizing the City Manager or their designee (e.g. Fire Department Recipient Project Officer) to complete all other documents required to comply with the award, including assurances, audits, and reports.
2. Amend the FY 2022 Budget Appropriation for the General Fund (requires 2/3 approval) by:
 - a. Increasing the Fire Department revenue estimate for Revenue from Other Agencies for SAFER Grant funding by \$493,075;
 - b. Increasing the Fire Department Salary and Benefits appropriation by \$493,075;
 - c. Increasing the Fire Department Contract Services appropriation by \$105,000 for hiring and training costs; and
 - d. Decreasing the Reserve: Transition Costs by \$105,000.
3. Amend the FY 2022 Table of Organization to Add 5.0 FTE Firefighter positions.

Executive Summary

The Fire Department has been awarded a Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the Federal Emergency Management Agency totaling \$3,657,685 over the course of 3 years. This grant is specifically for the salary and benefits costs for firefighter

positions and will be used to cover these costs for an additional 5.0 FTE Firefighter positions. There are no matching requirements and the City is not obligated to retain the positions after the end of the grant.

The budget amendment request also includes one-time non-grant funded costs of \$105,000 for testing, fire academy, training, and uniform costs associated with hiring new firefighters. These are costs the City always covers, but are traditionally added as part of the mid-year budget when the Department conducts a hiring process.

Background

The SAFER Grant is offered by the Federal Emergency Management Agency (FEMA) each year and is restricted to covering the salary and benefits of new firefighters only. Applicants are not eligible to request funding associated with the hiring and training of new firefighters.

The Fire Department had not previously applied for this grant due to significant matching requirements that previously would have shifted the majority of the costs to the grant recipient agency by the final year of the grant. Due to the fiscal crisis resulting from the pandemic, FEMA waived the matching requirement.

The Fire Department, in collaboration with the Palo Alto Firefighters Local 1319, submitted an application for the program in March 2021. The Department requested funding to restore the 5.0 FTE Firefighter positions that were frozen in the FY 2021 Adopted Budget and eliminated in the FY 2022 Adopted Budget as a result of the economic downturn caused by the pandemic.

This was a competitive process, with 202 awards made nationwide for the program. The Department understands from reviewers that it was our strong labor-management collaboration and data-driven proposal that presented a compelling application. This is the first grant of this size the Department has received and we are proud of the accomplishments of staff and labor in successfully securing funding to restore service levels to the community.

Discussion

Grant Award Amount

The grant will only cover the associated salary and benefit costs for hiring 5.0 FTE Firefighters. The total award amount is \$3,657,685 which is spread over 3 years. The award period begins 180 days after notification of award, which will be from February 2022 to February 2025.

Table 1. SAFER Grant Award Amount				
	Year 1	Year 2	Year 3	3 Year Total
Term	Feb 2022 – Feb 2023	Feb 2023 – Feb 2024	Feb 2024 – Feb 2025	
Salary	\$606,860	\$625,060	\$643,815	\$1,875,735
Benefits	\$576,520	\$593,810	\$611,620	\$1,781,950
Total	\$1,183,380	\$1,218,870	\$1,255,435	\$3,657,685

The costs were based on an Entry Level Firefighter Paramedic, Step 3 and benefits were based on an average sworn fire position benefit rate of 95% of salary. The Department included the negotiated salary increase for year 2 and a similar estimated increase for the final year.

Hiring Timeline

One of the primary requirements for the award is that the Department be able to hire the grant funded positions within 180 days from award notification. The Department's entry level hiring process typically requires 12-18 months to complete. In anticipation of the possibility of the award, the Department has been working with the Human Resources Department to establish an entry-level Firefighter hiring list, which is on track for a February 2022 Fire Academy.

The grant term period is strict and cannot be extended so if the Department does not hire by February it would not be able to take full advantage of the grant funding. The Department and Human Resources are focused on successfully completing the hiring process by February. This timeline requirement is also why the Department is submitting this staff report and requesting a Budget Amendment Ordinance in lieu of including the changes as part of the mid-year process.

Associated Costs

Non-salary costs with hiring, include outfitting new Firefighters with uniforms and Personal Protective Equipment (PPE), Fire Academy Fees, as well as background investigations and exams. These costs are not included as part of the annual operation budget and are typically added as part of the mid-year budget when the Department hires. These costs amount to \$21,000 per firefighter, and the Department is requesting an increase of \$105,000 to the Operating Budget to cover these costs. There will also be audit requirements as part of the annual financial reporting in the City's single audit. This may increase contract costs for audit procedures and will be addressed in coordination with the City Auditor's Office and the Administrative Services Department.

Resource Impact

The Department is receiving \$3,657,685 over three years in federal grant funding with no City match requirement. The grant funding cycle runs February to February, and the table below outlines the amounts available along the City's Fiscal Year cycle.

Table 2. SAFER Grant Funding by City Fiscal Year		
City Fiscal Year	Term	Amount
FY 2022	February 2022 – June 2022	\$493,075
FY 2023	July 2022 – June 2023	\$1,198,166
FY 2024	July 2023 – June 2024	\$1,234,104
FY 2025	July 2024 – February 2025	\$732,340
Total		\$3,657,685

The Fiscal Year 2022 budget will be adjusted to acknowledge the \$493,075 in revenue and the corresponding expenses for the 5.0 FTE Firefighters from February through June 2022. Revenue and expense funding in subsequent fiscal years will be appropriated as part of the annual budget process. The non-salary budget of the Fire Operating Budget will be increased on a one-time basis by \$105,000 to cover hiring and training expenses, and this funding will come from the Transition Costs Reserve. The Transition Costs Reserve will have \$410,000 remaining and it is expected that an additional up to \$200,000 will be recommended from this Reserve for executive and contractual recruitment services, to be considered later with the contract award.

This report also includes a recommendation to add 5.00 Firefighter positions, increasing staffing levels in the General Fund from 510.80 FTE to 515.80 FTE (960.00 FTE to 965.00 FTE Citywide). This is also shown in Attachment C, the Amended FY 2022 Table of Organization.

Stakeholder Engagement

The Fire Department has announced the grant award and in collaboration with Human Resources a hiring opportunity to the public has already been posted. Information about the award acceptance will be posted on the City's website to inform the community.

Environmental Review

The acceptance of the SAFER Grant and associated budget amendments to hire 5 additional firefighters is not a project requiring environmental review for the purpose of the California Environmental Quality Act, because funding additional firefighting staff will not result in a direct or reasonably foreseeable indirect physical change in the environment (Pub. Res. Code sec. 21065).

Attachments:

- **Attachment7.a:** Attachment A: SAFER Grant Award Package
- **Attachment7.b:** Attachment B: Notice of Funding Opportunity
- **Attachment7.c:** Attachment C: Amended FY 2022 Table of Organization

Award Letter

U.S. Department of Homeland Security
Washington, D.C. 20472

Effective date: 08/31/2021



Amber Cameron
PALO ALTO, CITY OF
250 HAMILTON AVE
PALO ALTO, CA 94301

EMW-2020-FF-01734

Dear Amber Cameron,

Congratulations on behalf of the Department of Homeland Security. Your application submitted for the Fiscal Year (FY) 2020 Staffing for Adequate Fire and Emergency Response (SAFER) Grant funding opportunity has been approved in the amount of \$3,657,685.00 in Federal funding.

FEMA has waived, in part or in full, one or more requirements for this grant award. See the Summary Award Memo for additional information about Economic Hardship Waivers.

Before you request and receive any of the Federal funds awarded to you, you must establish acceptance of the award through the FEMA Grants Outcomes (FEMA GO) system. By accepting this award, you acknowledge that the terms of the following documents are incorporated into the terms of your award:

- Summary Award Memo - included in this document
- Agreement Articles - included in this document
- Obligating Document - included in this document
- 2020 SAFER Notice of Funding Opportunity (NOFO) - incorporated by reference

Please make sure you read, understand, and maintain a copy of these documents in your official file for this award.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Farmer", is written over a horizontal line.

Robert Farmer
Acting Deputy Assistant Administrator
Grant Programs Directorate

Summary Award Memo

Program: Fiscal Year 2020 Staffing for Adequate Fire and Emergency Response

Recipient: PALO ALTO, CITY OF

DUNS number: 050520782

Award number: EMW-2020-FF-01734

Summary description of award

The purpose of the SAFER Grant Program is to provide funding directly to fire departments and volunteer firefighter interest organizations to assist in increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments. After careful consideration, FEMA has determined that the recipient's project or projects submitted as part of the recipient's application and detailed in the project narrative as well as the request details section of the application — including budget information — was consistent with the SAFER Grant Program's purpose and was worthy of award.

Except as otherwise approved as noted in this award, the information you provided in your application for FY2020 Staffing for Adequate Fire and Emergency Response (SAFER) funding is incorporated into the terms and conditions of this award. This includes any documents submitted as part of the application.

Approved Economic Hardship Waivers

Position cost limit waiver

FEMA has waived the position cost limit requirement for this grant award. Costs are limited to the approved budget.

Cost share waiver

FEMA has waived the cost share requirement for this grant award. You are not required to contribute non-Federal funds for this grant award. The recipient is responsible for any costs that exceed the Federal funding provided for this grant award.

Minimum budget waiver

FEMA has waived the minimum budget requirement for this award.

Non-supplanting waiver

FEMA has waived the non-supplanting requirement for this award. SAFER grant funds may be used to replace funds that would be available from State or local sources or from the Bureau of Indian Affairs.

Amount awarded table

The amount of the award is detailed in the attached Obligating Document for Award.

The following are the total approved budgeted estimates for object classes for all funded firefighter positions for this award (including Federal share plus your cost share, if applicable, as applied to the estimated costs):

Object Class	First Year	Second Year	Third Year	Total
Personnel	\$606,860.00	\$625,060.00	\$643,815.00	\$1,875,735.00
Fringe benefits	\$576,520.00	\$593,810.00	\$611,620.00	\$1,781,950.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00	\$0.00
Contractual	\$0.00	\$0.00	\$0.00	\$0.00
Construction	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00
Indirect charges	\$0.00	\$0.00	\$0.00	\$0.00
Federal	\$1,183,380.00	\$1,218,870.00	\$1,255,435.00	\$3,657,685.00
Non-federal	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,183,380.00	\$1,218,870.00	\$1,255,435.00	\$3,657,685.00

Program Income	\$0.00
----------------	--------

Approved scope of work

After review of your application, FEMA has approved the below scope of work. Justifications are provided for any differences between the scope of work in the original application and the approved scope of work under this award. You must submit scope or budget revision requests for FEMA's prior approval, via an amendment request, as appropriate per 2 C.F.R. § 200.308 and the FY2020 SAFER NOFO.

Approved request details:

Hiring of Firefighters

New, Additional Firefighter(s)

BENEFITS FUNDED

Benefits are based on a blended rate of 95% of salary that is calculated from all IAFF personnel. It includes health insurance, dental, vision, life insurance, and retirement costs.

NUMBER OF FIREFIGHTERS

5

	ANNUAL SALARY PRICE	ANNUAL BENEFITS	TOTAL PER FIREFIGHTER
Year 1	\$121,372.00	\$115,304.00	\$236,676.00
Year 2	\$125,012.00	\$118,762.00	\$243,774.00
Year 3	\$128,763.00	\$122,324.00	\$251,087.00
3 Year Total	\$3,657,685.00		

Agreement Articles

Program: Fiscal Year 2020 Staffing for Adequate Fire and Emergency Response

Recipient: PALO ALTO, CITY OF

DUNS number: 050520782

Award number: EMW-2020-FF-01734

Table of contents

Article 1	Assurances, Administrative Requirements, Cost Principles, Representations and Certifications
Article 2	DHS Specific Acknowledgements and Assurances
Article 3	Acknowledgement of Federal Funding from DHS
Article 4	Activities Conducted Abroad
Article 5	Age Discrimination Act of 1975
Article 6	Americans with Disabilities Act of 1990
Article 7	Best Practices for Collection and Use of Personally Identifiable Information
Article 8	Civil Rights Act of 1964 – Title VI
Article 9	Civil Rights Act of 1968
Article 10	Copyright
Article 11	Debarment and Suspension
Article 12	Drug-Free Workplace Regulations
Article 13	Duplication of Benefits
Article 14	Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX
Article 15	Energy Policy and Conservation Act
Article 16	False Claims Act and Program Fraud Civil Remedies
Article 17	Federal Debt Status
Article 18	Federal Leadership on Reducing Text Messaging while Driving
Article 19	Fly America Act of 1974
Article 20	Hotel and Motel Fire Safety Act of 1990
Article 21	Limited English Proficiency (Civil Rights Act of 1964, Title VI)
Article 22	Lobbying Prohibitions
Article 23	National Environmental Policy Act
Article 24	Nondiscrimination in Matters Pertaining to Faith-Based Organizations
Article 25	Non-Supplanting Requirement
Article 26	Notice of Funding Opportunity Requirements
Article 27	Patents and Intellectual Property Rights
Article 28	Procurement of Recovered Materials
Article 29	Rehabilitation Act of 1973
Article 30	Reporting of Matters Related to Recipient Integrity and Performance
Article 31	Reporting Subawards and Executive Compensation

Article	SAFECOM
32	
Article	Terrorist Financing
33	
Article	Trafficking Victims Protection Act of 2000 (TVPA)
34	
Article	Universal Identifier and System of Award Management
35	
Article	USA PATRIOT Act of 2001
36	
Article	Use of DHS Seal, Logo and Flags
37	
Article	Whistleblower Protection Act
38	
Article	Acceptance of Post Award Changes
39	
Article	Prior Approval for Modification of Approved Budget
40	
Article	Disposition of Equipment Acquired Under the Federal Award
41	
Article	Environmental Planning and Historic Preservation (EHP) Review
42	
Article	Award Performance Goals
43	

Article 1**Assurances, Administrative Requirements, Cost Principles, Representations and Certifications**

DHS financial assistance recipients must complete either the Office of Management and Budget (OMB) Standard Form 424B Assurances – Non-Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs, as applicable. Certain assurances in these documents may not be applicable to your program, and the DHS financial assistance office (DHS FAO) may require applicants to certify additional assurances. Applicants are required to fill out the assurances applicable to their program as instructed by the awarding agency. Please contact the DHS FAO if you have any questions. DHS financial assistance recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at Title 2, Code of Federal Regulations (C.F.R.) Part 200, and adopted by DHS at 2 C.F.R. Part 3002. By accepting this agreement, the recipient and its executives, as defined in 2 C.F.R. § 170.315, certify that the recipient policies are in accordance with OMB guidance located at 2 C.F.R. Part 200, all applicable federal laws, and relevant Executive guidance.

Article 2**DHS Specific Acknowledgements and Assurances**

All recipients, subrecipients, successors, transferees, and assignees must acknowledge and agree to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff. 1. Recipients must cooperate with any compliance reviews or compliance investigations conducted by DHS. 2. Recipients must give DHS access to, and the right to examine and copy, records, accounts, and other documents and sources of information related to the federal financial assistance award and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance. 3. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports. 4. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance. 5. Recipients of federal financial assistance from DHS must complete the DHS Civil Rights Evaluation Tool within thirty (30) days of receipt of the Notice of Award or, for State Administrative Agencies, thirty (30) days from receipt of the DHS Civil Rights Evaluation Tool from DHS or its awarding component agency. After the initial submission for the first award under which this term applies, recipients are required to provide this information once every two (2) years if they have an active award, not every time an award is made. Recipients should submit the completed tool, including supporting materials, to CivilRightsEvaluation@hq.dhs.gov. This tool clarifies the civil rights obligations and related reporting requirements contained in the DHS Standard Terms and Conditions. Subrecipients are not required to complete and submit this tool to DHS. The evaluation tool can be found at <https://www.dhs.gov/publication/dhs-civil-rights-evaluation-tool>. The DHS Office for Civil Rights and Civil Liberties will consider, in its discretion, granting an extension if the recipient identifies steps and a timeline for completing the tool. Recipients should request extensions by emailing the request to CivilRightsEvaluation@hq.dhs.gov prior to expiration of the 30-day deadline.

Article 3	Acknowledgement of Federal Funding from DHS Recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.
Article 4	Activities Conducted Abroad Recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.
Article 5	Age Discrimination Act of 1975 Recipients must comply with the requirements of the Age Discrimination Act of 1975, Pub. L. No. 94-135 (1975) (codified as amended at Title 42, U.S. Code, § 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.
Article 6	Americans with Disabilities Act of 1990 Recipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, Pub. L. No. 101-336 (1990) (codified as amended at 42 U.S.C. §§ 12101–12213), which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.
Article 7	Best Practices for Collection and Use of Personally Identifiable Information Recipients who collect personally identifiable information (PII) are required to have a publicly available privacy policy that describes standards on the usage and maintenance of the PII they collect. DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf and Privacy Template at https://www.dhs.gov/sites/default/files/publications/privacy_pia_template_2017.pdf as useful resources respectively.
Article 8	Civil Rights Act of 1964 – Title VI Recipients must comply with the requirements of Title VI of the Civil Rights Act of 1964 (codified as amended at 42 U.S.C. § 2000d et seq.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 C.F.R. Part 21 and 44 C.F.R. Part 7.

Article 9	<p>Civil Rights Act of 1968</p> <p>Recipients must comply with Title VIII of the Civil Rights Act of 1968, Pub. L. No. 90-284, as amended through Pub. L. 113-4, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (see 42 U.S.C. § 3601 et seq.), as implemented by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features. (See 24 C.F.R. Part 100, Subpart D.)</p>
Article 10	<p>Copyright</p> <p>Recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.</p>
Article 11	<p>Debarment and Suspension</p> <p>Recipients are subject to the non-procurement debarment and suspension regulations implementing Executive Orders (E.O.) 12549 and 12689, which are at 2 C.F.R. Part 180 as adopted by DHS at 2 C.F.R. Part 3000. These regulations restrict federal financial assistance awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.</p>
Article 12	<p>Drug-Free Workplace Regulations</p> <p>Recipients must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 2 C.F.R. Part 3001, which adopts the Government-wide implementation (2 C.F.R. Part 182) of Sec. 5152-5158 of the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 8101-8106).</p>
Article 13	<p>Duplication of Benefits</p> <p>Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies; to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions; or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.</p>

Article 14	Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX Recipients must comply with the requirements of Title IX of the Education Amendments of 1972, Pub. L. 92-318 (1972) (codified as amended at 20 U.S.C. § 1681 et seq.), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. DHS implementing regulations are codified at 6 C.F.R. Part 17 and 44 C.F.R. Part 19.
Article 15	Energy Policy and Conservation Act Recipients must comply with the requirements of the Energy Policy and Conservation Act, Pub. L. 94- 163 (1975) (codified as amended at 42 U.S.C. § 6201 et seq.), which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.
Article 16	False Claims Act and Program Fraud Civil Remedies Recipients must comply with the requirements of the False Claims Act, 31 U.S.C. §§ 3729-3733, which prohibit the submission of false or fraudulent claims for payment to the federal government. (See 31 U.S.C. §§ 3801-3812, which details the administrative remedies for false claims and statements made.)
Article 17	Federal Debt Status All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. (See OMB Circular A-129.)
Article 18	Federal Leadership on Reducing Text Messaging while Driving Recipients are encouraged to adopt and enforce policies that ban text messaging while driving as described in E.O. 13513, including conducting initiatives described in Section 3(a) of the Order when on official government business or when performing any work for or on behalf of the federal government.
Article 19	Fly America Act of 1974 Recipients must comply with Preference for U.S. Flag Air Carriers (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. § 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.
Article 20	Hotel and Motel Fire Safety Act of 1990 In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225a, recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, (codified as amended at 15 U.S.C. § 2225.)

Article 21	<p>Limited English Proficiency (Civil Rights Act of 1964, Title VI) Recipients must comply with Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d et seq.) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance: https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited and additional resources on http://www.lep.gov.</p>
Article 22	<p>Lobbying Prohibitions Recipients must comply with 31 U.S.C. § 1352, which provides that none of the funds provided under a federal financial assistance award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action related to a federal award or contract, including any extension, continuation, renewal, amendment, or modification.</p>
Article 23	<p>National Environmental Policy Act Recipients must comply with the requirements of the National Environmental Policy Act of 1969 (NEPA), Pub. L. 91-190 (1970) (codified as amended at 42 U.S.C. § 4321 et seq.) and the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA, which require recipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.</p>
Article 24	<p>Nondiscrimination in Matters Pertaining to Faith-Based Organizations It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. Recipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.</p>
Article 25	<p>Non-Supplanting Requirement Recipients receiving federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.</p>

Article 26	Notice of Funding Opportunity Requirements All the instructions, guidance, limitations, and other conditions set forth in the Notice of Funding Opportunity (NOFO) for this program are incorporated here by reference in the award terms and conditions. All recipients must comply with any such requirements set forth in the program NOFO.
Article 27	Patents and Intellectual Property Rights Recipients are subject to the Bayh-Dole Act, 35 U.S.C. § 200 et seq, unless otherwise provided by law. Recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from federal financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.
Article 28	Procurement of Recovered Materials States, political subdivisions of states, and their contractors must comply with Section 6002 of the Solid Waste Disposal Act, Pub. L. 89-272 (1965), (codified as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6962.) The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.
Article 29	Rehabilitation Act of 1973 Recipients must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (1973) (codified as amended at 29 U.S.C. § 794) which provides that no otherwise qualified handicapped individuals in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
Article 30	Reporting of Matters Related to Recipient Integrity and Performance If the total value of any currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this federal award, then the recipients must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.
Article 31	Reporting Subawards and Executive Compensation Recipients are required to comply with the requirements set forth in the government-wide award term on Reporting Subawards and Executive Compensation located at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated here by reference in the award terms and conditions.

Article 32	SAFECOM Recipients receiving federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.
Article 33	Terrorist Financing Recipients must comply with E.O. 13224 and U.S. laws that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.
Article 34	Trafficking Victims Protection Act of 2000 (TVPA) Recipients must comply with the requirements of the government-wide financial assistance award term which implements Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), codified as amended at 22 U.S.C. § 7104. The award term is located at 2 C.F.R. § 175.15, the full text of which is incorporated here by reference.
Article 35	Universal Identifier and System of Award Management Recipients are required to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A, the full text of which is incorporated here by reference.
Article 36	USA PATRIOT Act of 2001 Recipients must comply with requirements of Section 817 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Pub. L. No. 107-56, which amends 18 U.S.C. §§ 175–175c.
Article 37	Use of DHS Seal, Logo and Flags Recipients must obtain permission from their DHS FAO prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.
Article 38	Whistleblower Protection Act Recipients must comply with the statutory requirements for whistleblower protections (if applicable) at 10 U.S.C § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. §§ 4304 and 4310.

Article 39 Acceptance of Post Award Changes

In the event FEMA determines that changes are necessary to the award document after an award has been made, including changes to period of performance or terms and conditions, recipients will be notified of the changes in writing. Once notification has been made, any subsequent request for funds will indicate recipient acceptance of the changes to the award. Please call the FEMA/GMD Call Center at (866) 927-5646 or via e-mail to ASK-GMD@fema.dhs.gov if you have any questions.

Article 40 Prior Approval for Modification of Approved Budget

Before making any change to the FEMA approved budget for this award, you must request prior written approval from FEMA where required by 2 C.F.R. § 200.308. FEMA is also utilizing its discretion to impose an additional restriction under 2 C.F.R. § 200.308(f) regarding the transfer of funds among direct cost categories, programs, functions, or activities. Therefore, for awards with an approved budget where the federal share is greater than the simplified acquisition threshold (currently \$250,000), you may not transfer funds among direct cost categories, programs, functions, or activities without prior written approval from FEMA where the cumulative amount of such transfers exceeds or is expected to exceed ten percent (10%) of the total budget FEMA last approved. You must report any deviations from your FEMA approved budget in the first Federal Financial Report (SF-425) you submit following any budget deviation, regardless of whether the budget deviation requires prior written approval.

Article 41 Disposition of Equipment Acquired Under the Federal Award

When original or replacement equipment acquired under this award by the recipient or its subrecipients is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, you must request instructions from FEMA to make proper disposition of the equipment pursuant to 2 C.F.R. § 200.313.

Article 42**Environmental Planning and Historic Preservation (EHP) Review**

DHS/FEMA funded activities that may require an EHP review are subject to the FEMA Environmental Planning and Historic Preservation (EHP) review process. This review does not address all federal, state, and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state, and local laws. DHS/FEMA is required to consider the potential impacts to natural and cultural resources of all projects funded by DHS/FEMA grant funds, through its EHP Review process, as mandated by the National Environmental Policy Act; National Historic Preservation Act of 1966, as amended; National Flood Insurance Program regulations; and, any other applicable laws and Executive Orders. To access the FEMA EHP screening form and instructions, go to the DHS/FEMA website at: <https://www.fema.gov/media-library/assets/documents/90195>. In order to initiate EHP review of your project(s), you must complete all relevant sections of this form and submit it to the Grant Programs Directorate (GPD) along with all other pertinent project information. The EHP review process must be completed before funds are released to carry out the proposed project; otherwise, DHS/FEMA may not be able to fund the project due to noncompliance with EHP laws, executive order, regulations, and policies. If ground disturbing activities occur during construction, applicant will monitor ground disturbance, and if any potential archeological resources are discovered, applicant will immediately cease work in that area and notify the pass-through entity, if applicable, and DHS/FEMA.

Article 43**Award Performance Goals**

FEMA will measure the recipient's performance of the grant by comparing the firefighter hiring activities of new, additional firefighters, rehire laid off firefighters, or retain firefighters facing layoff OR recruitment and retention activities of volunteer firefighters who are involved with or trained in the operations of firefighting and emergency response as requested in its application. In order to measure performance, FEMA may request information throughout the period of performance. In its final performance report submitted at closeout, the recipient is required to report on the recipients increased compliance with the National standards described in the NOFO.

Obligating document

1. Agreement No. EMW-2020-FF-01734	2. Amendment No. N/A	3. Recipient No. 946000389	4. Type of Action AWARD	5. Control No. WX00586N2021T		
6. Recipient Name and Address PALO ALTO, CITY OF 250 HAMILTON AVE PALO ALTO, CA 94301		7. Issuing FEMA Office and Address Grant Programs Directorate 500 C Street, S.W. Washington DC, 20528-7000 1-866-927-5646		8. Payment Office and Address FEMA, Financial Services Branch 500 C Street, S.W., Room 723 Washington DC, 20742		
9. Name of Recipient Project Officer Amber Cameron	9a. Phone No. 6503292374	10. Name of FEMA Project Coordinator Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program		10a. Phone No. 1-866-274-0960		
11. Effective Date of This Action 08/31/2021	12. Method of Payment OTHER - FEMA GO	13. Assistance Arrangement COST SHARING	14. Performance Period 02/27/2022 to 02/26/2025 Budget Period 02/27/2022 to 02/26/2025			
15. Description of Action a. (Indicate funding data for awards or financial changes)						
Program Name Abbreviation	Assistance Listings No.	Accounting Data (ACCS Code)	Prior Total Award	Amount Awarded This Action + or (-)	Current Total Award	Cumulative Non-Federal Commitment
SAFER	97.083	2021-F0-GF01 - P410-xxxx-4101-D	\$0.00	\$3,657,685.00	\$3,657,685.00	\$0.00
Totals			\$0.00	\$3,657,685.00	\$3,657,685.00	\$0.00
b. To describe changes other than funding data or financial changes, attach schedule and check here: N/A						
16. FOR NON-DISASTER PROGRAMS: RECIPIENT IS REQUIRED TO SIGN AND RETURN THREE (3) COPIES OF THIS DOCUMENT TO FEMA (See Block 7 for address) This field is not applicable for digitally signed grant agreements						

17. RECIPIENT SIGNATORY OFFICIAL (Name and Title)	DATE
18. FEMA SIGNATORY OFFICIAL (Name and Title) Robert Farmer, Acting Deputy Assistant Administrator Grant Programs Directorate	DATE 08/31/2021

**The Department of Homeland Security (DHS)
Notice of Funding Opportunity (NOFO)
Fiscal Year 2020 Staffing for Adequate Fire and Emergency Response
(SAFER) Grant Program**

NOTE: If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>. Detailed information regarding DUNS and SAM is also provided in [Section D – Application and Submission Information](#) of this NOFO, subsection, Content and Form of Application Submission. An active registration is required in order to apply for funding.

A. Program Description

- 1. Issued By**
Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)
- 2. Assistance Listings (formerly Catalog of Federal Domestic Assistance Number)**
97.083
- 3. Assistance Listings Title (formerly CFDA Title)**
Staffing for Adequate Fire and Emergency Response (SAFER) Grant
- 4. Funding Opportunity Title**
FY 2020 Staffing for Adequate Fire and Emergency Response (SAFER) Grant
- 5. Funding Opportunity Number**
DHS-20-GPD-083-00-99
- 6. Authorizing Authority for Program**
Section 34 of the *Federal Fire Prevention and Control Act of 1974*, Pub. L. No. 93-498, as amended (15 U.S.C § 2229a) <https://www.govinfo.gov/content/pkg/USCODE-2018-title15/pdf/USCODE-2018-title15-chap49-sec2229a.pdf>
- 7. Appropriation Authority for Program**
Department of Homeland Security Appropriations Act, 2020 (Pub. L. No. 116-93) <https://www.govinfo.gov/content/pkg/PLAW-116publ93/pdf/PLAW-116publ93.pdf>

8. Announcement Type

Initial

9. Program Overview, Objectives, and Priorities

Overview

The Fiscal Year (FY) 2020 Staffing for Fire and Emergency Response (SAFER) Grant Program (hereafter referred to as the SAFER Program) is one of three grant programs that constitute the Department of Homeland Security (DHS), Federal Emergency Management Agency's (FEMA) focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The SAFER Program accomplishes this by providing funding directly to fire departments and volunteer firefighter interest organizations to assist in increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate fire protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments. The SAFER Program represents one part of a comprehensive set of measures authorized by Congress and implemented by DHS. Among the five basic homeland security missions noted in the DHS [Strategic Plan](#), the SAFER Program supports the goal to Strengthen National Preparedness and Resilience. In awarding grants, the FEMA Administrator is required to consider:

- The findings and recommendations of the Technical Evaluation Panel;
- The degree to which an award will reduce deaths, injuries, and property damage by reducing the risks associated with fire-related and other hazards;
- The extent of an applicant's need for a SAFER Program grant and the need to protect the United States as a whole; and,
- The number of calls requesting or requiring a firefighting or emergency medical response received by an applicant.

The [2018-2022 FEMA Strategic Plan](#) creates a shared vision for the field of emergency management and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. The SAFER Program supports the goal of Ready the Nation for Catastrophic Disasters. We invite all of our stakeholders and partners to also adopt these priorities and join us in building a stronger Agency and a more prepared and resilient Nation.

Objectives

The objectives of the SAFER Program are to assist local fire departments with staffing and deployment capabilities to respond to emergencies and assure that communities have adequate protection from fire and fire-related hazards. Local fire departments accomplish this by improving staffing and deployment capabilities, so they may more effectively and safely respond to emergencies. With enhanced staffing levels, recipients should experience a reduction in response times and an increase in the number of trained personnel assembled at the incident scene.

Priorities

Information on program priorities and objectives for the FY 2020 SAFER Program can be found in [Appendix B – Programmatic Information and Priorities](#).

10. Performance Metrics

The grant recipient is required to collect data to allow FEMA to measure performance of the awarded grant in support of the SAFER Program metrics, which are tied to the programmatic objectives and priorities. In order to measure performance, FEMA may request information throughout the period of performance. In its final performance report submitted at closeout, the recipient must submit sufficient information to demonstrate it has met the performance goal as stated in its award. FEMA will measure the recipient's performance of the grant by comparing the number of items, supplies, projects, and activities needed and requested in its application with the number of items, supplies, projects, and activities acquired and delivered by the end of the period of performance using the following programmatic metrics:

- Percent of “majority career” SAFER Program recipients structural fire responses that complied with National Fire Protection Association (NFPA) 1710 structural response standards.
- Percent of “majority volunteer” SAFER Program recipients structural fire responses that complied with NFPA 1720 structural response standards.
- Percent of SAFER Program recipients who reported and provided evidence that the grant funding increased compliance with NFPA 1710 or 1720 assembly and deployment standards.

B. Federal Award Information

1. **Available Funding for the NOFO:** \$355 million
2. **Projected number of Awards:** 300
3. **Period of Performance:** 12 to 48 months from the date of award. Extensions to the period of performance are allowed. For additional information on period of performance extensions, refer to [Section H – Additional Information - Extensions to the Grant Period of Performance](#).

FEMA awards under this program only include one budget period, so it will be same as the period of performance. *See* 2 C.F.R. § 200.1 for definitions of “budget period” and “period of performance.”

- **Hiring of Firefighters (Hiring) Activity:** The period of performance for applications funded under the Hiring Activity will be 36 months.
- **Recruitment and Retention (R&R) Activity:** The period of performance for applications funded under the R&R Activity is 12, 24, 36, or 48 months.

4. **Projected Period of Performance Start Date(s):** August 24, 2021 (will vary based on award date and activity type)
5. **Projected Period of Performance End Date(s):** August 24, 2022 - 2025 (will vary based on award date and activity type)
6. **Funding Instrument Type:** Grant

C. **Eligibility Information**

1. **Eligible Applicants**

a. **Hiring Activity**

Fire departments operating in any of the 50 states, as well as fire departments in the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico,¹ or any federally recognized Indian tribe or tribal organization. A fire department is an agency or organization having a formally recognized arrangement with a state, local, tribal, or territorial authority (city, county, parish, fire district, township, town, or other governing body) to provide fire suppression to a population within a geographically fixed primary first due response area. National, regional, state, local, tribal and nonprofit interest organizations representing the interests of volunteer firefighters are not eligible to receive a SAFER Program award under the Hiring Activity.

b. **R&R Activity**

Volunteer and combination fire departments operating in any of the 50 states, as well as fire departments in the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico,¹ or any federally recognized Indian tribe or tribal organization. A fire department is an agency or organization having a formally recognized arrangement with a state, local, tribal, or territorial authority (city, county, parish, fire district, township, town, or other governing body) to provide fire suppression to a population within a geographically fixed primary first due response area. National, regional, state, local, tribal and nonprofit interest organizations representing the interests of volunteer firefighters are eligible to receive a SAFER Program award under the R&R Activity. Career fire departments are not eligible to apply for funding under the R&R Activity.

Information on ineligible applications and/or organizations is in [Appendix B – Programmatic Information and Priorities](#).

2. **Eligible Activities**

¹ The District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of Puerto Rico are all defined as “States” in the Federal Fire Prevention and Control Act of 1974. See 15 U.S.C. § 2203(10).

- **Hiring Activity:** The Hiring Activity offers grants to support applications to hire new, additional firefighters (or to change the status of part-time or paid-on-call firefighters to full-time firefighters), rehire laid off firefighters, or to retain firefighters facing layoff.
- **R&R Activity:** The R&R Activity offers grants to support applications to assist fire departments with the recruitment and retention of volunteer firefighters who are involved with or trained in the operations of firefighting and emergency response.

Each activity has its own application and eligibility requirements, as further outlined in [Appendix B – Programmatic Information and Priorities](#).

3. Other Eligibility Criteria

a. National Incident Management System (NIMS) Implementation

SAFER Program applicants are not required to comply with NIMS to apply for SAFER Program funding or to receive a SAFER Program award. Any applicant who receives an FY 2020 SAFER Program award must achieve the level of [NIMS compliance](#) required by the Authority Having Jurisdiction (AHJ) over the applicant's emergency service operations (e.g., a local government), prior to the end of the grant's period of performance.

4. Maintenance of Effort (MOE)

There is no MOE or minimum budget requirement for the FY 2020 SAFER Program.

5. Cost Share or Match

There is no cost share or match or position cost limit for the FY 2020 SAFER Program.

6. Economic Hardship Waivers

Because there is no minimum budget requirement, no cost share requirement, and no position cost limit, an economic hardship waiver process is not necessary. Therefore, no economic hardship waiver process applies to the FY 2020 SAFER Program.

D. Application and Submission Information

1. Key Dates and Times – all times listed are Eastern Time (ET):

Date Posted to Grants.gov:	February 1, 2021
Application Start Date:	February 8, 2021 at 8 a.m.
Application Submission Deadline:	March 12, 2021 at 5 p.m.

All applications must be received by the established deadline.

FEMA's Grants Outcomes System (FEMA GO) automatically records proof of timely submission and the system generates an electronic date/time stamp when FEMA GO

successfully receives the application. The individual with the Authorized Organization Representative role that submitted the application will also receive the official date/time stamp and a FEMA GO tracking number in an email serving as proof of their timely submission. For additional information on how an applicant will be notified of application receipt, see the subsection titled “Timely Receipt Requirements and Proof of Timely Submission” in Section D of this NOFO.

FEMA will not review applications that are received after the deadline or consider these late applications for funding. FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant’s control that prevent submission of the application by the deadline, other exigent or emergency circumstances, or statutory requirements for FEMA to make an award.

Applicants experiencing technical problems outside of their control must notify FEMA as soon as possible and before the application deadline. Failure to timely notify FEMA of the issue that prevented the timely filing of the application may preclude consideration of the award. “Timely notification” of FEMA means the following: prior to the application deadline and within 48 hours after the applicant became aware of the issue.

If applicants experience technical issues, they must notify the FEMA GO Helpdesk as soon as possible. The FEMA GO Helpdesk can be reached at (877) 585-3242 or by e-mail at femago@fema.dhs.gov. The FEMA GO Helpdesk is open Monday through Friday, 8 a.m. – 6 p.m. ET.

A list of FEMA contacts can be found in Section G of this NOFO, “DHS Awarding Agency Contact Information.” For programmatic or grants management questions, please contact your Program Analyst or Grants Management Specialist. If applicants do not know who to contact or if there are programmatic questions or concerns, please contact the SAFER Help Desk at (866) 274-0960 or by e-mail at firegrants@fema.dhs.gov. The SAFER Help Desk is open Monday through Friday, 8 a.m. – 4:30 p.m. ET.

Anticipated Funding Selection Date: **May 24, 2021**

Anticipated Award Date: Beginning on approximately **May 24, 2021** and continuing thereafter until all FY 2020 SAFER Program grant awards are issued (but no later than September 30, 2021).

Other Key Dates:

Event	Suggested Deadline for Completion
Obtaining DUNS Number	Four weeks before actual submission deadline
Obtaining a valid Employer Identification Number (EIN)	Eight weeks before actual submission deadline

Registering in or Updating SAM registration	Four weeks before actual submission deadline
Registering Organization in FEMA Grants Outcomes (FEMA GO) System	Prior to beginning application
Submitting complete application in FEMA GO	One week before actual submission deadline

2. Agreeing to Terms and Conditions of the Award

By submitting an application, the applicant agrees to comply with the requirements of this NOFO and the terms and conditions of its award, should the applicant receive an award.

3. Address to Request Application Package

The online FY 2020 SAFER Program application is only available via the SAFER Program's FEMA GO application portal at <https://go.fema.gov>.

Note: Hard copies of the application are not available. However, the Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Notice is (800) 462-7585.

Content and Form of Application Submission

FEMA will process applications through FEMA GO. Application tutorials and Frequently Asked Questions (FAQs) explain the current SAFER Program, assist with the online grant application, and highlight lessons learned and changes for FY 2020. For more details, please visit the SAFER Program website at <https://www.fema.gov/grants/preparedness/firefighters/safer>.

DHS makes all funding opportunities available on the internet, accessible at <http://www.grants.gov>. If applicants experience difficulties accessing information or have any questions, please call the Grants.gov Contact Center at (800) 518-4726.

The Grants.gov website will direct applicants to FEMA GO, at <https://go.fema.gov>, which contains the online SAFER Program application. The online SAFER Program application incorporates all required forms.

FEMA GO will allow the applicant's authorized representative(s) to log in and create their own account. This account is specific to the authorized user and must not be shared with other personnel. The FEMA GO account is separate from any previous accounts created in the eGrants system. Applicants can save, retrieve, update and revise their work through the end of the application period. The automated system does not allow applicants to submit incomplete applications. The system alerts applicants when required information has not been entered. Prior to final submission, an online application may be saved, retrieved, or edited up to the application deadline.

Note: FEMA GO will support only the most recent major release of the following browsers:

- Google Chrome
- Internet Explorer
- Mozilla Firefox
- Apple Safari
- Microsoft Edge

Users who attempt to use tablet type devices or other browsers may encounter issues with using FEMA GO.

**NO APPLICATIONS WILL BE RELEASED BACK TO THE
APPLICANT AFTER FINAL SUBMISSION**

After the application period has ended, no changes can be made. There is no appeal process for inaccurate or incomplete information.

a. Standard Required Application Forms and Information

The following forms or information are required to be submitted via FEMA GO. The Standard Forms (SF) are also available at

<https://www.grants.gov/web/grants/forms/sf-424-family.html>.

- **SF-424, Application for Federal Assistance**
- **Grants.gov Lobbying Form, Certification Regarding Lobbying**
- **SF-424A, Budget Information (Non-Construction)**
- **SF-424B, Standard Assurances (Non-Construction)**
- **SF-LLL, Disclosure of Lobbying Activities**
- **Indirect Cost Agreement or Proposal** If the budget includes indirect costs, the applicant is required to have an indirect cost rate agreement or proposal. If the applicant does not have or is not required to have an indirect cost rate agreement or proposal, please see the “Funding Restrictions and Allowable Costs” section of this NOFO for further information regarding allowability of indirect costs and whether alternatives to an indirect cost rate agreement or proposal might be available, or contact the relevant FEMA staff identified in Section G of this NOFO, “DHS Awarding Agency Contact Information” for further instructions. However, indirect costs are not allowable under the Hiring Activity, so this only applies to the R&R Activity.

b. Program-Specific Required Forms and Information

For program-specific required and optional forms and information, please see the appendices to this NOFO.

4. Steps Required to Obtain a Unique Identifier, Register in the System for Award Management (SAM), and Submit an Application

Applying for an award under this program is a multi-step process and requires time to complete. Applicants are encouraged to register early as the registration process can take four weeks or more to complete. Therefore, registration should be done in sufficient time to ensure it does not impact your ability to meet required submission deadlines.

Please review the table above for estimated deadlines to complete each of the steps listed. Failure of an applicant to comply with any of the required steps before the deadline for submitting an application may disqualify that application from funding.

To apply for an award under this program, all applicants must:

- a. Apply for, update, or verify their Data Universal Numbering System (DUNS) number from Dun & Bradstreet and Employer Identification Number (EIN) from the Internal Revenue Service;
- b. In the application, provide a valid DUNS number, which is currently the unique entity identifier;
- c. Have an account with login.gov;
- d. Register for, update, or verify their SAM account and ensure the account is active before submitting the application;
- e. Register in FEMA GO, add the organization to the system, and establish the Authorized Organizational Representative (AOR). The organization's electronic business point of contact (EBiz POC) from the SAM registration may need to be involved in this step. For step-by-step instructions, *see* <https://www.fema.gov/media-library/assets/documents/181607>;
- f. Submit the complete application in FEMA GO; and
- g. Continue to maintain an active SAM registration with current information at all times during which it has an active federal award or an application or plan under consideration by a federal awarding agency. As part of this, applicants must also provide information on an applicant's immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded federal contracts or federal financial assistance within the past three years, if applicable.

Applicants are advised that FEMA may not make a federal award until the applicant has complied with all applicable DUNS and SAM requirements. Therefore, an applicant's SAM registration must be active not only at the time of application, but also during the application review period and when FEMA is ready to make a federal award. Further, applicants must maintain an active SAM registration with current information at all times during which the applicant has an active federal award or an application or plan under consideration by any federal awarding agency. If an applicant's SAM registration is expired at the time of application, expires during application review, or expires any other time before award, FEMA may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

Per 2 C.F.R. § 25.110(c)(2)(ii), if an applicant is experiencing exigent circumstances that prevents it from receiving a DUNS number and completing SAM registration prior to receiving a federal award, the applicant must notify FEMA as soon as possible by contacting askcsid@fema.dhs.gov and providing the details of the circumstances that prevent completion of these requirements. If FEMA determines that there are exigent circumstances and FEMA has decided to make an award, the applicant will be required to obtain a DUNS number and complete SAM registration within 30 days of the federal award date.

Electronic Delivery

DHS is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. DHS encourages or requires applicants to submit their applications online through Grants.gov, depending on the funding opportunity. For this funding opportunity, FEMA requires applicants to submit applications through FEMA GO.

5. How to Register to Apply

a. General Instructions

Registering and applying for an award under this program is a multi-step process and requires time to complete. Read the instructions below about registering to apply for FEMA funds. Applicants should read the registration instructions carefully and prepare the information requested before beginning the registration process. Reviewing and assembling the required information before beginning the registration process will alleviate last-minute searches for required information.

The registration process can take up to four weeks to complete. To ensure an application meets the deadline, applicants are advised to start the required steps well in advance of their submission.

Organizations must have a DUNS Number, EIN, and an active SAM registration.

b. Obtain a DUNS Number

All entities applying for funding, including renewal funding, must have a DUNS number from Dun & Bradstreet (D&B). Applicants must enter the DUNS number in the data entry field labeled "Organizational DUNS" on the SF-424 form.

For more detailed instructions for obtaining a DUNS number, refer to <https://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>.

Note: At some point, the DUNS Number will be replaced by a “new, non-proprietary identifier” requested in, and assigned by, SAM.gov. This new identifier is being called the Unique Entity Identifier (UEI), or the Entity ID. Grants.gov has begun preparing for this transition by educating users about the upcoming changes and updating field labels and references to the DUNS Number (the current identifier) within the Grants.gov system. Users should continue using the DUNS Number in UEI fields until further notice. To learn more about SAM’s rollout of the UEI, please visit <https://gsa.gov/entityid>.

c. Obtain Employer Identification Number

In addition to having a DUNS number, all entities applying for funding must provide an EIN. The EIN can be obtained from the IRS at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.

d. Create a login.gov account

Applicants must have a login.gov account in order to register with SAM or update their SAM registration. Applicants can create a login.gov account here:

https://secure.login.gov/sign_up/enter_email?request_id=34f19fa8-14a2-438c-8323-a62b99571fd3.

Applicants only have to create a login.gov account once. For applicants that are existing SAM users, use the same email address for the login.gov account as with SAM.gov so that the two accounts can be linked.

For more information on the login.gov requirements for SAM registration, refer to <https://www.sam.gov/SAM/pages/public/loginFAQ.jsf>.

e. Register with SAM

In addition to having a DUNS number, all organizations applying online through Grants.gov must register with SAM. Failure to register with SAM will prevent your organization from applying through Grants.gov. SAM registration must be renewed annually.

For more detailed instructions for registering with SAM, refer to <https://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html>.

Note: As a new requirement per 2 C.F.R. § 25.200, applicants must also provide the applicant's immediate and highest-level owner, subsidiaries, and predecessors that have been awarded federal contracts or federal financial assistance within the last three years, if applicable.

f. Additional SAM Reminders

Existing SAM.gov account holders should check their account to make sure it is "ACTIVE." SAM registration should be completed at the very beginning of the application period and should be renewed annually to avoid being "INACTIVE." **Please allow plenty of time before the grant application submission deadline to obtain a DUNS number and then to register in SAM. It may be four weeks or more after an applicant submits the SAM registration before the registration is active in SAM, and then it may be an additional 24 hours before FEMA's system recognizes the information.**

It is imperative that the information applicants provide is correct and current. Please ensure that your organization's name, address, DUNS number, and EIN are up to date in SAM and that the DUNS number used in SAM is the same one used to apply for all other FEMA awards. Payment under any FEMA award is contingent on the recipient's having a current SAM registration.

Help with SAM

The SAM quick start guide for new recipient registration and SAM video tutorial for

new applicants are tools created by the General Services Administration (GSA) to assist those registering with SAM. If applicants have questions or concerns about a SAM registration, please contact the Federal Support Desk at <https://www.fsd.gov/fsd-gov/home.do>, or call toll free at (866) 606-8220, Monday through Friday, 8 a.m. – 8 p.m. ET.

g. Register in FEMA GO, Add the Organization to the System, and Establish the AOR

Applicants must register in FEMA GO and add their organization to the system. The organization's electronic business point of contact (EBiz POC) from the SAM registration may need to be involved in this step. For step-by-step instructions, see <https://www.fema.gov/media-library/assets/documents/181607>.

Note: FEMA GO will support only the most recent major release of the following browsers:

- Google Chrome
- Internet Explorer
- Mozilla Firefox
- Apple Safari
- Microsoft Edge

Users who attempt to use tablet type devices or other browsers may encounter issues with using FEMA GO.

6. Timely Receipt Requirements and Proof of Timely Submission

All applications must be completed in FEMA GO and received by **March 12, 2021** at 5 p.m. ET. FEMA GO automatically records proof of timely submission and the system generates an electronic date/time stamp when FEMA GO successfully receives the application. The individual with the Authorized Organization Representative role that submitted the application will also receive the official date/time stamp and a FEMA GO tracking number in an email serving as proof of their timely submission on the date and time that FEMA GO received the application. Applications received by FEMA GO after the established due date for applications will be considered late and will not be considered for funding.

Applicants who experience system-related issues will be addressed until 3 p.m. ET on the date applications are due. No new system-related issues will be addressed after this deadline.

Applicants using slow internet connections, such as dial-up connections, should be aware that transmission can take some time before FEMA GO receives your application. FEMA GO will provide either an error message or a successfully received transmission in the form of an email sent to the AOR that submitted the application. The FEMA GO Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process. Do not do this. It may cause your application to fail to be submitted and consequently not be considered for funding. Please

be patient and give the system time to process the application.

7. Intergovernmental Review

An intergovernmental review may be required. Applicants must contact their State's Single Point of Contact (SPOC) to comply with the State's process under Executive Order 12372 (<https://www.archives.gov/federal-register/codification/executive-order/12372.html>; ; https://www.whitehouse.gov/wp-content/uploads/2020/01/spoc_1_16_2020.pdf).

8. Funding Restrictions and Allowable Costs

All costs charged to awards covered by this NOFO must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 C.F.R. Part 200, unless otherwise indicated in the NOFO, or the terms and conditions of the award. This includes, among other requirements, that costs must be incurred, and products and services must be delivered, within the period of performance of the award. *See* 2 C.F.R. § 200.403(h) (referring to budget periods, which for FEMA awards under this program is the same as the period of performance).

In general, the Cost Principles establish standards for the allowability of costs, provide detailed guidance on the cost accounting treatment of costs as direct or administrative costs, and set forth allowability principles for selected items of cost. More specifically, except as otherwise stated in this NOFO, the terms and condition of an award, or other program materials, costs charged to awards covered by this NOFO must be consistent with the Cost Principles for Federal Awards located at 2 C.F.R. Part 200, Subpart E. In order to be allowable, all costs charged to a FEMA award or applied to the cost share must be reasonable in nature and amount and allocable to the particular FEMA award.

Additionally, all costs charged to awards must comply with the grant program's applicable statutes, policies, requirements in this NOFO as well as with the terms and conditions of the award. If FEMA staff identify costs that are inconsistent with any of these requirements, these costs may be disallowed, and FEMA may recover funds as appropriate, consistent with applicable laws, regulations, and policies.

As part of those requirements, grant recipients and subrecipients may only use federal funds or funds applied to a cost share for the purposes set forth in this NOFO and the terms and conditions of the award, and those costs must be consistent with the statutory authority for the award.

Grant funds may not be used for matching funds for other federal grants/cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the federal government or any other government entity.

Additionally, federal employees are prohibited from serving in any capacity (paid or unpaid) on the development of any proposal submitted under this program.

In addition to the subsections below, please see [Appendix B – Programmatic Information and Priorities, section E. Restrictions on Use of Award Funds](#) for additional information on funding restrictions and allowable costs.

a. Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services

Recipients and subrecipients of FEMA federal financial assistance are subject to the prohibitions described in section 889 of the [John S. McCain National Defense Authorization Act for Fiscal Year 2019 \(FY 2019 NDAA\)](#), Pub. L. No. 115-232 (2018) and 2 C.F.R. §§ 200.216, 200.326, 200.471, and Appendix II to 2 C.F.R. Part 200. Beginning August 13, 2020, the statute – as it applies to FEMA recipients, subrecipients, and their contractors and subcontractors – prohibits obligating or expending federal award funds on certain telecommunications and video surveillance products and contracting with certain entities for national security reasons.

Please refer to the [Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services \(Interim\)](#) for additional guidance.

Effective August 13, 2020, FEMA recipients and subrecipients **may not** use any FEMA funds under open or new awards to:

- (1) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
- (2) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system; or,
- (3) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

i. Replacement Equipment and Services

FEMA grant funding may be permitted to procure replacement equipment and services impacted by this prohibition, provided the costs are otherwise consistent with the requirements of the NOFO.

ii. Definitions

Per section 889(f)(2)-(3) of the FY 2019 NDAA and 2 C.F.R. § 200.216, covered telecommunications equipment or services means:

- i. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

- ii. For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- iii. Telecommunications or video surveillance services provided by such entities or using such equipment; or,
- iv. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the People's Republic of China.

Examples of the types of products covered by this prohibition include phones, internet, video surveillance, and cloud servers when produced, provided, or used by the entities listed in the definition of "covered telecommunications equipment or services." See 2 C.F.R. § 200.471.

b. Construction

Construction costs are *not eligible* under the SAFER Program. Construction includes major alterations to a building that changes the profile or footprint of the structure. Modifications to facilities activities described in [Appendix B – Programmatic Information and Priorities, section F. Funding Priorities](#) are not considered construction costs for purposes of general award cost categorization and may be eligible. However, modifications to facilities activities might be considered "construction" for purposes of applicable procurement under grants requirements or environmental protection and historic preservation purposes.

c. Pre-award Costs

Only costs incurred during the period of performance are allowable. However, recipients of an R&R Activity award may be reimbursed for grant writer fees. See also [Appendix C – Award Administration Information](#) for further information regarding grant writer fees and the "[Additional Information](#)" section of this NOFO for general procurement under grants requirements.

d. Award Limits

There is no maximum award amount for awards made under the FY 2020 SAFER Program.

e. Management and Administration (M&A) Costs

M&A expenses should be based only on actual expenses or known contractual costs; requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement. Salaries and fringe benefits for personnel directly supporting the grant are not required to be included in the M&A budget line item. No more than 3 percent of the federal share of SAFER Program

funds awarded may be expended by the recipient for M&A for purposes associated with the SAFER Program award. M&A costs are not eligible under the Hiring Activity.

f. Indirect Facilities & Administrative (F&A) Costs

Indirect costs are allowable only under the R&R Activity under this program and as described in 2 C.F.R. Part 200, including 2 C.F.R. § 200.414. Applicants with a current negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Not all applicants are required to have a current negotiated indirect cost rate agreement. Applicants that are not required by 2 C.F.R. Part 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. Part 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Applicants who do not have a current negotiated indirect cost rate agreement (including a provisional rate) and wish to charge the de minimis rate must reach out to FireGrants@fema.dhs.gov for further instructions. Applicants who wish to use a cost allocation plan in lieu of an indirect cost rate must also reach out to FireGrants@fema.dhs.gov for further instructions. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above or based upon on the de minimis rate or cost allocation plan, as applicable. Indirect costs are not allowable under the Hiring Activity.

9. Environmental and Historical Preservation (EHP)

As a federal agency, DHS/FEMA is required to consider the effects of its actions on the environment and historic properties to ensure that all activities and programs funded by the agency, including grant-funded projects, comply with Federal EHP regulations, laws, Executive Orders, regulations, and policies, as applicable.

Recipients proposing projects that have the potential to impact the environment, including but not limited to modification or renovation of existing buildings, structures, and facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a screening form that includes a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation, so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA may also be required to consult with other regulatory agencies and the public in order to complete the review process. Federal law requires EHP review to be completed before federal funds are released to carry out proposed projects. Grant recipients must receive confirmation of a completed EHP review prior to beginning project activities. FEMA may not be able to fund projects that are not in compliance with applicable EHP laws, Executive Orders, regulations, and policies.

Applicants may attach the optional EHP form during the application period for the project(s) they wish to pursue; however, it does not guarantee award. Once the awards are announced, it is the responsibility of the grant recipients to supply the required

EHP form at that time to DHS/FEMA, if they have not submitted already during the application period. Applicants can only proceed with their project(s) once the EHP review is completed and approved. DHS/FEMA may notify grant recipients via email if EHP review is required and will provide instructions on how to comply.

DHS and FEMA EHP policy is found in directives and instructions available on the [FEMA.gov EHP page](#), the FEMA website page that includes documents regarding EHP responsibilities and program requirements, including implementation of the National Environmental Policy Act and other EHP regulations and Executive Orders.

Additionally, all SAFER Program recipients are required to comply with FEMA GPD EHP Policy Guidance. FEMA Policy # 108-023-1, [Environmental Planning and Historic Preservation Policy Guidance](#).

SAFER Program applications that involve the installation of supplies/equipment not specifically excluded from a FEMA EHP Review, per the GPD Programmatic Environmental Assessment (PEA), such as ground-disturbing activities, or modification/renovation of existing buildings or structures, will require an EHP review. Some equipment activities will require an EHP review as well. Such activities include but are not limited to the installation of:

- Building renovations such as removal of wall or installation of electrical or water lines
- Training/exercises in natural settings such as rope or swift water
- LED Signs; and
- Any scope of work that involves ground disturbances

The following activities would not require the submission of the FEMA EHP Screening Form:

- Planning and development of policies or processes;
- Management, administrative or personnel actions;
- Classroom-based training;
- Acquisition of mobile and portable equipment (not involving installation) on or in a building and does not require a storage area to be constructed; and
- Purchase of Personal Protective Equipment (PPE) and/or SCBA.

E. Application Review Information

1. Application Evaluation Criteria

a. Programmatic Criteria

Funding priorities and programmatic criteria for evaluating SAFER Program applications are established by FEMA based on the recommendations from the Criteria Development Panel (CDP). Each year, FEMA convenes a panel of fire

service professionals to develop funding priorities for the SAFER Program. The panel makes recommendations about funding priorities as well as developing criteria for awarding grants.

The **nine major fire service organizations** represented on the panel are:

- International Association of Fire Chiefs
- International Association of Fire Fighters
- National Volunteer Fire Council
- National Fire Protection Association
- National Association of State Fire Marshals
- International Association of Arson Investigators
- International Society of Fire Service Instructors
- North American Fire Training Directors; and
- Congressional Fire Service Institute

The CDP is charged with making recommendations to FEMA regarding the creation or modification of previously established funding priorities as well as developing criteria for awarding grants. The content of this NOFO reflects implementation of the CDP's recommendations with respect to the priorities, direction, and criteria for awards.

FEMA will rank all complete and submitted applications based on how well they match the program priorities for the type of activity. Answers to the application's activity specific questions provide information used to determine each application's ranking.

b. Financial Integrity Criteria

Prior to making a federal award, FEMA is required by 31 U.S.C. § 3354, as amended by the Payment Integrity Information Act of 2019, Pub. L. No. 116-117 (2020); 41 U.S.C. § 2313; and 2 C.F.R. § 200.206 to review information available through any Office of Management and Budget (OMB)-designated repositories of government-wide eligibility qualification or financial integrity information, including whether the applicant is suspended or debarred. FEMA may also pose additional questions to the applicant to aid in conducting the pre-award risk review. Therefore, application evaluation criteria may include the following risk-based considerations of the applicant:

- i. Financial stability;
- ii. Quality of management systems and ability to meet management standards;
- iii. History of performance in managing federal award;
- iv. Reports and findings from audits; and
- v. Ability to effectively implement statutory, regulatory or other requirements.

c. Supplemental Financial Integrity Review

Prior to making a federal award where the anticipated federal share of a federal award will be greater than the simplified acquisition threshold (currently \$250,000):

- i. FEMA is required to review and consider any information about the applicant, including information on the applicant's immediate and highest-level owner, subsidiaries, and predecessors, if applicable, that is the designated integrity and performance system accessible through SAM, which is currently the Federal Awardee Performance and Integrity Information System (FAPIIS).
- ii. An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a federal awarding agency previously entered.
- iii. FEMA will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants, as described in 2 C.F.R. § 200.206.

2. Review and Selection Process

SAFER Program applications are reviewed through a multi-phase process. All applications are electronically pre-scored and ranked based on how well they align with the funding priorities outlined in this NOFO. Applications are then scored competitively by no less than three members of a Peer Review Panel.

Applications with the highest score rankings per activity will also be evaluated through a series of internal FEMA review processes for completeness, adherence to programmatic guidelines, technical feasibility, costs/quantities, and anticipated effectiveness of the proposed project(s). Below is the process by which applications will be reviewed:

i. Pre-scoring Process

The application undergoes an electronic pre-scoring process based on established program priorities listed in [Appendix B – Programmatic Information and Priorities](#) and answers to activity-specific questions within the online application. Application Narratives are not reviewed during pre-score process. “Request Details” and “Budget” information should comply with program guidance and statutory funding limitations. The pre-score is 50 percent of the total application score under the Hiring Activity and 30 percent of the total application score under the R&R Activity.

ii. Peer Review Panel Process

All applications will be evaluated by the Peer Review Panel process. A panel of peer reviewers is comprised of fire service representatives recommended by the CDP. Peer reviewers will assess the merits of each application based on the narrative statement on the requested activity. The evaluation elements listed in the “Narrative Evaluation Criteria” below will be used to calculate the narrative's score for each activity requested. Panelists will independently score each

requested activity within the application, discuss the merits and/or shortcomings of the application with his or her peers, and document the findings. A consensus is not required. The panel score is 50 percent of the total application score under the Hiring Activity and 70 percent of the total application score under the R&R Activity.

iii. Technical Evaluation Process (TEP)

The highest ranked projects from both activities will be considered within the fundable range. Applications that are in the fundable range will undergo a Technical Review by the FEMA Program Office prior to being recommended for award. The FEMA Program Office will assess the request with respect to costs, quantities, feasibility, eligibility, and recipient responsibility prior to recommending any application for award.

Once the TEP is complete, each application's cumulative score will be determined, and a final ranking of applications will be created. FEMA will award grants based on this final ranking and the ability to meet statutorily required funding limitations outlined in [Appendix B - Programmatic Information and Priorities, section E. Restrictions on Use of Award Funds.](#)

3. Narrative Evaluation Criteria

The Narrative Statement of the application must provide specific details about the activity for which applicants seek funding, including budget details. The weighted evaluation criteria used by the peer reviewers in the determination of the grant award, as described below, make up the elements of the Narrative Statement score. FEMA reviews and compares applications for duplication. Therefore, all elements of the Narrative Statements must be original.

The Narrative Statements blocks do not allow for formatting. Do not type the Narrative Statements using only capital letters. Additionally, do not include tables, special characters or fonts (e.g., quotation marks, bullets), or graphs. Space for the Narrative Statement is limited. While each element must have a minimum of 200 characters, the maximum amount of characters varies based on the questions being asked. Once the Narrative Statement is saved to the online application, log-out and then log back into the application to verify that the information was successfully saved.

Peer Review Panelists will evaluate and score each activity based on the following narrative elements within each activity.

I. Hiring Activity

The panel score is 50 percent of the total application score.

a. Project Description (30 percent):

- Why does the department need the positions requested in this application?

- How will the positions requested in this application be used within the department (e.g., fourth firefighter on engine, open a new station, eliminate browned out stations, reduce overtime)?
- What specific services will the requested positions provide to the fire department and community?
- How will funds awarded through this grant enhance the department's ability to protect critical infrastructure within the primary response area?

b. Impact on Daily Operations (30 percent):

- How are the community and the current firefighters employed by the department at risk without the positions requested in this application?
- How will that risk be reduced if awarded?

c. Financial Need (30 percent):

- Provide an income versus expenses breakdown of the current annual budget.
- Describe the department's budget shortfalls and inability to address financial needs without federal assistance.
- Describe what other actions the department has taken to obtain funding elsewhere (e.g. state assistance programs, other grant programs).
- Discuss how the critical functions of the department are affected without this funding.

d. Cost Benefit (10 percent): Describe the benefits (e.g., quantifying the anticipated savings and/or efficiencies) the department and community will realize if awarded the positions requested in this application.

II. R&R Activity (Fire Departments)

The panel score is 70 percent of the total application score.

a. Project Description (30 percent):

- Describe the problems and issues the department is experiencing in recruiting new volunteer firefighters.
- Describe the problems and issues the department is experiencing in retaining current members.
- Describe the implementation plan, including the goals, objectives, methods, specific steps, and timelines to directly address the identified problems or issues.
- Describe the current marketing plan already in place or the marketing program to be put in place with grant funds.
- Describe how the program will be evaluated for its impact on identified recruitment and retention problems and issues. How will the overall effectiveness of the grant will be measured?
- Describe the specific services the new volunteer firefighters and/or retention of current volunteer firefighters will provide for the fire department(s) and community.

- If the grant request will have a regional impact, discuss how the regional partners will benefit and which activities they will benefit from.

b. Impact on Daily Operations (30 percent):

- Describe how the community and current volunteer firefighters in the department are at risk without the items or activities requested in this application.
- Describe how that risk will be reduced if awarded funding.
- Explain the impact the recruitment of new volunteer firefighters and/or the retention of current volunteer firefighters will have on the department's NFPA compliance.

c. Financial Need (30 percent):

- Provide an income versus expenses breakdown of the department's current annual budget.
- Describe the department's budget shortfalls and its inability to address financial needs without federal assistance.
- Describe what other actions the department has taken to obtain funding elsewhere (e.g., state assistance programs, other grant programs), and how similar projects have been funded in the past.
- Discuss how the critical functions of the department are affected without this funding.

d. Cost Benefit (10 percent): Describe the benefits (e.g., quantifying the anticipated savings and/or efficiencies) the department and community will realize if awarded the items or activities requested in this application.

III. R&R Activity (National, state, local, or federally recognized tribal volunteer firefighters interest organizations)

The panel score is 70 percent of the total application score.

a. Project Description (30 percent):

- Describe the problems and issues the fire departments that the organization will be reaching with this grant are experiencing in recruiting new volunteer firefighters.
- Describe the problems and issues the same departments are experiencing in retaining current members.
- Describe the organization's implementation plan, including the goals, objectives, methods, specific steps, and timelines to directly address the problems or issues identified.
- Describe the current marketing plan already in place, or the marketing program to be put in place with grant funds.
- Describe how the program will be evaluated for its impact on the identified recruitment and retention problems and issues of the fire departments participating in this grant. Describe how the overall effectiveness of the grant will be measured.

- Describe the specific services the new volunteer firefighters and/or retention of current volunteer firefighters will provide for the fire departments participating in this application and their respective communities.
- Describe the organization's procurement practices and the timelines outlining the chronological steps to complete the activities requested in this application.

b. Impact on Daily Operations (30 percent):

- Describe how the fire departments participating in this application and their current volunteer firefighters and communities are at risk without the items or activities requested in this application.
- Explain how that risk will be reduced if awarded funding.
- Describe the impact that the recruitment of new volunteer firefighters and/or the retention of current volunteer firefighters will have on the NFPA compliance of the fire departments participating in this application.

c. Financial Need (30 percent):

- Provide an income versus expenses breakdown of the current annual budget.
- Describe the organization's budget shortfalls and the inability to address the financial needs without federal assistance.
- Describe the other actions the organization has taken to obtain funding elsewhere (e.g. state assistance programs, other grant programs), and how similar projects have been funded in the past.
- Discuss how the critical functions of the organization are affected without this funding.

d. Cost Benefit (10 percent):

- Describe the benefits (e.g., quantifying the anticipated savings and/or efficiencies) the fire departments participating in this application and their communities will realize if awarded the items or activities requested in this application.

F. Federal Award Administration Information

In addition to the language here, please see [Appendix C – Award Administration Information](#) to this NOFO for additional award administration information.

1. Notice of Award

Before accepting the award, the recipient should carefully read the award package. The award package includes instructions on administering the grant award and the terms and conditions associated with responsibilities under federal awards. Recipients must accept all conditions in this NOFO as well as any specific terms and conditions in the Notice of Award to receive an award under this program.

FEMA will provide the federal award package to the applicant electronically via FEMA GO. Award packages include an Award Letter, Summary Award Memo, Agreement

Articles, and Obligating Document. An email notification of the award package will be sent through FEMA's grant application system to the AOR that submitted the application. Recipients must accept their awards no later than 30 days from the award date. The recipient shall notify FEMA of its intent to accept and proceed with work under the award through the FEMA GO system.

Funds will remain on hold until the recipient accepts the award through the FEMA GO system and all other conditions of the award have been satisfied or until the award is otherwise rescinded. Failure to accept a grant award within the specified timeframe may result in a loss of funds. Recipients may request additional time to accept the award if needed.

2. Period of Performance Guidance

a. Hiring Activity

- The period of performance is 36 months for all grants awarded under this activity.
- A default 180-day recruitment period begins when FEMA approves an application for an award under this activity.
- The 36-month period of performance automatically starts after the 180-day recruitment period, regardless of whether the recipient has successfully hired the requested firefighters. The period of performance cannot start later than 180 days after the award date.
- If a recipient is able to hire all SAFER Program-funded firefighters during the 180-day recruitment period, the period of performance may begin at that time. However, in these instances, recipients must submit an amendment requesting that the period of performance start before the end of the 180-day recruitment period if they wish to begin the period early.

b. R&R Activity

- The period of performance is 12, 24, 36, or 48 months for all grants awarded under this activity.
- A default 90-day recruitment period begins when FEMA approves the application for award. This period allows each recipient time to gather resources, initiate processes, and finalize contracts needed to implement SAFER Program activities before the start of the period of performance in order to maximize the funding's availability. However, the recipient can only expend funds within the period of performance.
- If a recipient is able to begin its recruitment or retention activities during the 90-day recruitment period, the period of performance may begin at that time. However, in these instances, recipients must submit an amendment requesting that the period of performance start before the end of the 90-day recruitment period if they wish to begin the period early.
- The period of performance automatically starts after the 90-day recruitment period ends, regardless of whether the recipient has begun implementing its grant award. The period of performance cannot start later than 90 days after the award date.

3. Differences Between Application Request and Award

During the review process for a SAFER Program award, FEMA may have modified the application request(s). These modifications will be identified in the award package provided upon the offer of an award. If the awarded activities, scope of work, or requested dollar amount(s) do not match the application as submitted, the recipient shall only be responsible for completing the activities actually funded by FEMA. The recipient is under no obligation to start, modify, or complete any activities requested but not funded by the award. The award package will identify any differences under the approved scope of work section.

4. Turndown Notifications

FEMA GO will provide all applicants who do not receive an FY 2020 SAFER Program award with a turndown notification.

5. Administrative and National Policy Requirements

In addition to the requirements of in this section and in this NOFO, FEMA may place specific terms and conditions on individual awards in accordance with 2 C.F.R. Part 200.

DHS Standard Terms and Conditions

All successful applicants for all DHS grant and cooperative agreements are required to comply with DHS Standard Terms and Conditions, which are available online at: [DHS Standard Terms and Conditions](#). The applicable DHS Standard Terms and Conditions will be those in effect at the time in which the award was made.

Before accepting the award, the AOR should carefully read the award package for instructions on administering the grant award and the terms and conditions associated with responsibilities under Federal Awards. Recipients must accept all conditions in this NOFO as well as any special terms and conditions in the Notice of Award to receive an award under this program. By submitting an application, applicants are deemed to have accepted all of the conditions in this NOFO as well.

6. Reporting

Recipients are required to submit various financial and programmatic reports as a condition of their award acceptance. Future awards and funds drawdown may be withheld if these reports are delinquent. Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks or other proof of payment documentation for verification.

7. Federal Financial Reporting Requirements

The Federal Financial Report Form (SF-425) and instructions are available at the following site: [SF-425 OMB #4040-0014](#).

a. Federal Financial Reports (FFR)

Recipients of SAFER Program grants are required to submit an FFR (SF-425) on a semi-annual basis. The FFR is to be submitted using the online FEMA GO based on

the calendar year beginning with the period after the start of the period of performance. Grant recipients are required to submit an FFR throughout the entire period of performance of the grant.

Reports are due:

1. No later than July 30 (for the period January 1 – June 30)
2. No later than January 30 (for the period July 1 – December 31)
3. Within 120 days after the end of the period of performance

b. Program Performance Reporting Requirements

The recipient is responsible for completing and submitting a Programmatic Performance Report (PPR) using FEMA GO. The PPR is due every three months after the start of the grant's period of performance, and thereafter until the period of performance ends.

The PPR should include the following:

1. A brief narrative of overall project(s) status;
2. A summary of project expenditures;
3. A description of any potential issues that may affect project completion; and
4. Other information specific to the Activities awarded.

c. Closeout Reporting Requirements

Within 120 days after the end of the period of performance, recipients must liquidate all financial obligations and submit a final FFR (SF-425) and a final PPR (within the closeout module in FEMA GO) detailing all accomplishments and a qualitative summary of the impact of those accomplishments throughout the period of performance. The closeout tutorial may be found at <https://www.fema.gov/grants/preparedness/firefighters/closeout-report-tutorial>.

In addition, any recipient that issues subawards to any subrecipient is responsible for closing out those subawards as described in 2 C.F.R. § 200.344; subrecipients are still required to submit closeout materials within 90 days of the period of performance end date. Recipients must ensure that they complete the closeout of their subawards in time to submit all necessary documentation and information to DHS/FEMA during the closeout of their prime grant award.

After the final SF-425 and final performance reports have been reviewed and approved by FEMA, a Closeout Notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds that will be deobligated, and address the requirement of maintaining the grant records for a minimum of three years from the date of the final FFR (SF- 425). The record retention period may be longer, such as due to an audit or litigation, for equipment or real property used beyond the period of performance, or due to other circumstances outlined in 2 C.F.R. § 200.334.

The recipient is responsible for returning any federal funds that they have liquidated

but remain unobligated by the recipient. Information on how to return funds to FEMA is available at <https://www.fema.gov/about/payment>.

d. Administrative Closeout

Administrative closeout is a mechanism for FEMA to unilaterally move forward with closeout of a grant award using available grant award information in lieu of final reports from the recipient per 2 C.F.R. § 200.344(h)-(i). It is a last resort available to FEMA, and if FEMA needs to administratively close an award, this may negatively impact a recipient's ability to obtain future funding. This mechanism can also require FEMA to make cash or cost adjustments and ineligible cost determinations based on the information it has, which may result in identifying a debt owed to FEMA by the recipient.

When a recipient is not responsive to FEMA's reasonable efforts to collect required reports needed to complete the standard closeout process, FEMA is required under 2 C.F.R. § 200.344(h) to start the administrative closeout process within the regulatory timeframe. FEMA will make at least three written attempts to collect required reports before initiating administrative closeout. If the recipient does not submit all required reports in accordance with 2 C.F.R. § 200.344, this NOFO, and the terms and conditions of the award, FEMA must proceed to administratively close the award with the information available within one year of the period of performance end date. Additionally, if the recipient does not submit all required reports within one year of the period of performance end date, per 2 C.F.R. § 200.344(i), FEMA must report in FAPIIS the recipient's material failure to comply with the terms and conditions of the award.

If FEMA administratively closes an award where no final FFR has been submitted, FEMA uses that administrative closeout date in lieu of the final FFR submission date as the start of the record retention period under 2 C.F.R. § 200.334.

In addition, if an award is administratively closed, FEMA may decide to impose remedies for noncompliance per 2 C.F.R. § 200.339, consider this information in reviewing future award applications, or apply special conditions to existing or future awards.

e. Additional Reporting Requirements

i. Disclosing Information per 2 C.F.R. § 180.335

This reporting requirement pertains to disclosing information related to government-wide suspension and debarment requirements. Before a recipient enters into a grant award with FEMA, the recipient must notify FEMA if it knows if it or any of the recipient's principals under the award fall under one or more of the four criteria listed at 2 C.F.R. § 180.335:

- Are presently excluded or disqualified;
- Have been convicted within the preceding three years of any of the offenses listed in 2 C.F.R. § 180.800(a) or had a civil judgment rendered against it or

any of the recipient's principals for one of those offenses within that time period;

- Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses listed in 2 C.F.R. § 180.800(a); or,
- Have had one or more public transactions (federal, state, or local) terminated within the preceding three years for cause or default.

At any time after accepting the award, if the recipient learns that it or any of its principals falls under one or more of the criteria listed at 2 C.F.R. § 180.335, the recipient must provide immediate written notice to FEMA in accordance with 2 C.F.R. § 180.350.

ii. Reporting of Matters Related to Recipient Integrity and Performance

Per 2 C.F.R. Part 200, and [Appendix B – Programmatic Information and Priorities](#), the additional post-award reporting requirements in 2 C.F.R. Part 200, Appendix XII may apply to applicants who, if upon becoming recipients, have a total value of currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies that exceeds \$10 million for any period of time during the period of performance of an award under this funding opportunity.

Recipients that meet these criteria must maintain current information reported in FAPIIS about civil, criminal, or administrative proceedings described in paragraph 2 of Appendix XII at the reporting frequency described in paragraph 4 of Appendix XII.

iii. Single Audit Report

For audits of fiscal years beginning on or after December 26, 2014, recipients that expend \$750,000 or more from all federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report, also known as the single audit report.

The audit must be performed in accordance with the requirements of U.S. Government Accountability Office's (GAO) Government Auditing Standards, located at <https://www.gao.gov/yellowbook/overview>, and the requirements of Subpart F of 2 C.F.R. Part 200, located at <http://www.ecfr.gov/cgi-bin/text-idx?node=sp2.1.200.f>.

7. Monitoring and Oversight

Per 2 C.F.R. § 200.337, FEMA, through its authorized representatives, has the right, at all reasonable times, to make site visits or conduct desk reviews to review project accomplishments and management control systems to review award progress and to provide any required technical assistance. During site visits or desk reviews, FEMA will review recipients' files related to the award. As part of any monitoring and program evaluation activities, recipients must permit FEMA, upon reasonable notice, to review

grant-related records and to interview the organization's staff and contractors regarding the program. Recipients must respond in a timely and accurate manner to FEMA requests for information relating to the award.

Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestones, budgets, and other related program criteria are being met. Monitoring may be accomplished through either a desk-based review or on-site monitoring visits, or both. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance, and administrative processes and policies, activities, and other attributes of each federal assistance award and will identify areas where technical assistance, corrective actions, and other support may be needed.

The recipient is responsible for monitoring all subaward activities to ensure compliance with federal and state laws, regulations, and guidance. Responsibilities include the accounting of receipts and expenditures, cash management, maintaining of adequate financial records, reporting and refunding expenditures disallowed by audits, monitoring, or other assessments and reviews.

Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks or other adequate payment documentation for verification.

G. DHS Awarding Agency Contact and Resource Information

1. SAFER Application Guidance Documents

Guidance documents such as application tutorials, Self-Evaluation Guides, and FAQs are provided to further explain the current SAFER Program, assist with the online grant application, and highlight lessons learned and changes for FY 2020. For more details, please visit the SAFER Program website at <https://www.fema.gov/grants/preparedness/firefighters/safer>.

2. SAFER Help Desk

The SAFER Help Desk provides technical assistance to applicants for the online completion and submission of applications into FEMA GO, answers questions concerning applicant eligibility and recipient responsibilities, and helps in the programmatic administration of awards. The SAFER Help Desk can be contacted at (866) 274-0960 or by email at FireGrants@fema.dhs.gov. Normal hours of operation are Monday through Friday, 8 a.m. to 4:30 p.m. ET.

3. Environmental Planning and Historic Preservation

GPD's EHP Team provides guidance and information about the EHP review process to recipients and subrecipients. All inquiries and communications about GPD projects under this NOFO or the EHP review process, including the submittal of EHP review materials, should be sent to gpdehpinfo@fema.dhs.gov.

4. FEMA GO System Information

For technical assistance with the FEMA GO system, please contact the FEMA GO Help Desk at (877) 585-3242, Monday through Friday, 8 a.m. to 6 p.m. ET.

H. Additional Information

1. Termination Provisions

FEMA may terminate a federal award in whole or in part for one of the following reasons. FEMA and the recipient must still comply with closeout requirements at 2 C.F.R. §§ 200.344-200.345 even if an award is terminated in whole or in part. To the extent that subawards are permitted under this NOFO, pass-through entities should refer to 2 C.F.R. § 200.340 for additional information on termination regarding subawards.

a. Noncompliance

If a recipient fails to comply with the terms and conditions of a federal award, FEMA may terminate the award in whole or in part. If the noncompliance can be corrected, FEMA may first attempt to direct the recipient to correct the noncompliance. This may take the form of a Compliance Notification. If the noncompliance cannot be corrected or the recipient is non-responsive, FEMA may proceed with a Remedy Notification, which could impose a remedy for noncompliance per 2 C.F.R. § 200.339, including termination. Any action to terminate based on noncompliance will follow the requirements of 2 C.F.R. §§ 200.341-200.342 as well as the requirement of 2 C.F.R. § 200.340(c) to report in FAPIIS the recipient's material failure to comply with the award terms and conditions. See also the section on Actions to Address Noncompliance in this NOFO.

b. With the Consent of the Recipient

FEMA may also terminate an award in whole or in part with the consent of the recipient, in which case the parties must agree upon the termination conditions, including the effective date, and in the case of partial termination, the portion to be terminated.

c. Notification by the Recipient

The recipient may terminate the award, in whole or in part, by sending written notification to FEMA setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. In the case of partial termination, FEMA may determine that a partially terminated award will not accomplish the purpose of the federal award, so FEMA may terminate the award in its entirety. If that occurs, FEMA will follow the requirements of 2 C.F.R. §§ 200.341-200.342 in deciding to fully terminate the award.

2. Extensions to the Grant Period of Performance

Extensions to the period of performance under this grant program are allowed. An award's period of performance must be active for a recipient to submit a proposed extension request to FEMA. Recipients should request extensions sparingly and only under exceptional circumstances. *Approval is not guaranteed.*

Extensions to the initial period of performance identified in the award will only be considered through formal amendment requests, via FEMA GO, and must contain specific and compelling justifications as to why an extension is required.

All extension requests must contain:

- Grant Program, fiscal year, and award number;
- Reason for delay—this must include details of the legal, policy, or operational challenges being experienced that prevent the final outlay of awarded funds by the applicable deadline;
- Current status of the activity/activities;
- Approved period of performance termination date and new project completion date;
- Amount of funds drawn down to date;
- Remaining available funds, both federal and non-federal;
- Budget outlining how remaining federal and non-federal funds will be expended;
- Plan for completion, including milestones and timeframes for achieving each milestone and the position/person responsible for implementing the plan for completion; and
- Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA.

3. Requirements for Period of Performance Extension Consideration

To be eligible for consideration, recipients must submit extension requests via FEMA GO. Recipients generally can submit requests at least 60 days prior to the end of the award's period of performance. In accordance with FEMA policy, FEMA reviews extensions on a case-by-case basis and typically grants them for no more than a six-month period. FEMA will grant extension requests only due to compelling legal, policy, or operational challenges. The review process can take up to 30 days or longer. Applicants should factor this review period into the timing of when to submit a request for an extension.

Example: Recipients may request an extension when an equipment order was placed during the period of performance but factors beyond the recipients' control have resulted in a delay in the expected delivery and receipt of the equipment outside of the existing period of performance; where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe; or where other extenuating circumstances warrant a brief extension.

4. Conflicts of Interest in the Administration of Federal Awards or Subawards

For conflicts of interest under grant-funded procurements and contracts, refer to the section on Procurement Integrity in this NOFO and 2 C.F.R. §§ 200.317 – 200.327.

To eliminate and reduce the impact of conflicts of interest in the subaward process, recipients and pass-through entities must follow their own policies and procedures regarding the elimination or reduction of conflicts of interest when making subawards.

Recipients and pass-through entities are also required to follow any applicable federal and state, local, tribal, or territorial (SLTT) statutes or regulations governing conflicts of interest in the making of subawards.

The recipient or pass-through entity must disclose to the respective Program Analyst or Program Manager, in writing, any real or potential conflict of interest that may arise during the administration of the federal award, as defined by the federal or SLTT statutes or regulations or their own existing policies, within five days of learning of the conflict of interest. Similarly, subrecipients, whether acting as subrecipients or as pass-through entities, must disclose any real or potential conflict of interest to the recipient or next-level pass-through entity as required by the recipient or pass-through entity's conflict of interest policies, or any applicable federal or SLTT statutes or regulations.

Conflicts of interest may arise during the process of FEMA making a federal award in situations where an employee, officer, or agent, any members of his or her immediate family, his or her partner has a close personal relationship, a business relationship, or a professional relationship, with an applicant, subapplicant, recipient, subrecipient, or FEMA employees.

5. Procurement Integrity

Through audits conducted by the DHS Office of Inspector General (OIG) and FEMA grant monitoring, findings have shown that some FEMA recipients have not fully adhered to the proper procurement requirements when spending grant funds. Anything less than full compliance with federal procurement requirements jeopardizes the integrity of the grant as well as the grant program. To assist with determining whether an action is a procurement or instead a subaward, please consult 2 C.F.R. § 200.331.

The below highlights the federal procurement requirements for FEMA recipients when procuring goods and services with federal grant funds. FEMA will include a review of recipients' procurement practices as part of the normal monitoring activities. **All procurement activity must be conducted in accordance with federal procurement standards at 2 C.F.R. §§ 200.317 – 200.327.** Select requirements under these standards are listed below. The recipient and any of its subrecipients must comply with all requirements, even if they are not listed below.

Under 2 C.F.R. § 200.317, when procuring property and services under a federal award, states (including territories) must follow the same policies and procedures they use for procurements from their non-federal funds; additionally, states must now follow 2 C.F.R. § 200.321 regarding socioeconomic steps, § 200.322 regarding domestic preferences for procurements, § 200.323 regarding procurement of recovered materials, and § 200.327 regarding required contract provisions.

All other non-federal entities, such as tribes (collectively, non-state entities), must have and use their own documented procurement procedures that reflect applicable SLTT laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 C.F.R. Part 200. These standards include, but are not

limited to, providing for full and open competition consistent with the standards of 2 C.F.R. § 200.319 and § 200.320.

a. Important Changes to Procurement Standards in 2 C.F.R. Part 200

OMB recently updated various parts of Title 2 of the Code of Federal Regulations, among them, the procurement standards. States are now required to follow the socioeconomic steps in soliciting small and minority businesses, women's business enterprises, and labor surplus area firms per 2 C.F.R. § 200.321. All non-federal entities should also, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States per 2 C.F.R. § 200.322.

The recognized procurement methods in 2 C.F.R. § 200.320 have been reorganized into informal procurement methods, which include micro-purchases and small purchases; formal procurement methods, which include sealed bidding and competitive proposals; and noncompetitive procurements. The federal micro-purchase threshold is currently \$10,000, and non-state entities may use a lower threshold when using micro-purchase procedures under a FEMA award. If a non-state entity wants to use a micro-purchase threshold higher than the federal threshold, it must follow the requirements of 2 C.F.R. § 200.320(a)(1)(iii)-(iv). The federal simplified acquisition threshold is currently \$250,000, and a non-state entity may use a lower threshold but may not exceed the federal threshold when using small purchase procedures under a FEMA award.

See 2 C.F.R. §§ 200.216, 200.471, and Appendix II as well as section D.13.a of the NOFO regarding prohibitions on covered telecommunications equipment or services.

b. Competition and Conflicts of Interest

Among the requirements of 2 C.F.R. § 200.319(b) applicable to all non-federal entities other than states, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. FEMA considers these actions to be an organizational conflict of interest and interprets this restriction as applying to contractors that help a non-federal entity develop its grant application, project plans, or project budget. This prohibition also applies to the use of former employees to manage the grant or carry out a contract when those former employees worked on such activities while they were employees of the non-federal entity.

Under this prohibition, unless the non-federal entity solicits for and awards a contract covering both development and execution of specifications (or similar elements as described above), and this contract was procured in compliance with 2 C.F.R. §§ 200.317 – 200.327, federal funds cannot be used to pay a contractor to carry out the work if that contractor also worked on the development of those specifications. This rule applies to all contracts funded with federal grant funds, including pre-award costs, such as grant writer fees, as well as post-award costs, such as grant

management fees.

Additionally, some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable requirements on firms for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and,
- Any arbitrary action in the procurement process.

Per 2 C.F.R. § 200.319(c), non-federal entities other than states must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed SLTT geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Under 2 C.F.R. § 200.318(c)(1), non-federal entities other than states are required to maintain written standards of conduct covering conflicts of interest and governing the actions of their employees engaged in the selection, award, and administration of contracts. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.** Such conflicts of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity. If the recipient or subrecipient (other than states) has a parent, affiliate, or subsidiary organization that is not a state, local, tribal, or territorial government, the non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. In this context, organizational conflict of interest means that because of a relationship with a parent company, affiliate, or subsidiary

organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. The non-federal entity must disclose in writing any potential conflicts of interest to FEMA or the pass-through entity in accordance with applicable FEMA policy.

c. Supply Schedules and Purchasing Programs

Generally, a non-federal entity may seek to procure goods or services from a federal supply schedule, state supply schedule, or group purchasing agreement.

i. General Services Administration Schedules

States, tribes, and local governments, and any instrumentality thereof (such as local education agencies or institutions of higher education) may procure goods and services from a General Services Administration (GSA) schedule. GSA offers multiple efficient and effective procurement programs for state, tribal, and local governments, and instrumentalities thereof, to purchase products and services directly from pre-vetted contractors. The GSA Schedules (also referred to as the Multiple Award Schedules and the Federal Supply Schedules) are long-term government-wide contracts with commercial firms that provide access to millions of commercial products and services at volume discount pricing.

Information about GSA programs for states, tribes, and local governments, and instrumentalities thereof, can be found at <https://www.gsa.gov/resources-for/programs-for-State-and-local-governments> and <https://www.gsa.gov/buying-selling/purchasing-programs/gsa-schedules/schedule-buyers/state-and-local-governments>.

For tribes, local governments, and their instrumentalities that purchase off of a GSA schedule, this will satisfy the federal requirements for full and open competition provided that the recipient follows the GSA ordering procedures; however, tribes, local governments, and their instrumentalities will still need to follow the other rules under 2 C.F.R. §§ 200.317 – 200.327, such as solicitation of minority businesses, women’s business enterprises, small businesses, or labor surplus area firms (§ 200.321), domestic preferences (§ 200.322), contract cost and price (§ 200.324), and required contract provisions (§ 200.327 and Appendix II).

ii. Other Supply Schedules and Programs

For non-federal entities other than states, such as tribes, local governments, and nonprofits, that want to procure goods or services from a state supply schedule, cooperative purchasing program, or other similar program, in order for such procurements to be permissible under federal requirements, the following must be true:

- The procurement of the original contract or purchasing schedule and its use by the non-federal entity complies with state and local law, regulations, and written procurement procedures;

- The state or other entity that originally procured the original contract or purchasing schedule entered into the contract or schedule with the express purpose of making it available to the non-federal entity and other similar types of entities;
- The contract or purchasing schedule specifically allows for such use, and the work to be performed for the non-federal entity falls within the scope of work under the contract as to type, amount, and geography;
- The procurement of the original contract or purchasing schedule complied with all the procurement standards applicable to a non-federal entity other than states under at 2 C.F.R. §§ 200.317 – 200.327; and,
- With respect to the use of a purchasing schedule, the non-federal entity must follow ordering procedures that adhere to applicable state, tribal, and local laws and regulations and the minimum requirements of full and open competition under 2 C.F.R. Part 200.

If a non-federal entity other than a state seeks to use a state supply schedule, cooperative purchasing program, or other similar type of arrangement, FEMA recommends the recipient discuss the procurement plans with its FEMA Program Analyst.

d. Procurement Documentation

Per 2 C.F.R. § 200.318(i), non-federal entities other than states and territories are required to maintain and retain records sufficient to detail the history of procurement covering at least the rationale for the procurement method, contract type, contractor selection or rejection, and the basis for the contract price. States and territories are encouraged to maintain and retain this information as well and are reminded that in order for any cost to be allowable, it must be adequately documented per 2 C.F.R. § 200.403(g).

Examples of the types of documents that would cover this information include but are not limited to:

- Solicitation documentation, such as requests for quotes, invitations for bids, or requests for proposals;
- Responses to solicitations, such as quotes, bids, or proposals;
- Pre-solicitation independent cost estimates and post-solicitation cost/price analyses on file for review by federal personnel, if applicable;
- Contract documents and amendments, including required contract provisions; and,
- Other documents required by federal regulations applicable at the time a grant is awarded to a recipient.

6. Record Retention

a. Record Retention Period

Financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award generally must be maintained for at least

three years from the date the final FFR is submitted. *See* 2 C.F.R. § 200.334. Further, if the recipient does not submit a final FFR and the award is administratively closed, FEMA uses the date of administrative closeout as the start of the general record retention period.

The record retention period **may be longer than three years or have a different start date** in certain cases. These include:

- Records for real property and equipment acquired with federal funds must be retained for **three years after final disposition of the property**. *See* 2 C.F.R. § 200.334(c);
- If any litigation, claim, or audit is started before the expiration of the three-year period, the records **must be retained until** all litigation, claims, or audit findings involving the records **have been resolved and final action taken**. *See* 2 C.F.R. § 200.334(a);
- The **record retention period will be extended if the recipient is notified in writing** of the extension by FEMA, the cognizant or oversight agency for audit, or the cognizant agency for indirect costs. *See* 2 C.F.R. § 200.334(b);
- Where FEMA requires recipients to report program income after the period of performance ends, the **program income record retention period begins at the end of the recipient's fiscal year in which program income is earned**. *See* 2 C.F.R. § 200.334(e); and
- For indirect cost rate proposals, cost allocation plans, or other rate computations records, the start of the record retention period depends on whether the indirect cost rate documents were submitted for negotiation. If the **indirect cost rate documents were submitted for negotiation, the record retention period begins from the date those documents were submitted** for negotiation. If indirect cost rate documents were **not submitted for negotiation, the record retention period begins at the end of the recipient's fiscal year or other accounting period covered by that indirect cost rate**. *See* 2 C.F.R. § 200.334(f).

b. Types of Records to Retain

FEMA requires that non-federal entities maintain the following documentation for federally funded purchases:

- Specifications;
- Solicitations;
- Competitive quotes or proposals;
- Basis for selection decisions;
- Purchase orders;
- Contracts;
- Invoices; and
- Canceled checks.

Non-federal entities should keep detailed records of all transactions involving the

grant. FEMA may at any time request copies of any relevant documentation and records, including purchasing documentation along with copies of cancelled checks for verification. *See, e.g.*, 2 C.F.R. §§ 200.318(i), 200.334, 200.337.

In order for any cost to be allowable, it must be adequately documented per 2 C.F.R. § 200.403(g). Non-federal entities who fail to fully document all purchases may find their expenditures questioned and subsequently disallowed.

7. Actions to Address Noncompliance

Non-federal entities receiving financial assistance funding from FEMA are required to comply with requirements in the terms and conditions of their awards or subawards, including the terms set forth in applicable federal statutes, regulations, NOFOs, and policies. Throughout the award lifecycle or even after an award has been closed, FEMA or the pass-through entity may discover potential or actual noncompliance on the part of a recipient or subrecipient. This potential or actual noncompliance may be discovered through routine monitoring, audits, closeout, or reporting from various sources.

In the case of any potential or actual noncompliance, FEMA may place special conditions on an award per 2 C.F.R. §§ 200.208 and 200.339, FEMA may place a hold on funds until the matter is corrected, or additional information is provided per 2 C.F.R. § 200.339, or it may do both. Similar remedies for noncompliance with certain federal civil rights laws are authorized pursuant to 44 C.F.R. Parts 7 and 19.

In the event the noncompliance is not able to be corrected by imposing additional conditions or the recipient or subrecipient refuses to correct the matter, FEMA might take other remedies allowed under 2 C.F.R. § 200.339. These remedies include actions to disallow costs, recover funds, wholly or partly suspend or terminate the award, initiate suspension and debarment proceedings, withhold further federal awards, or take other remedies that may be legally available. For further information on termination due to noncompliance, see the section on Termination Provisions in the NOFO.

FEMA may discover and take action on noncompliance even after an award has been closed. The closeout of an award does not affect FEMA's right to disallow costs and recover funds as long the action to disallow costs takes place during the record retention period. *See* 2 C.F.R. §§ 200.334, 200.345(a). Closeout also does not affect the obligation of the non-federal entity to return any funds due as a result of later refunds, corrections, or other transactions. *See* 2 C.F.R. § 200.345(a)(2).

The types of funds FEMA might attempt to recover include, but are not limited to, improper payments, cost share reimbursements, program income, interest earned on advance payments, or equipment disposition amounts.

FEMA may seek to recover disallowed costs through a Notice of Potential Debt Letter, a Remedy Notification, or other letter. The document will describe the potential amount owed, the reason why FEMA is recovering the funds, the recipient's appeal rights, how the amount can be paid, and the consequences for not appealing or paying the amount by

the deadline.

If the recipient neither appeals nor pays the amount by the deadline, the amount owed will become final. Potential consequences if the debt is not paid in full or otherwise resolved by the deadline include the assessment of interest, administrative fees, and penalty charges; administratively offsetting the debt against other payable federal funds; and transferring the debt to the U.S. Department of the Treasury for collection.

FEMA notes the following common areas of noncompliance for FEMA's grant programs:

- Insufficient documentation and lack of record retention;
- Failure to follow the procurement under grants requirements;
- Failure to submit closeout documents in a timely manner;
- Failure to follow EHP requirements;
- Failure to comply with the POP deadline.

8. Audits

FEMA grant recipients are subject to audit oversight from multiple entities including the DHS OIG, the GAO, the pass-through entity, or independent auditing firms for single audits, and may cover activities and costs incurred under the award. Auditing agencies such as the DHS OIG, the GAO, and the pass-through entity (if applicable), and FEMA in its oversight capacity, must have access to records pertaining to the FEMA award. Recipients and subrecipients must retain award documents for at least three years from the date the final FFR is submitted, and even longer in many cases subject to the requirements of 2 C.F.R. § 200.334. In the case of administrative closeout, documents must be retained for at least three years from the date of closeout, or longer subject to the requirements of 2 C.F.R. § 200.334. If documents are retained longer than the required retention period, the DHS OIG, the GAO, and the pass-through entity, as well as FEMA in its oversight capacity, have the right to access these records as well. *See* 2 C.F.R. §§ 200.334, 200.337.

Additionally, non-federal entities must comply with the single audit requirements at 2 C.F.R. Part 200, Subpart F. Specifically, non-federal entities, other than for-profit subrecipients, that expend \$750,000 or more in federal awards during their fiscal year must have a single or program-specific audit conducted for that year in accordance with Subpart F. 2 C.F.R. § 200.501. A single audit covers all federal funds expended during a fiscal year, not just FEMA funds. The cost of audit services may be allowable per 2 C.F.R. § 200.425, but non-federal entities must select auditors in accordance with 2 C.F.R. § 200.509, including following the proper procurement procedures. For additional information on single audit reporting requirements, see section F of this NOFO under the header "Single Audit Report" within the subsection "Additional Reporting Requirements."

The objectives of single audits are to:

- Determine whether financial statements conform to generally accepted accounting principles (GAAP);
- Determine whether the schedule of expenditures of federal awards is presented fairly;
- Understand, assess, and test the adequacy of internal controls for compliance with major programs; and,
- Determine whether the entity complied with applicable laws, regulations, and contracts or grants.

For single audits, the auditee is required to prepare financial statements reflecting its financial position, a schedule of federal award expenditures, and a summary of the status of prior audit findings and questioned costs. The auditee also is required to follow up and take appropriate corrective actions on new and previously issued but not yet addressed audit findings. The auditee must prepare a corrective action plan to address the new audit findings. See 2 C.F.R. §§ 200.508, 200.510, 200.511.

Non-federal entities must have an audit conducted, either single or program-specific, of their financial statements and federal expenditures annually or biennially pursuant to 2 C.F.R. § 200.504. Non-federal entities must also follow the information submission requirements of 2 C.F.R. § 200.512, including submitting the audit information to the [Federal Audit Clearinghouse](#) within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period. The audit information to be submitted include the data collection form described at 2 C.F.R. § 200.512(c) and Appendix X to 2 C.F.R. Part 200 as well as the reporting package described at 2 C.F.R. § 200.512(b).

The non-federal entity must retain one copy of the data collection form and one copy of the reporting package for three years from the date of submission to the Federal Audit Clearinghouse. See 2 C.F.R. § 200.512; *see also* 2 C.F.R. § 200.517 (setting requirements for retention of documents by the auditor and access to audit records in the auditor's possession).

FEMA, the DHS OIG, the GAO, and the pass-through entity (if applicable), as part of monitoring or as part of an audit, may review a non-federal entity's compliance with the single audit requirements. In cases of continued inability or unwillingness to have an audit conducted in compliance with 2 C.F.R. Part 200, Subpart F, FEMA and the pass-through entity, if applicable, are required to take appropriate remedial action under 2 C.F.R. § 200.339 for noncompliance, pursuant to 2 C.F.R. § 200.505.

Appendix A – FY 2020 SAFER Program Updates

Appendix A contains a brief list of changes between FY 2019 and FY 2020 to the SAFER Program

New for FY 2020

The FY 2020 SAFER Program NOFO contains some changes to definitions, descriptions, and priority categories. Changes to the FY 2020 SAFER Program NOFO include:

- Under authorities provided under Department of Homeland Security Appropriations Act, 2020 (Pub. L. No. 116-93), the following requirements are being waived for the FY 2020 SAFER Program:
 - **Position Cost Limits:** There are no annual salary limits under the Hiring of Firefighters Activity.
 - **Cost-share:** There is no prescribed cost-share under the Hiring of Firefighters Activity.
 - **New Additional Firefighters Requirement:** Grant funds can now be used to rehire laid off firefighters and retain firefighters facing layoff under the Hiring of Firefighters Activity.
 - **Period of Performance:** Extensions to the period of performance under the Hiring of Firefighters Activity are now allowable.
 - **Supplanting Requirement:** There is no supplanting requirement under the Hiring of Firefighters Activity.
 - **Minimum Budget Requirement:** There is no minimum budget requirement.
- Under sections D – Application and Submission Information, E – Application Review Information, F – Federal Award Administration Information, G – DHS Awarding Agency Contact and Resource Information, and H – Additional Information:
 - Various grants management changes due to recent OMB revisions to 2 C.F.R., particularly regarding SAM registration, performance measures, procurement, closeout, and termination
- Under Supporting Definitions:
 - Definition added for Primary First Due

Appendix B – Programmatic Information and Priorities

*Appendix B contains details on SAFER Program information and priorities.
Reviewing this information may help applicants make their application(s)
more competitive*

A. Ineligible Applications and/or Organizations

Volunteer and combination fire departments may apply for funding under both the Hiring Activity and the R&R Activity; however, departments must complete separate applications for each activity. Applicants are limited to one application per activity, per application period. If an applicant submits two applications for the same activity during a single application period, FEMA will disqualify both applications.

If two or more of the following entities have different funding streams, personnel rosters, and EINs but share the same facilities, FEMA considers them as being separate organizations for the purposes of FY 2020 SAFER Program eligibility:

- Fire departments
- National, state, local, federally recognized tribal, and non-profit interest organizations

If two or more organizations share facilities and each submits an application in the same activity (i.e., Hiring of Firefighters), FEMA reserves the right to review all of those program area applications for eligibility. This determination is designed to avoid the duplication of benefits.

Examples of ineligible applications and/or organizations include:

- For-profit organizations, federal agencies, and individuals are not eligible to receive a SAFER Program award
- Fire departments that are a Federal Government entity, or contracted by the Federal Government, and are solely responsible under a formally recognized agreement for suppression of fires on federal installations or land
- Fire departments that are not independent entities but are part of, controlled by, or under the day-to-day operational command and control of a larger department, agency or AHJ
 - However, if a fire department is considered to be the same legal entity as a municipality or other governmental organization, and otherwise meets the eligibility criteria, that municipality or other governmental organization may apply on behalf of that fire department as long as the application clearly states that the fire department is considered part of the same legal entity
- State or local agencies, or subsets of any governmental entities, or any authorities that do not meet the requirements as defined by 15 U.S.C. § 2229a(a)(1)(A) and (a)(2)
- Ambulance services, emergency medical service organizations, rescue squads, auxiliaries, dive teams, and urban search and rescue teams

- Non-federal airport or port authority fire departments whose sole responsibility is the suppression of fires on the airport grounds or port facilities, unless the airport/port fire department has a formally recognized arrangement with the local jurisdiction to provide fire suppression on a first-due basis outside the confines of the airport or port facilities
- Eligible applicants may submit only one application for each eligible activity (Hiring Activity and R&R Activity); all submissions of duplicate applications may be disqualified
- If an applicant submits two or more applications for the same activity, both applications may be disqualified
 - This is different from when where an entity is applying on behalf of other organizations that are agencies or instrumentalities of the applicant (e.g., multiple fire departments under the same county, city, borough, parish, or other municipality). In that situation, the applicant may request similar or the same costs as long as the application clearly states which costs (including quantities) are for which agency/instrumentality. This is permissible even if that entity submits multiple applications across regional versus direct applications.

B. Supporting Definitions for this NOFO

Attrition is a gradual reduction in work force without laying off personnel, e.g., when workers resign or retire and are not replaced.

Authority Having Jurisdiction (AHJ) is that person or office charged with enforcing the NFPA codes (Per NFPA101-2015 Edition: Life Safety Code).

Automatic Aid is a plan developed between two or more fire departments for immediate joint response on first alarms (Per NFPA 1710 – 2016 edition and NFPA 1720 – 2014).

Benefits, as defined in 2 C.F.R. § 200.431, means the regular compensation paid to employees during periods of authorized absences from the job, e.g., vacation leave, sick leave, military leave. Benefits may include employer contributions or expenses for social security, employee insurance, workmen’s compensation, and pension plan costs, and the like, whether treated as indirect costs or as direct costs, and are also eligible and shall be distributed to particular awards and other activities in a manner consistent with the pattern of benefits accruing to the individuals or group of employees whose salaries and wages are chargeable. Please see Compensation—fringe benefits for more information.

Career Fire Department, as defined in 15 U.S.C. § 2229, means a fire department that has an all-paid force of firefighting personnel other than paid-on-call firefighters.

Combination Fire Department, as defined in 15 U.S.C. § 2229, means a fire department that has paid firefighting personnel and volunteer firefighting personnel. FEMA considers a fire department with firefighting personnel paid a stipend on a per-event basis, or paid on-call, to be a combination fire department.

Emergency Medical Services Organization is a public or private organization that provides direct emergency medical services, including medical transport.

Fire Department is an agency or organization that has a formally recognized arrangement with a state, territory, local government, or tribal authority (city, county, parish, fire district, township, town, village or other governing body) to provide fire suppression on a first-due basis to a fixed geographical area. Fire departments may be comprised of members who are volunteer, career or a combination of volunteer and career.

Firefighter is an individual having the legal authority and responsibility to engage in fire suppression; employed by a fire department of a municipality, county, fire district or state, engaged in the prevention, control and extinguishing of fires; and/or responding to emergency situations in which life, property or the environment is at risk. This individual must be trained in fire suppression, but may also be trained in emergency medical care, hazardous materials awareness, rescue techniques and any other related duties provided by the fire department.

Formal Layoff Notice: Any layoff notice should align with the local rules and regulations that govern civil service employment in the jurisdiction. In order to be reasonable to employees, and to provide employees facing layoff actions a clear understanding of the impending action, any notice of layoff should be in writing and delivered to a specific employee affected by the action. The notice should identify a specific date employment will cease or specific event that would trigger the termination of employment. The notice should be delivered or otherwise presented directly to the affected employee in advance of the layoff action in accordance with the civil service provisions or union agreement in force in the jurisdiction taking action, e.g., 60 days prior to the effective date of the layoff action. The notice should specify whether the action is permanent or temporary, as well as provide the anticipated schedule of layoffs.

Initial Full Alarm Assignment is the personnel, equipment, and resources ordinarily dispatched upon notification of a structural fire.

Majority Career departments are considered majority career if more than 50 percent of the active firefighting membership is salaried staff.

Majority Volunteer departments are considered majority volunteer if more than 50 percent of the active firefighting membership is NOT compensated for service other than a nominal stipend and/or insurance.

Mutual Aid is a written intergovernmental agreement between agencies and/or jurisdictions stating that they will assist one another on request by furnishing personnel, equipment, and/or expertise in a specified manner (NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to

the Public by Career Fire Departments, 2016 edition and NFPA 1720 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments, 2014 Edition).

National, State, Local, or Federally Recognized Tribal Organizations that Represent the Interests of Volunteer Firefighters are organizations that support or represent the interests of firefighters in front of legislative bodies at the local, state, tribal and federal level. Such organizations include, but are not limited to, state or local firefighter and/or fire chiefs' associations, volunteer firefighter relief organizations, and associations. FEMA shall make the final determination as to whether an applicant is an appropriate volunteer firefighter interest group.

New Recruit is a volunteer that joins the department with the intent to serve as a firefighter, after the recipient is notified of the grant award (the date of the award notification email in the FEMA GO mail center).

Nominal Stipend is a stipend that does not exceed 20 percent of what the fire department would otherwise pay to hire a full-time firefighter to perform the services for which the stipend is provided. Whether a stipend falls above or below the 20 percent threshold may be determined in one of two ways. Departments that maintain paid full-time firefighters on their payrolls may compare the stipend to the salary they pay a full-time firefighter who performs similar services to determine whether the stipend is more or less than 20 percent of that salary. Departments that do not maintain full time firefighters on their payrolls may make the determination based on a comparison to the salary paid to a full-time firefighter in a neighboring jurisdiction, elsewhere in the state or ultimately the nation, and may also utilize data from the United States Department of Labor's Bureau of Labor Statistics. A nominal stipend may also include reimbursements to volunteer firefighters for approximate out-of-pocket expenses they incur.

If a stipend paid exceeds 20 percent of the prevailing wage calculated as described above, then the firefighter receiving compensation would not qualify as a volunteer and is considered an employee who may be covered by the Fair Labor Standards Act (FLSA) minimum wage and overtime provisions.

Operational Budget is the funding supporting fire-related programs and/or emergency response activities (e.g., salaries, maintenance, equipment, apparatus).

Operational Position is a position with a primary assignment (more than 50 percent of time) on a fire suppression vehicle, regardless of collateral duties, in support of the department's NFPA 1710 or NFPA 1720 compliance.

Paid-on-Call is defined as firefighters who are paid a stipend for each event to which they respond. Paid-on-call firefighters may be considered paid firefighters or volunteer

firefighters, depending on whether the stipend they receive is a nominal stipend. For the purposes of this SAFER Program, a department whose membership is comprised of all volunteer firefighters, including any paid-on-call firefighters who receive only a nominal stipend, will be considered a volunteer fire department. Also, for the purposes of this SAFER Program, a department whose membership is composed of any paid-on-call firefighters who receive more than a nominal stipend will be considered a combination fire department. Also refer to the definition of a nominal stipend.

Part-Time Firefighter is a firefighter who works less than 40 hours per week. When more than one part-time firefighter shares a position that results in work in excess of 40 hours per week, FEMA considers that shared assignment to be a Full-Time Equivalent (FTE) position that must be accounted for in the staffing information provided in the application.

Primary First Due is a geographic area surrounding a fire station in which a company from that station is projected to be first to arrive on the scene of an incident (NFPA 1710; 3.3.28). Please visit <http://www.nfpa.org/freeaccess>.

Salary is a fixed payment made by an employer to an employee to compensate for a regular work schedule. Typically, the payment is made on a monthly, biweekly, or weekly basis but often expressed as an annual sum. The salary structure should be documented in writing by the employer. Note: Only costs for overtime that an employer routinely pays as a part of a firefighter's regularly scheduled and contracted shift hours to comply with FLSA are eligible salary costs under the Hiring Activity.

State is defined as any of the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.

Staffing and Deployment is the minimum staffing requirements to ensure a sufficient number of members are available to operate safely and effectively as defined in NFPA 1710 and 1720.

Supplanting is to replace or take place of funds that would otherwise be available from state or local sources, or the Bureau of Indian Affairs.

Volunteer Fire Department, as defined in 15 U.S.C. § 2229, means a fire department that has an all-volunteer force of firefighting personnel.

C. Application Tips

Once the application has been submitted, it cannot be changed. There is no appeal process for inaccurate or incomplete information retained by the system due to improper or multiple browser usage by the applicant.

The AOR that submitted the application will receive an automatic FEMA GO notification email once the system receives the application.

Application Notes

- NFPA – “FREE ACCESS” - As part of its commitment to enhancing public safety and supporting the emergency responder, the NFPA makes its codes and standards available online for free. Please visit: <http://www.nfpa.org/freeaccess>.
- For the most competitive applications, select those local need(s) that most closely align with one or more SAFER Program funding priorities.
- Applications differ based on the applicant type. For example, the Hiring Activity application will be different from the fire department application for the R&R. Activity; the R&R application will be different for a fire department than an interest organization. Be sure to select the appropriate applicant type when applying.
- When filling out the online application, applicants are required to provide basic demographic information regarding their organization and the community served and must provide detailed information regarding the items or activities for which they are seeking funding.
- If awarded, the application request(s) may be modified during the award review process; if the awarded activities, Scope of Work, or amount(s) do not match the application as submitted, the grant recipient shall only be responsible for completing the activities actually funded. The grant recipient is under no obligation to start, modify, or complete any activities requested, but not funded by this award. Please review the Award Package.

D. Funding Limitations

Specific funding parameters are either required by law or are the outcome of recommendations from the CDP. Each requirement is identified below, followed by the source of the requirement noted in parentheses:

- Ten percent of the funding appropriated for FY 2020 SAFER Program awards is set aside for the recruitment and retention of volunteer firefighters. (15 U.S.C. § 2229a(a)(2))
 - No more than 33 percent of the total amount allocated for the recruitment and retention of volunteers can be awarded to national, state, local, territorial, or federally recognized tribal organizations that represent the interests of volunteer firefighters (CDP)
- Ten percent of the funding appropriated for FY 2020 SAFER Program awards is set aside for grants awarded to all volunteer or majority volunteer departments for hiring of firefighters. (15 U.S.C. § 2229a(a)(1)(H))
 - A majority volunteer fire department is made up of more than 50 percent of personnel who do not receive financial compensation for their services, other than life, health, and worker’s compensation insurance, or a nominal stipend payment, including certain paid-on-call personnel. Although applications are normally awarded based on total score (high to low), in order to meet this ten percent statutory set aside the SAFER Program Office may be required to fund an application that meets the criteria for the set aside instead of a higher-scoring

- application that does not meet the set aside criteria (15 U.S.C. § 2229a(a)(1)(H))
 - If FEMA awards less than ten percent of the funds available for the hiring of firefighters to volunteer and majority volunteer fire departments, it must transfer the remaining funds to provide grants for the recruitment and retention of volunteer firefighters. (15 U.S.C. § 2229a(a)(1)(H))

E. Restrictions on Use of Award Funds

- Under the R&R Activity, applications that request a Staffing Needs Assessment and/or Risk Assessment project are precluded from applying for additional R&R-related activities.
- Applicants may not use award funds for matching funds for any other federal grants/cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings.
- Applicants may not use federal funds to sue the Federal Government or any other government entity.

F. Funding Priorities

Meeting the National Standards

FEMA prioritizes bringing non-compliant (NFPA 1710 or 1720) departments into compliance in the most cost-effective manner.

FEMA will ask applicants general questions about the NFPA standard they are attempting to meet as well as their current ability to meet that standard (without the use of overtime). FEMA will also ask applicants to indicate what their ability will be to meet that same standard if awarded grant funds.

Having additional firefighters on staff should improve a local fire department's ability to comply with the staffing, response, and operational standards that enhance community and firefighter safety.

Applications resulting in the largest percentage increases in compliance with the relevant section of NFPA 1710 (for career departments) or 1720 (for volunteer departments) receive higher pre-scores than applications resulting in smaller percentage increases in compliance.

Note: SAFER Program grants focus only on the Deployment or Staffing and Deployment sections of these two standards, respectively.

- NFPA 1710 Assembly Requirements – Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Department (Section 5.2.4.1 – Single-Family Dwelling Initial Full Alarm Assignment Capability): This standard applies primarily to career fire departments and combination departments if the combination department chooses it.

- NFPA 1720 Assembly Requirements – Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments (Section 4.3 – Staffing and Deployment): This standard applies primarily to all-volunteer fire departments, but it may also apply to combination departments if the combination department does not choose to comply with the NFPA 1710 standard.
- National Fire Protection Association (NFPA) – “FREE ACCESS”: As part of its commitment to enhancing public safety and supporting the emergency responder, the NFPA makes its codes and standards available online for free at <http://www.nfpa.org/freeaccess>.

G. Hiring Activity Overview

Grants awarded under the Hiring Activity enable volunteer, combination, and career fire departments to improve or restore staffing levels to attain a more effective level of response and a safer incident scene. FEMA awards Hiring Activity grants directly to volunteer, combination, and career fire departments to help fire departments increase their cadre of frontline firefighters by providing financial assistance in three categories:

- Rehire: Rehiring firefighters who were laid-off within the two years prior to the start of the application period;
- Retention: Retaining firefighters facing imminent layoff – within 120 days of the close of the application period; or,
- New Hire: Hire new, additional firefighters.

All of the following are considerations in pre-scoring and peer review determinations. Program priorities are listed as High (**H**), Medium (**M**), or Low (**L**).

1. Compliance with NFPA Standards

The tables below identify the priority levels for current and new compliance with the NFPA 1710/1720 standard (for details, see [Section F. Funding Priorities - Meeting the National Standards](#)).

Current (Pre-Award) 1710/1720 Compliance Priorities	
H Never or 0 percent	M Half of the time or 40-59 percent
H Rarely or 1-19 percent	L Very often or 60-79 percent
M Sometimes or 20-39 percent	L Most of the time or 80-99 percent

New (Post-Award) 1710/1720 Compliance Priorities	
H Always or 100 percent	M Half of the time or 40-59 percent
H Most of the time or 80-90 percent	L Sometimes or 20-39 percent
M Very often or 60-79 percent	L Rarely or 0-19 percent

2. Call Volume and Population Served

Department call volume and population served are both factors in the initial application evaluation. Departments responding to a higher number of incidents and departments that protect a larger jurisdiction will receive higher consideration than those departments responding to fewer incidents and protecting smaller jurisdictions.

3. Firefighter Health Measures

The health and well-being of firefighters is of paramount importance. Therefore, applicants who indicate newly recruited firefighters will undergo an entry-level physical and receive immunizations and who indicate they will provide annual medical exams receive higher consideration than applicants who do not specify that these benefits will be provided. To qualify for this higher consideration, the physicals must be consistent with those required under NFPA 1582 Chapter 6, Medical Evaluations of Candidates 6.1 and Chapter 9, Essential Job Tasks — Specific Evaluation of Medical Conditions in Members.

Applicants should note that FEMA is working with the NFPA Technical Committee on Fire Service Occupational Safety and Health to evaluate whether the NFPA 1582 standard complies with applicable federal civil rights laws. No decisions have been made and FEMA will issue additional guidance if and when more information becomes available.

4. Training Requirements

Applicants will receive higher pre-scores if the personnel funded under the grant will meet the minimum EMS training and certification requirements prescribed by the AHJ.

H. R&R Activity – Fire Departments Overview

Grants awarded under the R&R Activity - Fire Departments assist fire departments with the recruitment and retention of volunteer firefighters who are involved with or trained in the operations of firefighting and emergency response. The grants are intended to create a net increase in the number of trained, certified, and competent firefighters capable of safely responding to emergencies within the recipient's response area.

All of the following are considerations in pre-scoring and peer review determinations. Program priorities are listed as High (**H**), Medium (**M**), or Low (**L**).

1. Compliance with NFPA Standards

The highest priority is to assist departments experiencing a high rate of turnover and that have staffing levels significantly below the ideal staffing level required to comply with NFPA standards 1710 or 1720 (for details, see [Section F. Funding Priorities - Meeting the National Standards](#)).

2. Volunteer Membership

Departments or organizations with the highest percentage of volunteers should benefit

the most from the recruitment and retention of volunteer firefighters. Therefore, applicants whose membership is comprised of mostly volunteer members, or have a significant number of volunteer firefighters, receive higher consideration.

Percentage of Volunteer Firefighters	
H 91-100 percent	M 41-50 percent
H 81-91 percent	M 31-40 percent
H 71-80 percent	L 21-30 percent
H 61-70 percent	L 11-20 percent
M 51-60 percent	L 1-10 percent

3. Call Volume

Department call volume is a factor in the initial evaluation. Departments responding to a higher number of incidents receive higher consideration.

4. Firefighter Health Measures

Applicants who indicate the newly recruited firefighters will undergo an entry-level physical and receive immunizations and who indicate they will provide annual medical exams receive higher consideration. To qualify for this higher consideration, the physicals must be consistent with those required under NFPA 1582 Chapter 6, Medical Evaluations of Candidates and Chapter 9, Essential Job Tasks — Specific Evaluation of Medical Conditions in Members. Applicants who provide worker's compensation/Accidental Death & Dismemberment (AD&D) benefits to their members receive higher consideration than applicants who do not specify these benefits will be provided.

Applicants should note that FEMA is working with the NFPA Technical Committee on Fire Service Occupational Safety and Health to evaluate whether the NFPA 1582 standard complies with applicable federal civil rights laws. No decisions have been made and FEMA will issue additional guidance if and when more information becomes available.

Entry-Level Medical Exams	
H NFPA 1582-compliant physicals	M Non-NFPA 1582-compliant physicals

Annual Medical Exams	
H NFPA 1582-compliant physicals	M Non-NFPA 1582-compliant physicals

5. Firefighter Training and Certification Requirements

Firefighter	
H Both FF II/EMT	M FF I

H FF II	L First Responder
M Both FF I/EMT	

6. R&R Coordinator/Program Manager

R&R Coordinator	
H Applicants who currently have a coordinator or program manager in place	L Applicants who do not have, or are not requesting, a coordinator or program manager
M Applicants who will request grant funding for a coordinator or program manager's position	

7. Regional Requests

Applications that will have a direct or local regional benefit beyond the immediate boundaries of the applicant's first-due area will receive higher consideration.

A regional request is an opportunity for an eligible R&R Activity organization to act as a host and apply for funding on behalf of itself and any number of other participating R&R Activity eligible organizations. Regional activities should achieve cost effectiveness, support regional efficiency and resilience, and have a direct regional or local benefit to more than one local jurisdiction (county, parish, town, township, city, or village). Direct or local regional benefit means that other eligible organizations will receive a portion of the grant-awarded funds, will receive items purchased with the grant funds, or share an item purchased with grant funds.

The community identification characteristic, the organizational status of the applicant, and the permanent resident population should be entered for the host entity, regardless of the composition of the participating partners.

Regional populations served are the aggregate of the geographically fixed areas of the host and participating partner organizations.

Neither the regional host nor any participating partner is prevented from also applying on behalf of their own organization for any SAFER Program Activity. However, it cannot be for the same item.

In completing the application, the host applicant must include a list of all participating organizations, including a point of contact and phone number for each organization that will directly benefit from the regional project if they receive the grant. The organizations that will benefit from the R&R Activity may also apply for funding under the SAFER Program as long as the organizations do not apply for a project or activity that could conflict with or duplicate the host applicant's project. Applicants must also certify that they will ensure the organizations participating in this application have not received grants for similar items/activities.

In order to apply for a regional project, the host organization must agree, if awarded, to be responsible for all aspects of the grant. This includes, but is not limited to, cost share, accountability for the assets, and all reporting requirements in the regional application.

All participants of a Regional applicant must be compliant with SAFER Program requirements, including being current with past grants, closeouts, and other reporting requirements. Upon notification by the SAFER Program Office, the host agency shall not distribute grant-funded assets or provide grant-funded contractual services to non-compliant partner organizations. The host and the delinquent partners will be notified by the SAFER Program Office of their specific deficiency.

Regional host applicants and participating partner agencies must execute a Memorandum of Understanding (MOU) or equivalent document signed by the host and all participating organizations participating in the award prior to submitting an application for a Regional Project. The MOU must specify the individual and mutual responsibilities of the host and participating partners, the host's and participants' level of involvement in the project(s), the participating partners' EIN numbers, and the proposed distribution of all grant-funded assets or contracted services. Any entity named in the application as benefiting from the award must be an eligible SAFER Program organization and must be a party to the MOU or equivalent document.

I. R&R Activity – National, State, Local, Territorial, or Federally Recognized Tribal Volunteer Firefighter Interest Organizations (Interest Organizations) Overview

Grants awarded under the R&R Activity – Interest Organizations allows applicants who identify as an Interest Organization to apply for R&R Activity funding. The grants are intended to create an aggregate increase in the number of trained, certified, and competent firefighters capable of safely responding to emergencies on behalf of the fire departments being represented. For this reason, projects that are comprehensive in nature and based on a clear needs assessment, implementation plan, evaluation plan, and have, or will establish, fire service partnerships will receive higher consideration.

In completing the application, the applicant must include data that approximates the characteristics of the entire region and/or all fire departments affected by the grant. If awarded, recipients may be required to provide documentation of each fire department's consent to participate in the application. Applicants must also certify that they will ensure the fire departments participating in this application have not received grants for similar items/activities. The following identifies the elements that the applications will be evaluated on during the pre-scoring process. Automated (pre-score) evaluation scores represent 30 percent of the total application score.

All of the following are considerations in pre-scoring and peer review determinations. Program priorities are listed as High (H), Medium (M), or Low (L).

1. Compliance with NFPA Standards

The highest priority is to assist departments experiencing a high rate of turnover that have staffing levels significantly below the ideal staffing level required to comply with NFPA standards 1710 or 1720 (for details, see [Section F. Funding Priorities - Meeting the National Standards](#)). Interest Organizations that currently have the lowest recruitment and retention rates among the entire region and/or all fire departments benefitting from the grant funds receive higher consideration for funding.

2. Recruitment and Retention (R&R) Coordinator/Program Manager

R&R Coordinator	
H Applicants who currently have a coordinator or program manager in place	L Applicants who do not have, or are not requesting, a coordinator or program manager
M Applicants who will request grant funding for a coordinator or program manager's position	

3. Needs Assessment

Needs Assessment	
H Applicants with projects based on a needs assessment	L Applicants with projects that are not based on a needs assessment

4. Fire Service Partnerships

Fire Service Partnerships	
H Applicants who have, or will establish, fire service partnerships as part of this project	L Applicants who will not have, nor establish, fire service partnerships as part of this project

J. Eligible and Ineligible Costs and Requirements

Regardless of the eligibility of any costs requested or the results of the review of the application conducted in accordance with [Section E – Application Review Information](#) of this NOFO, FEMA reserves the right to approve the activities requested in an application in whole or in part.

Hiring Activity - Eligible Costs and Requirements
Eligible Costs: <ul style="list-style-type: none"> Salary and associated benefits (actual payroll expenses) for the positions funded under the SAFER Program grant are eligible. Costs are reimbursable if they are included as part of the standard package, available to all operational firefighter positions, and contractually obligated. Refer also to the definitions in Appendix B – Programmatic Information and

Priorities, section B. Supporting Definitions in this NOFO.

- Compensation for a firefighter's normal, contracted work schedule is reimbursable, but overtime costs are not eligible for reimbursement by the SAFER Program grant award (including overtime for holdovers, extra shifts, to attend training, etc.). Only costs for overtime that the fire department routinely pays as a part of the base salary or a firefighter's regularly scheduled and contracted shift hours, in order to comply with FLSA, are eligible.
- Salaries and benefits of firefighters hired with SAFER Program funding while they are engaged in initial recruit training are eligible.

Eligibility Requirements:

- Only firefighters hired (New Hire category) or rehired (Rehire category) after the SAFER Program grant offer of award (except if awarded under the Retention category) are eligible for grant funding.
- Only full-time positions are eligible for funding in all three categories. A full-time position is one position that is funded for at least 2,080 hours per year, e.g., 40 hours per week, 52 weeks per year.
- SAFER Program grant funds will only pay for operational positions, in all three categories, whose primary assignment (more than 50 percent of time) is on a fire suppression vehicle, regardless of collateral duties.
- Volunteer and mostly volunteer fire departments may also hire individuals to fill officer-level positions (e.g., chief, fire inspector, training officer, safety officer) in addition to their primary operational assignment.
- Eligible positions for funding under the Rehire category must have been laid off in the two years prior to the start of the application period (**February 8, 2021**). Copies of the official, signed, and issued layoff notices will be required at the time of application.
- Firefighters who have been issued a formal layoff notice, which includes a specific date for the layoff action, prior to the start of the application period, and those who face imminent layoff – within 120 days of the close of the application period – are eligible for SAFER Program funding under the Retention category. As the application period closes on (**March 12, 2021**), the layoffs must become effective on or before (**July 10, 2021**). Copies of the official, signed, and issued layoff notices will be required at the time of application.
- Eligible positions under the Retention category must be employees of the department at the time the application is submitted. **Note:** if a retention position becomes vacant after the application is submitted, departments must fill the vacancy with a new hire in order to maintain the operational staffing level.
- A layoff notice that is not executed within the specified terms will be considered void unless an additional notice is provided within 14 days of the original action date will not qualify for funding in the Rehire or Retention categories. Applicants who do not meet these parameters must apply under the New Hire category.
- Any layoff action not executed in accordance with the terms of the official layoff notice or which does not meet the above requirements will not qualify for funding in the Rehire or Retention categories. Applicants who do not meet these parameters must apply under the New Hire category.

Hiring Activity - Ineligible Costs

- The salaries and benefits of full-time firefighters who are employees at the time of grant award (except under the Retention category) are ineligible to be funded under this grant.
- Job-sharing positions (i.e., utilizing more than one person to fill a full-time SAFER Program-funded position) is ineligible.
- The SAFER Program may not be used to fund promotions (e.g., to pay a current member a higher salary by placing him/her in a new SAFER Program-funded position).
- Pre-application costs, such as grant writer fees, administrative costs (e.g., physicals/medical exams, background checks, etc.), and indirect costs associated with hiring firefighters are ineligible.
- Costs to train and equip firefighters (e.g., PPE/Turnout Gear) are ineligible (this does not include the salaries and benefits of firefighters hired under the SAFER Program while they are engaged in training).
- Costs for uniform allowances that are not contractually obligated, included as part of the standard benefits package for all employees, or reimbursed via payroll are ineligible.
- Costs of annual physicals/medical exams are ineligible.
- Overtime costs (including overtime for holdovers, extra shifts, to attend training, etc.) are ineligible (except as noted in “eligible costs” above).
- M&A costs.
- Indirect costs.

R&R Activity – Eligible Costs and Requirements

Eligibility Requirements:

Applicants must correlate the activities for which funding is requested and the identified recruitment or retention problems or issues to be addressed. FEMA will not fund a budget line item if an applicant does not provide sufficient information detailing how it will enhance recruitment and retention. Allowable costs may be limited to reasonable amounts, as determined by FEMA.

Applicants who propose to focus on retention of volunteers will receive equal consideration as applicants focusing on recruitment of volunteers. A focus on retention may include providing incentives for volunteer firefighter members to continue service in a fire department. SAFER Program grant funds may only be used for volunteer firefighters who are involved with, or trained in, the operations of firefighting and emergency response.

FEMA recommends that departments consult their AHJ or the department’s legal counsel to understand the full legal and financial implications involved with implementing or sustaining programs that offer benefits or financial awards to firefighters (e.g., stipends, Length of Service Award Program [LOSAP]).

All grant-related purchases and activities must be incurred, received, and completed within the period of performance. The period of coverage and/or service delivery on all contracts and agreements may not begin prior to or extend beyond the period of performance of the grant. FEMA may permit pro-rated costs to be charged to the grant for training courses that begin during the

period of performance but end after the period of performance ends.

All funded activities under the R&R Activity must be governed by formally adopted Standard Operating Procedures (SOPs). Minimally, these SOPs should specify who qualifies for each of the incentives, specific requirements for earning the incentives, and the disposition of the awarded incentives if an individual fails to fulfill the stipulations. FEMA may ask for copies of SOPs prior to, or after being awarded.

R&R Activity – Eligible Costs and Requirements

High Priority:

- Costs to support a staffing needs assessment identifying the operational staff are required to carry out fire department responsibilities safely and effectively (e.g., supplies for data collection, contractors or personnel to collect and analyze data, software programs, etc.).
 - **Note:** If a staffing needs assessment is requested and the application is selected for funding, the staffing needs assessment will be the only activity that will be funded.
- Costs to support a Recruitment and/or Retention Coordinator, a Program Manager, and/or a Grant Administrator (including reasonable salary, fringe benefits, contract support, supplies, travel, etc.). **Note:** computers for these positions are low priority items.
- Marketing Program to recruit new volunteer firefighters, such as:
 - Media advertising (e.g., television, radio, social media);
 - Print advertising (e.g., newspapers, billboards, signs, banners, brochures, flyers); and,
 - LED/electronic sign (**Note:** this is a high priority item only when included as part of a comprehensive marketing program. Only one LED/electronic sign is allowed per applicant and 75 percent of usage must be dedicated to R&R activities – additional restrictions apply (for details see [Section D: Application and Submission Information – Environmental Planning and Historic Preservation \[EHP\]](#)).
 - **Note:** If requesting funds to recruit new members, a marketing plan must be in place or the application must show a marketing plan will be implemented either with grant funds (requested as a line item) or that the applicant will implement a marketing plan using existing department resources.
- New Member Costs - only one entry-level physical per new recruit. Physicals for existing members are not eligible. All grant-funded physicals (except those for explorers) must meet NFPA 1582 standards (Chapter 6, Medical Evaluations of Candidates 6.1 and Chapter 9, Essential Job Tasks — Specific Evaluation of Medical Conditions in Members). The cost of physicals should be based on local physician or health center prices. Detailed information on implementing NFPA 1582 physicals can be found at <https://www.fstaresearch.org/roadmap>.
 - **Note:** annual physicals are only eligible if the applicant is also requesting grant funds for NFPA 1582 entry-level physicals for new recruits. Annual Physicals are only eligible for the same new recruits; physicals or annual exams for any other member are not eligible.

- New recruit basic training that is not covered under a department's normal operating budget and as required by the AHJ to meet minimum firefighter certification (e.g., CPR, First Responder, EMT, Firefighter 1, Firefighter 2).
 - Reimbursement to members for lost wages, mileage/transportation, lodging, and/or per diem while attending required basic training is also eligible.
 - **Note:** costs for mileage/transportation, lodging, and per diem must comply with the department's written travel policies and procedures. If policies are not established, costs will only be reimbursed at the Federal government rate.
- Leadership/career development training when used as a retention incentive that is not covered under a department's normal operating budget.
 - Reimbursement to members for lost wages, mileage/transportation, lodging and/or meals while attending leadership/career development training or conferences are also eligible.
 - **Note:** costs for mileage/transportation, lodging and meals must comply with the department's written travel policies and procedures. If policies are not established, costs will only be reimbursed at the Federal government rate.
 - Courses must provide Continuing Education Units or certificates of completion to be eligible.
- Instructor/train-the-trainer training that is not covered under a department's normal operating budget.
 - Reimbursement to members for lost wages, mileage/transportation, lodging, and/or per diem while attending instructor/train-the-trainer training are also eligible.
 - **Note:** costs for mileage/transportation, lodging, and per diem must comply with the department's written travel policies and procedures. If policies are not established, costs will only be reimbursed at the Federal government rate.
- Tuition assistance for higher education (including books, lab fees and student fees).
 - Coursework or certifications in this category should be more advanced than what departments typically fund for required minimum-staffing requirements.
 - Courses are not limited to firefighter training or education.
 - Computers for individual students are not eligible for funding.
 - Payments for student loans are not eligible for funding.
 - Only tuition payments for classes offered and taken during the period of performance are allowable.
- PPE/Turnout Gear.
 - PPE may only be funded for new firefighters that are recruited after the date of grant award, that successfully pass an NFPA 1582-compliant physical, and that are certified as "fit for duty." PPE purchased with SAFER Program funding must be utilized by adequately trained staff.
 - Funds are available to acquire Occupational Safety and Health Administration-required and NFPA-compliant PPE for firefighting personnel. In addition, PPE must meet any national or state standards and increase firefighter safety. Failure to meet these requirements may result in ineligibility for PPE funding. Copies of NFPA standards may be reviewed at <http://www.nfpa.org/freeaccess>.

- Only actual costs for PPE are allowed and will be paid on a reimbursable basis. Allowable costs may be limited to reasonable amounts, as determined by FEMA.
- To receive reimbursement, recipients must provide the following documentation to support the purchase of PPE:
 - Invoices/proof of payment for PPE.
 - Proof that the firefighter(s) have passed an NFPA 1582-compliant physical and are certified as “fit for duty.”
- Eligible PPE Expenditures:
 - One set of PPE for structural or wildland firefighting per new recruit.
 - The SAFER Program considers a complete set of structural PPE to be comprised of one SCBA mask/face piece, one pair of pants, one coat, one helmet, two hoods, one pair of boots, two pairs of gloves, one pair of suspenders, and one pair of goggles. In those jurisdictions where additional PPE, like Personal Safety/Rescue Bailout Systems are statutorily required, the SAFER Program will consider all statutorily required items to be part of a complete PPE set.
 - The SAFER Program considers a complete set of wildland PPE to be comprised of one pair of pants, one coat, one jumpsuit, one helmet, one pair of boots, one pair of gloves, one pair of suspenders, one pair of goggles, one fire shelter, one web gear, one backpack, and one canteen/hydration system.
 - American National Standards Institute-approved retro-reflective highway apparel.

R&R Activity – Eligible Costs and Requirements

Medium Priority:

- Nominal stipends for volunteer firefighters who are involved with, or trained in, the operations of firefighting and emergency response (e.g., Pay-per-Call, Points Based System, etc.). Stipends may only be provided for participation in operational (firefighting) activities, such as duty shifts, operational training and/or responding to incidents.
 - Food vouchers may be used for nominal stipends if the Narrative supports their use as an effective recruitment and retention tool for the department. However, food vouchers must be issued through formally adopted standard operating procedures.
 - Award recipients must maintain records of all food vouchers including firefighter name, amount, date received, and signature of the receiving firefighter.
 - Gift cards may not be used for nominal stipends. For information on gift cards, see Low Priority – Awards/Incentives below.
- Costs to support explorer/cadet, and mentoring programs, such as:
 - One set of station duty uniforms (the SAFER Program considers one set of station duty uniform as one pair of pants, one shirt, one hat, and one pair of boots) for newly recruited cadets/explorers.
 - Training (Non-Immediate Danger to Life and Health (IDLH)).
 - One set of structural or wildland PPE for newly recruited cadets/explorers as defined above, with the following two exceptions: 1) SCBA mask/face pieces are not eligible because PPE for explorers/cadets may not be used in an IDLH atmosphere, and 2)

- physicals for explorers/cadets are not required to meet NFPA 1582.
 - One introductory physical exam per newly recruited explorer/cadet.
- LOSAP or Retirement Program:
 - New LOSAP or Retirement Programs (meaning the department has never had a LOSAP or Retirement Program).
 - Increasing existing LOSAP or Retirement Program coverage to include newly recruited members (FEMA will only fund the increase portion of the program).
 - **Note:** FEMA will not fund LOSAP or Retirement Programs that were previously funded by a SAFER Program grant and were subsequently stopped.
- Insurance packages (e.g., AD&D, workers compensation, disability, health, dental, life).
- Exercise equipment and gym memberships are limited to no more than \$10,000 total per grant award.

R&R Activity – Eligible Costs and Requirements

Low Priority:

- New Member Costs - one set of station duty uniforms for each new recruit only (the SAFER Program considers one set of station duty uniform as one pair of pants, one shirt, one hat, and one pair of boots) per the department's uniform policy.
 - **Note:** Class A (i.e., Dress Uniforms) are not an allowable cost under the SAFER Program.
- Costs for advanced training not currently covered under the department's operating budget (e.g., extrication training, specialized equipment training, swift water rescue, etc.). Advanced training requests are only eligible for members who have already met the minimum firefighter certifications required by the AHJ and must closely correlate to the applicant's recruitment and/or retention goals.
 - Reimbursement to members for lost wages, mileage/transportation, lodging, and/or per diem while attending advanced training are also eligible.
 - **Note:** costs for mileage/transportation, lodging, and per diem must comply with the department's written travel policies and procedures. If policies are not established, costs will only be reimbursed at the Federal government rate.
- Single computer or printer for Recruitment and/or Retention Coordinator, Program Manager, and/or Grant Administrator.
- Awards/Incentive program for participation in operational (firefighting) activities, such as operational training and/or responding to incidents (e.g., length of service plaques, gift cards for top responders, non-uniform clothing).
 - Non-uniform clothing (limited to shirts, jackets, or pullovers) as part of an award program only.
 - **Gift Cards:** a log book for the purchase and issuance of gift cards is required. The log book should include name of recipient, date, amount of card, reason for issuance and signature of recipient. Gift cards should be issued to operational firefighters who have completed the minimum firefighter training required by the AHJ.
- LED/electronic sign when it is not included as part of a comprehensive marketing program.
- Fire service association membership fees.

- Projector and/or screen to support classroom training.
- Payments for housing or rent for volunteers at or near the fire station.
- Other costs associated with new recruits (background checks, aptitude tests, etc.).
- Station Modifications/Remodeling/Renovation of Existing Facilities.
 - Remodeling/renovations to an existing facility are allowable (e.g., converting space into bunkroom). The renovations must be minor interior alterations not to exceed \$10,000 total per grant award.
 - Remodeling/renovations may not change the footprint or profile of the building.
 - Any request for modifications to facilities may require EHP review (for details see [Section D: Application and Submission Information – Environmental Planning and Historic Preservation \[EHP\]](#)). Recipients are encouraged to have completed as many steps as possible for a successful EHP Review in support of their proposal for funding (the steps include: coordination with their State Historic Preservation Office to identify potential historic preservation issues and to discuss the potential for project effects; compliance with all state and EHP laws and requirements).
 - Written approval must be provided by FEMA prior to the use of any SAFER Program funds for remodeling or renovation. If awarded funds for remodeling or renovation, recipients may be required to submit evidence of approved zoning ordinances, architectural plans, any other locally required planning permits and a notice of interest.

R&R Activity – Eligible Costs and Requirements

Non-prioritized Costs:

- M&A costs up to three percent of the total awarded amount in accordance with 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. M&A costs must be identifiable and directly related to the implementation and management of the SAFER Program grant. Salaries and fringe benefits for personnel directly supporting the grant are not required to be included in the M&A budget line item.
- Indirect costs for national, state, local, or federally recognized tribal volunteer firefighter interest organizations that are expended pursuant to [Section D: Application and Submission Information](#).
- Up to \$1,500 in grant writer fees for application preparation, but not grant administration. The fee must have been paid within 30 days of the end of the application period and prior to any contact with SAFER Program Office staff or an Offer of Award. For details see [Appendix C - Award Administration Information, Section I. Grant Writer/Preparation Fees](#).
- Audit costs proportional to the total SAFER Program award. Recipients of multiple federal funding sources can only charge a pro rata share of the audit cost(s) to the SAFER Program award, and they must be incurred during the period of performance.

R&R Activity – Ineligible Costs

Ineligible Costs (this list is not exhaustive):

- Salary and benefits for firefighters.
- Retroactive payments or recognition for operational services rendered prior to the grant

award.

- Costs incurred (including the delivery of goods or services) outside of the period of performance except for grant writer fees; see [Appendix - C: Award Administration Information, Section I. Grant Writer/Preparation Fees.](#)
- Fire suppression equipment.
- Vehicles.
- Fire simulators, fire evolution, or fire training props (e.g., burn trailers, forcible entry, rescue/smoke maze, flashover simulators).
- Supplies, expendables, or “onetime” use items such as foam, fuel/propane, breaching materials (e.g., wood or sheetrock).
- Sirens, warning lights for fire department or private vehicles, or other outdoor warning devices.
- Communication equipment including cell phones, pagers, portable radios or Computer-Aided Dispatch systems.
- Video cameras/recording equipment.
- Intruder alerting systems and deployment notification systems.
- Retroactive payments or recognition for non-operational activities (including payments, gift cards, recruitment bonuses or stipends for recruiting firefighters).
- Payments for travel to, or participation in leisure or social activities such as theater tickets, entertainment tickets, and trips (e.g., professional sporting events).
- Costs associated with award banquets, such as food, photographers, refreshments, entertainment, or rental facilities. Reimbursement for actual awards (e.g., plaques and trophies) is eligible.
- Costs for food or refreshments that are not part of a conference or training hosted by the grant recipient (food vouchers can be requested as a nominal stipend but must be provided only under formally adopted SOPs).
- Costs for training currently covered under the department’s operating budget (e.g., tuition or instructor fees for department-mandated, basic-level training).
- Services at a member’s personal residence (e.g., internet access, plowing of driveways).
- Furniture (except for newly converted bunkrooms), televisions, fixtures, appliances (e.g., refrigerators) and entertainment equipment.
- “Giveaways” for recruitment events, such as pencils, pens, t-shirts, cups, mugs or balloons.
- Fees for courses and training that are available free of charge on the internet or at state/local training facilities (e.g., NIMS 100, 700, 800).
- Costs for fuel. Costs for travel to training or other eligible activities are reimbursed through mileage rates.
- Annual medical exams for existing members.
- Payments for student loans.
- Mileage reimbursement for responding to incidents or periodic operational training at the fire house (mileage reimbursement is allowed for other types of training as explained under eligible costs).
- Station internet access/user fees and equipment to install internet (such as routers).
- Continued funding of an existing (or previously funded through the SAFER Program)

LOSAP or Retirement Program.

- Computers in common areas or individual computers for training/education.
- Copiers/printers.
- Incentives for career firefighters within the recipient's fire department.
- Ineligible Explorer/Cadet/Mentoring Programs expenditures:
 - Self-Contained Breathing Apparatus (SCBA), including mask/face piece
 - Anything involving the IDLH atmosphere
 - Any activities precluded by the AHJ.
- Ineligible PPE expenditures:
 - Three-quarter length rubber boots.
 - SCBAs (not including SCBA masks/face pieces).
 - PASS Devices.
 - Spare cylinders.
 - Bomb disposal suits.
 - PPE for hazardous materials and other specialized incidents.
 - More than one set of PPE per newly recruited member (within the period of performance).
 - PPE for existing members.

Appendix C - Award Administration Information

Appendix C contains detailed information on SAFER Program Award Administration. Reviewing this information may help recipients in the programmatic and financial administration of their award(s)

Help FEMA Prevent Fraud, Waste, and Abuse

If applicants or recipients have information about instances of fraud, waste, abuse, or mismanagement involving FEMA programs or operations, they should contact the DHS Office of Inspector General (OIG) Hotline at (800) 323-8603, by fax at (202) 254-4297, or email DHSOIGHOTLINE@dhs.gov.

I. Grant Writer/Preparation Fees

Fees for grant writers may be included as a pre-award expenditure. Fees payable on a contingency basis are not an eligible expense. For grant writer fees to be eligible as a pre-award expenditure, the fees must be specifically identified and listed within the “Request Details” section of the application. FEMA will only consider reimbursements for application preparation, not administration, up to, but not more than \$1,500.

Pursuant to 2 C.F.R. Part 180, recipients may not use federal grant funds to reimburse any entity, including a grant writer or preparer, if that entity is presently suspended or debarred by the Federal Government from receiving funding under federally-funded grants or contracts. Recipients must verify that the contractor is not suspended or debarred from participating in specified federal procurement or nonprocurement transactions pursuant to 2 C.F.R. § 180.300.

By submitting the application, applicants are certifying all of the information contained therein is true and an accurate reflection of the organization, and that regardless of the applicant’s intent, the submission of information that is false or misleading may result in actions by FEMA. These actions include but are not limited to the submitted application not being considered for award, temporary withholding of funding under the existing award pending investigation, or referral to the DHS OIG.

Prior to submission of the application, please review all work produced by grant writers or other third parties for accuracy. In addition, in order to charge grant writer fees to the grant award, the fees must have been paid no later than 30 days after the end of the application period. The following documentation shall be provided to FEMA upon request:

- i. A copy of the grant writer’s contract for services;
- ii. A copy of the invoice or purchase order; and
- iii. A copy of the canceled check (front and back).

Failure to provide the requested documentation may result in the grant writer fee being deemed ineligible and the grant reduced accordingly.

Note: FEMA requires that all applicants identify any individual or organization that assisted

with the development, preparation, or review of the application to include drafting or writing the narrative and budget, whether that person, entity, or agent is compensated or not and whether the assistance took place prior to submitting the application.

II. Maintenance and Sustainment for SAFER Programs

The use of FEMA preparedness grant funds for the costs of repairs or replacement, as well as maintenance contracts, warranties, and user fees may be allowable.

The intent of eligible Maintenance and Sustainment activities is to provide direct support to the critical capabilities developed using FEMA and other DHS grants and support activities. Routine upkeep and the supplies, expendables, or one-time use items that support routine upkeep (e.g., gasoline, tire replacement, routine oil changes, monthly inspections or grounds and facility maintenance) are the responsibility of the recipient and may not be funded with SAFER Program funding.

Generally, when purchasing a maintenance agreement, service contract, or extended warranty for systems or equipment, the period of coverage provided under such a plan may not extend beyond the period of performance of the grant with which the agreement, warranty or contract is purchased.

The duration of an extended warranty purchased incidental to the original purchase of the equipment may exceed the period of performance as long as the coverage purchased is consistent with that which is typically provided for, or available through, these types of agreements, warranties, or contracts. When purchasing a stand-alone warranty or extending an existing maintenance contract on an already-owned piece of equipment or system, coverage purchased may not exceed the period of performance of the award used to purchase the maintenance agreement or warranty. As with warranties and maintenance agreements, this policy extends to licenses and user fees as well.

Even if purchased incidental to the original purchase of the equipment, the duration of an extended maintenance agreement or warranty must also be reasonable for the type of equipment or system being purchased. For example, if a vendor offers a 10-year extended warranty incidental to the purchase of a piece of equipment, but the useful life of that equipment being purchased is five years, the purchase of a 10-year extended warranty would not be a reasonable cost and may not be charged to the grant.

III. Taxes, Fees, Levies, and Assessments

Taxes, fees, levies, or assessments that the recipient is legally required to pay and are directly related to any eligible SAFER Program acquisition activity may be charged to a SAFER Program award pursuant to 2 C.F.R. § 200.470. These charges shall be identified and enumerated in the SAFER Program application narrative, as well as the “Request Details” section of the acquisition activity.

Any avoidable and unreasonable costs that result from the action or inaction of a recipient (or recipient’s agent) or that prevent that recipient from enjoying any lawful exemption, waiver, or reduction of any tax, fee, levy, or assessment directly related to any eligible SAFER

Program acquisition activity, are not chargeable to any SAFER Program award.

Example: Governmental entities and Public Safety Agencies are exempt from some Federal Communications Commission (FCC) fees*, but only if the eligible organization submits an exemption or waiver request to the FCC.

**Government entities are not required to pay FCC regulatory fees. Non-profit entities (exempt under Section 501 of the Internal Revenue Code) may also be exempt. The FCC requires that any entity claiming exempt status submit, or have on file with the FCC, a valid Internal Revenue Service Determination Letter documenting its nonprofit status or certification from a governmental authority attesting to its exempt status. For more information, please visit <http://www.fcc.gov>.*

IV. Excess Funds

After completing the initial projects proposed in the recipient's application, some recipients may have unexpended funds remaining in their budget. These excess funds may result from any combination of under-budget acquisition activities or competitive procurement processes.

These excess funds may be utilized to address an organization's local needs or to mitigate identified capability gaps. FEMA expects excess funds to be obligated concurrent with an award's period of performance to address a known or critical need. An amendment request must be submitted to document the expenditure of excess funds. As a reminder, all costs must be incurred and all goods and services must be delivered or completed within the period of performance in order to be allowable.

V. Payments and Amendments

FEMA uses the Direct Deposit/Electronic Funds Transfer method of payment to recipients.

SAFER Program payment/drawdown requests are generated using FEMA GO. SAFER Program payment/drawdown requests from state or local government entities will be governed by applicable federal regulations in effect at the time a grant is awarded to the recipient and may be either advances or reimbursements. Recipients should not expend funds until all special conditions listed on the grant award document have been met, including completion of EHP review, and the request for payment in FEMA GO has been approved. Recipients should draw down funds based upon immediate disbursement requirements; however, FEMA strongly encourages recipients to draw down funds as close to disbursement or expenditure as possible to avoid accruing interest.

Non-federal entities should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of any relevant documentation and records, including purchasing documentation along with copies of cancelled checks for verification. See, e.g., 2 C.F.R. §§ 200.318(i), 200.334, 200.337.

Advances

Recipients shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of

funds and its disbursement by the recipient (not to exceed 30 days), and the financial management systems that meet the standards for fund control and accountability as established in 2 C.F.R. Part 200. The recipient shall include invoice(s) and/or purchase orders for advance SAFER Program payment/drawdown requests. EHP review requirement must be met prior to advanced payments.

Although advance drawdown requests are permissible, recipients remain subject to applicable federal laws in effect at the time a grant is awarded to the recipient.

Governing interest requirements include the *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* at 2 C.F.R. Part 200 and the *Cash Management Improvement Act* (CMIA) and its implementing regulations at 31 C.F.R. Part 205. Interest under CMIA will accrue from the time federal funds are credited to a recipient's account until the time the recipient pays out the funds for program purposes. For the rate to use in calculating interest, please visit Treasury Current Value rate at https://www.fiscal.treasury.gov/fsreports/rpt/cvfr/cvfr_home.htm.

Reimbursement

Payment by reimbursement is the preferred method when the requirements to be paid in advance, pursuant to 2 C.F.R. § 200.305, cannot be met. In accordance with US Department of Treasury regulations at 31 C.F.R. Part 205, if applicable, the recipient shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds.

Rebates

Recipients shall disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments, in accordance with 2 C.F.R. § 200.305. The reduction of federal financial participation via rebates/refunds *may* generate excess funds for the recipient if the recipient previously obligated their Cost Share match based upon the original award figures. If the recipient previously obligated their original Cost Share *prior* to the rebate, then the recipient *may* have minimum excess funds equal to the difference between the original Cost Share less the rebate-adjusted Cost Share.

Payment Requests During Closeout

A recipient may only submit reimbursement payment requests up to 120 days after the expiration of the period of performance, during an award's closeout reconciliation per 2 C.F.R. § 200.344. Reimbursement payments are the only eligible type of requests to be submitted after a grant's period of performance has expired. The expenditure must have been obligated and received during the period of performance of the award. The recipient's request should contain clear and specific information certifying that the liquidation of federal funds is reimbursement for an obligation properly incurred during the active period of performance. FEMA may request documentation supporting the reimbursement for review at any time.

Amendments

FEMA may approve SAFER Program award amendments on a case-by-case

basis, for the following reasons:

- Extension of the period of performance in order to complete the scope of work;
- Changes to the activity, mission, retroactive approval (pre-award), closeout issues, and some excess funds requests;
- Budget changes (adding funds to award/non-closeout deobligation of funds).

FEMA will only consider amendments submitted via FEMA GO. These requests must contain specific and compelling justifications for the requested change. Amendments or changes to the scope of work may require additional EHP review. FEMA strongly encourages recipients to expend grant funds in a timely manner, to be consistent with SAFER Program goals and objectives.

Note: A recipient may deobligate (i.e., return) unused funds (i.e., those remaining funds previously drawn down via payment request and/or remaining award funding that was never requested) to DHS/FEMA prior to the end of an award's period of performance. To exercise this option, a recipient must submit an amendment via FEMA GO and state in the amendment that the unliquidated funds (i.e., the funds to be returned) are not necessary for the fulfillment or success of the grant's obligations or mission. The recipient must also indicate in the amendment that it understands that the returned funds will be deobligated and unavailable for any future award expenses. Deobligation of funds will decrease the federal portion of the grant and the amount of the recipient's Cost Share obligation. FEMA will confirm deobligation amendments with all points of contact; after confirmation of the recipient's intent to deobligate, FEMA will hold the approved deobligation request for 14 calendar days as a period for recipient reconsideration before FEMA processes the deobligation request.

VI. Disposition of Grant Funded Equipment

A recipient must use, manage, and dispose of SAFER Program-funded equipment in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 C.F.R. § 200.313. With the exception of state governments, when original or replacement equipment acquired under a SAFER Program award is no longer needed for the original project, program, or other activities currently or previously supported by a federal awarding agency, the recipient must request disposition instructions from FEMA. FEMA strongly recommends contacting the SAFER Help Desk prior to the disposition of SAFER Program-funded equipment.

VII. Post-Award Recipient Responsibilities

Once awarded, recipients under the Hiring Activity must submit a pre-SAFER Program roster listing paid operational/firefighting personnel, in support of NFPA 1710 or NFPA 1720, who are employees at time of award. FEMA compares the pre-SAFER Program roster to names submitted for SAFER Program-funded positions, to ensure that the SAFER Program-funded firefighters are new employees (except under the retention category).

The SAFER Program Office will work with recipients to establish the correct staffing maintenance numbers, which combine the number of pre-SAFER Program and SAFER

Program-funded operational positions. Once this is established, recipients must agree to maintain this number throughout the period of performance by taking active and timely steps to fill any vacancies.

Recipients under the Hiring Activity who lay off any operational personnel during the period of performance will be considered in default of their grant and the award will be terminated. In those situations, recipients may be required to return the federal funds disbursed under the grant award.

Recipients who are unable, due to documentable economic hardship, to backfill non-SAFER Program operational positions vacated through attrition (e.g., resignation, retirement) after receiving an award may petition FEMA to waive the staffing maintenance requirements. Approved waivers allow recipients to decrease and reestablish the staffing maintenance numbers agreed to at the time of award by the number of positions that recipients are unable to fill. To qualify for this waiver, the economic hardship must affect the entire public safety sector in a recipient's jurisdiction, not just the fire department. FEMA will not grant waivers for SAFER Program-funded positions. Recipients who fail to maintain the required level of staffing risk losing federal funds awarded under this grant.

Recipients must agree that, notwithstanding any provision of other laws, firefighters hired under these grants will not be discriminated against or be prohibited from engaging in volunteer firefighting activities in another jurisdiction during off-duty hours.

FEMA strongly encourages applicants, to the extent practicable, to seek, recruit and hire military veterans to increase their ranks within their departments.

Appendix D

In accordance with the Office of Management and Budget's guidance located at 2 CFR part 200, all applicable Federal laws, and relevant Executive guidance, the DHS will review and consider applications for funding pursuant to this notice of funding opportunity in accordance with the:

- President's September 2, 2020 memorandum, entitled Memorandum on Reviewing Funding to State and Local Government Recipients of Federal Funds that Are Permitting Anarchy, Violence, and Destruction in American Cities;
- Executive Order on Protecting American Monuments, Memorials, and Statues and Combating Recent Criminal Violence (E.O. 13933); and
- Guidance for Grants and Agreements in Title 2, Code of Federal Regulations (2 CFR), as updated in the Federal Register's 85 FR 49506 on August 13, 2020, particularly on:
 - Selecting recipients most likely to be successful in delivering results based on the program objectives through an objective process of evaluating Federal award applications (2 CFR part 200.205),
 - Prohibiting the purchase of certain telecommunication and video surveillance services or equipment in alignment with section 889 of the National Defense Authorization Act of 2019 (Pub. L. No. 115—232) (2 CFR part 200.216),
 - Promoting the freedom of speech and religious liberty in alignment with Promoting Free Speech and Religious Liberty (E.O. 13798) and Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities (E.O. 13864) (§§ 200.300, 200.303, 200.339, and 200.341),
 - Providing a preference, to the extent permitted by law, to maximize use of goods, products, and materials produced in the United States (2 CFR part 200.322), and
 - Terminating agreements in whole or in part to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities (2 CFR part 200.340).

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
General Fund						
Administrative Services						
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 ^a	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	—	—%
Total Administrative Services	38.15	39.15	40.15	37.15	(3.00)	(7.5)%
City Attorney						
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	—	—%
Total City Attorney	10.00	10.00	10.00	10.00	—	—%
City Auditor						
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)%
Total City Auditor	4.00	4.00	3.00	—	(3.00)	(100.0)%
City Clerk						
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	—	—%
Total City Clerk	5.00	5.00	5.00	5.00	—	—%
City Manager						
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 ^a	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	—	—%
Total City Manager	12.00	10.75	10.00	11.00	1.00	10.0%
Community Services						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—%
Total Community Services	75.62	75.62	75.37	67.02	(8.35)	(11.1)%
Fire						
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	34.00	5.00	17.2%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—	—%
Total Fire	97.85	97.85	97.85	95.25	(2.60)	(2.7)%
Human Resources						
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	—	—%
Total Human Resources	16.00	16.00	16.00	14.00	(2.00)	(12.5)%
Library						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—	—%
Total Library	47.50	46.50	46.50	40.50	(6.00)	(12.9)%
Office of Emergency Services						
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)%
Total Office of Emergency Services	3.00	3.00	3.00	2.00	(1.00)	(33.3)%
Office of Transportation^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)%
Total Office of Transportation	4.39	6.20	6.35	5.20	(1.15)	(18.1)%
Planning and Development Services^c						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—%
Total Planning and Development Services	62.32	62.45	61.60	55.00	(6.60)	(10.7)%
Police						
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	—	—	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
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	—	—	—	—	—%
Total Police	155.00	149.00	149.00	124.33	(23.67)	(16.6)%
Public Works						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
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	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	FY 2022 Adopted Budget	FY 2022 Change FTE	FY 2022 Change %
Total Public Works	51.45	49.41	50.61	48.35	(2.26)	(4.5)%
Total General Fund	582.28	574.93	574.43	515.80	(58.63)	(10.2)%
Enterprise Fund						
Public Works						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—	—%
Total Public Works	101.19	101.19	101.32	101.32	—	—%
Utilities						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—	—	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—	—%
Total Utilities	256.67	257.42	257.42	257.42	(0.00)	—%
Total Enterprise Fund	357.86	358.61	358.74	358.74	(0.00)	—%
Other Funds						
Capital Project Fund						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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%
Total Capital Project Fund	34.76	36.40	36.77	35.48	(1.29)	(3.5)%
Printing and Mailing Services						
Manager Revenue Collections	0.10	0.10	0.10	0.10	—	—%
Offset Equipment Operator	1.52	1.52	1.52	1.52	—	—%
Total Printing and Mailing Services	1.62	1.62	1.62	1.62	—	—%
Special Revenue Funds						
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	—	—%

TABLE OF ORGANIZATION

Table of Organization

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted Budget ^a	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	—	—%
Total Special Revenue Funds	10.20	10.66	10.66	9.73	(0.93)	(8.7)%
Technology Fund						
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)%
Total Technology Fund	36.10	36.10	36.10	29.10	(7.00)	(19.4)%
Vehicle Replacement and Maintenance Fund						
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 ^a	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	—	—%
Total Vehicle Replacement and Maintenance Fund	16.53	15.53	15.53	13.53	(2.00)	(12.9)%
Workers' Compensation Program Fund						
Senior Human Resources Administrator	1.00	1.00	1.00	1.00	—	—%
Total Workers' Compensation Program Fund	1.00	1.00	1.00	1.00	—	—%
Total Other Funds	100.21	101.31	101.68	90.46	(11.22)	(11.0)%
Total Citywide Positions	1,040.35	1,034.85	1,034.85	965.00	(69.85)	(6.7)%

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 position additions subsequent to the adoption of the FY 2022 budget, consistent with recommendations in the following City Manager Reports (CMRs):

CMR 13439 Preliminary Q1 FY 2022 Financial Status - 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).

CMR 13643 Staffing for Adequate Fire and Emergency Response (SAFER) Grant - In total, 5.00 Firefighter positions are added in the Fire Department.

Overall, these actions resulted in staffing increases from 506.80 FTE to 515.80 FTE in the General Fund (956.00 FTE to 965.00 FTE Citywide).



City of Palo Alto City Council Staff Report

(ID # 13587)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: Approve a Design Change to the Public Safety Building Community Room Exterior

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council direct staff to modify the exterior design of the Public Safety Building Community Room to include more windows, add more exterior wayfinding signage, and modify its door to the plaza for both ingress and egress (Option C as described in the report).

Background

In December 2015, Council selected Parking Lot C-6 as the site for the Public Safety Building (PSB) within the California Avenue Business District.

The Architectural Review Board (ARB) recommended approval of the PSB design on September 20, 2018. In the recommendation, the ARB deferred the decision about the Community Room exterior to City Council “for refinement of the design to emphasize its availability to the public as a City-managed civic space, including treatment of the door directly into the plaza, signage and, if possible, additional windows keeping in mind the security concerns of the principal users of the building, that is to say the Police and Fire Departments.”

On November 5, 2018, in conjunction with the ARB recommendation, Council directed staff to keep the more secure and less inviting exterior design of the Community Room to align with the operational and security needs of the Police Department ([CMR #9685](#)). The Community Room has also been referred to as the Multipurpose Room.

On February 1, 2021, Council authorized a construction contract with Swinerton Builders for the new PSB ([CMR# 11752](#)). During discussion of that item at the Council meeting, staff recommended redesigning the Community Room exterior to make it more inviting and open, consistent with its planned use as a Community Room.

On August 30, 2021, Council authorized Amendment No. 2 to Contract C17165953 ([CMR #12318](#)) with RossDrulisCusenbery Architecture, Inc. (RDC) that included added scope and

funding to prepare options for the Community Room redesign.

For reference, below is a night-time rendering of the current approved building design. The Community Room is the shorter structure on the left between the flags and the main building.



Discussion

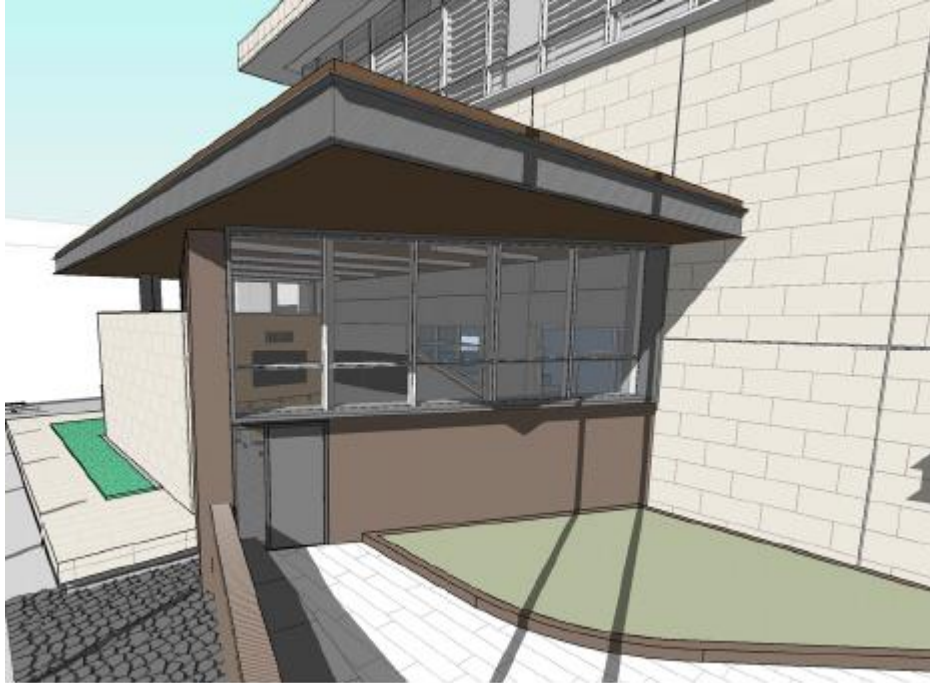
During the staff presentation and award of the PSB construction contract in early 2021, it was suggested that the decision regarding the Community Room exterior be reconsidered to make the room more open and inviting to the public. The ARB had originally advocated for this when passing the matter to City Council.

Three options for Council consideration for the Community Room exterior are:

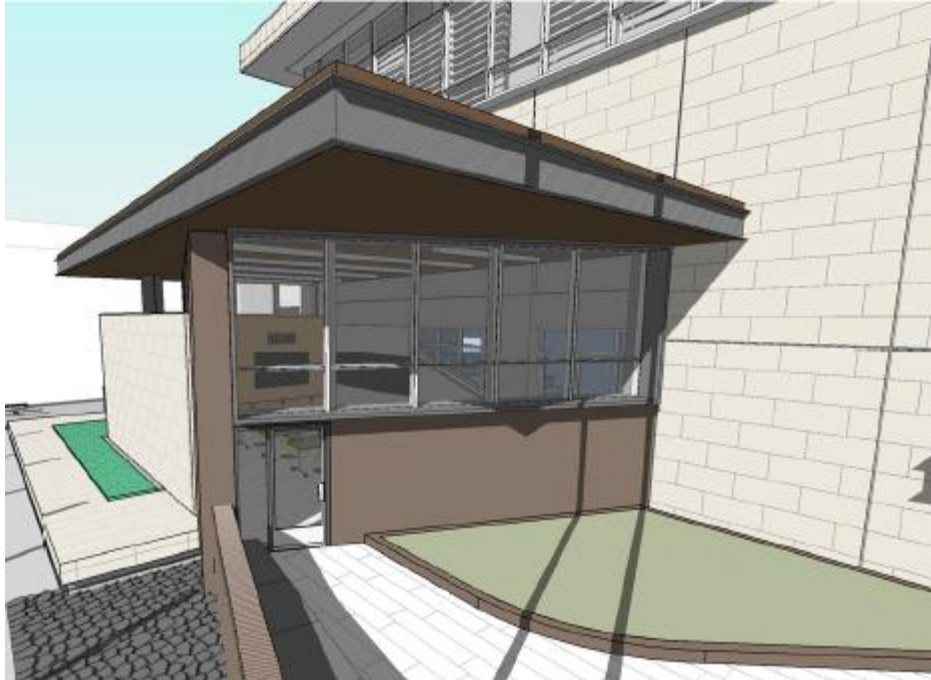
- Option A: No changes. Leave the exterior as previously approved.
- Option B: Change door only and add signage. The exit-only door would be modified for use as an entrance and be comprised of full lite ballistic glass.
- Option C: Change door as in Option B and change the brick wall beside the door to ballistic glass with mechanical shades and add signage

The entrance door area for Options B and C would include additional wayfinding signage and security features to facilitate evening meetings with the main lobby open, while the main building is secured. Restrooms are available in the lobby. Basic renderings of the three options are shown below.

Option A – No Change:



Option B – Convert Door Only to Glass:



Option C – Convert Door and Change Brick Wall to Glass:



Staff recommends moving forward with Option C to provide the most inviting and open modification while maintaining the ability to secure the room. The mechanical shades will

provide privacy when required during sensitive police training meetings. On the inside of the room, Option C would eliminate a large format video monitor on the interior side of the brick-clad wall.

Estimated costs and summary of the changes for the options are provided in the following table.

Options:	A. No Change	B. Convert Door Only to Glass	C. Convert Door and Change Brick Wall to Glass
Ballistic Protection?	Yes	Yes	Yes
Scope Changes:	None	Modify exit-only door to a full lite ballistic glass door with wayfinding signage.	<ul style="list-style-type: none"> • Glass Curtain Wall • Mechanical • Electrical • Signage • Technology
Estimated Design Cost:	\$0	\$1,000	\$10,000
Estimated Construction Cost:	\$0	\$15,000	\$180,000
Total Estimated Cost:	\$0	\$16,000	\$190,000

Timeline

The construction of the PSB is in progress and scheduled to be completed Summer 2023. The recommended motion is not expected to impact the project timeline.

Resource Impact

Funding for the recommendation in this report is currently available in the encumbered contracts covered by the PSB project budget (PE-15001). Design of Option C will impact the Additional Services budget with the design consultant, RDC. If Council approves the staff recommendation, staff will return in early December for a contract amendment with RDC to replenish the Additional Services budget from funding appropriated by the City Council for PE-15001 as part of the FY 2022 Adopted Budget.

Stakeholder Engagement

Public Works has been and is engaging designated staff from key departments that will be occupying the PSB upon completion. Additionally, the PSB design was reviewed and recommended for approval via the ARB process that notifies nearby residents and publishes formal meeting agendas online and via newspaper advertisements. The project website is regularly updated with current information and email newsletters are sent to persons who sign up to the mailing list via the website.

Environmental Review

An Environmental Impact Report for the PSB and the New California Avenue Area Parking Garage was prepared and certified by Council on June 11, 2018 ([CMR #8967](#)), by adoption of Resolution No. 9772.



City of Palo Alto City Council Staff Report

(ID # 11987)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: Accept the Stanford University Medical Center (SUMC) Annual Report for Fiscal Years 2017-2018, 2018-2019 and 2019-2020 and Find the SUMC Parties in Compliance With the Development Agreement

From: City Manager

Lead Department: Planning and Development Services

Recommendation

Staff recommends that the City Council:

1. Review the Stanford University Medical Center (SUMC) Annual Reports for Fiscal Years 2018 through 2020, and find that Stanford Hospitals & Clinics, Lucile Packard Children's Hospital, and Stanford University (SUMC Parties) have complied in good faith with the terms and conditions of the Development Agreement;
2. Find that the SUMC Parties are not in default with the terms and conditions of the Agreement; and
3. Accept the City of Palo Alto's (City) Annual Report Supplements regarding the funds received from the SUMC Parties, as required under Section 12(d) of the Development Agreement (Attachment C).

Executive Summary

The City Council is required to review the SUMC Development Agreement (the "Agreement") to ascertain compliance with the terms of the Agreement. The Agreement is between Stanford Hospital and Clinics, Lucile Packard Children's Hospital, and Stanford University (SUMC Parties) and the City of Palo Alto.

The SUMC Parties submitted Annual Reports for Fiscal Year 2018, Fiscal Year 2019, and Fiscal Year 2020 that summarize the construction activities and other actions taken to fulfill the Agreement obligations. The SUMC Parties have paid approximately \$44.3 million in public benefit fees to the City since June 6, 2011 through the FY 2020 reporting period. City Council reviewed and approved use of the funds contributed by SUMC for a wide variety of capital projects.

Background

On June 6, 2011, the City Council approved Comprehensive Plan amendments, zoning changes, a conditional use permit, annexation and design applications for the Stanford University Medical Center Facilities Renewal and Replacement Project (the “Projects”). The Projects include the construction of a new Stanford Hospital and clinics buildings, an expansion of the Lucile Packard Children’s Hospital (LPCH), construction of new School of Medicine (SOM) buildings, renovation of the existing Hoover Pavilion, construction of a new medical office building and parking garage at Hoover Pavilion, roadway improvements along Welch Road and Durand Way, and SUMC design guidelines. A Development Agreement (the “Agreement”) vesting these approvals was deemed effective on June 6, 2011 and continues for thirty (30) years from the effective date.

This report covers activities by the SUMC Parties for FY 2018, FY 2019, and FY 2020, which are the seventh, eighth, and ninth years of the Agreement. The last annual report prepared was for Fiscal Year 2016-2017.¹ Previous annual reports and compliance documentation can be found in Attachment D. The Agreement specifies that the City annually review the parties’ compliance. Due to staffing issues and conflicting priorities on the City’s part, this report reflects a multiyear review. Staff has taken steps needed to return to annual reporting for the City Council.

Discussion

Development Agreement Section 12, “Periodic Review of Compliance,” requires City Council to ascertain SUMC Parties’ compliance with the terms of the Agreement. The discussion items below are intended to guide City Council through the many aspects that SUMC and City staff monitor and track throughout the year to ensure compliance.

The SUMC Annual Reports for FY 2018, FY 2019, and FY 2020 (Attachment A) describe the activities related to Agreement implementation and ongoing annual progress toward meeting the following obligations in Section 5 of the Agreement, “SUMC Parties’ Promises:”

- Health Care Benefits;
- Fiscal Benefits;
- Traffic Mitigation and Reduced Vehicle Trips;
- Linkages (Pedestrian, Bicycle, and Transit);
- Infrastructure, Sustainable Neighborhoods & Communities, Affordable Housing, and
- Climate Change

Staff prepared a summary of the Section 5 obligations and the staff-confirmed compliance status (Attachment B).

Development Agreement Section 12 also includes the requirement for demonstration of good faith compliance with the Agreement. Toward this end, SUMC has timely submitted all the

¹ City Council Report, 06/11/2018 (SUMC Annual Report, Fiscal Year 2016-2017):
<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=49142.31&BlobID=65285>

reports required of the SUMC Parties for FY 2018 through FY 2020. In this timeframe, City staff and SUMC have also prioritized:

- Work in the field to help accelerate the ability of the Hospitals and other SUMC buildings to receive occupancy approvals,
- Processing of applications that increase site improvement operational performance,
- Rapid processing of SUMC applications pertaining to COVID-19 pandemic response, and
- Maintaining all records necessary to complete the City's obligations for the annual review.

Construction Activities and Net New Square Footage

Detailed information on SUMC construction activities for FY 2018, FY 2019, and FY 2020 can be found in the SUMC Annual Reports (Attachment A).

To summarize construction activities during these years:

- In FY 2018, the Lucile Packard Children's Hospital (LPCH) Expansion project opened for patient care in late 2017.
- In FY 2019, no new buildings gained occupancy, but construction continued on the New Stanford Hospital Garage, New Stanford Hospital, and the School of Medicine Biomedical Innovations Building.
- In FY 2020:
 - The New Stanford Hospital Garage opened for administrative uses, parking and circulation operation, and
 - The New Stanford Hospital opened for patient care in late 2019.

A total of approximately 133,731 square feet of floor area was previously demolished at the Stanford Hospital, Lucile Packard Children's Hospital, and Hoover Pavilion sites. The new Neuroscience Health Center at the Hoover Pavilion site represents 91,605 new square feet. Lucile Packard Children's Hospital (LPCH) Expansion added 446,088 new square feet.

The New Stanford Hospital (NSH) garage added 29,744 new square feet. The New Stanford Hospital (NSH) project added 689,522 new square feet. These two new buildings therefore represent 719,266 new square feet for NSH.

The School of Medicine (SOM) Biomedical Innovation Building (BMI) received a temporary certificate of occupancy in November 2019, during FY 2020. However, final inspection approval by the City did not occur during FY 2020. Therefore, inclusion of the SOM BMI net floor area in the Annual Report tracking will occur in a future fiscal year.

City staff reviewed the information in the SUMC Annual Reports regarding construction activities and net new square footage. Staff determined that they are complete and correct,

with the exception of a minor typo in the table in Attachment A reporting 719,261 new square feet for New Stanford Hospital Garage and New Stanford Hospital, which is five square feet less than what is officially documented as 719,266 new square feet in the permit plans. This will be corrected in the FY 2021 SUMC Annual Report.

Traffic Mitigation and Reduced Vehicle Trips

The SUMC Parties have made substantial progress in meeting the traffic and alternative transportation obligations of the Agreement. Specifically, they have accomplished the following:

- Annually purchasing Caltrain Go Passes for all eligible employees as of January 1, 2012, which was three years ahead of the September 1, 2015 requirement in the Agreement;
- Previously purchasing shuttle buses for the Marguerite Shuttle service, as well as ongoing annual payments to cover the net increase in operating costs for the Marguerite Shuttle service;
- Providing annual payment to AC Transit to maintain a load factor of less than 1.0 on the U-Line;
- Hiring and maintaining a Transportation Demand Management (TDM) coordinator position since March 13, 2012, three years ahead of the September 1, 2015 requirement as stated in the Agreement, and subsequently elevating the position to a TDM Program Manager position, and
- Maintaining a rate of over 33.8% of employees using an alternative mode to get to work instead of driving alone in FY 2018 and FY 2019.

The alternative mode share rate of 38.1% in FY 2018 and 33.8% in FY 2019 exceeds the alternative mode share target for 2018 of 30.0% and 2021 target of 33.0%. Pedestrian, bicycle, and transit linkage improvement projects were implemented during this time. Staff anticipates the SUMC Parties will be able to meet or exceed the alternative mode share targets for 2021 (33.0%) and 2025 (35.1%) after all shelter-in-place restrictions and other pandemic-related commuting factors lift for the majority of SUMC employees.

On March 27, 2020, the City conditionally approved a one-year delay in the submittal of two reports; the FY 2020 Alternative Mode Share Report and Mitigation Measure TR 2.3 Enhanced Stanford University Transportation Demand Management Program (TDM) report. Conditional approval of this delay is consistent with the procedures in Section 6(p) of the Stanford University Medical Center (SUMC) Development Agreement and no additional environmental review was required. The reasons for the conditional approval included:

1. The SUMC Parties have attained mode share targets in past reporting years;
2. Stanford collects key performance information for the SUMC Alternative Mode Share Report via a survey regularly administered in the April/May timeframe. Staff anticipated the survey responses in April/May 2020 would not reflect normal SUMC staff operations due to the shelter-in-place directives, hospital surge efforts, and other atypical commute and working parameters associated with the COVID-19 pandemic; and

3. The FY 2019-2020 reporting year was not a milestone target year identified in the SUMC Development Agreement Section 5(c)(ix).

The SUMC Parties maintained all TDM requirements in FY 2020 until Santa Clara County issued COVID-19 pandemic shelter-in-place orders in March 2020. The SUMC Parties and City staff will continue to monitor the TDM program throughout the term of the Agreement and will continue reporting to City Council.

Construction Sales and Use Tax Monitoring Report

SUMC submitted the annual Construction Sales & Use Tax Monitoring Report on June 30 of 2018, 2019, and 2020 for the previous calendar year. The City Auditor sent their required response for each year. Based upon the City Auditor's review of the annual Construction Sales and Use Tax Monitoring Report submitted by SUMC, revenues for calendar years 2011 through 2019 have totaled \$5,256,026. The City Auditor submitted a letter to Stanford Medicine noting that this amount was \$10,216 less than what was listed by SUMC. Reconciliation that ensures that the City would receive no less than \$8.1M in construction sales and tax revenue by December 31, 2025 would occur starting in August 2026.

Supplement to the Annual Report

Section 12 requires the City to prepare a Supplement to the Annual Report. The Supplement is to include an accounting of the funds received from the SUMC Parties to satisfy the obligations outlined in Section 5 of the Agreement, a description of the account balances, and a summary and description of expenditures from the funds for each Fiscal Year (Attachment C). Section 12 of the Agreement mentions preparation of the Supplement within 45-days of the June and July receipt of the annual reports by SUMC, but there is no penalty for not doing so; after the close of the Fiscal Year, the City conducts an annual audit of the funds in Fall/Winter in order to demonstrate good faith in implementing the Agreement.

The SUMC Parties have already paid the City approximately \$44.3 million in public benefit fees since June 6, 2011 through the FY 2020 reporting period. This sum includes the approximately \$11.7 million third and final payment by SUMC during the FY 2018 reporting period.

Regarding fund usage during the FY 2018, FY 2019, and FY 2020 reporting periods, the City authorized transfers for the following:

- In FY 2018, the remaining \$4,966 balance for "Quarry Road Improvements" was transferred for Quarry Road Improvements and Transit Center Access (PL-16000).
- In FY 2018, \$545,034 under "Intermodal Transit Center" was transferred for Quarry Road Improvements and Transit Center Access (PL-16000), including enhancements to the pedestrian and bicycle connection from the west side of El Camino Real to Welch Road, urban design elements, and wider bicycle lanes in the public right-of-way.

- In FY 2018, \$5,200,000 under “Climate Change & Sustainability” was transferred for the implementation of the Bicycle and Pedestrian Plan-Implementation Project (PL-04010).
- In FY 2019, \$11,200 under “Community and Health Safety” was transferred to pilot traffic signal preemption for emergency vehicles (PL-19000). This funding was received in FY 2018 as part of Opticom Payments discussed in Section 5(c)(v) of the Development Agreement and placed in the “Community Health & Safety” cost center. As the City has upgraded systems, the City and SUMC agreed through a letter exchange that the \$11,200 payment could be used for the new coordinated prioritization signaling at City-maintained traffic signals.
- In FY 2020, \$900,000 under “Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing” was transferred for the new Public Safety Building (PE-15001).

The Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing Fund contained an original contribution of \$1,720,488 for support of affordable housing. SUMC funding supported the Stevenson House project in FY 2013 and the remaining affordable housing funds were fully exhausted in FY 2020 to support the Wilton Court Housing Project.

Future Use of Development Agreement Funds

The funds received by the City as a result of the SUMC Development Agreement represent funding for Operations and a significant portion of funding for implementation of the City’s Capital Infrastructure Plan. For additional information about the recent past, current, and future use of Agreement funds, please refer to the following:

- Fiscal Year 2021 Adopted Operating Budget document, Special Revenue Funds section:
 - <https://www.cityofpaloalto.org/civicax/filebank/documents/79371>
- Fiscal Year 2021 Adopted Capital Improvement Budget document:
 - <https://www.cityofpaloalto.org/civicax/filebank/documents/78470>
- City Council Report 11877: Community and Economic Recovery Plan, including amendments to the FY 2021 Capital Improvement Plan:
 - <https://www.cityofpaloalto.org/civicax/filebank/documents/79901>
- Fiscal Year 2022 Adopted Operating Budget document, Special Revenue Funds section:
 - https://www.cityofpaloalto.org/files/assets/public/administrative-services/city-budgets/fy-2022-city-budget/adopted-budgets/operating-budget_web.pdf; and
- Fiscal Year 2022 Adopted Capital Improvement Budget document:
 - <https://www.cityofpaloalto.org/files/assets/public/administrative-services/city-budgets/fy-2022-city-budget/adopted-budgets/capital-budget-book-web.pdf>.

Resource Impact

There are no impacts to the City’s budget resulting from this review of the SUMC Annual Reports for FY 2018, FY 2019, and FY 2020. As stated above, the SUMC Parties have already

paid approximately \$44.3 million in public benefit fees to the City since June 6, 2011 through the FY 2020 reporting period. Future fund contributions are not anticipated.

Policy Implications

This report does not represent any changes to existing City policies.

Environmental Review

Finding the SUMC Parties in compliance with the Terms of the Agreement is not a project under the California Environmental Quality Act and no environmental assessment is required for the annual compliance review. An environmental impact report for the entire SUMC project was prepared and certified by the City Council prior to approval of the Agreement.

Attachments:

- **Attachment9.a:** Attachment A-1: SUMC Annual Report Fiscal Year 2017-2018
- Attachment9.b: Attachment A-2: SUMC Annual Report Fiscal Year 2018-2019
- Attachment9.c: Attachment A-3: SUMC Annual Report Fiscal Year 2019-2020
- Attachment9.d: Attachment B: SUMC Development Agreement, Section 5 - SUMC Parties' Promises
- Attachment9.e: Attachment C-1: Fiscal Year 2017-2018 Supplement
- Attachment9.f: Attachment C-2: Fiscal Year 2018-2019 Supplement
- Attachment9.g: Attachment C-3: Fiscal Year 2019-2020 Supplement
- Attachment9.h: Attachment D: Weblinks to Prior SUMC Annual Reports



2017-18 ANNUAL REPORT

PREPARED FOR THE CITY OF PALO ALTO | JULY 6, 2018

CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND AND PURPOSE	2
2017-2018 SUMMARY OF PROGRESS	3
LUCILE PACKARD CHILDREN'S HOSPITAL	3
NEW STANFORD HOSPITAL	4
SCHOOL OF MEDICINE	5
NET NEW SQUARE FOOTAGE	6
COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS	7
HEALTH CARE BENEFITS	7
SECTION 5(a)(ii). FUND FOR HEALTHCARE SERVICES	7
SECTION 5(a)(iii). FUND FOR COMMUNITY HEALTH AND SAFETY PROGRAMS	7
PALO ALTO FISCAL BENEFITS	8
SECTIONS 5(b)(i) AND 5(b)(ii). PAYMENT OF SALES AND USE TAXES	8
SECTION 5(b)(iii). FUNDING OF OPERATING DEFICIT	9
SECTION 5(b)(iv). PAYMENT OF UTILITY USER TAX	9
SECTION 5(b)(v). SCHOOL FEES	9
TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS	10
SECTION 5(c)(ii). MENLO PARK TRAFFIC MITIGATION	10
SECTION 5(c)(iii). EAST PALO ALTO VOLUNTARY MITIGATION	10
SECTION 5(c)(iv). CONTRIBUTIONS TO AC TRANSIT	11
SECTION 5(c)(v). OPTICOM PAYMENTS	11
SECTION 5(c)(vi). CALTRAIN GO PASSES	11
SECTION 5(c)(vii). MARGUERITE SHUTTLE SERVICE	12
SECTION 5(c)(viii). TRANSPORTATION DEMAND MANAGEMENT COORDINATOR	12
SECTION 5(c)(ix). MONITORING OF TDM PROGRAMS	12
LINKAGES	13
SECTION 5(d)(i). INTERMODAL TRANSIT FUND	13
SECTION 5(d)(ii). QUARRY ROAD FUND	13
SECTION 5(d)(iii). STANFORD BARN CONNECTION	13
INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING	14
SECTION 5(e).	14
CLIMATE CHANGE	14
SECTION 5(f). CLIMATE CHANGE FUND	14
SATISFACTION OF CONDITIONS OF APPROVAL	14
SECTION 5(h). SATISFACTION OF ALL CONDITIONS OF APPROVAL	14
CONCLUSION	16

EXECUTIVE SUMMARY

On June 6, 2011, the Stanford University Medical Center parties (now Stanford Medicine)—comprised of Stanford Hospital and Clinics (now Stanford Health Care), Lucile Packard Children’s Hospital, and Stanford University—entered into a Development Agreement with the City of Palo Alto, committing to provide a range of community benefits in exchange for vested development rights to develop and use the Stanford Medicine Renewal and Replacement Project (“Renewal Project”) facilities in accordance with the approvals granted by the City, and a streamlined process for obtaining subsequent project approvals. The Renewal Project—driven by a growing demand for healthcare services, state-mandated seismic safety requirements, and the need to replace outmoded facilities with modern, technologically advanced spaces—holds the potential to transform the way that healthcare is delivered and research is conducted.

Today, seven years after the execution of the Development Agreement, the Lucile Packard Children’s Hospital Expansion is now open for patient care, and the new Stanford Hospital is anticipated to open for patient care in late 2019. Meanwhile, the School of Medicine has begun the first phase of development of its replacement facilities.

Against this backdrop, Stanford Medicine submits its Annual Report in compliance with Section 12(c) of the Development Agreement, and looks forward to continued collaboration with the City of Palo Alto in advancing the goals of both Stanford Medicine and the broader community.



BACKGROUND AND PURPOSE

The Palo Alto City Council's unanimous approval of the entitlements for the Stanford Medicine Renewal and Replacement Project in July 2011 has paved the way for a historic investment in new and replacement facilities for Stanford Medicine. The project approvals—including new zoning for the Renewal Project sites, a conditional use permit, architectural review approval, and the execution of a Development Agreement—allow for the construction of approximately 1.3 million net new square feet of hospital facilities, clinics, medical offices, and medical research spaces, and will enable the Hospitals to optimize the delivery of healthcare services to patients, and maintain their position as leading providers of world-class healthcare.

In order to facilitate this important replacement and expansion work, the Stanford Medicine parties entered into a Development Agreement with the City of Palo Alto, which includes a comprehensive package of community benefits and additional development conditions. In exchange for these benefits, the City has vested for a period of 30 years Stanford Medicine's rights to develop and use the property in accordance with the project approvals, and agreed to streamline the process for obtaining subsequent approvals.

The terms of the Development Agreement (Section 12(c)) provide for a periodic review of compliance, and require that Stanford Medicine submit an Annual Report to the City of Palo Alto's Director of Planning and Community Environment each year within 30 days of the anniversary of the agreement effective date (June 6, 2011). The Annual Report is to summarize Stanford Medicine's progress on the Renewal Project, including a list of net new square footage for which a certificate of occupancy has been received, and a description of the steps that Stanford Medicine has taken to comply with the obligations listed in Section 5 of the Development Agreement. With this report, Stanford Medicine fulfills these requirements. Within 45 days of receipt of this Annual Report, the City will prepare a Supplement to the Annual Report, to provide an accounting of the City's balances and expenditures from each of the City Funds and how they were used.



2017-2018 SUMMARY OF PROGRESS

The Renewal Project continues to progress, with a major milestone reached in late 2017 with the opening of the Lucile Packard Children's Hospital Expansion. The New Stanford Hospital continues to progress, and construction of the first new School of Medicine facility has begun. The section to follow provides an overview of central goals for the project elements that presently are under construction or nearing construction, a synopsis of progress to date, as well as a preview of near-term upcoming activities.

LUCILE PACKARD CHILDREN'S HOSPITAL

In response to growing community needs for specialized pediatric and obstetric care, Lucile Packard Children's Hospital has opened an expanded facility. The new hospital expansion, located adjacent to the current Packard Children's Hospital, provides patients and doctors with the most modern clinical advancements and technology, while also creating a more patient- and family-centered environment of care, with additional single-patient rooms and more spaces for families to be with their child during treatment and recovery.

The Packard Children's expansion features a new entrance lobby, public concourse with dining, three floors of nursing units, and new patient rooms. Spaces have been designed with an attention to natural light and views, and the exterior grounds—more than 3.5 acres of outdoor areas and gardens—provide a park-like setting for patients, families, and visitors.

Significant construction progress was made on the LPCH expansion project throughout 2017, and on December 4, 2017 the new facility received its license from the State Department of Public Health; this constituted issuance of an occupancy permit for purposes of the Development Agreement. On December 9, 2017, the Packard Children's expansion opened for patient care, and more than 90 pediatric patients were moved from the existing Hospital to the new facility. Certain areas of the new Hospital remain under construction, including the surgical suites (scheduled to open Summer 2018), the Bass Center for Childhood Cancer and Blood Diseases on the 5th floor, and the Betty Irene Moore Children's Outpatient Heart Center on the 1st floor (both anticipated to complete in Fall 2019). In addition, certain exterior site work is ongoing, including the installation of final landscaping and paving; this work is scheduled to complete in Fall 2018.



2017-2018 SUMMARY OF PROGRESS

NEW STANFORD HOSPITAL

Stanford Health Care is constructing new and replacement hospital facilities that will usher in a new era of advanced patient care. Growth in patient volumes and rapidly changing medical technology have rendered much of the existing midcentury hospital infrastructure inadequate, while new seismic safety requirements have accelerated the need to construct replacement facilities.

The New Stanford Hospital will substantially increase capacity, and will also address a rapidly advancing medical landscape. High-tech spaces such as Surgery, Radiology, and Intensive Care will be replaced to accommodate the latest advances in medical technology, while still retaining the flexibility to adapt to future innovations. Facilities will feature new patient rooms, an enlarged Level-1 trauma center and Emergency Department, and new surgical, diagnostic, and treatment rooms. And foremost, the new facility will create a healing environment responsive to the needs of patients, visitors, and staff. Upper-level pavilions will feature light-filled patient rooms, and a mid-level garden floor will offer dining, conference, and educational facilities, as well as social and spiritual support spaces.

Substantial progress has been made on the New Stanford Hospital project over the past year. The exterior enclosure for the Hospital is complete, and interior finish construction is progressing, with installation of drywall, ceilings, tile flooring, and light fixtures underway. Kitchen equipment is being delivered and installed, and medical equipment delivery is in its early stages. Outside the Hospital, site work continues, with installation of underground utilities in the vicinity of the entry plaza underway, and site improvement work on North Pasteur progressing. Meanwhile, at the adjacent New Stanford Hospital Garage, interior construction of the rooftop pavilions and the rooftop landscape installation is nearly complete. A temporary Certificate of Occupancy issued by the City in 2014 allows for contractor parking while construction continues.



2017-2018 SUMMARY OF PROGRESS

SCHOOL OF MEDICINE

The Stanford University School of Medicine will replace its outmoded research buildings in the City of Palo Alto with new state-of-the-art facilities designed to support contemporary fundamental and translational research. The new facilities will accommodate 21st century biomedical research leading to advancements in medical sciences, new discoveries and medical innovations, ultimately enhancing human health. The new buildings will feature integrated laboratory suites, with easier access between labs and support facilities, enabling transparency, flexibility, and collaboration. The new facilities will be surrounded by landscaped areas and tree-lined walkways.

The first phase of School of Medicine development (BioMedical Innovations Building 1, or “BMI-1”) is now underway, following City building permit issuance in December 2017. Excavation for the basement level and tunnel connection to the existing network of School of Medicine tunnels has completed, foundations have been poured, and structural steel erection is progressing. Meanwhile, offsite utilities work associated with the project is also underway, with trenching for high-voltage power from the City of Palo Alto electrical substation on Quarry Road to the project site occurring in phases through Summer 2018.



2017-2018 SUMMARY OF PROGRESS

NET NEW SQUARE FOOTAGE

The following table summarizes the net new square footage for which a certificate of occupancy has been issued.

PROJECT COMPONENT	GROSS SQUARE FOOTAGE
NEW STANFORD HOSPITAL	
1101 Welch demolished	(40,100)
Total	(40,100)
LUCILE PACKARD CHILDREN'S HOSPITAL EXPANSION	
701 Welch demolished	(56,300)
703 Welch demolished	(23,500)
Lucile Packard Children's Hospital Expansion	446,088
Total	366,288
SCHOOL OF MEDICINE	
None	0
HOOVER PAVILION	
Misc. shops and storage demolished	(13,831)
Stanford Neuroscience Health Center (Hoover MOB)	91,605
Total	77,774

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

This section of the Annual Report summarizes the steps that Stanford Medicine has taken to comply with their obligations under Section 5 of the Development Agreement.

HEALTH CARE BENEFITS

In addition to the health care funds listed below, Stanford Medicine provides certain intrinsic benefits to the community, as both a global leader in medical care and research, and as a community healthcare services provider. The Renewal Project enables Stanford Medicine to continue its important work, and the addition of more beds for adults and children will help to alleviate overcrowding. Additionally, the new hospital facilities will provide critical emergency preparedness and response resources for the community in the event of an earthquake, pandemic, or other major disaster.

Section 5(a)(ii). Fund for Healthcare Services

The Hospitals have designated the amount of \$3 million for Healthcare Services, which will increase to \$5.6 million by December 31, 2025. No further action is required until 2026. This amount will be reconciled with the construction use tax payments as described in Development Agreement Section 5(b)(ii)(C), and will be spent between 2026 and 2036.

Section 5(a)(iii). Fund for Community Health and Safety Programs

Stanford Medicine has contributed a single lump-sum payment of \$4 million to establish a Community Health and Safety Program Fund for the City of Palo Alto. This fund is to be distributed to selected community health programs that benefit residents of the City, including the Project Safety Net Program, a community-based mental health plan for youth well-being in Palo Alto. A joint committee is to be established to evaluate proposals regarding the other specific programs to receive funding, composed of two representatives selected by Stanford Medicine and two representatives selected by the City; this committee shall make annual recommendations to the City Council regarding proposed disbursements from the Community Health and Safety Program Fund, and the City Council shall use its reasonable discretion to decide whether to accept, reject, or modify the joint committee recommendations.

Stanford Medicine provided the entire required contribution to the Community Health and Safety Program Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

PALO ALTO FISCAL BENEFITS

The Stanford Medicine Renewal Project brings considerable fiscal benefits to the City of Palo Alto. The project is expected to generate \$8.1 million in sales and use tax revenues for the City, and multiple mechanisms have been put into place to ensure that this target is met. The Development Agreement also provides for further fiscal benefits to the City, including a payment by Stanford Medicine to fund the City's operating deficit, and the payment of utility user taxes and school fees.

Sections 5(b)(i) and 5(b)(ii). Payment of Sales and Use Taxes

As required by the Development Agreement, Stanford Medicine submitted its annual Construction Sales and Use Tax monitoring report to the City on June 30, 2018. The Stanford Medicine parties will continue to submit such a report annually during the construction period for the Renewal Project so that the City can determine the share of construction use taxes that it has received as a result of the Renewal Project. Each year, within 60 days of receiving the monitoring report, the City will provide its determination of the amount of construction use taxes that it has received as a result of the Renewal Project during the preceding calendar year. In August 2026 or soon thereafter, Stanford Medicine and the City will conduct a reconciliation process to confirm that the City has received at least \$8.1 million in construction use taxes as a result of the Renewal Project, as further described in Development Agreement Section 5(b)(ii).

To date, Stanford Medicine has taken the following steps detailed below to maximize the City's allocation of sales and use taxes associated with Project construction and operation. Documentation of each of these items is included in the 2017 construction use tax monitoring report already submitted.

- Stanford Medicine has obtained all permits and licenses necessary to maximize the City's allocation of construction use taxes derived from the project, including California Seller's Permits and Use Tax Direct Pay Permits. Copies of permits and licenses are attached to the 2017 monitoring report.
- Stanford Medicine has designated and required all contractors and subcontractors to designate the project site as the place of sale of all fixtures furnished or installed as part of the project.
- Stanford Medicine has designated and required all contractors and subcontractors to designate the project site as the place of use of all materials used in the construction of the project.
- Stanford Medicine has required all contractors and subcontractors to allocate the local sales and use taxes derived from their contracts directly to the City. Stanford Medicine has used best efforts to require contractors and subcontractors to complete and file any forms required by the State Board of Equalization to effect these designations.
- Both Hospitals have obtained use tax direct pay permits from the State of California for their existing facilities in order to increase the City tax allocation for the Hospitals' purchases. The Hospitals will maintain the use tax direct pay permit for the life of the project.
- Finally, Stanford Medicine has assisted the City in establishing and administering a Retail Sales and Use Tax Reporting District for the Renewal Project, to enable the City to track the generation, allocation, reporting and payment of sales and use taxes derived from the Project.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(b)(iii). Funding of Operating Deficit

In order to assure that City costs associated with the Renewal Project do not exceed revenues to the City resulting from construction and operation of the project, Stanford Medicine has provided to the City a single lump sum payment in the amount of \$2,417,000. This payment was made on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

Section 5(b)(iv). Payment of Utility User Tax

Stanford Medicine will pay the City a utility user tax at a minimum rate of 5 percent of all electricity, gas, and water charges allocable to new construction completed as part of the project for the life of the project. This rate may be increased by the City as provided by Section 2.35.100(b) of the Municipal Code. The 5 percent utility user tax is currently being paid by Stanford Medicine.

Section 5(b)(v). School Fees

Stanford Medicine will pay to the City—who is then to forward to the Palo Alto Unified School District—school fees upon issuance of each building permit from the City or OSHPD, in the amount that is generally applicable to non-residential development at the time of payment based upon net new square footage, as defined in the Development Agreement.

School fees were paid in 2012 for LPCH and SHC in the amounts of \$188,815 and \$153,802, respectively. In July 2013, additional school fees were paid in the amount of \$7,051 to account for additional program square footage for the New Stanford Hospital and Garage. In May 2014, an additional payment of school fees in the amount of \$16,119 was made to account for the incremental square footage associated with the Hoover Medical Office Building, beyond the 60,000 square feet originally planned. In November 2015, additional school fees in the amount of \$461.16 were paid to account for incremental square footage for the New Stanford Hospital Garage.



COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS

Stanford Medicine has taken a number of steps to mitigate the potential traffic impacts projected at full project buildout. Already, Stanford Medicine provides a robust transportation demand management program, offering a variety of incentives for employees to forego driving alone to work. As required by the Development Agreement, Stanford Medicine has taken the additional actions outlined below.

Section 5(c)(ii). Menlo Park Traffic Mitigation

Stanford Medicine agreed to contribute to the City of Menlo Park a total of \$3,699,000 for use in connection with traffic mitigation, infrastructure enhancements, and the promotion of sustainable neighborhoods and communities and affordable housing. This contribution has been made in three equal payments; the first payment of \$1,233,000 was made on August 19, 2011. The second payment of \$1,233,000 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit. The final payment in the amount of \$1,233,000 was made on December 14, 2017, within 30 days from issuance of the first Hospital occupancy permit.

Section 5(c)(iii). East Palo Alto Voluntary Mitigation

Stanford Medicine has contributed a single lump sum payment of \$200,000 to East Palo Alto to be used for roadway and traffic signal improvements on University Avenue. This payment was made on August 19, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. In the event that Stanford Medicine does not meet alternative transportation mode goals specified in the Development Agreement by 2025 and is assessed a \$4 million payment under Development Agreement section 5(c)(ix)(B), the City will be required to remit \$150,000 of such payment to the City of East Palo Alto.



COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(iv). Contributions to AC Transit

The Hospitals committed to the following actions within 30 days from issuance of the first Hospital occupancy permit, and have fulfilled these commitments as outlined below:

- The Hospitals agreed to offer a one-time payment of \$250,000 to AC Transit to be used for capital improvements to the U-Line to increase capacity (Section 5(c)(iv)(A)). As required, the Hospitals offered to contribute \$250,000 to AC Transit for capital improvements to the U Line; this offer was accepted, and the payment was made on January 5, 2018.
- The Hospitals agreed to offer to make annual payments to AC Transit in a reasonable amount, not to exceed \$50,000, to be used for operating costs of the U-Line to maintain a load factor for bus service to the Medical Center of less than 1 (Section 5(c)(iv)(B)). The Hospitals have commenced annual payments to AC Transit for purposes of U-Line operating costs.
- In order to encourage Hospital employees living in the East Bay to use public transit for their commute, the Hospitals committed to using best efforts to lease 75 parking spaces at the Ardenwood Park and Ride lot, or an equivalent location, at a cost not to exceed \$45,000 per year (Section 5(c)(iv)(C)). From May 2014 to April 30, 2018, a 100-space park-and-ride facility on Kaiser Drive at Campus Drive in Fremont (0.9 mile from Ardenwood Park & Ride) was under lease for the use of Stanford University and Hospital commuters, thus satisfying this requirement ahead of schedule. On March 27, 2018, Stanford was provided with 30-days' notice to vacate the facility, and immediately commenced a search for replacement parking facilities. An equivalent temporary East Bay park and ride solution has been secured in the vicinity of Ardenwood, and is already in use by SUMC commuters from the East Bay. The Hospitals are currently in the process of securing a long-term location.

Section 5(c)(v). Opticom Payments

Within 30 days from issuance of the first Hospital occupancy permit, the Hospitals committed to pay \$11,200 to the City of Palo Alto to be used for the installation of Opticom traffic control systems at the following seven intersections: El Camino Real/Palm Drive/University Avenue; El Camino Real/Page Mill Road; Middlefield Road/Lytton Road; Junipero Serra/Page Mill Road; Junipero Serra/Campus Drive West; Galvez/Arboretum; and the Alpine/280 Northbound ramp. However, since the time that this commitment was made, the City has determined that Opticom systems are outdated, and proposes the purchase and installation of the ATMS.now Emergency.now package, which would allow coordinated prioritization at all City-maintained traffic signals. Agreement to this change in traffic signal priority system is documented in a letter dated December 12, 2017 from the City Manager to the SUMC Parties, which was accepted and agreed to by the SUMC Parties by countersigned letter. The required payment was made on December 12, 2017, within 30 days of issuance of the first Hospital occupancy permit.

Section 5(c)(vi). Caltrain GO Passes

The Development Agreement requires that the Hospitals purchase annual Caltrain GO Passes for all existing and new Hospital employees who work more than 20 hours per week at a cost of up to approximately \$1.8 million per year, beginning on September 1, 2015. This obligation is expected to continue for a period of 51 years.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Hospital management accelerated the purchase of the annual GO Pass for Hospital employees, and began providing free GO Passes to employees commencing on January 1, 2012. Further details regarding the GO Pass purchase can be found in the Alternative Mode Share report, which was submitted to the City on May 31, 2018.

Section 5(c)(vii). Marguerite Shuttle Service

The Hospitals will fund the reasonable costs, in an approximate amount of \$2 million, for the purchase of additional shuttle vehicles for the Marguerite shuttle service, as and when required to meet increased demand for shuttle service between the project sites and the Palo Alto Intermodal Transit Station. In addition, the Hospitals will fund as annual payments the reasonable costs, in an approximate amount of \$450,000 per year, to cover the net increase in operating costs for the Marguerite Shuttle. Demand for the Marguerite shuttle increased in 2012, and the Hospitals funded the purchase of three new hybrid shuttles to meet this increased demand. Since this time, the Hospitals have funded as annual payments the reasonable costs of the net increase in operating costs for the Marguerite Shuttle.

Section 5(c)(viii). Transportation Demand Management Coordinator

The Development Agreement requires that the Hospitals employ an onsite qualified Transportation Demand Management (TDM) Coordinator for Stanford Medicine, commencing on September 1, 2015, and continuing through the life of the Renewal Project.

Because the Hospitals accelerated the purchase of the Caltrain GO Pass, the Hospitals also accelerated the hiring of the TDM Coordinator, filling this position in March 2012. The TDM Coordinator (TDM Program Manager) is responsible for analyzing, developing, and implementing programs to advance the Hospitals' TDM objectives. Specifically, the position supports the Hospitals' TDM program by raising awareness among commuters about alternative transportation options and Stanford's commute incentive programs; providing alternative commute planning assistance and responses to customer inquiries; writing and editing electronic and print communications; coordinating and staffing outreach events, such as free transit pass distributions and employee fairs; and providing alternative transportation information and resources at new employee orientations.

Section 5(c)(ix). Monitoring of TDM Programs

The Hospitals are required to submit annual monitoring reports showing the current number of employees employed over 20 hours per week; the number of employees using an alternative transportation mode as documented by a study or survey to be completed by the Hospitals using a method mutually agreeable to the City and the Hospitals; and the efforts used by the Hospitals to attempt to achieve the Alternative Mode Targets identified in the Development Agreement. The Development Agreement specifies payments to be made in the event that such targets are not met during particular time periods. Stanford Medicine submitted its 2018 Alternative Mode Share Report to the City on May 31, 2018; this report shows an alternative mode split of 38.1% for the Hospitals. This mode split exceeds the Alternative Mode Share target for 2025.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

LINKAGES

To further encourage use of Caltrain, bus, and other transit services, and to enhance and encourage use of pedestrian and bicycle connections between Stanford Medicine and downtown Palo Alto, Stanford Medicine has funded or will fund the following specific infrastructure improvements.

Section 5(d)(i). Intermodal Transit Fund

Stanford Medicine has provided to the City one lump sum payment of \$2.25 million for improvements to enhance the pedestrian and bicycle connection from the Palo Alto Intermodal Transit Center to the existing intersection of El Camino Real and Quarry Road. Up to \$2 million of this amount is to be used by the City for the development of an attractive, landscaped passive park/green space with a clearly marked and lighted pedestrian pathway, benches, and flower borders. Stanford Medicine paid the entire required amount for the Intermodal Transit Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

In Summer 2017, prior to issuance of the first Hospital Occupancy Permit, the City completed a temporary path with associated lighting, landscaping / green space, benches, and flower borders from the transit center to the existing crosswalk at the intersection of El Camino Real and Quarry Road. Available funds remaining (approximately \$1.69 million) will be applied to the construction of permanent improvements in the future.

Section 5(d)(ii). Quarry Road Fund

Stanford Medicine has provided to the City one lump sum payment of \$400,000 for improvements to and within the public right-of-way to enhance the pedestrian and bicycle connection from the west side of El Camino Real to Welch Road along Quarry Road, including urban design elements and way finding, wider bicycle lanes, as necessary, on Quarry Road, enhanced transit nodes for bus and/or shuttle stops, and prominent bicycle facilities. Stanford Medicine paid the entire required amount for the Quarry Road Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used. The City is required to construct the improvements prior to issuance of the first Hospital Occupancy Permit, currently anticipated to be issued in late 2017.

The City has developed a design for bicycle enhancements along Quarry Road, but as agreed to with Stanford Medicine, is delaying implementation of these improvements until planned utility trenching to the Medical Center (currently underway) is complete.

Section 5(d)(iii). Stanford Barn Connection

Stanford Medicine agreed to construct up to \$700,000 of improvements to enhance the pedestrian connection between the Main Medical Campus and the Stanford Shopping Center from Welch Road to Vineyard Lane, in the area adjacent to the Stanford Barn prior to issuance of the first Hospital Occupancy permit. Construction of the improvements completed in November 2017, in advance of issuance of the first Hospital Occupancy permit.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING

Section 5(e). Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing

Stanford Medicine agreed to contribute a total amount of \$23.2 million toward City of Palo Alto infrastructure, sustainable neighborhoods and communities, and affordable housing. As required by the Development Agreement, this contribution has been made in three equal payments. The first payment, in the amount of \$7,733,333, was made on August 25, 2011; the second payment of \$7,733,333 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment of \$7,733,333 was made on December 12, 2017, within 30 days from issuance of the first Hospital occupancy permit. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

The City will use \$1,720,488 of these funds in the same manner as funds collected under the City's housing fee ordinance.

CLIMATE CHANGE

Section 5(f). Climate Change Fund

Stanford Medicine agreed to contribute a total amount of \$12 million toward City projects and programs for a sustainable community, including programs identified in the City's Climate Action Plan, carbon credits, and investments in renewable energy and energy conservation. As required by the Development Agreement, this contribution has been made in three equal payments. The first payment, in the amount of \$4 million, was made on August 25, 2011; the second payment of \$4 million was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment of \$4 million was made on December 12, 2017, within 30 days from issuance of the first Hospital occupancy permit. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

SATISFACTION OF CONDITIONS OF APPROVAL

Section 5(h). Satisfaction of All Conditions of Approval

Stanford Medicine will satisfy all Conditions of Approval by the dates and within the time periods required by the project approvals, subject to modifications allowed by the Development Agreement, and has taken several steps in order to ensure that this requirement is met (Section 5(h)). The Conditions of Approval encompass conditions imposed by the Architectural Review Board, mitigation measures enumerated in the Mitigation Monitoring and Reporting Program, and conditions attached to the Conditional Use Permit.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

In order to implement, monitor, and report on the implementation of this diverse array of conditions, Stanford Medicine, with input from City planning staff, has created two Excel spreadsheet tracking and reporting tools. These spreadsheets serve as a centralized repository for compliance monitoring information and documentation, and are updated by the Stanford Medicine project teams on a regular basis, and reviewed by the City.

Note that, as authorized by Development Agreement Section 6(p), the Lucile Packard Children's Hospital requested changes in timing of performance for three Conditions of Approval otherwise required to be complete prior to Hospital occupancy; these requests were conditionally approved by the City, and the three affected Conditions are anticipated to be satisfied no later than December 21, 2018, as agreed to by the City and the SUMC Parties.



CONCLUSION

As the Renewal Project completes its seventh year, Stanford Medicine looks forward to continued engagement with the City of Palo Alto as the project continues to forge ahead.





2018-19 ANNUAL REPORT

PREPARED FOR THE CITY OF PALO ALTO | JULY 5, 2019

CONTENTS

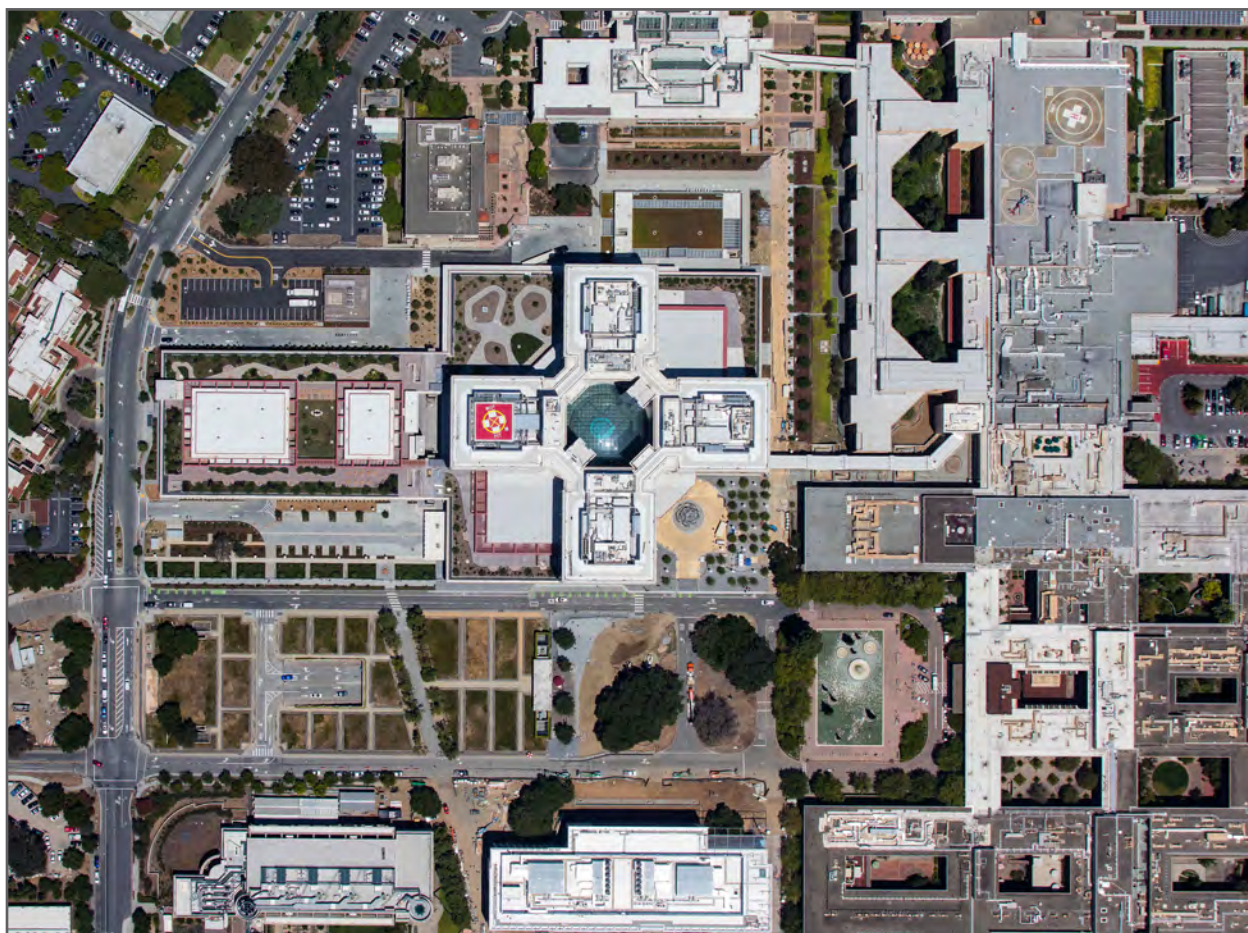
EXECUTIVE SUMMARY	1
BACKGROUND AND PURPOSE	2
2018-2019 SUMMARY OF PROGRESS	3
LUCILE PACKARD CHILDREN'S HOSPITAL	3
NEW STANFORD HOSPITAL	4
SCHOOL OF MEDICINE	5
NET NEW SQUARE FOOTAGE	6
COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS	7
HEALTH CARE BENEFITS	7
SECTION 5(a)(ii). FUND FOR HEALTHCARE SERVICES	7
SECTION 5(a)(iii). FUND FOR COMMUNITY HEALTH AND SAFETY PROGRAMS	7
PALO ALTO FISCAL BENEFITS	8
SECTIONS 5(b)(i) AND 5(b)(ii). PAYMENT OF SALES AND USE TAXES	8
SECTION 5(b)(iii). FUNDING OF OPERATING DEFICIT	9
SECTION 5(b)(iv). PAYMENT OF UTILITY USER TAX	9
SECTION 5(b)(v). SCHOOL FEES	9
TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS	9
SECTION 5(c)(ii). MENLO PARK TRAFFIC MITIGATION	9
SECTION 5(c)(iii). EAST PALO ALTO VOLUNTARY MITIGATION	10
SECTION 5(c)(iv). CONTRIBUTIONS TO AC TRANSIT	10
SECTION 5(c)(v). OPTICOM PAYMENTS	10
SECTION 5(c)(vi). CALTRAIN GO PASSES	11
SECTION 5(c)(vii). MARGUERITE SHUTTLE SERVICE	11
SECTION 5(c)(viii). TRANSPORTATION DEMAND MANAGEMENT COORDINATOR	11
SECTION 5(c)(ix). MONITORING OF TDM PROGRAMS	12
LINKAGES	13
SECTION 5(d)(i). INTERMODAL TRANSIT FUND	13
SECTION 5(d)(ii). QUARRY ROAD FUND	13
SECTION 5(d)(iii). STANFORD BARN CONNECTION	13
INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING	14
SECTION 5(e).	14
CLIMATE CHANGE	14
SECTION 5(f). CLIMATE CHANGE FUND	14
SATISFACTION OF CONDITIONS OF APPROVAL	14
SECTION 5(h). SATISFACTION OF ALL CONDITIONS OF APPROVAL	14
CONCLUSION	16

EXECUTIVE SUMMARY

On June 6, 2011, the Stanford University Medical Center parties (now Stanford Medicine)—comprised of Stanford Hospital and Clinics (now Stanford Health Care), Lucile Packard Children’s Hospital, and Stanford University—entered into a Development Agreement with the City of Palo Alto, committing to provide a range of community benefits in exchange for vested development rights to develop and use the Stanford Medicine Renewal and Replacement Project (“Renewal Project”) facilities in accordance with the approvals granted by the City, and a streamlined process for obtaining subsequent project approvals. The Renewal Project—driven by a growing demand for healthcare services, state-mandated seismic safety requirements, and the need to replace outmoded facilities with modern, technologically advanced spaces—holds the potential to transform the way that healthcare is delivered and research is conducted.

Today, eight years after the execution of the Development Agreement, the Lucile Packard Children’s Hospital Expansion is now open for patient care, and the new Stanford Hospital is anticipated to open for patient care in late 2019. Meanwhile, the School of Medicine has begun the first phase of development of its replacement facilities, with its BioMedical Innovations building anticipated to be complete in Fall 2019.

Against this backdrop, Stanford Medicine submits its Annual Report in compliance with Section 12(c) of the Development Agreement, and looks forward to continued collaboration with the City of Palo Alto in advancing the goals of both Stanford Medicine and the broader community.



BACKGROUND AND PURPOSE

The Palo Alto City Council's unanimous approval of the entitlements for the Stanford Medicine Renewal and Replacement Project in July 2011 has paved the way for a historic investment in new and replacement facilities for Stanford Medicine. The project approvals—including new zoning for the Renewal Project sites, a conditional use permit, architectural review approval, and the execution of a Development Agreement—allow for the construction of approximately 1.3 million net new square feet of hospital facilities, clinics, medical offices, and medical research spaces, and will enable the Hospitals to optimize the delivery of healthcare services to patients, and maintain their position as leading providers of world-class healthcare.

In order to facilitate this important replacement and expansion work, the Stanford Medicine parties entered into a Development Agreement with the City of Palo Alto, which includes a comprehensive package of community benefits and additional development conditions. In exchange for these benefits, the City has vested for a period of 30 years Stanford Medicine's rights to develop and use the property in accordance with the project approvals, and agreed to streamline the process for obtaining subsequent approvals.

The terms of the Development Agreement (Section 12(c)) provide for a periodic review of compliance, and require that Stanford Medicine submit an Annual Report to the City of Palo Alto's Director of Planning and Community Environment each year within 30 days of the anniversary of the agreement effective date (June 6, 2011). The Annual Report is to summarize Stanford Medicine's progress on the Renewal Project, including a list of net new square footage for which a certificate of occupancy has been received, and a description of the steps that Stanford Medicine has taken to comply with the obligations listed in Section 5 of the Development Agreement. With this report, Stanford Medicine fulfills these requirements. Within 45 days of receipt of this Annual Report, the City will prepare a Supplement to the Annual Report, to provide an accounting of the City's balances and expenditures from each of the City Funds and how they were used.



2018-2019 SUMMARY OF PROGRESS

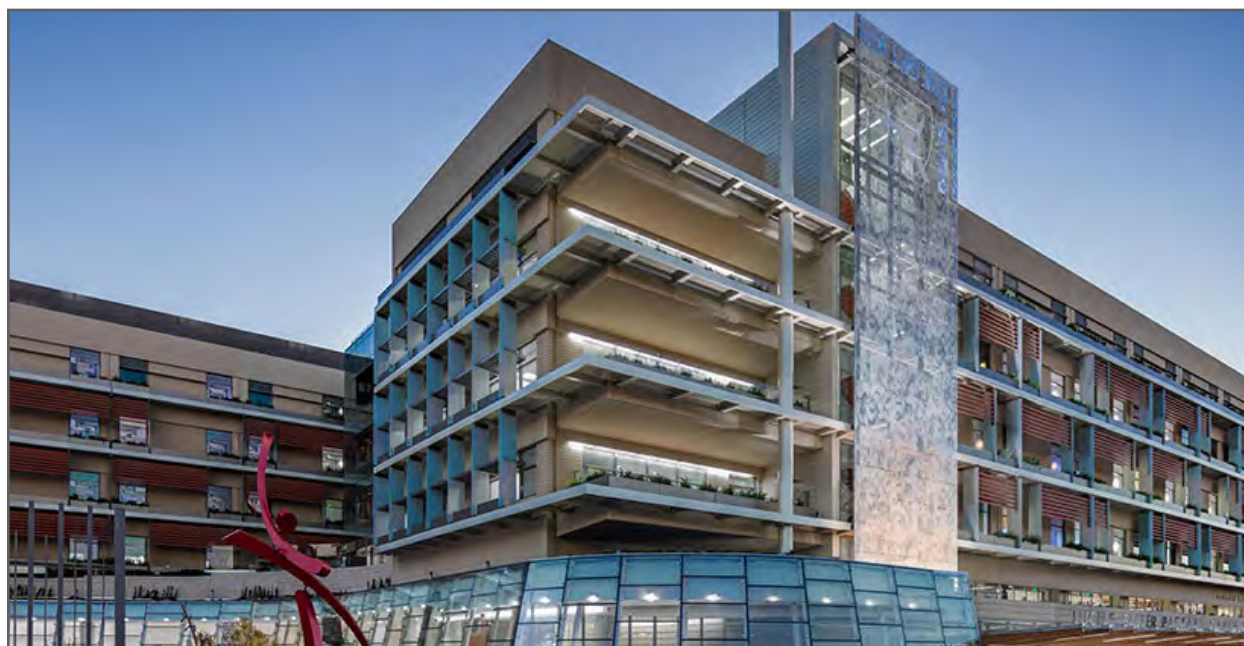
The Renewal Project continues to progress, with a major milestone reached in late 2017 with the opening of the Lucile Packard Children's Hospital Expansion. The New Stanford Hospital is nearing completion, and construction of the first new School of Medicine facility is also nearing completion. The section to follow provides an overview of central goals for the project elements that presently are under construction or nearing construction, a synopsis of progress to date, as well as a preview of near-term upcoming activities.

LUCILE PACKARD CHILDREN'S HOSPITAL

In response to growing community needs for specialized pediatric and obstetric care, Lucile Packard Children's Hospital opened an expanded facility in late 2017. The new hospital, located adjacent to the preexisting Packard Children's Hospital, provides patients and doctors with the most modern clinical advancements and technology, while also creating a more patient- and family-centered environment of care, with additional single-patient rooms and more spaces for families to be with their child during treatment and recovery.

The Packard Children's expansion features a new entrance lobby, public concourse with dining, three floors of nursing units, and new patient rooms. Spaces have been designed with an attention to natural light and views, and the exterior grounds—more than 3.5 acres of outdoor areas and gardens—provide a park-like setting for patients, families, and visitors.

In December 2017 the new facility received its license from the State Department of Public Health; this constituted issuance of an occupancy permit for purposes of the Development Agreement. Certain areas of the new Hospital remain under construction, including the Bass Center for Childhood Cancer and Blood Diseases on the 5th floor, and the Betty Irene Moore Children's Outpatient Heart Center on the 1st floor (both anticipated to complete in Fall 2019).



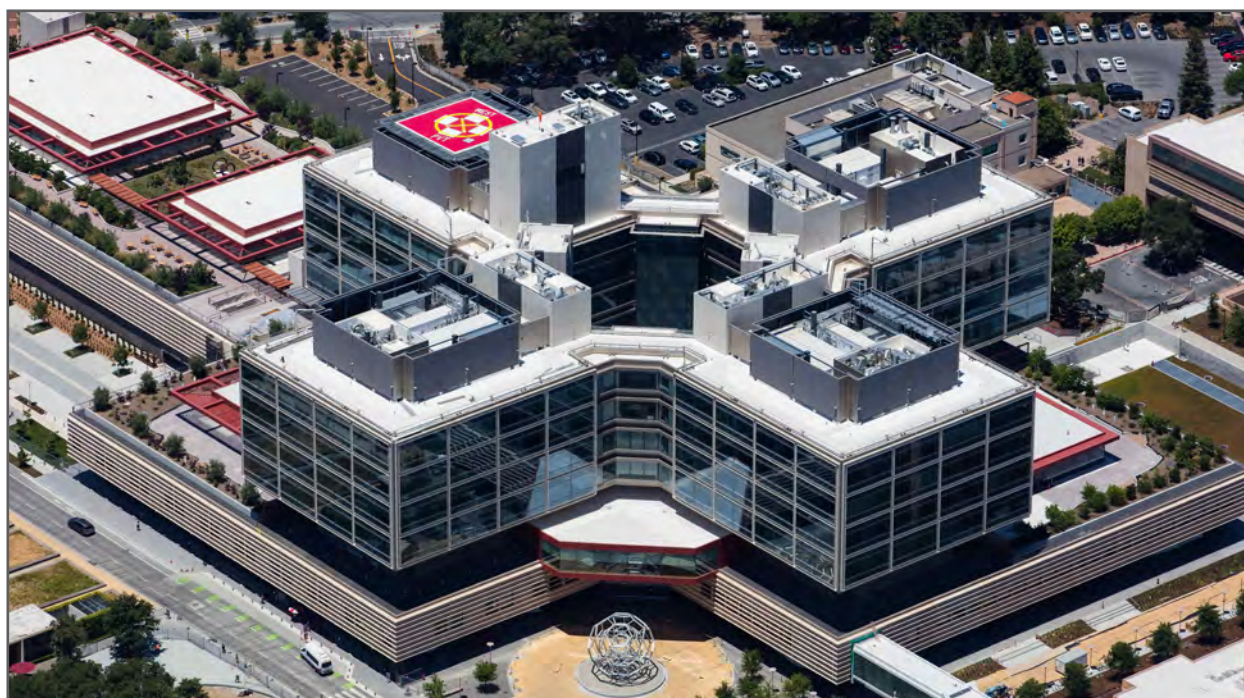
2018-2019 SUMMARY OF PROGRESS

NEW STANFORD HOSPITAL

Stanford Health Care is constructing new and replacement hospital facilities that will usher in a new era of advanced patient care. Growth in patient volumes and rapidly changing medical technology have rendered much of the existing midcentury hospital infrastructure inadequate, while new seismic safety requirements have accelerated the need to construct replacement facilities.

The New Stanford Hospital will substantially increase capacity, and will also address a rapidly advancing medical landscape. High-tech spaces such as Surgery, Radiology, and Intensive Care will be replaced to accommodate the latest advances in medical technology, while still retaining the flexibility to adapt to future innovations. Facilities will feature new patient rooms, an enlarged Level-1 trauma center and Emergency Department, and new surgical, diagnostic, and treatment rooms. And foremost, the new facility will create a healing environment responsive to the needs of patients, visitors, and staff. Upper-level pavilions will feature light-filled patient rooms, and a mid-level garden floor will offer dining, conference, and educational facilities, as well as social and spiritual support spaces.

Substantial progress has been made on the New Stanford Hospital project over the past year. Interior finish work is underway, including painting and flooring and lighting installation. Furniture installation has now begun as well, including patient beds and lounge seating; medical equipment installation is also in progress. Outside the Hospital, landscaping work is nearing completion, and exterior art installation is underway, including the centerpiece of the arrival plaza, a 28' tall sculpture consisting of three nested geodesic spheres and a series of LED lights that subtly change color and luminosity. Meanwhile, at the adjacent New Stanford Hospital Garage, interior construction of the rooftop pavilions and the rooftop landscape installation is complete; a Certificate of Occupancy for the Garage is anticipated in Summer 2019.



2018-2019 SUMMARY OF PROGRESS

SCHOOL OF MEDICINE

The Stanford University School of Medicine will replace its outmoded research buildings with new state-of-the-art facilities designed to support contemporary translational research. The new facilities will accommodate 21st century medical advancements and enable the development of new medical innovations. The new buildings will feature integrated laboratory suites, with easier access between labs and support facilities, enabling transparency, flexibility, and collaboration. The new facilities will be surrounded by landscaped areas and tree-lined walkways.

The first phase of School of Medicine development (BioMedical Innovations Building 1, or “BMI-1”) is underway, with substantial completion anticipated in Summer 2019. Interior finish work is currently in progress, including installation of millwork and lab casework. On the exterior, terra cotta and metal panel installation is underway, and site work continues along Pasteur Drive.



2018-2019 SUMMARY OF PROGRESS

NET NEW SQUARE FOOTAGE

The following table summarizes the net new square footage for which a certificate of occupancy has been issued.

PROJECT COMPONENT	GROSS SQUARE FOOTAGE
NEW STANFORD HOSPITAL	
1101 Welch demolished	(40,100)
Total	(40,100)
LUCILE PACKARD CHILDREN'S HOSPITAL EXPANSION	
701 Welch demolished	(56,300)
703 Welch demolished	(23,500)
Lucile Packard Children's Hospital Expansion	446,088
Total	366,288
SCHOOL OF MEDICINE	
None	0
HOOVER PAVILION	
Misc. shops and storage demolished	(13,831)
Stanford Neuroscience Health Center (Hoover MOB)	91,605
Total	77,774

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

This section of the Annual Report summarizes the steps that Stanford Medicine has taken to comply with their obligations under Section 5 of the Development Agreement.

HEALTH CARE BENEFITS

In addition to the health care funds listed below, Stanford Medicine provides certain intrinsic benefits to the community, as both a global leader in medical care and research, and as a community healthcare services provider. The Renewal Project enables Stanford Medicine to continue its important work, and the addition of more beds for adults and children will help to alleviate overcrowding. Additionally, the new hospital facilities will provide critical emergency preparedness and response resources for the community in the event of an earthquake, pandemic, or other major disaster.

Section 5(a)(ii). Fund for Healthcare Services

The Hospitals have designated the amount of \$3 million for Healthcare Services, which will increase to \$5.6 million by December 31, 2025. No further action is required until 2026. This amount will be reconciled with the construction use tax payments as described in Development Agreement Section 5(b)(ii)(C), and will be spent between 2026 and 2036.

Section 5(a)(iii). Fund for Community Health and Safety Programs

Stanford Medicine has contributed a single lump-sum payment of \$4 million to establish a Community Health and Safety Program Fund for the City of Palo Alto. This fund is to be distributed to selected community health programs that benefit residents of the City, including the Project Safety Net Program, a community-based mental health plan for youth well-being in Palo Alto. A joint committee is to be established to evaluate proposals regarding the other specific programs to receive funding, composed of two representatives selected by Stanford Medicine and two representatives selected by the City; this committee shall make annual recommendations to the City Council regarding proposed disbursements from the Community Health and Safety Program Fund, and the City Council shall use its reasonable discretion to decide whether to accept, reject, or modify the joint committee recommendations.

Stanford Medicine provided the entire required contribution to the Community Health and Safety Program Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

PALO ALTO FISCAL BENEFITS

The Stanford Medicine Renewal Project brings considerable fiscal benefits to the City of Palo Alto. The project is expected to generate \$8.1 million in sales and use tax revenues for the City, and multiple mechanisms have been put into place to ensure that this target is met. The Development Agreement also provides for further fiscal benefits to the City, including a payment by Stanford Medicine to fund the City's operating deficit, and the payment of utility user taxes and school fees.

Sections 5(b)(i) and 5(b)(ii). Payment of Sales and Use Taxes

As required by the Development Agreement, Stanford Medicine submitted its annual Construction Sales and Use Tax monitoring report to the City on June 30, 2019. The Stanford Medicine parties will continue to submit such a report annually during the construction period for the Renewal Project so that the City can determine the share of construction use taxes that it has received as a result of the Renewal Project. Each year, within 60 days of receiving the monitoring report, the City will provide its determination of the amount of construction use taxes that it has received as a result of the Renewal Project during the pre-ceeding calendar year. In August 2026 or soon thereafter, Stanford Medicine and the City will conduct a reconciliation process to confirm that the City has received at least \$8.1 million in construction use taxes as a result of the Renewal Project, as further described in Development Agreement Section 5(b)(ii).

To date, Stanford Medicine has taken the following steps detailed below to maximize the City's allocation of sales and use taxes associated with Project construction and operation. Documentation of each of these items is included in the 2018 construction use tax monitoring report already submitted.

- Stanford Medicine has obtained all permits and licenses necessary to maximize the City's allocation of construction use taxes derived from the project, including California Seller's Permits and Use Tax Direct Pay Permits. Copies of permits and licenses are attached to the 2018 monitoring report.
- Stanford Medicine has designated and required all contractors and subcontractors to designate the project site as the place of sale of all fixtures furnished or installed as part of the project.
- Stanford Medicine has designated and required all contractors and subcontractors to designate the project site as the place of use of all materials used in the construction of the project.
- Stanford Medicine has required all contractors and subcontractors to allocate the local sales and use taxes derived from their contracts directly to the City. Stanford Medicine has used best efforts to require contractors and subcontractors to complete and file any forms required by the State Board of Equalization to effect these designations.
- Both Hospitals have obtained use tax direct pay permits from the State of California for their existing facilities in order to increase the City tax allocation for the Hospitals' purchases. The Hospitals will maintain the use tax direct pay permit for the life of the project.
- Finally, Stanford Medicine has assisted the City in establishing and administering a Retail Sales and Use Tax Reporting District for the Renewal Project, to enable the City to track the generation, allocation, reporting and payment of sales and use taxes derived from the Project.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(b)(iii). Funding of Operating Deficit

In order to assure that City costs associated with the Renewal Project do not exceed revenues to the City resulting from construction and operation of the project, Stanford Medicine has provided to the City a single lump sum payment in the amount of \$2,417,000. This payment was made on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

Section 5(b)(iv). Payment of Utility User Tax

Stanford Medicine will pay the City a utility user tax at a minimum rate of 5 percent of all electricity, gas, and water charges allocable to new construction completed as part of the project for the life of the project. This rate may be increased by the City as provided by Section 2.35.100(b) of the Municipal Code. The 5 percent utility user tax is currently being paid by Stanford Medicine.

Section 5(b)(v). School Fees

Stanford Medicine will pay to the City—which is then to forward to the Palo Alto Unified School District—school fees upon issuance of each building permit from the City or OSHPD, in the amount that is generally applicable to non-residential development at the time of payment based upon net new square footage, as defined in the Development Agreement.

School fees were paid in 2012 for LPCH and SHC in the amounts of \$188,815 and \$153,802, respectively. In July 2013, additional school fees were paid in the amount of \$7,051 to account for additional program square footage for the New Stanford Hospital and Garage. In May 2014, an additional payment of school fees in the amount of \$16,119 was made to account for the incremental square footage associated with the Hoover Medical Office Building, beyond the 60,000 square feet originally planned. In November 2015, additional school fees in the amount of \$461.16 were paid to account for incremental square footage for the New Stanford Hospital Garage.

TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS

Stanford Medicine has taken a number of steps to mitigate the potential traffic impacts projected at full project buildout. Already, Stanford Medicine provides a robust transportation demand management program, offering a variety of incentives for employees to forego driving alone to work. As required by the Development Agreement, Stanford Medicine has taken the additional actions outlined below.

Section 5(c)(ii). Menlo Park Traffic Mitigation

Stanford Medicine agreed to contribute to the City of Menlo Park a total of \$3,699,000 for use in connection with traffic mitigation, infrastructure enhancements, and the promotion of sustainable neighborhoods and communities and affordable housing. This contribution has been made in three equal payments; the first payment of \$1,233,000 was made on August 19, 2011. The second payment of \$1,233,000 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit. The final payment in the amount of \$1,233,000 was made on December 14, 2017, within 30 days from issuance of the first Hospital occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(iii). East Palo Alto Voluntary Mitigation

Stanford Medicine has contributed a single lump sum payment of \$200,000 to East Palo Alto to be used for roadway and traffic signal improvements on University Avenue. This payment was made on August 19, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. In the event that Stanford Medicine does not meet alternative transportation mode goals specified in the Development Agreement by 2025 and is assessed a \$4 million payment under Development Agreement section 5(c)(ix)(B), the City will be required to remit \$150,000 of such payment to the City of East Palo Alto.

Section 5(c)(iv). Contributions to AC Transit

The Hospitals committed to the following actions within 30 days from issuance of the first Hospital occupancy permit, and have fulfilled these commitments as outlined below:

- The Hospitals agreed to offer a one-time payment of \$250,000 to AC Transit to be used for capital improvements to the U-Line to increase capacity (Section 5(c)(iv)(A)). As required, the Hospitals offered to contribute \$250,000 to AC Transit for capital improvements to the U Line; this offer was accepted, and the payment was made on January 5, 2018.
- The Hospitals agreed to offer to make annual payments to AC Transit in a reasonable amount, not to exceed \$50,000, to be used for operating costs of the U-Line to maintain a load factor for bus service to the Medical Center of less than 1 (Section 5(c)(iv)(B)). The Hospitals have commenced annual payments to AC Transit for purposes of U-Line operating costs.
- In order to encourage Hospital employees living in the East Bay to use public transit for their commute, the Hospitals committed to using best efforts to lease 75 parking spaces at the Ardenwood Park and Ride lot, or an equivalent location, at a cost not to exceed \$45,000 per year (Section 5(c)(iv)(C)). From May 2014 to April 2018, a 100-space park-and-ride facility on Kaiser Drive at Campus Drive in Fremont (0.9 mile from Ardenwood Park & Ride) was under lease for the use of Stanford University and Hospital commuters, thus satisfying this requirement ahead of schedule. In March 2018, Stanford was provided with 30-days' notice to vacate the facility, and immediately commenced a search for replacement parking facilities. An equivalent temporary East Bay park and ride solution was secured in the vicinity of Ardenwood, and is in use by SUMC commuters from the East Bay. The Hospitals are in the process of securing a long-term location.

Section 5(c)(v). Opticom Payments

Within 30 days from issuance of the first Hospital occupancy permit, the Hospitals committed to pay \$11,200 to the City of Palo Alto to be used for the installation of Opticom traffic control systems at the following seven intersections: El Camino Real/Palm Drive/University Avenue; El Camino Real/Page Mill Road; Middlefield Road/Lytton Road; Junipero Serra/Page Mill Road; Junipero Serra/Campus Drive West; Galvez/Arboretum; and the Alpine/280 Northbound ramp. However, since the time that this commitment was made, the City determined that Opticom systems are outdated, and proposed the purchase and installation of the ATMS.now Emergency.now package, which would allow coordinated prioritization at all City-maintained traffic signals. Agreement to this change in traffic signal priority system is documented in a letter dated December 12, 2017 from the City Manager to the SUMC Parties, which was accepted and agreed to by the SUMC Parties by countersigned letter. The required payment was made on December 12, 2017, within 30 days of issuance of the first Hospital occupancy permit.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(vi). Caltrain GO Passes

The Development Agreement requires that the Hospitals purchase annual Caltrain GO Passes for all existing and new Hospital employees who work more than 20 hours per week at a cost of up to approximately \$1.8 million per year, beginning on September 1, 2015. This obligation is expected to continue for a period of 51 years.

Hospital management accelerated the purchase of the annual GO Pass for Hospital employees, and began providing free GO Passes to employees commencing on January 1, 2012. Further details regarding the GO Pass purchase can be found in the Alternative Mode Share report, which was submitted to the City on May 31, 2019.

Section 5(c)(vii). Marguerite Shuttle Service

The Hospitals will fund the reasonable costs, in an approximate amount of \$2 million, for the purchase of additional shuttle vehicles for the Marguerite shuttle service, as and when required to meet increased demand for shuttle service between the project sites and the Palo Alto Intermodal Transit Station. In addition, the Hospitals will fund as annual payments the reasonable costs, in an approximate amount of \$450,000 per year, to cover the net increase in operating costs for the Marguerite Shuttle. Demand for the Marguerite shuttle increased in 2012, and the Hospitals funded the purchase of three new hybrid shuttles to meet this increased demand. Since this time, the Hospitals have funded as annual payments the reasonable costs of the net increase in operating costs for the Marguerite Shuttle.

Section 5(c)(viii). Transportation Demand Management Coordinator

The Development Agreement requires that the Hospitals employ an onsite qualified Transportation Demand Management (TDM) Coordinator for Stanford Medicine, commencing on September 1, 2015, and continuing through the life of the Renewal Project.

Because the Hospitals accelerated the purchase of the Caltrain GO Pass, the Hospitals also accelerated the hiring of the TDM Coordinator, filling this position in March 2012. In September 2018, the position was vacated, and the Senior Operations Manager of the Hospitals' Parking & Access department is currently assuming the responsibilities of this position with support from the TDM team at P&TS. The Senior Operations Manager is currently responsible for overseeing the analysis, development, and implementation of programs to advance the Hospitals' TDM objectives while the TDM Coordinator position remains open. Specific duties that are carried out in collaboration with P&TS include raising awareness among commuters about alternative transportation options and Stanford's commute incentive programs; providing alternative commute planning assistance and responses to customer inquiries; writing and editing electronic and print communications; coordinating and staffing outreach events, such as free transit pass distributions and employee fairs; and providing alternative transportation information and resources at new employee orientations.

Upon opening of the New Stanford Hospital, there will be a new Transportation Hub, which will serve as an alternative transportation information center available to both staff and patients. The Transportation Hub will incorporate a monitor screen ("Transit Screen") that will display all mobility options in the area, at a glance, in real time. In conjunction with opening the Hub, the Hospitals are recruiting new TDM personnel to carry out the work currently overseen by the Senior Operations Manager.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(ix). Monitoring of TDM Programs

The Hospitals are required to submit annual monitoring reports showing the current number of employees employed over 20 hours per week; the number of employees using an alternative transportation mode as documented by a study or survey to be completed by the Hospitals using a method mutually agreeable to the City and the Hospitals; and the efforts used by the Hospitals to attempt to achieve the Alternative Mode Targets identified in the Development Agreement. The Development Agreement specifies payments to be made in the event that such targets are not met during particular time periods. Stanford Medicine submitted its 2019 Alternative Mode Share Report to the City on May 31, 2019; this report shows an alternative mode split of 33.8% for the Hospitals. This mode split exceeds the Alternative Mode Share target for 2021.



COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

LINKAGES

To further encourage use of Caltrain, bus, and other transit services, and to enhance and encourage use of pedestrian and bicycle connections between Stanford Medicine and downtown Palo Alto, Stanford Medicine has funded the following specific infrastructure improvements.

Section 5(d)(i). Intermodal Transit Fund

Stanford Medicine has provided to the City one lump sum payment of \$2.25 million for improvements to enhance the pedestrian and bicycle connection from the Palo Alto Intermodal Transit Center to the existing intersection of El Camino Real and Quarry Road. Up to \$2 million of this amount is to be used by the City for the development of an attractive, landscaped passive park/green space with a clearly marked and lighted pedestrian pathway, benches, and flower borders. Stanford Medicine paid the entire required amount for the Intermodal Transit Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

In Summer 2017, prior to issuance of the first Hospital Occupancy Permit, the City completed a temporary path with associated lighting, landscaping / green space, benches, and flower borders from the transit center to the existing crosswalk at the intersection of El Camino Real and Quarry Road. Available funds remaining (approximately \$1.69 million) will be applied to the construction of permanent improvements in the future.

Section 5(d)(ii). Quarry Road Fund

Stanford Medicine has provided to the City one lump sum payment of \$400,000 for improvements to and within the public right-of-way to enhance the pedestrian and bicycle connection from the west side of El Camino Real to Welch Road along Quarry Road, including urban design elements and way finding, wider bicycle lanes, as necessary, on Quarry Road, enhanced transit nodes for bus and/or shuttle stops, and prominent bicycle facilities. Stanford Medicine paid the entire required amount for the Quarry Road Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used. The City was required to construct the improvements prior to issuance of the first Hospital Occupancy Permit, but as agreed to with Stanford Medicine, delayed implementation of these improvements until utility trenching to the Medical Center was complete. In late 2018, the City completed these improvements, including enhanced crosswalks and bicycle striping and signage.

Section 5(d)(iii). Stanford Barn Connection

Stanford Medicine agreed to construct up to \$700,000 of improvements to enhance the pedestrian connection between the Main Medical Campus and the Stanford Shopping Center from Welch Road to Vineyard Lane, in the area adjacent to the Stanford Barn prior to issuance of the first Hospital Occupancy permit. Construction of the improvements completed in November 2017, in advance of issuance of the first Hospital Occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING

Section 5(e). Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing

Stanford Medicine agreed to contribute a total amount of \$23.2 million toward City of Palo Alto infrastructure, sustainable neighborhoods and communities, and affordable housing. As required by the Development Agreement, this contribution has been made in three equal payments. The first payment, in the amount of \$7,733,333, was made on August 25, 2011; the second payment of \$7,733,333 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment of \$7,733,333 was made on December 12, 2017, within 30 days from issuance of the first Hospital occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

The City will use \$1,720,488 of these funds in the same manner as funds collected under the City's housing fee ordinance.

CLIMATE CHANGE

Section 5(f). Climate Change Fund

Stanford Medicine agreed to contribute a total amount of \$12 million toward City projects and programs for a sustainable community, including programs identified in the City's Climate Action Plan, carbon credits, and investments in renewable energy and energy conservation. As required by the Development Agreement, this contribution has been made in three equal payments. The first payment, in the amount of \$4 million, was made on August 25, 2011; the second payment of \$4 million was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment of \$4 million was made on December 12, 2017, within 30 days from issuance of the first Hospital occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

SATISFACTION OF CONDITIONS OF APPROVAL

Section 5(h). Satisfaction of All Conditions of Approval

Stanford Medicine will satisfy all Conditions of Approval by the dates and within the time periods required by the project approvals, subject to modifications allowed by the Development Agreement, and has taken several steps in order to ensure that this requirement is met (Section 5(h)). The Conditions of Approval encompass conditions imposed by the Architectural Review Board, mitigation measures enumerated in the Mitigation Monitoring and Reporting Program, and conditions attached to the Conditional Use Permit.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

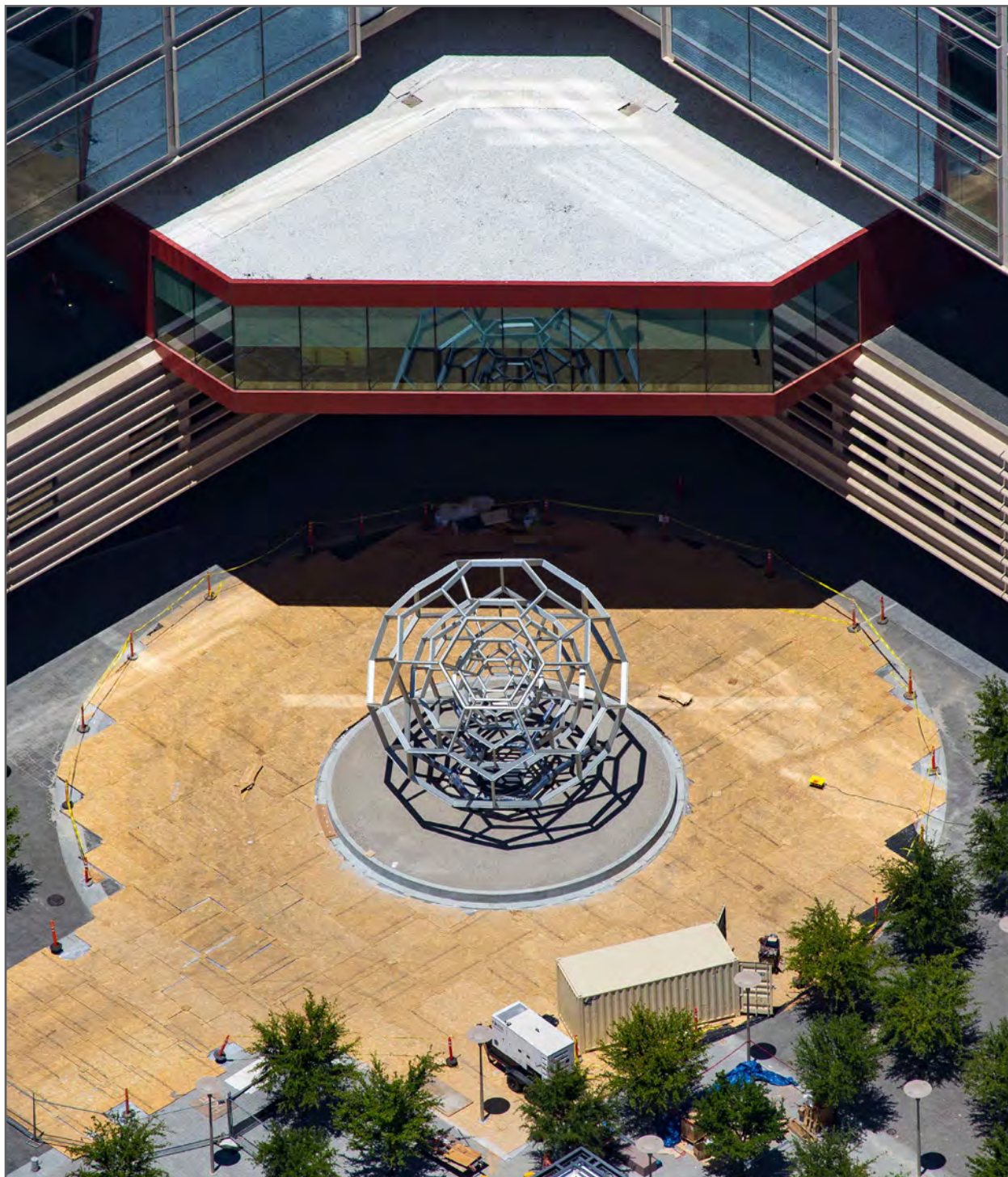
In order to implement, monitor, and report on the implementation of this diverse array of conditions, Stanford Medicine, with input from City planning staff, has created two Excel spreadsheet tracking and reporting tools. These spreadsheets serve as a centralized repository for compliance monitoring information and documentation, and are updated by the Stanford Medicine project teams on a regular basis, and reviewed by the City.

Note that, as authorized by Development Agreement Section 6(p), the Lucile Packard Children's Hospital requested changes in timing of performance for three Conditions of Approval otherwise required to be complete prior to Hospital occupancy; these requests were conditionally approved by the City, and the three affected Conditions were satisfied by December 21, 2018, as agreed to by the City and the SUMC Parties.



CONCLUSION

As the Renewal Project completes its eighth year, Stanford Medicine looks forward to continued engagement with the City of Palo Alto as the project continues to forge ahead.





2019-20 ANNUAL REPORT

PREPARED FOR THE CITY OF PALO ALTO | JULY 6, 2020

CONTENTS

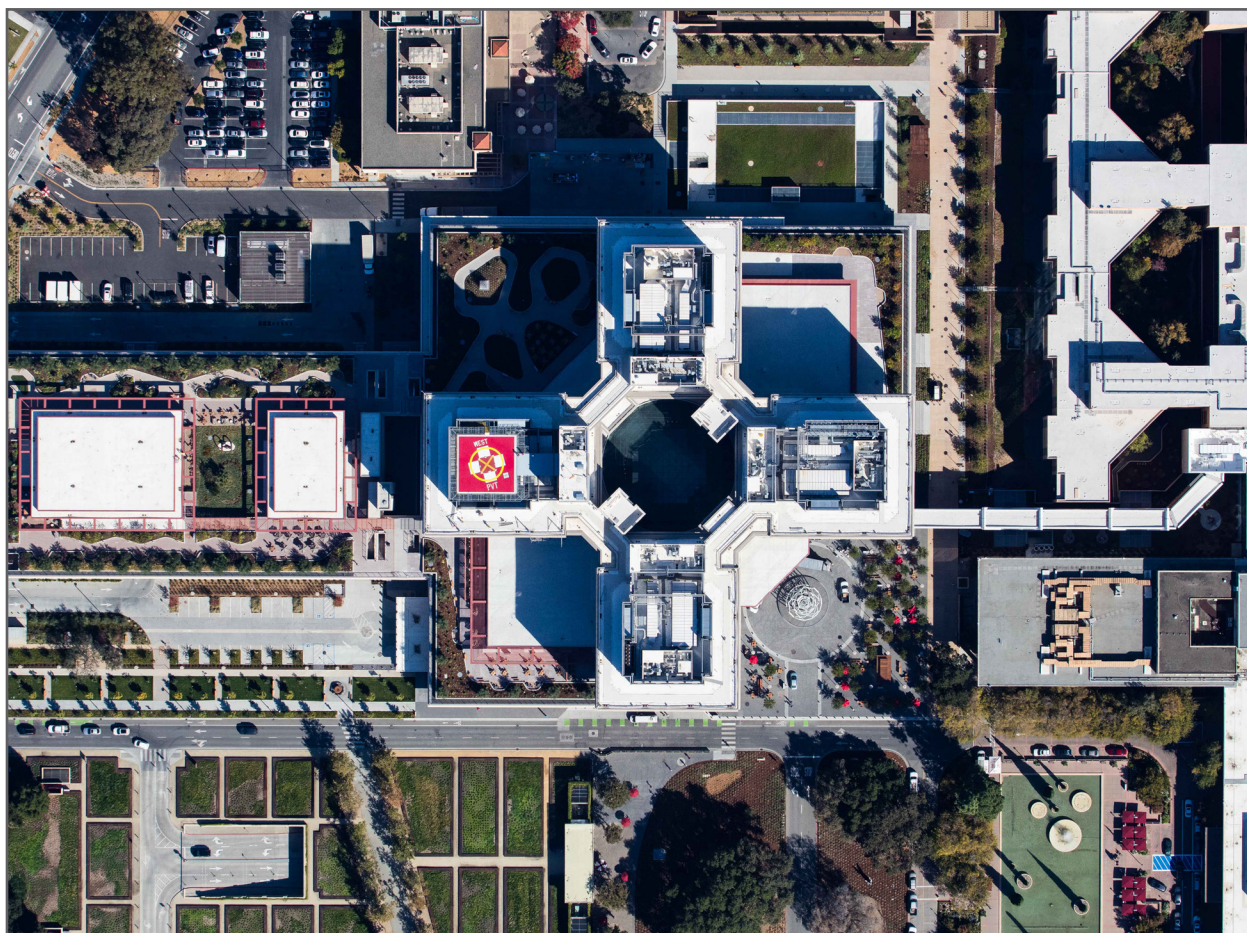
EXECUTIVE SUMMARY	1
BACKGROUND AND PURPOSE	2
2019-2020 SUMMARY OF PROGRESS	3
LUCILE PACKARD CHILDREN'S HOSPITAL	3
NEW STANFORD HOSPITAL	4
SCHOOL OF MEDICINE	5
NET NEW SQUARE FOOTAGE	6
COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS	7
HEALTH CARE BENEFITS	7
SECTION 5(a)(ii). FUND FOR HEALTHCARE SERVICES	7
SECTION 5(a)(iii). FUND FOR COMMUNITY HEALTH AND SAFETY PROGRAMS	7
PALO ALTO FISCAL BENEFITS	8
SECTIONS 5(b)(i) AND 5(b)(ii). PAYMENT OF SALES AND USE TAXES	8
SECTION 5(b)(iii). FUNDING OF OPERATING DEFICIT	9
SECTION 5(b)(iv). PAYMENT OF UTILITY USER TAX	9
SECTION 5(b)(v). SCHOOL FEES	9
TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS	9
SECTION 5(c)(ii). MENLO PARK TRAFFIC MITIGATION	9
SECTION 5(c)(iii). EAST PALO ALTO VOLUNTARY MITIGATION	10
SECTION 5(c)(iv). CONTRIBUTIONS TO AC TRANSIT	10
SECTION 5(c)(v). OPTICOM PAYMENTS	10
SECTION 5(c)(vi). CALTRAIN GO PASSES	11
SECTION 5(c)(vii). MARGUERITE SHUTTLE SERVICE	11
SECTION 5(c)(viii). TRANSPORTATION DEMAND MANAGEMENT COORDINATOR	11
SECTION 5(c)(ix). MONITORING OF TDM PROGRAMS	12
LINKAGES	13
SECTION 5(d)(i). INTERMODAL TRANSIT FUND	13
SECTION 5(d)(ii). QUARRY ROAD FUND	13
SECTION 5(d)(iii). STANFORD BARN CONNECTION	13
INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING	14
SECTION 5(e).	14
CLIMATE CHANGE	14
SECTION 5(f). CLIMATE CHANGE FUND	14
SATISFACTION OF CONDITIONS OF APPROVAL	14
SECTION 5(h). SATISFACTION OF ALL CONDITIONS OF APPROVAL	14
CONCLUSION	16

EXECUTIVE SUMMARY

On June 6, 2011, the Stanford University Medical Center parties (now Stanford Medicine)—comprised of Stanford Hospital and Clinics (now Stanford Health Care), Lucile Packard Children’s Hospital, and Stanford University—entered into a Development Agreement with the City of Palo Alto, committing to provide a range of community benefits in exchange for vested development rights to develop and use the Stanford Medicine Renewal and Replacement Project (“Renewal Project”) facilities in accordance with the approvals granted by the City, and a streamlined process for obtaining subsequent project approvals. The Renewal Project—driven by a growing demand for healthcare services, state-mandated seismic safety requirements, and the need to replace outmoded facilities with modern, technologically advanced spaces—is transforming the way that healthcare is delivered and research is conducted.

Today, nine years after the execution of the Development Agreement, the Lucile Packard Children’s Hospital Expansion and the new Stanford Hospital are now open for patient care. Meanwhile, the School of Medicine has nearly completed the first phase of development of its replacement facilities, with its BioMedical Innovations building anticipated to receive certificate of occupancy in Fall 2020.

Against this backdrop, Stanford Medicine submits its Annual Report in compliance with Section 12(c) of the Development Agreement, and looks forward to continued collaboration with the City of Palo Alto in advancing the goals of both Stanford Medicine and the broader community.



BACKGROUND AND PURPOSE

The Palo Alto City Council's unanimous approval of the entitlements for the Stanford Medicine Renewal and Replacement Project in July 2011 has paved the way for a historic investment in new and replacement facilities for Stanford Medicine. The project approvals—including new zoning for the Renewal Project sites, a conditional use permit, architectural review approval, and the execution of a Development Agreement—allow for the construction of approximately 1.3 million net new square feet of hospital facilities, clinics, medical offices, and medical research spaces, and will enable the Hospitals to optimize the delivery of healthcare services to patients, and maintain their position as leading providers of world-class healthcare.

In order to facilitate this important replacement and expansion work, the Stanford Medicine parties entered into a Development Agreement with the City of Palo Alto, which includes a comprehensive package of community benefits and additional development conditions. In exchange for these benefits, the City has vested for a period of 30 years Stanford Medicine's rights to develop and use the property in accordance with the project approvals, and agreed to streamline the process for obtaining subsequent approvals.

The terms of the Development Agreement (Section 12(c)) provide for a periodic review of compliance, and require that Stanford Medicine submit an Annual Report to the City of Palo Alto's Director of Planning and Community Environment each year within 30 days of the anniversary of the agreement effective date (June 6, 2011). The Annual Report is to summarize Stanford Medicine's progress on the Renewal Project, including a list of net new square footage for which a certificate of occupancy has been received, and a description of the steps that Stanford Medicine has taken to comply with the obligations listed in Section 5 of the Development Agreement. With this report, Stanford Medicine fulfills these requirements. Within 45 days of receipt of this Annual Report, the City will prepare a Supplement to the Annual Report, to provide an accounting of the City's balances and expenditures from each of the City Funds and how they were used.



2019-2020 SUMMARY OF PROGRESS

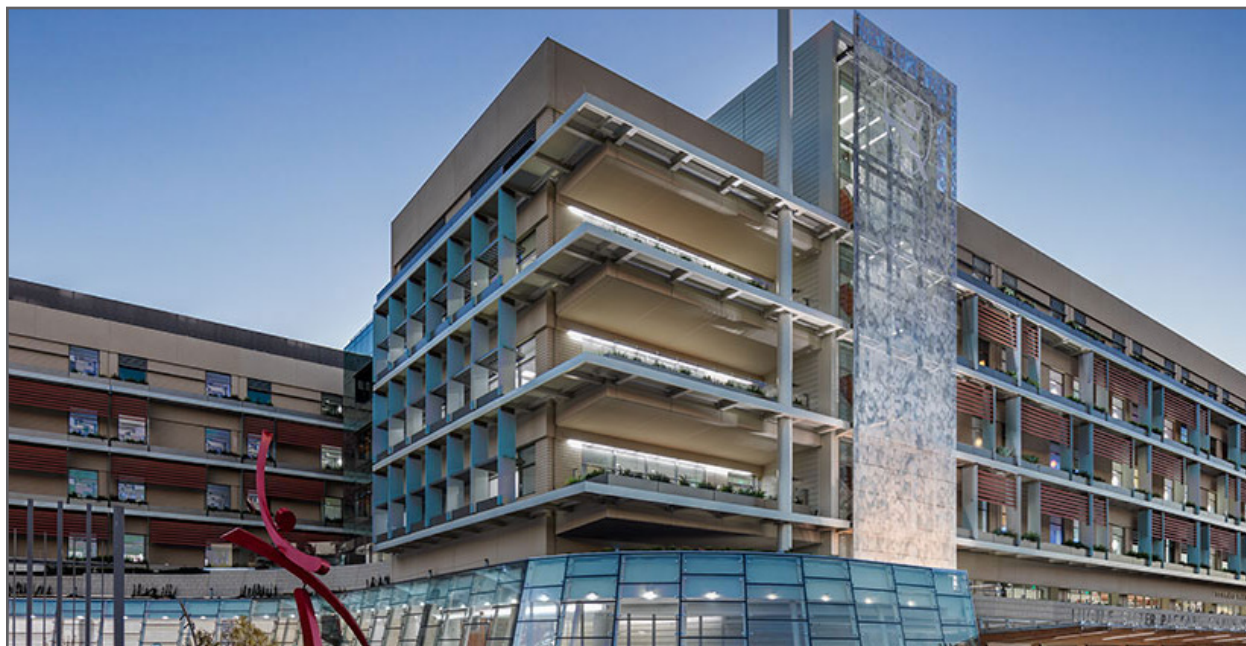
The Renewal Project continues to progress, with its most recent major milestone reached in late 2019 with the opening of the New Stanford Hospital. The construction of the first new School of Medicine facility is also nearing completion. The section to follow provides an overview of central goals for the project elements that presently are under construction or nearing construction, a synopsis of progress to date, as well as a preview of near-term upcoming activities.

LUCILE PACKARD CHILDREN'S HOSPITAL

In response to growing community needs for specialized pediatric and obstetric care, Lucile Packard Children's Hospital opened an expanded facility in late 2017. The new Main building, located adjacent to the preexisting Lucile Packard Children's Hospital (West building), provides patients and doctors with the most modern clinical advancements and technology, while also creating a more patient- and family-centered environment of care, with additional single-patient rooms and more spaces for families to be with their child during treatment and recovery.

The LPCH Main building features a new entrance lobby, public concourse with dining, three floors of nursing units, and new patient rooms. Spaces have been designed with an attention to natural light and views, and the exterior grounds—more than 3.5 acres of outdoor areas and gardens—provide a park-like setting for patients, families, and visitors.

In December 2017, the new facility received its license from the State Department of Public Health; this constituted issuance of an occupancy permit for purposes of the Development Agreement. In Winter 2019, additional shelled spaces within the Main building were completed and opened to patient care, including the Bass Center for Childhood Cancer and Blood Diseases on the 5th floor, and the Betty Irene Moore Children's Outpatient Heart Center on the 1st floor.



2019-2020 SUMMARY OF PROGRESS

NEW STANFORD HOSPITAL

Stanford Health Care is constructing new and replacement hospital facilities to usher in a new era of advanced patient care. Growth in patient volumes and rapidly changing medical technology have rendered much of the existing midcentury hospital infrastructure inadequate, while new seismic safety requirements have accelerated the need to construct replacement facilities.

In November 2019, Stanford Health Care's first phase of facilities renewal completed as the New Stanford Hospital received its license from the State Department of Public Health and opened to patient care. The facility features an advanced interventional platform that combines surgical, procedural and imaging technologies to improve the precision of medical care. The interventional platform brings together 20 operating rooms (ORs), 2 hybrid ORs, 8 interventional, radiology and image-guidance rooms, 3 MRIs, 3 CTs and 1 intra-operative MRI. Here multiple surgical and procedural specialists—cardiologists, gastroenterologists, surgeons, radiologists and pulmonologists—are brought together into one common area. The space is further integrated with a centralized pre-operative and post-operative prep and recovery that allows for coordinated patient care throughout the surgical process.

An expanded Emergency Department at the new Hospital serves adults and trauma patients in private and semi-private patient bays, with imaging next door for expediency. Larger patient treatment areas provide space for families. Pediatric patients seeking emergency services are now treated in a new pediatric emergency department at the preexisting Stanford Hospital. As the only Level-1 Trauma Center between San Francisco and San Jose, the new Stanford Hospital is built to withstand the strongest earthquake and designed for readiness in the event of disaster. The parking structure connected to the Emergency Department converts to a triage and treatment center in the event of a large-scale emergency.

At the center of the new Stanford Hospital is a floor dedicated to providing support and comfort to patients, families, and caregivers, featuring a Family Resource Center, Stanford Health Library, interfaith chapel, and rooftop gardens. The new Stanford Hospital places value on the healing qualities of art and nature. Captivating murals and large-scale art pieces displayed throughout the hospital inspire healing and hope. Four acres of gardens surround the new hospital, providing patients, visitors and staff with access to natural settings, light and open space, all proven to help promote health and well-being.

With the new Stanford Hospital now complete, Stanford Health Care is beginning a series of renovations within its existing facilities, including the conversion of shared patient rooms into private rooms; this renovation work is planned to proceed in phases over the next several years.



2019-2020 SUMMARY OF PROGRESS

SCHOOL OF MEDICINE

The Stanford University School of Medicine is replacing its outmoded research buildings with new state-of-the-art facilities designed to support contemporary translational research. The new facilities will accommodate 21st century medical advancements and enable the development of new medical innovations. The new buildings will feature integrated laboratory suites, with easier access between labs and support facilities, enabling transparency, flexibility, and collaboration. The new facilities will be surrounded by landscaped areas and tree-lined walkways.

The first phase of School of Medicine development (BioMedical Innovations Building 1, or “BMI-1”) features four above-grade floors of research labs and light-filled gathering places, and a lower basement level for utility support, as well as a connective tunnel to other nearby research facilities. Building interiors were designed for best practices for laboratory design safety and space allocation, with a flexible template to maximize efficient use of space and ease of renovation. The four above-grade floors provide space for a mix of disciplines, basic and clinical research, wet and dry labs, and leading-edge translational studies. BMI-1 is now substantially complete, with a certificate of occupancy anticipated in Fall 2020.



2019-2020 SUMMARY OF PROGRESS

NET NEW SQUARE FOOTAGE

The following table summarizes the net new square footage for which a certificate of occupancy has been issued.

PROJECT COMPONENT	GROSS SQUARE FOOTAGE
NEW STANFORD HOSPITAL	
1101 Welch demolished	(40,100)
500 Pasteur ¹	719,261
Total	679,161
LUCILE PACKARD CHILDREN'S HOSPITAL EXPANSION	
701 Welch demolished	(56,300)
703 Welch demolished	(23,500)
Lucile Packard Children's Hospital Expansion	446,088
Total	366,288
HOOVER PAVILION	
Misc. shops and storage demolished	(13,831)
Stanford Neuroscience Health Center (Hoover MOB)	91,605
Total	77,774

¹ Final gross floor area calculations for 500 Pasteur are currently under City review as a revision to Building Permit #12000-00444.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

This section of the Annual Report summarizes the steps that Stanford Medicine has taken to comply with their obligations under Section 5 of the Development Agreement.

HEALTH CARE BENEFITS

In addition to the health care funds listed below, Stanford Medicine provides certain intrinsic benefits to the community, as both a global leader in medical care and research, and as a community healthcare services provider. The Renewal Project enables Stanford Medicine to continue its important work, and the addition of more beds for adults and children will help to alleviate overcrowding. Additionally, the new hospital facilities provide critical emergency preparedness and response resources for the community in the event of an earthquake, pandemic, or other major disaster.

Section 5(a)(ii). Fund for Healthcare Services

The Hospitals have designated the amount of \$3 million for Healthcare Services, which will increase to \$5.6 million by December 31, 2025. No further action is required until 2026. This amount will be reconciled with the construction use tax payments as described in Development Agreement Section 5(b)(ii)(C), and will be spent between 2026 and 2036.

Section 5(a)(iii). Fund for Community Health and Safety Programs

Stanford Medicine has contributed a single lump-sum payment of \$4 million to establish a Community Health and Safety Program Fund for the City of Palo Alto. This fund is to be distributed to selected community health programs that benefit residents of the City, including the Project Safety Net Program, a community-based mental health plan for youth well-being in Palo Alto. A joint committee is to be established to evaluate proposals regarding the other specific programs to receive funding, composed of two representatives selected by Stanford Medicine and two representatives selected by the City; this committee shall make annual recommendations to the City Council regarding proposed disbursements from the Community Health and Safety Program Fund, and the City Council shall use its reasonable discretion to decide whether to accept, reject, or modify the joint committee recommendations.

Stanford Medicine provided the entire required contribution to the Community Health and Safety Program Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision, though Stanford Medicine welcomes the opportunity to participate in the joint committee to evaluate proposals for programs to receive funding. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

PALO ALTO FISCAL BENEFITS

The Stanford Medicine Renewal Project brings considerable fiscal benefits to the City of Palo Alto. The project is expected to generate \$8.1 million in sales and use tax revenues for the City, and multiple mechanisms have been put into place to ensure that this target is met. The Development Agreement also provides for further fiscal benefits to the City, including a payment by Stanford Medicine to fund the City's operating deficit, and the payment of utility user taxes and school fees.

Sections 5(b)(i) and 5(b)(ii). Payment of Sales and Use Taxes

As required by the Development Agreement, Stanford Medicine submitted its annual Construction Sales and Use Tax monitoring report to the City on June 30, 2020. The Stanford Medicine parties will continue to submit such a report annually during the construction period for the Renewal Project so that the City can determine the share of construction use taxes that it has received as a result of the Renewal Project. Each year, within 60 days of receiving the monitoring report, the City will provide its determination of the amount of construction use taxes that it has received as a result of the Renewal Project during the preceding calendar year. In August 2026 or soon thereafter, Stanford Medicine and the City will conduct a reconciliation process to confirm that the City has received at least \$8.1 million in construction use taxes as a result of the Renewal Project, as further described in Development Agreement Section 5(b)(ii).

To date, Stanford Medicine has taken the following steps detailed below to maximize the City's allocation of sales and use taxes associated with Project construction and operation. Documentation of each of these items is included in the 2019 construction use tax monitoring report already submitted.

- Stanford Medicine has obtained all permits and licenses necessary to maximize the City's allocation of construction use taxes derived from the project, including California Seller's Permits and Use Tax Direct Pay Permits. Copies of permits and licenses are attached to the 2019 monitoring report.
- Stanford Medicine has designated and required all contractors and subcontractors to designate the project site as the place of sale of all fixtures furnished or installed as part of the project.
- Stanford Medicine has designated and required all contractors and subcontractors to designate the project site as the place of use of all materials used in the construction of the project.
- Stanford Medicine has required all contractors and subcontractors to allocate the local sales and use taxes derived from their contracts directly to the City. Stanford Medicine has used best efforts to require contractors and subcontractors to complete and file any forms required by the State Board of Equalization to effect these designations.
- Both Hospitals have obtained use tax direct pay permits from the State of California for their existing facilities in order to increase the City tax allocation for the Hospitals' purchases. The Hospitals will maintain the use tax direct pay permit for the life of the project.
- Finally, Stanford Medicine has assisted the City in establishing and administering a Retail Sales and Use Tax Reporting District for the Renewal Project, to enable the City to track the generation, allocation, reporting and payment of sales and use taxes derived from the Project.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(b)(iii). Funding of Operating Deficit

In order to assure that City costs associated with the Renewal Project do not exceed revenues to the City resulting from construction and operation of the project, Stanford Medicine has provided to the City a single lump sum payment in the amount of \$2,417,000. This payment was made on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

Section 5(b)(iv). Payment of Utility User Tax

Stanford Medicine will pay the City a utility user tax at a minimum rate of 5 percent of all electricity, gas, and water charges allocable to new construction completed as part of the project for the life of the project. This rate may be increased by the City as provided by Section 2.35.100(b) of the Municipal Code. The 5 percent utility user tax is currently being paid by Stanford Medicine.

Section 5(b)(v). School Fees

Stanford Medicine will pay to the City—which is then to forward to the Palo Alto Unified School District—school fees upon issuance of each building permit from the City or OSHPD, in the amount that is generally applicable to non-residential development at the time of payment based upon net new square footage, as defined in the Development Agreement.

School fees were paid in 2012 for LPCH and SHC in the amounts of \$188,815 and \$153,802, respectively. In July 2013, additional school fees were paid in the amount of \$7,051 to account for additional program square footage for the New Stanford Hospital and Garage. In May 2014, an additional payment of school fees in the amount of \$16,119 was made to account for the incremental square footage associated with the Hoover Medical Office Building, beyond the 60,000 square feet originally planned. In November 2015, additional school fees in the amount of \$461.16 were paid to account for incremental square footage for the New Stanford Hospital Garage.

TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS

Stanford Medicine has taken a number of steps to mitigate the potential traffic impacts projected at full project buildout. Already, Stanford Medicine provides a robust transportation demand management program, offering a variety of incentives for employees to forego driving alone to work. As required by the Development Agreement, Stanford Medicine has taken the additional actions outlined below.

Section 5(c)(ii). Menlo Park Traffic Mitigation

Stanford Medicine agreed to contribute to the City of Menlo Park a total of \$3,699,000 for use in connection with traffic mitigation, infrastructure enhancements, and the promotion of sustainable neighborhoods and communities and affordable housing. This contribution has been made in three equal payments; the first payment of \$1,233,000 was made on August 19, 2011. The second payment of \$1,233,000 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit. The final payment in the amount of \$1,233,000 was made on December 14, 2017, within 30 days from issuance of the first Hospital occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(iii). East Palo Alto Voluntary Mitigation

Stanford Medicine has contributed a single lump sum payment of \$200,000 to East Palo Alto to be used for roadway and traffic signal improvements on University Avenue. This payment was made on August 19, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. In the event that Stanford Medicine does not meet alternative transportation mode goals specified in the Development Agreement by 2025 and is assessed a \$4 million payment under Development Agreement section 5(c)(ix)(B), the City will be required to remit \$150,000 of such payment to the City of East Palo Alto.

Section 5(c)(iv). Contributions to AC Transit

The Hospitals committed to the following actions within 30 days from issuance of the first Hospital occupancy permit, and have fulfilled these commitments as outlined below:

- The Hospitals agreed to offer a one-time payment of \$250,000 to AC Transit to be used for capital improvements to the U-Line to increase capacity (Section 5(c)(iv)(A)). As required, the Hospitals offered to contribute \$250,000 to AC Transit for capital improvements to the U Line; this offer was accepted, and the payment was made on January 5, 2018.
- The Hospitals agreed to offer to make annual payments to AC Transit in a reasonable amount, not to exceed \$50,000, to be used for operating costs of the U-Line to maintain a load factor for bus service to the Medical Center of less than 1 (Section 5(c)(iv)(B)). The Hospitals have commenced annual payments to AC Transit for purposes of U-Line operating costs.
- In order to encourage Hospital employees living in the East Bay to use public transit for their commute, the Hospitals committed to using best efforts to lease 75 parking spaces at the Ardenwood Park and Ride lot, or an equivalent location, at a cost not to exceed \$45,000 per year (Section 5(c)(iv)(C)). From May 2014 to April 2018, a 100-space park-and-ride facility on Kaiser Drive at Campus Drive in Fremont (0.9 mile from Ardenwood Park & Ride) was under lease for the use of Stanford University and Hospital commuters, thus satisfying this requirement ahead of schedule. In March 2018, Stanford was provided with 30-days' notice to vacate the facility, and immediately commenced a search for replacement parking facilities. An equivalent temporary East Bay park and ride solution was secured in the vicinity of Ardenwood, and has been in use by Stanford Medicine commuters from the East Bay. The Hospitals have now secured a long-term location on Fircrest Street in Newark, and the new facility will open to Stanford Medicine commuters in July 2020.

Section 5(c)(v). Opticom Payments

Within 30 days from issuance of the first Hospital occupancy permit, the Hospitals committed to pay \$11,200 to the City of Palo Alto to be used for the installation of Opticom traffic control systems at the following seven intersections: El Camino Real/Palm Drive/University Avenue; El Camino Real/Page Mill Road; Middlefield Road/Lytton Road; Junipero Serra/Page Mill Road; Junipero Serra/Campus Drive West; Galvez/Arboretum; and the Alpine/280 Northbound ramp. However, since the time that this commitment was made, the City determined that Opticom systems are outdated, and proposed the purchase and installation of the ATMS.now Emergency.now package, which would allow coordinated prioritization at all City-maintained traffic signals. Agreement to this change in traffic signal priority system is documented in a letter dated December 12, 2017 from the City Manager to the SUMC Parties, which was accepted and agreed to by the SUMC Parties by countersigned letter. The required payment was made on December 12, 2017, within 30 days of issuance of the first Hospital occupancy permit.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(vi). Caltrain GO Passes

The Development Agreement requires that the Hospitals purchase annual Caltrain GO Passes for all existing and new Hospital employees who work more than 20 hours per week at a cost of up to approximately \$1.8 million per year, beginning on September 1, 2015. This obligation is expected to continue for a period of 51 years.

Hospital management accelerated the purchase of the annual GO Pass for Hospital employees, and began providing free GO Passes to employees commencing on January 1, 2012. Annual passes were purchased again for all existing and new eligible employees for 2020.

Section 5(c)(vii). Marguerite Shuttle Service

The Hospitals will fund the reasonable costs, in an approximate amount of \$2 million, for the purchase of additional shuttle vehicles for the Marguerite shuttle service, as and when required to meet increased demand for shuttle service between the project sites and the Palo Alto Intermodal Transit Station. In addition, the Hospitals will fund as annual payments the reasonable costs, in an approximate amount of \$450,000 per year, to cover the net increase in operating costs for the Marguerite Shuttle. Demand for the Marguerite shuttle increased in 2012, and the Hospitals funded the purchase of three new hybrid shuttles to meet this increased demand. Since this time, the Hospitals have funded as annual payments the reasonable costs of the net increase in operating costs for the Marguerite Shuttle.

Section 5(c)(viii). Transportation Demand Management Coordinator

The Development Agreement requires that the Hospitals employ an onsite qualified Transportation Demand Management (TDM) Coordinator for Stanford Medicine, commencing on September 1, 2015, and continuing through the life of the Renewal Project.

Because the Hospitals accelerated the purchase of the Caltrain GO Pass, the Hospitals also accelerated the hiring of the TDM Coordinator, filling this position in March 2012. In September 2018, the position was vacated, and while the position was vacant the Senior Operations Manager of the Hospitals' Transportation Services department fulfilled the responsibilities of this position with support from the TDM team at Stanford Transportation. In October 2019, the Transportation Demand Management Coordinator position was filled again. The TDM Coordinator is responsible for overseeing the analysis, development, and implementation of programs to advance the Hospitals' TDM objectives. Specific duties that are carried out in collaboration with Stanford Transportation include raising awareness among commuters about alternative transportation options and Stanford's commute incentive programs; providing alternative commute planning assistance and responses to customer inquiries; writing and editing electronic and print communications; coordinating and staffing outreach events, such as free transit pass distributions and employee fairs; and providing alternative transportation information and resources at new employee orientations.

In addition, the TDM Coordinator is responsible for overseeing the Transportation Hub within the new Stanford Hospital. The Transportation Hub serves as an alternative transportation information center available to both staff and patients, and includes a monitor screen (Transit Screen) that displays all mobility options in the area at a glance, in real time.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(ix). Monitoring of TDM Programs

The Hospitals are required to submit annual monitoring reports showing the current number of employees employed over 20 hours per week; the number of employees using an alternative transportation mode as documented by a study or survey to be completed by the Hospitals using a method mutually agreeable to the City and the Hospitals; and the efforts used by the Hospitals to attempt to achieve the Alternative Mode Targets identified in the Development Agreement. The Development Agreement specifies payments to be made in the event that such targets are not met during particular time periods.

Due to the COVID-19 pandemic, the annual commute survey was not performed in Spring 2020, as doing so would have generated unrepresentative data, and would have distracted staff from more immediate needs. The Hospitals requested an extension of time for this TDM monitoring and reporting requirement, as allowed by Section 6(p) of the Development Agreement, and the City granted this request on March 27, 2020, with the condition that the Hospitals confirm that the TDM programs outlined in the prior Alternative Mode Share Report were maintained up until the start of the COVID-19 pandemic; the Hospitals provided such confirmation on April 3, 2020.



COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

LINKAGES

To further encourage use of Caltrain, bus, and other transit services, and to enhance and encourage use of pedestrian and bicycle connections between Stanford Medicine and downtown Palo Alto, Stanford Medicine has funded the following specific infrastructure improvements.

Section 5(d)(i). Intermodal Transit Fund

Stanford Medicine has provided to the City one lump sum payment of \$2.25 million for improvements to enhance the pedestrian and bicycle connection from the Palo Alto Intermodal Transit Center to the existing intersection of El Camino Real and Quarry Road. Up to \$2 million of this amount is to be used by the City for the development of an attractive, landscaped passive park/green space with a clearly marked and lighted pedestrian pathway, benches, and flower borders. Stanford Medicine paid the entire required amount for the Intermodal Transit Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

In Summer 2017, prior to issuance of the first Hospital Occupancy Permit, the City completed a temporary path with associated lighting, landscaping / green space, benches, and flower borders from the transit center to the existing crosswalk at the intersection of El Camino Real and Quarry Road. Available funds remaining (approximately \$1.69 million) will be applied to the construction of permanent improvements in the future.

Section 5(d)(ii). Quarry Road Fund

Stanford Medicine has provided to the City one lump sum payment of \$400,000 for improvements to and within the public right-of-way to enhance the pedestrian and bicycle connection from the west side of El Camino Real to Welch Road along Quarry Road, including urban design elements and way finding, wider bicycle lanes, as necessary, on Quarry Road, enhanced transit nodes for bus and/or shuttle stops, and prominent bicycle facilities. Stanford Medicine paid the entire required amount for the Quarry Road Fund on August 25, 2011. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used. The City was required to construct the improvements prior to issuance of the first Hospital Occupancy Permit, but as agreed to with Stanford Medicine, delayed implementation of these improvements until utility trenching to the Medical Center was complete. In late 2018, the City completed these improvements, including enhanced crosswalks and bicycle striping and signage.

Section 5(d)(iii). Stanford Barn Connection

Stanford Medicine agreed to construct up to \$700,000 of improvements to enhance the pedestrian connection between the Main Medical Campus and the Stanford Shopping Center from Welch Road to Vineyard Lane, in the area adjacent to the Stanford Barn prior to issuance of the first Hospital Occupancy permit. Construction of the improvements completed in November 2017, in advance of issuance of the first Hospital Occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING

Section 5(e). Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing

Stanford Medicine agreed to contribute a total amount of \$23.2 million toward City of Palo Alto infrastructure, sustainable neighborhoods and communities, and affordable housing. As required by the Development Agreement, this contribution has been made in three equal payments. The first payment, in the amount of \$7,733,333, was made on August 25, 2011; the second payment of \$7,733,333 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment of \$7,733,333 was made on December 12, 2017, within 30 days from issuance of the first Hospital occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

The City will use \$1,720,488 of these funds in the same manner as funds collected under the City's housing fee ordinance.

CLIMATE CHANGE

Section 5(f). Climate Change Fund

Stanford Medicine agreed to contribute a total amount of \$12 million toward City projects and programs for a sustainable community, including programs identified in the City's Climate Action Plan, carbon credits, and investments in renewable energy and energy conservation. As required by the Development Agreement, this contribution has been made in three equal payments. The first payment, in the amount of \$4 million, was made on August 25, 2011; the second payment of \$4 million was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment of \$4 million was made on December 12, 2017, within 30 days from issuance of the first Hospital occupancy permit. No further action is required by Stanford Medicine to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

SATISFACTION OF CONDITIONS OF APPROVAL

Section 5(h). Satisfaction of All Conditions of Approval

Stanford Medicine will satisfy all Conditions of Approval by the dates and within the time periods required by the project approvals, subject to modifications allowed by the Development Agreement, and has taken several steps in order to ensure that this requirement is met (Section 5(h)). The Conditions of Approval encompass conditions imposed by the Architectural Review Board, mitigation measures enumerated in the Mitigation Monitoring and Reporting Program, and conditions attached to the Conditional Use Permit.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

In order to implement, monitor, and report on the implementation of this diverse array of conditions, Stanford Medicine, with input from City planning staff, has created two Excel spreadsheet tracking and reporting tools. These spreadsheets serve as a centralized repository for compliance monitoring information and documentation, and are updated by the Stanford Medicine project teams on a regular basis, and reviewed by the City.



CONCLUSION

As the Renewal Project completes its ninth year, Stanford Medicine looks forward to continued engagement with the City of Palo Alto as the project continues to forge ahead.



SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

DA Section	Description	Summary	Activity	Complies?
Health Care Benefits				
5(a)(ii)	Fund for Healthcare Services	Financial assistance for Palo Alto residents	SUMC establishment of a \$3M fund that will grow to \$5.6M by December 31, 2025. Fund will be used in even increments over a ten-year period from 2026-2036 to assist Palo Alto residents who have self-payment responsibilities beyond their financial means, as described in Section 5(a)(ii).	Yes, complies – No activity required in FY 2017-2018, FY-2018-2019, or FY 2019-2020.
5(a)(iii)	Fund for Community Health and Safety Programs	\$4M fund for selected community health programs for Palo Alto residents	First and only payment of \$4M on August 25, 2011 to establish City fund. No joint committee between City Council and SUMC established to date to evaluate other proposals/programs to receive funding, so no there were no expenditures from this fund other than on Project Safety Net, as already specified in the Development Agreement. .	Yes, complies - Fund activity and balances in FY 2017-2018, FY-2018-2019, and FY 2019-2020 reported in Attachment C.
Fiscal Benefits				
5(b)(i), (ii)	Payment of Sales and Use Taxes	Activities to maximize sales and use taxes paid to the City	SUMC contributes to General Fund Sales and Use Tax revenues via construction-related activities. The City Auditor reviews the Construction Sales & Use Tax Monitoring Report submitted by Stanford Medicine on	Yes, complies - SUMC submitted the Construction Sales & Use Tax Monitoring Report on June 30 of each year for

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

DA Section	Description	Summary	Activity	Complies?
			June 30 of each year. The City Auditor submits a letter to Stanford Medicine each year that notes local tax received from SUMC project activities for the year. Based upon the City Auditor's review of the annual Construction Sales and Use Tax Monitoring Report submitted by SUMC, revenues for calendar years 2011 through 2019 have totaled \$5,256,026.	the previous calendar year. The City Auditor sent their required response each year. Reconciliation that ensures that the City would receive no less than \$8.1M in construction sales and tax revenue by December 31, 2025 would occur starting in August 2026.
5(b)(iii)	Funding of Operating Deficit / Expansion Cost Mitigation	\$2.417M fund to assure City costs associated with the project do not exceed revenues resulting from construction and operation of the project.	Payment of \$2.417M on August 25, 2011 to establish fund. No expenditures from this fund during the reporting period FY 2017-2018, FY-2018-2019, or FY 2019-2020.	Yes, complies -Fund activity and balances in FY 2017-2018, FY-2018-2019, and FY 2019-2020 reported in Attachment C.
5(b)(iv)	Payment of Utility Users Tax	5% tax on all electricity, gas and water charges on new construction	Utilities confirmed that billing accounts were created when new meters were set for new construction, including NSH, NSH Garage, LPCH, and BMI, and the Utility Users	Yes, complies.

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

DA Section	Description	Summary	Activity	Complies?
			Tax has been paid through the normal billing process for each site.	
5(b)(v)	School Fees	Payment of PAUSD fees for net new square footage	\$342,617 fee paid for LPCH and NSH expansion in 2012. \$7,051 fee paid for NSH and NSH Garage expansion in July 2013. \$16,119 fee paid for Hoover Medical Office Building expansion in May 2014. \$461.16 fee paid to account for incremental square footage for the New Stanford Hospital Garage.	Yes, complies - SUMC made payments to PAUSD for all net new square footage for which school fees apply at the time permit receipt.

Traffic Mitigation and Reduced Vehicle Trips				
DA Section	Description	Summary	Activity	Complies?
5(c)(ii)	Menlo Park Traffic Mitigation	\$3,699,000 payment for traffic mitigation, infrastructure, sustainable neighborhoods, affordable housing	First of three \$1.23M payments made on August 19, 2011. Second payment of \$1.23M made on December 5, 2012. Third and final payment of \$1.23M made on December 14, 2017, which was within 30 days from issuance of the first Hospital Occupancy Permit (LPCH).	Yes, complies - SUMC made all required payments to Menlo Park, including the last and final payment in FY 2017-2018.
5(c)(iii)	East Palo Alto Voluntary Mitigation	\$200K for roadway and signal	\$200K payment made on August 19, 2011.	Yes, complies.

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

		improvements on University Ave.		
5(c)(iv)	Contributions to AC Transit	U-line capital improvements, low load factor ratios, parking spaces at Ardenwood Park & Ride	<p>\$250K payment made to AC Transit on January 5, 2018.</p> <p>SUMC is also invoiced by AC Transit for payments over the year that total over the \$50K per year discussed in the SUMC Development Agreement. Payments to AC Transit are required for the life of the project.</p> <p>Since May 2014 and until April 30, 2018, SUMC Parties leased a park-and-ride facility on Kaiser Drive near the Ardenwood Park & Ride. Subsequently, SUMC used an interim temporary facility through FY 2019-2020.</p>	Yes, complies. Also, a long-term facility was also secured soon after the close of FY 2019-2020.
5(c)(v)	Opticom Payments	\$11,200 payment for Opticom traffic control system at 7 intersections	<p>\$11.2K payment made to the City in FY 2017-2018 within 30 days from issuance of the first Hospital Occupancy Permit (LPCH).</p> <p>As the City has upgraded systems, the City and SUMC agreed through a letter exchange that the payment could be used for the new coordinated prioritization signaling at City-maintained traffic signals.</p>	Yes, complies.

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

5(c)(vi)	Caltrain Go Passes	SUMC purchase of passes for all existing and new hospital employees working >20hrs/week	Go Passes have been purchased per the Development Agreement since January 1, 2012, including for FY 2017-2018, FY-2018-2019, and FY 2019-2020.	Yes, complies.
5(c)(vii)	Marguerite Shuttle Service	Purchase of additional shuttles to meet demand	Since 2011, SUMC purchased additional shuttle buses for the Marguerite Shuttle service which now includes five renewable diesel-electric hybrid buses and 23 all-electric buses. Additional all-electric buses also came online in FY 2017-2018. Shuttles were running in FY 2017-2018, FY-2018-2019, and FY 2019-2020.	Yes, complies.

DA Section	Description	Summary	Activity	Complies?
5(c)(viii)	SUMC Transportation Demand Management (TDM) Coordinator	SUMC hires coordinator to promote alternative transportation options	TDM Coordinator was hired in March 2012. This position has since been elevated to a TDM Program Manager position and the position remains filled.	Yes, complies.

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

5(c)(ix)	Monitoring of TDM Programs	Yearly report regarding alternative transit mode use	<p>The alternative mode share rate of 38.1% in FY 2017-2018 and 33.8% in FY 2018-2019 exceeds the alternative mode share target for 2018 of 30.0% and 2021 target of 33.0%.</p> <p>Through conditional approval by the City, the Alternative Mode Share Report was delayed for FY 2019-2020 due to the COVID-19 pandemic and Santa Clara County shelter-in-place orders altering commute patterns at the time the annual mode share survey would have been issued in the March/April 2020 timeframe.</p>	Yes, complies - all interim targets have been met or exceeded in FY 2017-2018 and FY-2018-2019. One-year delay conditionally approved for FY 2019-2020. The annual mode share survey was released in March 2021 in order to provide the required Alternative Mode Share Report for FY 2020-2021.
Linkages				
5(d)(i)	Intermodal Transit Fund	\$2.25M payment to improve pedestrian linkages to PA Intermodal Transit Center	First and only payment of \$2.25M on August 25, 2011 to establish City fund. City constructed temporary improvements prior to the issuance of the first Hospital Occupancy Permit (LPCH) to serve the linkage goal and functional requirements.	Yes, complies -Fund activity and balances in FY 2017-2018, FY-2018-2019, and FY 2019-2020 reported in Attachment C.
5(d)(ii)	Quarry Road Fund	\$400K payment to improve pedestrian linkages along Quarry Road	First and only payment of \$400K on August 25, 2011 to establish City fund. City constructed the improvements prior to the issuance of the first Hospital Occupancy	Yes, complies -Fund activity and balances in FY 2017-2018, FY-2018-2019, and FY 2019-2020 reported in Attachment C.

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

			Permit (LPCH) to serve the linkage goal and functional requirements.	
5(d)(iii)	Stanford Barn Connection	SUMC budgets up to \$700K for connections in the vicinity of barn	SUMC constructed the Stanford Barn Connection prior to the issuance of the first Hospital Occupancy Permit (LPCH) to serve the linkage goal and facilities are fully operational.	Yes, complies.
Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing				
5(e)	Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing Fund	\$23.2M payment for these uses	<p>First of three \$7,733,333 payments made on August 19, 2011. Second payment of \$7,733,333 made on December 5, 2012. The third and final payment of \$7,733,333 made on December 12, 2017, which was within 30 days from issuance of the first Hospital Occupancy Permit (LPCH).</p> <p>The City expended affordable housing funds on the Stevenson House project in FY 2013 and the remaining affordable housing funds were fully exhausted in FY 2020 to support the Wilton Court Housing Project. The SUMC contribution to affordable housing is now exhausted in accordance with Section 5(e)(ii).</p>	Yes, complies. -Fund activity and balances in FY 2017-2018, FY-2018-2019, and FY 2019-2020 reported in Attachment C.

SUMC Development Agreement, Section 5 - SUMC Parties' Promises

FY 2017-2018
FY 2018-2019
FY 2019-2020

Climate Change				
5(f)	Climate Change – Sustainability Programs Benefit Fund	\$12M payment for climate change-related projects and programs	First of three \$4M payments made on August 19, 2011. Second payment of \$4M made on December 5, 2012. The third and final payment of \$4M made on December 12, 2017, which was within 30 days from issuance of the first Hospital Occupancy Permit (LPCH).	Yes, complies -Fund activity and balances in FY 2017-2018, FY-2018-2019, and FY 2019-2020 reported in Attachment C.



Fiscal Year 2017-2018 Annual Report Supplement

Prepared by the City of Palo Alto

October 12, 2021

Background and Purpose

On June 6, 2011, the City Council approved Comprehensive Plan amendments, zoning changes, a conditional use permit, annexation and design applications for the Stanford University Medical Center Facilities Renewal and Replacement Project (the “Projects”). The Projects include the construction of a new Stanford Hospital and clinics buildings, an expansion of the Lucile Packard Children’s Hospital, construction of new School of Medicine buildings, renovation of the existing Hoover Pavilion, construction of a new medical office building and parking garage at Hoover Pavilion, roadway improvements along Welch Road and Durand Way, and SUMC design guidelines. A Development Agreement (the “Agreement”) vesting these approvals was entered into between the SUMC Parties and the City and was effective on June 6, 2011 and continues for thirty (30) years from the effective date. The Agreement requires an annual report, prepared by SUMC that outlines the activities of the preceding year and the efforts to fulfill the obligations of the Agreement.

Per the requirements of sections 12(a) and 12(c) of the Agreement, The City of Palo Alto is to prepare a supplement to the annual report that contains an accounting of the funds described in the Section 5 of the Agreement (“SUMC Parties’ Promises”) including the fund balances and expenditures and the purposes for which the expenditures were used.

Public Benefit Fund Accounting

This annual report supplement covers the period during the seventh year of the Agreement: June 6, 2017 through June 6, 2018. Accounting for the funds outlined in Attachment C-1 Part 2 extends through the end of the City’s Fiscal Year 2018, June 30, 2018.

In summary, the SUMC Parties have paid approximately \$44.3 million in public benefit fees to the City since June 6, 2011 through the FY 2017-2018 reporting period.

The first payment of \$20,800,333 on August 11, 2011 was for the following funds:

- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii));
- Fund for SUMC Project Operating Deficit (Section 5(b)(iii));

- Fund for Pedestrian and Bicycle Connections from Intermodal Transit Center to El Camino Real/Quarry Road Intersection (Section 5(d)(i));
- Fund for Public Right of Way Improvements to Enhance Pedestrian and Bicycle Connections on Quarry Road (Section 5(d)(ii));
- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)), and
- Fund for Climate Change - Sustainable Programs Benefit (Section 5(f)(i)).

The second payment of \$11,733,333 payment on December 5, 2012 was for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)) and
- Fund for Climate Change - Sustainable Programs Benefit (Section 5(f)(i)).

The third payment and final payment of \$11,744,533 on December 12, 2017 was for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e));
- Fund for Climate Change -Sustainable Programs Benefit (Section 5(f)(i)); and
- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii)).

The specific funding accounts in Attachment C-1 Part 2 are consistent with Section 5 of the Agreement. These funds have been assigned a unique cost center number for accounting purposes. Attachment C-1 Part 2 also contains the investment earnings and the earnings allocation to the various cost centers.

Public Benefit Fund Expenditures

Expenditures and other activity occurred in the following funds in Fiscal Year 2018 through June 30, 2018:

Fund for Quarry Road Improvements: The remaining \$4,966 balance was transferred for Quarry Road Improvements and Transit Center Access (PL-1600).

Fund for Intermodal Transit Center: \$545,034 was transferred for Quarry Road Improvements and Transit Center Access (PL-1600).

Climate Change and Sustainability: \$5,200,000 was transferred for the implementation of the Bicycle & Pedestrian Transportation Plan (PL-04010).

Attachment C-1 - Part 2 Fiscal Year 2017-2018

City of Palo Alto

Stanford Medical Center Development Agreement (Fund 260)

Fiscal Year Ended June 30, 2018

AUDITED BALANCES

	Expansion Cost Mitigation	Intermodal Transit	Quarry Road Improvements	Infrastructure & Afford Housing	Climate Change & Sustainability	Community Health & Safety	Total FY 2018 Actuals	FY 2018 Budget
cost centers	26000000	60260010	60260020	60260030	60260040	80260010		
Beginning Balances, 7/1/2017	2,735,817.41	1,693,513.97	4,965.62	2,636,006.69	3,845,756.72	2,652,673.39	13,568,733.80	
Revenues:								
Revenues From Stanford	-	-	-	7,733,333.00	4,000,000.00	11,200.00	11,744,533.00	11,744,533.00
Investment Earnings / Unrealized gain (loss)	69,383.76						69,383.76	210,510.00
Allocate to categories	(69,383.76)						(69,383.76)	
Allocated Investment Earnings	9,702.94	4,073.24	(0.00)	36,776.26	9,383.53	9,447.79	69,383.76	-
Total Revenues	9,702.94	4,073.24	(0.00)	7,770,109.26	4,009,383.53	20,647.79	11,813,916.76	11,955,043.00
Expenditures:								
Temp Salaries/Benefits						-	-	
Contract Services							-	(35,031.43)
Supplies Expenses							-	-
Other expenses							-	(122.15)
Transfer to Capital Projects		(545,034.38)	(4,965.62)	-	(5,200,000.00)		(5,750,000.00)	(5,750,000.00)
Total Expenditures	-	(545,034.38)	(4,965.62)	-	(5,200,000.00)	-	(5,750,000.00)	(5,785,153.58)
FY 2018 Revenues less Exp	9,702.94	(540,961.14)	(4,965.62)	7,770,109.26	(1,190,616.47)	20,647.79	6,063,916.76	6,169,889.42
Fund Balance as of 6/30/2018	2,745,520.35	1,152,552.83	(0.00)	10,406,115.95	2,655,140.25	2,673,321.18	19,632,650.56	
Less: Reserve for Unrealized Gain	-	-	-	-	-	-	-	
Reserve for Encumbrances, 6/30/2018	-	-	-	-	-	(45,031.00)	(45,031.00)	
Fund Balance Available as of 6/30/2018	2,745,520.35	1,152,552.83	(0.00)	10,406,115.95	2,655,140.25	2,628,290.18	19,587,619.56	



Fiscal Year 2018-2019 Annual Report Supplement

Prepared by the City of Palo Alto

October 12, 2021

Background and Purpose

On June 6, 2011, the City Council approved Comprehensive Plan amendments, zoning changes, a conditional use permit, annexation and design applications for the Stanford University Medical Center Facilities Renewal and Replacement Project (the “Projects”). The Projects include the construction of a new Stanford Hospital and clinics buildings, an expansion of the Lucile Packard Children’s Hospital, construction of new School of Medicine buildings, renovation of the existing Hoover Pavilion, construction of a new medical office building and parking garage at Hoover Pavilion, roadway improvements along Welch Road and Durand Way, and SUMC design guidelines. A Development Agreement (the “Agreement”) vesting these approvals was entered into between the SUMC Parties and the City and was effective on June 6, 2011 and continues for thirty (30) years from the effective date. The Agreement requires an annual report, prepared by SUMC that outlines the activities of the preceding year and the efforts to fulfill the obligations of the Agreement.

Per the requirements of sections 12(a) and 12(c) of the Agreement, The City of Palo Alto is to prepare a supplement to the annual report that contains an accounting of the funds described in the Section 5 of the Agreement (“SUMC Parties’ Promises”) including the fund balances and expenditures and the purposes for which the expenditures were used.

Public Benefit Fund Accounting

This annual report supplement covers the period during the eighth year of the Agreement: June 6, 2018 through June 6, 2019. Accounting for the funds outlined in Attachment C-2 Part 2 extends through the end of the City’s Fiscal Year 2019, June 30, 2019.

In summary, the SUMC Parties have paid approximately \$32.5 million in public benefit fees to the City since June 6, 2011 through the FY 2018-2019 reporting period. There were no required new payments from the SUMC Parties during the FY 2018-2019 reporting period.

The first payment of \$20,800,333 on August 11, 2011 was for the following funds:

- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii));
- Fund for SUMC Project Operating Deficit (Section 5(b)(iii));

- Fund for Pedestrian and Bicycle Connections from Intermodal Transit Center to El Camino Real/Quarry Road Intersection (Section 5(d)(i));
- Fund for Public Right of Way Improvements to Enhance Pedestrian and Bicycle Connections on Quarry Road (Section 5(d)(ii));
- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)), and
- Fund for Climate Change - Sustainable Programs Benefit (Section 5(f)(i)).

The second payment of \$11,733,333 payment on December 5, 2012 was for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)) and
- Fund for Climate Change - Sustainable Programs Benefit (Section 5(f)(i)).

The third payment and final payment of \$11,744,533 on December 12, 2017 was for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e));
- Fund for Climate Change -Sustainable Programs Benefit (Section 5(f)(i)); and
- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii)).

The specific funding accounts in Attachment C-2 Part 2 are consistent with Section 5 of the Agreement. These funds have been assigned a unique cost center number for accounting purposes. Attachment C-2 Part 2 also contains the investment earnings and the earnings allocation to the various cost centers.

Public Benefit Fund Expenditures

Expenditures and other activity occurred in the following funds in Fiscal Year 2019 through June 30, 2019:

Fund for Community Health and Safety: \$11,200 for the Emergency Vehicle Traffic Signal Preemption System (PL-19000). Note that this funding was received in FY 2018 as part of Opticom Payments discussed in Section 5(c)(v) of the Development Agreement and placed in the “Community Health & Safety” cost center. As the City has upgraded systems, the City and SUMC agreed through a letter exchange that the \$11,200 payment could be used for the new coordinated prioritization signaling at City-maintained traffic signals.

Attachment C-2 - Part 2 Fiscal Year 2018-2019

City of Palo Alto

AUDITED BALANCES

Stanford Medical Center Development Agreement (Fund 260)

Fiscal Year Ended June 30, 2019

	Expansion Cost Mitigation	Intermodal Transit	Quarry Road Improvements	Infrastructure & Afford Housing	Climate Change & Sustainability	Community Health & Safety	Total FY 2019 Actuals	FY 2019 Budget
cost centers	26000000	60260010	60260020	60260030	60260040	80260010		
Beginning Balances, 7/1/2018	2,745,520.35	1,152,552.83	(0.00)	10,406,115.95	2,655,140.25	2,673,321.18	19,632,650.56	
Revenues:								
Revenues From Stanford	-	-	-	-	-	-	-	-
Investment Earnings / Unrealized gain (loss)	860,649.62						860,649.62	295,676.00
Allocate to categories	(860,649.62)						(860,649.62)	
Allocated Investment Earnings	120,425.91	50,554.07	(0.00)	456,440.25	116,461.60	116,767.80	860,649.62	-
Total Revenues	120,425.91	50,554.07	(0.00)	456,440.25	116,461.60	116,767.80	860,649.62	295,676.00
Expenditures:								
Temp Salaries/Benefits						-	-	
Contract Services							-	(45,031.43)
Supplies Expenses							-	-
Other expenses							-	-
Transfer to Capital Projects				-	-	(11,200.00)	(11,200.00)	(11,200.00)
Total Expenditures	-	-	-	-	-	(11,200.00)	(11,200.00)	(56,231.43)
FY 2019 Revenues less Exp	120,425.91	50,554.07	(0.00)	456,440.25	116,461.60	105,567.80	849,449.62	239,444.57
Fund Balance as of 6/30/2019	2,865,946.26	1,203,106.90	(0.00)	10,862,556.20	2,771,601.85	2,778,888.98	20,482,100.18	
Less: Reserve for Encumbrances, 6/30/2019	-	-	-	-	-	-	-	
Reserve for Unrealized Gain - Investment	(15,549.38)	(6,527.54)	0.00	(58,935.52)	(15,037.51)	(15,077.05)	(111,127.00)	
Fund Balance Available as of 6/30/2019	2,850,396.88	1,196,579.36	(0.00)	10,803,620.67	2,756,564.34	2,763,811.93	20,370,973.18	



Fiscal Year 2019-2020 Annual Report Supplement

Prepared by the City of Palo Alto

October 12, 2021

Background and Purpose

On June 6, 2011, the City Council approved Comprehensive Plan amendments, zoning changes, a conditional use permit, annexation and design applications for the Stanford University Medical Center Facilities Renewal and Replacement Project (the “Projects”). The Projects include the construction of a new Stanford Hospital and clinics buildings, an expansion of the Lucile Packard Children’s Hospital, construction of new School of Medicine buildings, renovation of the existing Hoover Pavilion, construction of a new medical office building and parking garage at Hoover Pavilion, roadway improvements along Welch Road and Durand Way, and SUMC design guidelines. A Development Agreement (the “Agreement”) vesting these approvals was entered into between the SUMC Parties and the City and was effective on June 6, 2011 and continues for thirty (30) years from the effective date. The Agreement requires an annual report, prepared by SUMC that outlines the activities of the preceding year and the efforts to fulfill the obligations of the Agreement.

Per the requirements of sections 12(a) and 12(c) of the Agreement, The City of Palo Alto is to prepare a supplement to the annual report that contains an accounting of the funds described in the Section 5 of the Agreement (“SUMC Parties’ Promises”) including the fund balances and expenditures and the purposes for which the expenditures were used.

Public Benefit Fund Accounting

This annual report supplement covers the period during the ninth year of the Agreement: June 6, 2019 through June 6, 2020. Accounting for the funds outlined in Attachment C-3 Part 2 extends through the end of the City’s Fiscal Year 2020, June 30, 2020.

In summary, the SUMC Parties have paid approximately \$44.3 million in public benefit fees to the City since June 6, 2011 through the FY 2019-2020 reporting period. There were no required new payments from the SUMC Parties during the FY 2019-2020 reporting period.

The first payment of \$20,800,333 on August 11, 2011 was for the following funds:

- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii));
- Fund for SUMC Project Operating Deficit (Section 5(b)(iii));

- Fund for Pedestrian and Bicycle Connections from Intermodal Transit Center to El Camino Real/Quarry Road Intersection (Section 5(d)(i));
- Fund for Public Right of Way Improvements to Enhance Pedestrian and Bicycle Connections on Quarry Road (Section 5(d)(ii));
- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)), and
- Fund for Climate Change - Sustainable Programs Benefit (Section 5(f)(i)).

The second payment of \$11,733,333 payment on December 5, 2012 was for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)) and
- Fund for Climate Change - Sustainable Programs Benefit (Section 5(f)(i)).

The third payment and final payment of \$11,744,533 on December 12, 2017 was for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e));
- Fund for Climate Change -Sustainable Programs Benefit (Section 5(f)(i)); and
- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii)).

The specific funding accounts in Attachment C-3 Part 2 are consistent with Section 5 of the Agreement. These funds have been assigned a unique cost center number for accounting purposes. Attachment C-3 Part 2 also contains the investment earnings and the earnings allocation to the various cost centers.

Public Benefit Fund Expenditures

Expenditures and other activity occurred in the following funds in Fiscal Year 2020 through June 30, 2020:

Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing: \$900,000 was transferred for the new Public Safety Building (PE-15001).

The Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing Fund contained an original contribution of \$1,720,488 for support of affordable housing. SUMC funding supported the Stevenson House project in FY 2013 and the remaining affordable housing funds were fully exhausted in FY 2020 to support the Wilton Court Housing Project.

Attachment C-3 - Part 2 Fiscal Year 2019-2020

City of Palo Alto

Stanford Medical Center Development Agreement (Fund 260)

Fiscal Year Ended June 30, 2020

AUDITED BALANCES

	Expansion Cost Mitigation	Intermodal Transit	Quarry Road Improvements	Infrastructure & Afford Housing	Climate Change & Sustainability	Community Health & Safety	Total FY 2020 Actuals	FY 2020 Budget
cost centers	26000000	60260010	60260020	60260030	60260040	80260010		
Beginning Balances, 7/1/2019	2,865,946.26	1,203,106.90	(0.00)	10,862,556.20	2,771,601.85	2,778,888.98	20,482,100.18	
Revenues:								
Revenues From Stanford	-	-	-	-	-	-	-	-
Investment Earnings / Unrealized gain (loss)	863,157.23						863,157.23	324,700.00
Allocate to categories	(863,157.23)						(863,157.23)	
Allocated Investment Earnings	126,327.73	53,031.62	(0.00)	439,138.41	122,169.13	122,490.34	863,157.23	-
Total Revenues	126,327.73	53,031.62	(0.00)	439,138.41	122,169.13	122,490.34	863,157.23	324,700.00
Expenditures:								
Temp Salaries/Benefits						-	-	
Contract Services							-	
Supplies Expenses							-	
Other expenses							-	
Transfer to Capital Projects		-		(900,000.00)	-		(900,000.00)	(900,000.00)
Total Expenditures	-	-	-	(900,000.00)	-	-	(900,000.00)	(900,000.00)
FY 2020 Revenues less Exp	126,327.73	53,031.62	(0.00)	(460,861.59)	122,169.13	122,490.34	(36,842.77)	(575,300.00)
Fund Balance as of 6/30/2020	2,992,273.99	1,256,138.51	(0.00)	10,401,694.61	2,893,770.98	2,901,379.32	20,445,257.41	
Less: Reserve for Encumbrances, 6/30/2020	-	-	-	-	-	-	-	
Reserve for Unrealized Gain - Investment	(78,695.16)	(33,035.75)	0.00	(273,558.83)	(76,104.58)	(76,304.68)	(537,699.00)	
Fund Balance Available as of 6/30/2020	2,913,578.84	1,223,102.76	(0.00)	10,128,135.78	2,817,666.40	2,825,074.64	19,907,558.41	

Stanford University Medical Center (SUMC) Annual Reports

Prior Fiscal Year Annual Reports:

- Fiscal Year 2011-2012
<http://www.cityofpaloalto.org/civicax/filebank/documents/31976>
- Fiscal Year 2012-2013
<https://www.cityofpaloalto.org/civicax/filebank/documents/39991>
- Fiscal Year 2013-2014
<http://www.cityofpaloalto.org/civicax/filebank/documents/45631>
- Fiscal Year 2014-2015
<http://www.cityofpaloalto.org/civicax/filebank/documents/51645>
- Fiscal Year 2015-2016
<https://www.cityofpaloalto.org/civicax/filebank/documents/60896>
- Fiscal Year 2016-2017
<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=49142.31&BlobID=65285>



City of Palo Alto City Council Staff Report

(ID # 13546)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: Staff and the Finance Committee Recommend the City Council Approve Design Guidelines for the 2022 Electric Cost of Service and Rates Analysis

From: City Manager

Lead Department: Utilities

Executive Summary

Electric rates were last adjusted when an 8% rate increase went into effect on July 1, 2019. Staff intends to complete an electric rate cost of service analysis (COSA) in advance of future rates and necessary adjustments. The primary goal of any COSA is to review the allocation of costs to customer classes, and the electric rate design, to ensure customers are charged according to the cost to serve them. This COSA will include a review of the rate design issues created by increasing building electrification, electric vehicle (EV) penetration, EV charging needs and microgrids, and time of use (TOU) rate designs in preparation for the deployment of advanced metering infrastructure (AMI). This report discusses the existing rate design, provides an overview of the issues to be addressed in the COSA analysis and sets forth work plans for addressing various types of rate design issues.

This was reviewed and unanimously approved by the Finance Committee in October 2021. The Committee's discussion showed general support for this plan and included additional discussion regarding the nexus between this COSA study and the current initiatives and goals associated with the City's Sustainability/Climate Action Plan (S/CAP). Included in the Committee's motion is a recommendation that the City Council direct staff to study options for an interim modification to tiers that would support electrification and return to UAC, Finance Committee and City Council at a future date - this change is reflected in this report.

Background

COSAs allocate costs among customer classes and are the foundation for equitable and constitutionally compliant rates. COSAs gained a more important role for California publicly-owned gas and electric utilities after the passage of Proposition 26 (2010). Proposition 26 added provisions to the State Constitution essentially defining every local government fee or charge as a tax, requiring voter approval, unless one of seven exceptions apply. Municipal electric rates that do not exceed the reasonable costs to the local government of providing electric service are one exception from the constitutional definition of a tax, and its voter approval requirements.

The current rates, which were last changed on July 1, 2019, are based on a COSA performed in 2015/2016 (“City of Palo Alto Electric Cost of Service and Rate Study” drafted by EES Consulting, Inc.¹). The fundamental structure of the City’s current rates has remained the same since the early 1980s, though the commodity, distribution, and public benefits portions of the rates were “unbundled,” or separated out, as a result of California’s deregulation of the electric market in the late 1990s. Like many utilities, Palo Alto had declining block rates (rates that decreased with increasing consumption) for all customers until the late 1970s, at which point the City switched to the current system. For residents, the current system includes inclining block rates (rates that increase with consumption, more commonly called tiered rates), and for the more diverse non-residential customer classes, flat seasonal rates with demand charges for larger customers. As Palo Alto transitioned to its current rate design, fixed charges for both types of customers were switched to minimum charges and eventually eliminated. The main driver for these changes was to encourage conservation, within the context of a cost-based rate structure.

Palo Alto now has flat to declining electric loads, as larger, industrial usage is replaced with smaller commercial and residential uses, and the influx of more electric appliances is offset by improvements in efficiency. The direction many utilities are taking in California is towards implementing TOU rates, to better reflect the cost of power being faced by utilities as well as stresses on the California power grid. Palo Alto will seek to implement these kinds of rates as well in the future, as the City’s Advanced Metering Infrastructure (AMI) program progresses over the next five years, and meters capable of providing time-based (interval) data are deployed. Many utilities are also implementing fixed charges, instead of minimum charges, to better fund operations, maintenance and capital costs which do not decrease as less power is used. These trends and pricing methods will be evaluated as part of this COSA.

Discussion

The following sections provide a review of the current rate structure and a discussion of rate design issues affecting the utility in the short term and in the long term. They also include a work plan and a proposed set of COSA and rate design policy objectives to guide the COSA.

Summary of Existing Rate Structure

Table 1, below, summarizes the number of customers on each electric rate schedule and the percentage of the City’s sales volume they represent. Currently the electric rate for separately metered residential customers (Rate Schedule E-1) has two tiers, with rates that increase when customer use exceeds roughly 330 kilowatt-hours (kWh) per month. Non-residential customers’ rates are flat (not tiered) and are higher during the summer. Larger non-residential customers are billed based on their peak demand (the highest fifteen minutes of consumption in the month, measured in kilowatts, or kW) in addition to their monthly energy use. These demand charges are higher in the summer than in the winter, just like the energy charges.

¹ Staff Report 6857 <http://www.cityofpaloalto.org/civicax/filebank/documents/52274>

Table 1: Existing Electric Rate Schedules

Rate	Applicability	Description	Number of customers⁽¹⁾	Share of sales⁽¹⁾
E-1	Separately metered residential customers	Two-tiered rate	25,300	20%
E-2	Small non-residential customers and master metered multi-family customers	Flat energy charge that varies seasonally	3,060	5%
E-4	Demand-metered non-residential customers, peak demand <1000 kW	Flat energy and demand charges that vary seasonally	860	30%
E-7	Demand-metered non-residential customers, peak demand >1000 kW	Flat energy and demand charges that vary seasonally	70	45%

(1) FY 2021

The City also has several optional and special use rate schedules. Both the E-4 and E-7 customer classes have optional time-of-use (TOU) rate schedules, as well as charges for standby service (maintenance of utility distribution system capacity to serve energy when on-site generation is offline). The E-14 rate establishes charges for street and highway lighting, and the E-16 rate covers unmetered electrical equipment such as billboards, wireless antennas, and traffic cameras. There are also generation-related rates, such as the E-3, E-NSE and E-EEC rates. The E-3 rate establishes wholesale energy purchase prices for certain types of customer-owned generating facilities. The City designed this schedule to comply with the Public Utility Regulatory Policies Act of 1978 (PURPA), which Congress enacted to encourage domestic energy resources and promote competition for electric generation, but no customers are on this rate at this time. The E-NSE and E-EEC rates establishes the City's purchase price for surplus generation from customer-owned net-metered solar systems under NEM-1 and NEM-2 (successor) programs. As part of the last COSA update, the City implemented a Hydro Adjuster rate (E-HYD) to be activated during times of very low, or very high, hydroelectric generation conditions. Lastly, the voluntary PaloAltoGreen rate is still available for certain commercial customers who want it for sustainability reporting purposes.

COSA and Rate Design Policy Objectives

In the past, the UAC, Finance Committee and City Council have expressed concern about having limited ability to make changes to proposed rate structures once a COSA is completed. Staff agrees and has committed to having policy discussions with the UAC, Finance Committee and Council prior to embarking on a COSA. Staff is proposing a set of Design Guidelines ([Attachment A](#)) to guide its work over the next year. The proposed guidelines are:

Guideline 1. Rates must be based on the cost of providing service.

Guideline 2. The effect of proposed rate design changes on low income customers should be considered, to the extent permissible within a cost-based rate structure.

- Guideline 3. Rates should ensure all value provided by building and vehicle electrification, including public EV charging, is reflected in the rates while remaining cost-based.
- Guideline 4. Rates should ensure all value provided by on-site generation and storage is reflected in the rates while simultaneously avoiding subsidies between customer classes and remaining cost based.
- Guideline 5. The COSA and rate design should support a transition to more time variant rates (such as TOU, seasonal, etc.) as AMI infrastructure is deployed.
- Guideline 6. The COSA should provide support for a transition to fixed or minimum monthly charges.

Guideline 1: Rates to be based on the cost of service

The goal of a COSA is to identify the costs associated with serving each customer class and the rates required to recover those costs. In compliance with Prop. 26, rates cannot be structured solely to achieve policy objectives unless they are also cost-based, absent voter approval. The COSA has become an important tool for demonstrating that utility rates are based on the cost of service. As a result, this guideline must be the overriding one for the COSA.

Guideline 2: Impact on low income customers

Changes in rate design can have different impacts on customers who use different amounts of electricity. Staff intends to evaluate the impact of any recommended rate design changes on low-income consumers and may recommend mitigation of those impacts to the extent feasible under current law.

Guideline 3: Rates should ensure all value provided by building and vehicle electrification, including public EV charging, is reflected in the rates while remaining cost-based

Certain rate structures may disincentivize customers from taking up electrification measures, such as tiered rates for residential customers, or demand charges for commercial customers. Staff will evaluate existing rates designs for consistency with City electrification goals.

The City also has DC Fast charging stations for electric vehicles. These types of customers typically have very high 15-minute energy demand peaks, but serve a limited amount of energy, especially while electric vehicle penetration is still relatively low. This leads to significantly higher costs that charging station owners pass to customers, which makes customers even less likely to use the charging station, exacerbating the issue. Staff will have the consultant evaluate which options best address charging station owner needs, avoid suppressing charging station demand, and are still consistent with Palo Alto's cost structure.

Guideline 4: Rates should ensure all value provided by on-site generation and storage is reflected in the rates while simultaneously avoiding subsidies between customer classes and remaining cost based

The City has been approached by customers looking to create or install technologies which are not effectively accommodated by the City's existing rate schedules, such as large-scale solar and storage installations. Current rates include standby charges which were designed to apply to engine generators rather than solar and storage installations, and thus need updating. Also, because of the dynamics of energy usage and battery storage capability, rates need to be designed to reflect shifts in the time of day when demand peaks throughout California, which is different from when demand peaks on Palo Alto's system. This will ensure costs are recovered and that proper incentives are sent to energy storage systems.

Guideline 5: COSA and rate design should support a transition to time variant rates (such as TOU, seasonal, etc.) as AML infrastructure is deployed

The City's Utilities department is planning on installing advanced, or interval, metering within the next five years, and the trend in rates both in California as well as nationwide is a move towards Time of Use (TOU) pricing. TOU pricing seeks to better align customer rates with the real cost of electricity, but also generally does not involve tiered or block rate pricing mechanisms. Tiered rate pricing can potentially place a higher cost burden on customers moving away from natural gas and installing electric space heating, water heating, induction cooking, etc., as well as for customers opting to own electric vehicles and charging at home.

Staff feels it is the appropriate time to evaluate existing residential tiered rates, to see if tiered rates should be continued or modified to reflect changing load patterns. Analysis will also be done to see if rates should include a seasonal component or designed on a uniform basis prior to introducing TOU rates. Other local and regional utilities who have transitioned to TOU pricing from tiered rate mechanisms have done so through a combination of minimizing the number of tiers, increasing tier allocation levels to make prices more uniform, or moving to uniform rates entirely, prior to launching TOU pricing.

Guideline 6: The COSA should support a transition to fixed or minimum monthly charges

In order to adequately and fairly collect certain costs incurred by the utility regardless of whether power is used or not (such as billing, capital improvement and some distribution related costs), staff will evaluate different means and methods of producing either a minimum or fixed monthly charge for the various customer classes.

As part of this COSA and rates update, the consultant will address the following work plan items:

Work Item 1: Evaluate TOU rates for all customer classes

While TOU rate options exist for the E4 and E7 rate categories currently, these should be evaluated for the E1 and E2 categories as well. An evaluation should be made of the time periods used, as well as the applicability of seasonal variation.

Work Item 2: Evaluate minimum charges and fixed charges

For this COSA, staff recommends evaluating the minimum charge and fixed charge as a way of ensuring that all customer groups contribute their share of the utility's operating costs. This is consistent with the approach currently being implemented by PG&E and other investor-owned utilities, as well as a number of publicly owned utilities throughout California. Many of these utilities are considering eventually implementing fixed charges rather than minimum charges. Staff recommends considering whether the City should implement a minimum charge or proposed a fixed charge instead.

Work Item 3: Evaluate the division of distribution costs between demand and energy charges

For customers with demand metering (E4 and E7), an evaluation will be made as to the allocation of charges between energy (kWh) and demand (kW).

Work Item 4: Update rates for large scale energy storage and intermittent generation, such as solar photovoltaic (PV) and microgrids

As mentioned in Guideline 4 above, new and existing rates for microgrids, battery storage, as well as standby rates, need to be evaluated and implemented.

Work Item 5: Update rates to accommodate public vehicle charging

As mentioned in Guideline 3 above, new or modified cost of service-based rates should be implemented to help facilitate and foster the growth of DC fast charging stations.

Work Item 6: Evaluate rates for electrified homes and vehicles

While this may be covered under the evaluation of TOU options, until such time that AMI can be implemented, an evaluation should be made to see if other rate options are applicable for these types of customers (such as different rate tiers, uniform rates and/or seasonal pricing).

Commission Review and Recommendation

The UAC reviewed these guidelines at its September 1, 2021 meeting. The UAC made several inquiries, including whether rates items such as critical peak pricing could be investigated, as well as minimum vs. fixed charge options. Commissioners wanted the COSA to provide flexibility for future rate options, ensure that under-collection of costs didn't take place, and provide proper incentives as well as cost allocation to customers. There were a variety of questions about rates for resiliency investments, setting rates on a geographic basis, and the future of net energy metering.

Chair Forsell moved staff's recommendation with the addition of a sixth guideline supporting a transition to fixed or minimum charges. The motion carried 5-0 with Commissioners Scharff and

Smith absent.

The Finance Committee reviewed these guidelines at its October 1, 2021 meeting. The Finance Committee inquired whether bill discounts could be included for customers choosing electrification measures, and whether those could be implemented before the COSA was completed. Also, the Committee recommended modifying the language on Guidelines 3 and 4 to represent a goal of ensuring that all value from the associated technologies would be reflected in the rates, rather than just setting rates to avoid creating barriers. These suggestions have been incorporated into the guidelines.

Vice Mayor Burt moved and Chair Cormack seconded approving the design guidelines with modifications to Guidelines 3 and 4 (incorporated). Also, the Finance Committee added a request that staff study options for an interim modification to tiers that would support electrification, and return to the UAC, Finance and Council at a future date. Staff will work with the Attorney's office to determine what options are available within the structure of the existing COSA study, and anticipates a statement on possible options to be developed during the winter/spring financial forecasting process. The motion carried 3-0.

Next Steps

After receiving the City Council recommendation, Staff will use these items in the preparation of the COSA, which is expected to be completed within FY 2022 so that updated rates can be adopted as part of the FY 2023 budget process or soon thereafter. Staff will also begin work on the study of options for interim modifications to tiers in support of electrification, however, it is expected that this will be completed outside of the COSA process outlined.

Resource Impact

The work associated with this project will be absorbed using existing staff and contract budgets. Any new rates adopted as a result will be designed to generate adequate sales revenue to fund the electric utility's operations in FY 2023 and beyond. As discussed in the FY 2022 Electric Utility Financial Plan ([Staff Report 11887](#)²), for FY 2023, the utility is currently projected to need roughly 5% more sales revenue than is generated by current rates. Expenses are projected to exceed revenues, with reserves being used to moderate customer impacts as rates are brought to parity over several years.

Policy Implications

The process of adopting these design guidelines provides the UAC, Finance Committee and City Council an opportunity to provide policy guidance to staff before work begins on the COSA.

Environmental Review

Adoption of these Design Guidelines for the 2022 Electric Utility Cost of Service and Rate Analysis does not meet the definition of a project, under Public Resources Code Section 21065 and CEQA Guidelines Section 15378(b)(5), because it is an administrative governmental activity which will not cause a direct or indirect physical change in the environment, thus no environmental review is required.

Attachments:

- **Attachment10.a:** Attachment A: Electric COSA Rate Design Guidelines

² <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/2021/id-11887.pdf>

Design Guidelines for the 2022 Electric Utility Cost of Service and Rate Analysis

1. Rates must be based on the cost of providing service. This is the overriding principle for the cost of service analysis (COSA); all other rate design considerations are subsidiary to this basic premise.
2. The effect of proposed rate design changes on low income customers should be considered, to the extent permissible within a cost-based rate structure.
3. Rates should ensure all value provided by building and vehicle electrification, including public vehicle charging, is reflected in the rates while remaining cost-based.
4. Rates should ensure all value provided by on-site generation and storage is reflected in the rates while simultaneously avoiding subsidies between customer classes and remaining cost based.
5. The COSA and rate design should support a transition to more time variant rates (such as TOU, seasonal, etc.) as AMI infrastructure is deployed.
6. The COSA should provide support for a transition to fixed or minimum monthly charges.



City of Palo Alto City Council Staff Report

(ID # 11795)

Report Type: Action Items

Meeting Date: 11/1/2021

Council Priority: Transportation and Traffic

Title: Approve Modifications to the University Avenue and California Avenue Parking Policy to Expand Eligibility for City Garage Parking Permits and Update Feeds; Adopt an Ordinance to Amend the FY 2022 Municipal Fee Schedule Increasing Parking Permit Fees; Adopt Three Resolutions Modifying the Downtown, Evergreen Park Mayfield, and Southgate Residential Preferential Parking (RPP) Programs to Reduce Employee Parking in the RPP Districts and Allow for Monthly Employee Permits; and Direct Staff to Develop a Program to Alleviate Parking Requirements in the California Avenue Area (Continued From October 26, 2020)

From: City Manager

Lead Department: Transportation Department

Recommendation

Staff recommends that the City Council approve the following, in accordance with Finance Committee's unanimous approval, [October 5th support of the following recommendations \(video\)](#):

- 1) Refer to the PTC the development of measures to alleviate parking requirements on businesses in the California Avenue area, by establishing a subscription parking in-lieu fee program for that area.
- 2) Adopt an ordinance (Attachment A) amending the FY 2022 Municipal Fee Schedule to adjust employee parking permit fees, as follows, to better align parking prices with City transportation and mobility goals as outlined in detail in Table 7 and summarized below:
 - a) Increase the price of Employee Parking Permits in the Residential Preferential Parking Program for Downtown, Evergreen Park-Mayfield, and South Gate district;
 - b) Increase the price of Reduced-Price Employee Parking Permits in the RPP programs for RPP Downtown, Evergreen Park-Mayfield, and South Gate districts;

- c) Increase the price of Employee Parking Permits in both All Downtown and SOFA Lots and Garages Parking Permit (aka University Avenue Garage Permit) and California Avenue Area All Garages and Lots (aka California Avenue Garage Permit);
 - d) Establish a Reduced-Price Employee Parking Permit in both All Downtown and SOFA Lots and Garages Parking Permit (aka University Avenue Garage Permit) and California Avenue Area All Garages and Lots (aka California Avenue Garage Permit); and
 - e) Eliminate first free annual residential permit in all RPP programs without employee subsidies, consistent with RPP districts in College Terrace, Crescent Park, and Old Palo Alto that do not provide for employee permits.
- 3) Adopt three resolutions (Attachments B, C, and D) and direct the City Manager to authorize modifications to the Residential Preferential Parking (RPP) program and commercial district employee permit allocations, as follows:
- a) Reduce employee RPP permits in the Downtown RPP by setting a cap at issuance of 580 Downtown Employee RPP permits.
 - b) Reduce employee RPP permits in the Evergreen Park-Mayfield (EPM) RPP by eliminating permits in residential zones A-F, retaining employee parking permits in employee Zone G along El Camino Real, and:
 - i) Employee permits in Zone G shall be available only to employees/employers that are located on or near to El Camino Real; and
 - ii) Authorize staff to pursue expansion of Zone G to the West side of El Camino Real, between Park Boulevard and Stanford Avenue, if necessary, including seeking approval by Caltrans and review by Stanford University.
 - c) Allow RPP employee permits to be issued in monthly durations, in addition to six-month versions; eliminate single-day employee permits; and allow for the use of virtual permits.
 - d) Maximize the parking capacity utilization in University Ave. garages/lots by increasing the caps of employee parking permits in the public garages/lots by approximately 500 in the commercial district (to a total of 3,326).
 - e) Maximize the parking capacity utilization in California Ave. garages/lots by increasing the caps of employee parking permits in the public garages/lots by approximately 490 in the commercial district (to a total of 1,075).
- 4) Direct the City Manager to expand the current boundaries for the Downtown and SOFA Lots and Garages Annual Parking Permit (aka University Avenue Garage Permit) and California Avenue Area All Garages and Lots (aka California Avenue Garage Permit) to include and align with the existing Residential Preferential Parking (RPP) boundaries for the Downtown and Evergreen Park-Mayfield districts, except for garages R and S/L).
- 5) Should Council approve recommendations 1 through 4, direct staff to include the necessary budget adjustments in the FY 2022 Mid-Year Budget Report to align revenues and expenses

in the University Avenue, California Avenue, and Residential Preferential Parking Permit Fund.

These actions follow a series of [parking management strategies](#) identified over the past two years intended to better align current ordinance provisions and permit pricing with City parking program goals. This topic was previously discussed by the City Council on November 9, 2020 where no action was taken so that staff could further refine the proposals. Since then, the City Council adopted and approved an Automated License Plate Recognition (ALPR) Surveillance Policy and a contract amendment to purchase ALPR devices for parking management data collection and enforcement ([staff report 11492](#)). A progress update was provided to Council on June

Executive Summary

Parking management strategies, targeted parking supply investments, and transportation demand management programs allow the City to utilize a variety of tools and strategies to address parking and traffic issues prioritized by the [City's Comprehensive Plan](#), and to pursue Sustainability and Environmental goals with parking management tools outlined in the [Transportation Element](#) section of the Plan.

The recommended pricing and employee allocation adjustments address current administrative feasibility and financial sustainability concerns, accommodate demand for employee and visitor parking while decreasing impact of businesses on local RPP districts. Reducing parking requirements in the California Ave. commercial parking district for retail and restaurant uses encourages new businesses and the use of alternative modes. These planned programmatic changes and actions address the City's goals for encouraging attractive, convenient, efficient and innovative parking solutions for all users, while also protecting residential areas from parking impacts of nearby businesses and uses.

Additional changes to commercial parking policies are expected and will be developed with stakeholder input via an RFI for commercial pilot options, separate from the actions here.

Background

In the context of community and economic recovery from the pandemic and the evolving climate into the future, staff recommends Council direct staff to develop a subscription parking in-lieu program for California Avenue. This commercial district rarely experiences new development in part due to parking requirements, the size of parcels, and limited opportunities to provide private off-street parking.

Several years ago, the City had an active parking assessment district and property owners that participated in this program were able to meet parking requirements through this program. The proceeds from that assessment were dedicated toward paying bond obligations that were used to finance the building of a 2-story garage (Ted Thompson garage, Lot C3). This debt matured

several years ago and so the assessment district was retired. Since that time, any new use or business intensification cannot proceed if the proposed use has any parking requirement higher than the previous use allowed. For instance, a restaurant, which requires a higher parking requirement, cannot occupy a former retail storefront space, which has a lower parking requirement, unless the owner of that space is able to provide additional parking.

These requirements have constrained changes in the California Avenue, especially in the current environment with COVID-19 which has called for changes in behavior including social distancing. Tenants and property owners may find it beneficial to allow a business to locate or expand into adjacent storefronts. With incentives the City has already implemented, an in-lieu parking program, and consideration of other factors, some individuals may find opportunity in vacant storefronts.

Parking Funding Background

Parking management strategies enacted in the City of Palo Alto have included the establishment of both commercial and residential parking programs. Residential Preferential Parking (RPP) programs established via [Ordinance No. 5294](#) are intended to restore and enhance the quality of life in residential neighborhoods by reducing the impact of parking associated with nearby businesses and institutional uses. Parking programs established to form the University Avenue ([Resolution No. 8034](#)) and California Avenue ([Resolution No. 7230](#)) Parking Assessment Districts provided funding for parking structure construction in their respective commercial areas via issuance of debts and levying assessments on local business in both. These provide parking supply for both visitor use, and district employee use via reserved spaces.

Separately, the City currently has three funds that track the following parking programs: the University Parking Permit (Fund 236), California Avenue Parking Permit (Fund 237), and the Residential Preferential Parking Program (Fund 239). The financial accounting of the collection of revenues, payment of expenses, and funding of parking related Capital Improvement Projects (CIPs) is managed in these funds. Historically, the parking funds have been financially insolvent with expenses exceeding revenues, when the fund is running in a deficit position, a transfer subsidy from the General Fund is adopted by the City Council as part of the annual budget process.

Full price employee parking permits and daily permits sales generate the main source of revenue in both the University and California Avenue Parking Permit Funds. Low income employee permits are not currently available in these commercial areas. In the Downtown, Evergreen Park-Mayfield, and Southgate RPP districts, in which the City currently offers employee permits, the City offers both full price and reduced-price (low-income) employee parking permits. In addition, resident, guest, and daily permits are sold throughout the RPP districts. Any fund balances in the commercial districts has historically been planned for capital investment and start-up costs of new program such as the potential infrastructure for paid

parking. Historically the RPP Program Fund only operates in a positive financial position when sufficient employee permits are sold.

Historically, parking pricing for employee permits was determined by the commercial or residential areas and relative to business traffic and parking demand: the price for employee permits in California Avenue geographic area is currently approximately half the price of a University Avenue permit. As RPP programs were established, employee permit pricing mirrored that of the nearest commercial district. Original allotments of employee permits were established upon an assessment of apparent need established by a planning process.

TABLE 1: CURRENT (ACTIVE) FY2022 EMPLOYEE AND RESIDENTIAL ANNUAL PERMIT PRICING

PARKING DISTRICT	EMPLOYEE PERMITS (FULL PRICE)	EMPLOYEE PERMITS (REDUCED PRICE)	RESIDENTIAL PERMITS	NUMBER OF EMPLOYEE PERMITS AVAILABLE
<i>University Avenue</i>	\$806	<i>None</i>	<i>N/A</i>	2,826
<i>California Avenue</i>	\$403	<i>None</i>	<i>N/A</i>	585
RESIDENTIAL PREFERENTIAL PARKING (RPP) PROGRAMS				
<i>College Terrace</i>	<i>None</i>	<i>None</i>	\$50	<i>None</i>
<i>Downtown</i>	\$806	\$100	\$50 (first one free)	1,000 (+200 in reserve)
<i>Crescent Park</i>	<i>None</i>	<i>None</i>	\$50	<i>None</i>
<i>Evergreen Park/Mayfield</i>	\$403	\$50	\$50 (first one free)	250 for Zones A-F; 40 for Zone G
<i>Southgate</i>	\$403	\$50	\$50 (first one free)	25
<i>Old Palo Alto</i>	<i>None</i>	<i>None</i>	\$50	<i>None</i>

Parking citations for infractions in the University and California Avenue commercial parking districts are issued by Police Department's Community Service Officers (Parking Enforcement) and the expenses for enforcement and citation revenue collected is accounted for in the general fund. Parking citations and enforcement in the RPP districts is done primarily by a contracted service provider, LAZ Parking, and both the expenses and revenue is accounted for in the RPP fund (the exception is the Crescent Park No Overnight Parking Program, which is enforced by Palo Alto Police Department, and revenues go to the general fund). Due to the pandemic, parking enforcement was suspended March 16, 2020 (resumed October 1, 2021) allowing the public to park on- and off-street without time restrictions. As a result, all permit sales revenues and citation revenues have been severely reduced during the pandemic.

Discussion

The following report details recommendation considerations in four main parts:

1. California Avenue In-Lieu Parking Program Proposal

Since the 1970s until a few years ago, property owners within the California Avenue Assessment District paid an annual assessment to pay off bonds used to finance parking improvements in the area. Development within this assessment boundary benefit from reduced parking requirements (compared to the rest of the City) and owners were allowed to buy into the program when a new use required additional parking. This ‘in-lieu’ payment concept is akin to the downtown in-lieu program but regulatorily different. Where the Downtown in-lieu program continues, the California Avenue program ended when the bond was paid. The California Avenue Assessment District is simply no longer extant. Accordingly, there is no mechanism in place today for the City to receive payment for – or for property owners to request – in-lieu parking on California Avenue. The inability to offset parking requirements for new uses or development through fee payment has frustrated some property managers and owners and essentially freezes in place a baseline level of land use and land use intensity along California Avenue. For instance, similarly parked land uses can only replace similarly parked land uses and not land uses that require more parking spaces. Retail can replace retail, but restaurant cannot replace retail because it has a higher parking standard¹.

The table below provides a summary of permitted and conditionally permitted uses in the California Avenue area and their associated required parking requirements:

TABLE 2: CALIFORNIA AVENUE AREA PARKING REQUIREMENTS EXCERPT

Land Use	Typical Parking Requirement (not including Downtown)	California Avenue Assessment District Boundary
Commercial recreation (>5K=CUP)	1 space / 4-person capacity	same
Personal Service	1 space / 200 square feet	1 space / 450 square feet
Retail (intensive: i.e.; shoe store)	1 space / 200 square feet	1 space / 240 square feet

¹ The former California Avenue Parking Assessment District’s parking requirements addressed a variety of land uses, including financial institutions and offices. For the purpose of this memorandum and the associated parking policy program, staff will focus on ground floor, retail and retail-like land uses on California Avenue; commercial office is not the focus or intent of the discussion points in this memorandum.

Land Use	Typical Parking Requirement (not including Downtown)	California Avenue Assessment District Boundary
Retail (extensive: i.e.; furniture store)	1 space / 350 square feet	same
Restaurant	1 space / 60 square feet (plus 1 / 200 SF for other areas)	1 space / 155 square feet

If the Council finds the existing mix and intensity of land uses sufficient and appropriate for California Avenue, then no changes are needed to these parking requirements. The current policy will limit any significant changes in the type or intensity of land uses and discourage redevelopment or new construction in California Avenue. Lot consolidation is challenging and would likely be required for any significant redevelopment to meet off-site parking requirements. If there is no change to the status quo, the Council's deliberation on the City's parking policies as provided in the October 5th staff report can continue without consideration of any intensification on California Avenue.

However, if the Council is interested in some allowance for a change in land use intensity on California Avenue, there are some policy considerations that should be factored in the broader parking policy discussion. The Finance Committee considered the following options and recommend that the Council direct staff to further explore option C. *Subscription In-Lieu Program*:

Land Use and Parking Options – Former California Avenue Assessment District

- A. *Blended Parking Rate*. This approach would establish the same parking requirement for a certain set of land uses in order to allow for continued interchangeability of uses, such as retail, restaurant, personal service. For example, the parking requirement for all these uses could be changed to 1 space / 200 square feet. This policy would facilitate timely land use conversions enabling property owners and managers to respond more quickly to economic market conditions and reduce tenant space vacancies; however, the implications of this policy could be profound in the California Avenue area without an aggressive and comprehensive parking policy program. A blended parking rate for California Avenue could result in many more restaurant conversions and expansions, which typically required more parking space and may strain parking resources during peak periods. Staff does not recommend this policy option at this time.
- B. *Formal Parking In-Lieu Program*. Downtown (University Avenue) has an in-lieu parking program that creates an opportunity for a property owner to pay an in-lieu fee instead of providing parking spaces otherwise needed onsite for a new development or change in land use. Payment is made through an in-lieu parking fee that adjusts annually through changes in the construction index and set at the completion of any City parking

garages. The current fee is approximately \$116,000 per space. The owner paying for an in-lieu parking space does not get dedicated access to parking spaces in any City garage and is not guaranteed any parking space will be available. The fee satisfies the zoning requirement for required parking and the money is used to help pay for public parking within the district.

Establishing an in-lieu parking program for California Avenue is feasible and requires considerable City resources for stakeholder engagement, analysis, legal support and administration. Understanding existing and future parking demand based on the desired number of new parking spaces anticipated and the effectiveness and commitment to parking policies for the California Avenue would factor into a study that would begin to define the program, its regulatory structure and ultimate fee.

There are many details that would need to be understood and addressed before establishing a formal program. Moreover, if the cost for an in-lieu fee is similar to the cost for the Downtown program, it is not anticipated a similar program would be successful in California Avenue. The ability to pay over \$100,000 for one parking space for a typical restaurant owner is not feasible given the relatively low margins associated with the industry. Also, retail to restaurant conversions likely require several parking spaces further increasing the fee. Property owners would similarly be less motivated to pay the in-lieu parking expense as their return on cost would likely be too low. If there were Council interest in advancing this program, an initial understanding would be needed on the proposed parking requirements for the various land uses in the California Avenue area. At this time, staff does not recommend this option.

- C. *Subscription In-Lieu Program.* Information on this option is provided in the October 5th Finance Committee report and is an option that staff conceptually supports, though a considerable amount of research is needed should the Finance Committee and Council support this alternative. In summary, the subscription in-lieu program would apply to existing buildings and land uses on the ground floor with frontage or access to California Avenue. The program could be used to off-set the zoning standard parking requirement. Similar to the in-lieu parking program for University Avenue, participants would not be guaranteed or assigned any public parking spaces and there would be a fee required. However, unlike University Avenue, the fee, conceptually, would be set at a more attainable level such that a restaurant tenant or property owner could sustain an ongoing subscription for required parking spaces to accommodate a change in land use. If the more intense use gives way to a less intense use, the entity paying for the subscription could cancel relieving the party of future payments.

As noted in the staff report, depending on other parking strategies the Council ultimately adopts, staff anticipates the new parking garage could potentially accommodate up to 100 parking spaces in this subscription program. The principal reason for adopting this policy is to facilitate or encourage more restaurants on California Avenue. However, the Council may have

other policy interests where such a program combined with other policy changes, such as encouraging other activities on California Avenue such as educational, community center, or entertainment uses, may warrant continued consideration.

Importantly, there is not a model for this program in the City's current regulatory framework and significant staff analysis is required, including legal review, land use analysis and determining how to set the subscription fee in compliance with Proposition 26. Because of the significant work effort and potential implications for California Avenue specifically, and the City's overall approach toward a parking policy generally in this area, staff would need Council direction to further explore this option.

If the Council is not interested in land use policy changes for California Avenue, then the deliberation on the City's parking policy solutions for the California Avenue area does not need to consider allocating 100 or so spaces to facilitate more intense uses (restaurants) on California Avenue.

If there is interest to accommodate some land use intensification on California Avenue, the subscription based in-lieu parking program may provide a way to meter those conversions in a manner that supports other parking policy interests in the neighborhood without negatively impacting parking resources.

This effort is consistent with Policy T5.1.2: Consider creating new ways of meeting parking requirements for retail, restaurant, and other types of business uses as a means to encourage new businesses and the use of alternative modes. Existing parking requirements for the California Avenue area are found at PAMC 18.52.040. Establishment of an in-lieu parking program would be a valuable economic development and sustainability tool.

2. California Avenue Garages/Lots and the Evergreen Park-Mayfield RPP

The California Avenue Business District, immediately adjacent to the Evergreen Park and Mayfield neighborhoods, has regularly attracted business visitor and employee parkers, who, for lack of the right incentives offered, utilize residential blocks for trips that could be better suited by parking facilities in the main commercial area, especially to avoid commercial time-based restrictions. Commercial time restrictions, when needed, prioritize turnover and ease of parking space discovery to facilitate customer and employee trip satisfaction. Residential on-street curb parking, in turn, with RPP programming, prioritizes longer stays and facilitates short visitor trips. The RPP program design in Palo Alto facilitates flexibility and adaptability in meeting parking demand while centering resident experience and quality of life.

Discussions amongst City staff and community stakeholders regarding parking availability in the California Avenue commercial district and its surrounding neighborhoods led in recent years to Council decisions to increase parking supply in the California Avenue Business District by constructing a new parking garage at 350 Sherman Avenue (as part of the [Public Safety Building project](#)), and to establish the EPM RPP district in 2017. The EPM RPP program provides both

residential and employee parking permits in the area, while the California Avenue Business District ([California Avenue parking facilities](#)) provides visitor and employee parking in surface lots and garages. Again, the current design of these programs prioritize commercial district parking facilities for higher turnover uses and employee parking; and, residential parking for convenient access for residents and resident visitors ([EPM RPP program information](#)).

Together, the new California Avenue Parking Garage (as part of the California Avenue Business District) and the EPM RPP program provide City staff the ability to effectively manage parking impacts in both residential and commercial zones in the area, especially with the regular parking occupancy monitoring being implemented. City Council has previously recognized the need to be flexible with the number of employee permits made available in the Evergreen Park-Mayfield Residential Preferential Parking Program. After establishing the EPM as an RPP district ([Resolution No. 9739](#)), Council approved a district redesign by creating additional zones, including a new Employee Parking Zone G ([staff report 8893](#)) on El Camino Real.

The completion of 350 Sherman Avenue Garage adds approximately 316 new parking spaces (its ~626 total spaces replace 310 pre-existing spaces) to the California Avenue commercial district, as well as opportunities to utilize a new Parking Guidance System (PGS) to manage the City's parking facilities more efficiently. The PGS is equipped with optical sensors to detect parking occupancy, as well as software capabilities for managing visitor parking stays and payments. Light-emitting diode (LED) lights indicate availability and other information to parkers.

The additional parking supply provided by the new garage allows the City to reduce the number of employee permits made available in the EPM RPP A-F zones, in line with expectations of residential stakeholders outlined in the City's parking management work plan ([prioritized Parking Work Plan](#)). Staff will evaluate the impact of the recommended permit reduction and phasing and consider additional reductions each year. Staff believes, at this time, that the existing garages and lots along with the new California garage on Sherman provides sufficient space for shifting, thus reducing, approximately 250 of the 290 EPM RPP, Zones A-F, employee permit holders and all garage waitlisted employees/ employers (pre-pandemic the waitlist was 228). The remaining 40 employee permits are located on or near El Camino Real and would be best accommodated as they are now in Zone G. In the past, a 60% show rate for permit spaces has been typical (not all permit holders arrive each day), such that the added supply should be sufficient to accommodate both permit and visitor uses, including spaces proposed in the potential in lieu program described in [staff report 11702](#) and above. Note that in the California Avenue parking district, employee garage and lot permits are valid in any public garage/lot in the district ([California Avenue parking facilities](#)).

Currently, there are 453 garage and lot permits that have been sold in the California Avenue parking district, and the cap is 585 permits (pre-pandemic), which typically sells out. Using our 60% show-rate, allocating 490 additional permits in the new parking garage will sufficiently

provide parking spaces in the district new and waitlisted employees to purchase permits, as well as new uses allowed via the to be developed in-lieu fee program.

Staff will monitor demand for these permits and recommend decreasing availability as reasonable. If there is additional demand for employee permits in EPM/Zone G, staff will coordinate with Stanford University and Caltrans on the possibility of expanding Zone G to the West side of El Camino Real on the block between Park Boulevard and Stanford Avenue.

Staff will be reviewing parking occupancy over the next year to evaluate garage/lot parking capacity to further maximize usage. While future usage trends are especially uncertain in the current economic context, the technology systems installed provide staff the ability to monitor usage trends over time, and to make future recommendations based on more complete usage and parking availability data.

TABLE 3: Expanded Parking Supply in the California Avenue Business District

Previous total parking supply in the California Avenue Business District (including Lots 6 and 7)	922
Previous parking lot supply at Lots 6 and 7 (removed)	(310)
New 350 Sherman Avenue parking supply (replacement + new)	626
New total parking supply in the California Avenue Business District	1,238
<i>NOTE: Additional parking supply in the California Avenue Business area provided by the new garage at 350 Sherman Ave. (net 316 new spaces)</i>	

TABLE 4: Parking Demand, FY 2020-21

Total waitlisted California Avenue Business District employees (pre-pandemic to current, a significant number are expected to no longer need permits)	~370
Total employee RPP permits currently in the EPM District (40 in Zone G, adj. to ECR)	290

3. Increased Price of All Employee Permits and Expand Commercial District Boundaries

Staff recommends implementing Council approved employee permit pricing rate increases throughout the City in sync with new permit sales cycles coming online throughout Fiscal Year 2022. This action consolidates demand for on-street spaces into the RPP program's permit sales, enabling parking occupancy rates and availability to be understood more fully, before any future pricing adjustments or parking enhancements to be considered in light of future documented demand for street space (via LPR enabled parking occupancy monitoring). Staff also recommend allowing employee permits to be issued on a monthly basis for added flexibility for employees, eliminate single-day employee permits, and to allow for virtual permits in the RPP programs.

Additionally, if, as a City, it is a goal to have long-term employee parking occur in the garages

and lots, the financial incentives through permit pricing for that behavior should not cost less to park in the residential zones than in the parking garages and lots. Similarly, as the City strives to meet GHG reduction goals and minimize the environmental impacts of single-occupancy vehicles, parking pricing should be closely considered with comparative pricing of transit and other peer parking pricing. The proposed price increases, as demonstrated in the table below, compare reasonably with other monthly and annual City parking rates in the region, and Caltrain pricing.

TABLE 5: Caltrain, Garage & Lot Parking Monthly Pricing Comparison Table

	<i>Monthly Costs</i>
Palo Alto (current)	\$33 - \$67
Palo Alto (proposed)	\$54 - \$84
Mountain View	\$61
Redwood City	\$40 - \$100
San Jose	\$50 - \$125
San Francisco	\$100 - \$530
<i>Caltrain*</i>	<i>Monthly Costs</i>
	\$38.40 - \$92.40

* Travel to Palo Alto assumes 1-3 zones fare

Staff relatedly recommends the City eliminate the first free annual residential permit in all RPP programs, to remain consistent with RPP districts in College Terrace, Crescent Park, and Old Palo Alto that do not have employee permit subsidization.

TABLE 6: PROPOSED FY 2022 Changes to Employee and Residential Annual Permit Pricing and Employee Permit Availability

<i>Parking District</i>	<i>Employee Permits (Full Price/yr)</i>	<i>Employee Permits (Reduced Price/yr)</i>	<i>Residential Permits (price/yr)</i>	<i>Number of Employee Permits Available</i>
University Avenue	\$806 \$900	N/A \$225	N/A	2,826 3,326
RPP – Downtown	\$806 \$1050	\$50 \$262.50	\$50 (first one free)	1,000 580 (+200 in reserve)
California Avenue	\$403 \$650	N/A \$162.50	N/A	585 1,075
RPP – Evergreen Park/Mayfield	\$403 \$750	\$50 \$187.50	\$50 (first one free)	250 0 for Zones A-F; 40 for Zone G (+10 in reserve; expand)

Parking District	Employee Permits (Full Price/yr)	Employee Permits (Reduced Price/yr)	Residential Permits (price/yr)	Number of Employee Permits Available
RPP – Southgate	\$403 \$750	\$806 \$187.50	\$50 (first one free)	30
Other Residential Preferential Parking Programs				
College Terrace	None	None	\$50	None
Crescent Park	None	None	\$50	None
Old Palo Alto	None	None	\$50	None

Note: The employee permit prices are shown in annual terms for ease of comparison; however, employee permits are currently sold in six-month versions in these RPP districts by pro-rating the fee.

Current Parking Context

Due to the pandemic, parking enforcement was suspended March 16, 2020 (resuming October 1, 2021) allowing the public to park on- and off-street without time restrictions. As a result, all permit sales revenue has been severely reduced during this time.

Reduced-Price Employee Parking Permits in Commercial Districts

Recognizing the economic constraints of low wage earners, the City reduced the cost of parking permits in the RPP zones for qualified individuals. An individual qualifies as low-income if total annual income is equal to or less than \$50,000, or if they earn a pre-tax hourly wage equal to or less than double the greater of the City or State minimum wage. An applicant must provide proof of income. There is no cap on the number of reduced-price permits that are issued (within the employee permit maximum). To accommodate the shift of permit allocation from residential parking districts to commercial garages and lots, staff recommends establishing a reduced-price permit for low-income workers, which currently only exists for employees in the RPP districts.

Modifications to RPP and Commercial District Employee Permit Allocations

In early 2014, the City began significant efforts to address the parking and traffic challenges, particularly in the Downtown core, through a strategic multi-pronged approach of parking management, parking supply and transportation demand management programs. The strategy includes implementation of the Downtown Residential Preferential Parking (RPP) Program, which went into effect in September 2015. The introduction of this program has required the development and launch of a new online permit sales website and sales support, installation of signage in any new permit areas, negotiation and oversight of an enforcement contract, and extensive community outreach and data collection.

Phase 1 of the program regulated non-resident parking around the Downtown commercial core by introducing Resident and Employee Parking Permits and restricting non-permit holders to

two-hour parking between the hours of 8:00am and 5:00pm on Monday through Friday. Resident Parking Permits are for residents who live within the Downtown RPP program area while the Employee Parking Permits are for any individuals who are employed within and commuting to the Downtown area. Phase 2 of the program, which went into effect on April 1, 2016, capped the number of Employee Parking Permits at 2,000 and established ten Employee Parking Zones in an effort to better distribute non-resident parkers. Eligibility Areas, which can petition to join the program administrative, were also created as part of Phase 2 of the program.

Over time, the employee RPP permit caps have been reduced, both naturally and through a reduction in cap. In February 2016 the City Council directed that the number of Employee Parking Permits be reduced by 10% per year. In 2016, the cap was 2,000 permits and in 2021 the cap, as set by Resolution 9782 is 1,000 employee permits with 200 held in reserve. RPP permit sales have consistently decreased, and the most recent permit sales (pre-pandemic) was approximately 760 permits.

In the Downtown commercial parking district, there are 11 parking garages/lots that are utilized for permit parking. In these garages, there are 1,758 permit spaces and 1,790 permits currently sold, however the permits typically sell out (pre-pandemic). Pre-pandemic, there was also a waiting list for 354 permits. At this time, however, garages have sufficient capacity available to accommodate the additional recommended employee permits and accommodate waiting list permits. Staff recommends setting a Downtown RPP cap of 580. This recommendation will be re-evaluated post-pandemic using parking occupancy data in the garages/lots and RPP districts.

4. Expanded Commercial District Employee Eligibility Boundaries

Finally, the eligibility boundaries to purchase an off-street parking permit are determined based on an business assessment district boundary map for the University Ave. and California Ave. commercial corridors. Staff recommends expanding the current boundaries to match the existing Residential Preferential Parking (RPP) boundaries for the Downtown and Evergreen Park-Mayfield districts. Expanding eligibility allows new and smaller businesses residing beyond the traditional commercial core access to the City's parking facilities, relieving on-street parking demand. The eligibility expansion will not include the use of the Downtown garages R and S/L, which are use restricted under the financing arrangements still in place for those garages.

Resource Impact

The Parking Fund Balances table below compares two scenarios and estimates parking fund solvency from FY 2022 through FY 2025 for University Avenue, California Avenue, and the RPP parking districts. Fund balance actuals are presented for FY2021 and fund balance estimates for FY 2022 through FY 2025.

- Scenario A assumes that no adjustments are made to any parking permit policies related to any of the parking districts. The projected impact is a continuing decrease in the

ending fund balance of all parking funds through FY 2025. Notably, the University Avenue Fund could no longer support operating expenses starting in FY 2024.

- Scenario B assumes that the recommendations presented in this staff report are implemented in FY 2022. All funds would remain solvent through FY 2025.

Further details for each scenario are located after the table below.

TABLE 7: PARKING FUNDS PROJECTED FUND BALANCES

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Scenario	<i>actuals</i>	<i>estimates</i>	<i>estimates</i>	<i>estimates</i>	<i>estimates</i>
University Avenue					
A: No Changes	1,501,000	1,026,000	322,000	(412,000)	(765,000)
B: Recommendations		1,569,000	1,409,000	1,217,000	995,000
California Avenue					
A: No Changes	422,000	360,000	290,000	212,000	127,000
B: Recommendations		408,000	387,000	358,000	321,000
RPPs					
A: No Changes	133,000	202,000	257,000	148,000	25,000
B: Recommendations		268,000	388,000	344,000	287,000

In Scenario A, University Avenue fund balance is projected to decrease by 32% from FY 2021 to FY 2022 and would decrease by another 69% in the following year. In FY 2024 it is projected that the fund would require a subsidy to meet operational costs. Both the California Avenue and RPP fund balance will decrease over time through FY 2025 by 70% and 81% respectively (compared to FY 2021). Future increases in the cost of labor, consultant contracts and programmatic parking improvements will accelerate the projected downward trend.

Under Scenario B, all fund balances are still projected to decrease annually, but at a much slower rate, and would remain solvent through FY 2025. Recommended reductions of available employee permits in the Downtown and EPM RPP districts would significantly reduce cost recovery mechanisms in the RPP fund. As the table indicates, the RPP program fund balance would continue to decrease through FY 2025 but still meet its operation obligations.

TABLE 8: SUMMARY OF PROPOSED PRICING ADJUSTMENTS & TIMELINE

FEE	CURRENT RATE	PROPOSED RATE	IMPLEMENTATION SCHEDULE
------------	---------------------	----------------------	--------------------------------

FEE	CURRENT RATE	PROPOSED RATE	IMPLEMENTATION SCHEDULE
All Downtown and SOFA Lots and Garages: Annual Parking Permit (University Ave.)	\$806/yr	\$900/yr	1/1/2022 (sales begin 12/1/21)
All Downtown and SOFA Lots and Garages: Annual Parking Permit - Reduced	None	75% off Annual Permit (currently \$225)	1/1/2022 (sales begin 12/1/21)
California Avenue Area All Garages and Lots: Annual Parking Permit	\$403/yr	\$650/yr	1/1/2022 (sales begin 12/1/21)
California Avenue Area All Garages and Lots: Annual Parking Permit – Reduced	None	75% off Annual Permit (currently \$162.50)	1/1/2022 (sales begin 12/1/21)
Downtown RPP: Full Price Employee Parking Permit	\$806/yr	\$1,050/yr	1/1/2022 (sales begin 12/1/21)
Downtown RPP: Reduced-Price Employee Parking Permit	\$50/yr	75% off Full Price Annual Permit (currently \$262.50)	1/1/2022 (sales begin 12/1/21)
Downtown RPP: Annual Resident Parking Permit	\$50/yr 1 st one free	\$50/yr	4/1/2022 (sales begin 3/1/22)
Evergreen Park - Mayfield RPP: Full Price Employee Parking Permit	\$403/yr	\$750/yr	1/1/2022 (sales begin 12/1/21)
Evergreen Park - Mayfield RPP: Reduced-Price Employee Parking Permit	\$25/yr	75% off Full Price Annual Permit (currently \$187.50)	1/1/2022 (sales begin 12/1/21)
Evergreen Park - Mayfield RPP: Annual Resident Parking Permit	\$50/yr 1 st one free	\$50/yr	4/1/2022 (sales begin 3/1/22)
Southgate RPP: Full Price Employee Parking Permit	\$403/yr	\$750/yr	5/1/2022 (sales begin 4/1/22)
Southgate RPP: Reduced Price Employee Parking Permit	\$25/yr	75% off Full Price Annual Permit (currently \$187.50)	5/1/2022 (sales begin 4/1/22)

FEE	CURRENT RATE	PROPOSED RATE	IMPLEMENTATION SCHEDULE
Southgate RPP: Annual Resident Parking Permit	\$50/yr 1 st one free	\$50/yr	5/1/2022 (sales begin 4/1/22)

No budget amendments are required at this time. However, budget alignments will be needed in the various parking fund in order to implement changes recommended for consideration by this report. Finance Committee's endorsement of staff's recommended changes to the City's permit parking program aligns with the City's parking pricing incentive goals and will move the program toward continuing financial viability. The specific timeline and resource impacts depend on the actions taken by the City Council based on staff recommendations in this memorandum.

As noted in the recommendations, should Council approve recommendations 1 through 4 in this report the following budget adjustments are needed. Staff expects to bring these appropriation actions as part of the FY 2022 Mid-Year Budget Report:

- Increase FY2022 adopted permit revenue amounts for the University and California Avenue Parking Funds due to increased permit prices and permit capacity
- Decrease FY2022 adopted permit revenue amount for the RPP Fund due to reduced available employee permits
- Expenses are not expected to increase as permit and enforcement service contracts are in place and funded to carry out the recommended program changes.

In addition, as an employer in the City, the City purchases employee permits for its employees at a cost of approximately \$392,522 annually. With the proposed increase in permit pricing in the University Parking District, the cost to the City would increase to approximately \$438,300 annually. This is approximately a 23% increase in expenses to the General, Utility Administration and Technology Funds, funds which cover the cost of these City employee permits. This additional cost would be factored into the next FY 2023 annual budget process should these increased fees be approved.

If staff receive direction to design an in-lieu program, additional staff resources will be needed.

Stakeholder Engagement

The recommended action is a result of expectations of residential stakeholders outlined in the City's parking management work ([prioritized Parking Work Plan](#)), reflecting outreach and community engagement processes documented at the outset of the planning processes that created the citywide RPP program as well as subsequent RPP planning study ([Residential Preferential Parking Program Review](#)).

Policy Implications

The following Comprehensive Plan programs and policies are relevant to parking management policies:

Policy T5.1.2: Consider reducing parking requirements for retail and restaurant uses as a way to encourage new businesses and the use of alternative modes.

Policy T-5.5 Minimize the need for employees to park in and adjacent to commercial centers, employment districts and schools

Policy T-5.11 Work to protect residential areas from parking impacts of nearby businesses and uses, recognizing that fully addressing some existing intrusions may take time.

Policy B-1.2 Promote Palo Alto's image as a business-friendly community. Assume an active role in fostering businesses, including small start-ups, entrepreneurs, and innovative businesses.

Policy B-1.3 Engage with all stakeholders in the community, including businesses of all sizes, local retailers, the public, and City decision-makers in order to understand the challenges businesses and employers face.

Policy B-2.3 Recognize that employers, businesses and neighborhoods share many values and concerns, including traffic and parking issues and preserving Palo Alto's livability, and need to work together with a priority on neighborhood quality of life.

Policy B-3.3 Develop strategies for promoting businesses and employers that generate revenues that will support a full range of high-quality City services, including retain and attract revenue-generating businesses.

Policy B-4.2 Attract and support small businesses, start-ups, non-profit organizations, and professional services, which are vital to a diverse and innovative economy.

Environmental Review

The recommended action is categorically exempt pursuant to Section 15301 in that the program modifications will have a minor impact on existing facilities.

Attachments:

- **Attachment11.a:** Attachment A – Ordinance to Amend the FY22 Municipal Fee Schedule to Amend Parking Permit Prices
- **Attachment11.b:** Attachment B – Resolution to Amend the Downtown RPP District to Amend the Number and Duration of Employee Permits
- **Attachment11.c:** Attachment C – Resolution to Amend the Evergreen Mayfield RPP District to Amend the Number and Duration of Employee Permits
- **Attachment11.d:** Attachment D – Resolution to Amend the Southgate RPP District to Amend the Duration of Employee Permits

NOT YET APPROVED

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending the Fiscal Year 2022
Municipal Fee Schedule to Add and Amend Parking Permit Fees for Business
District and Residential Parking Permits

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

A. The City has various paid parking programs as authorized by Palo Alto Municipal Code Chapter 10.46 (College Terrace Residential Parking Permit Program), Chapter 10.50 (Residential Preferential Parking Districts), and Section 10.60.070 (Permit parking in city lots), among others.

B. The fees for parking permits authorized by these ordinances are set in the City's Municipal Fee Schedule.

C. Based on recommendation from the Finance Committee, the City Council desires to increase certain parking permit fees as described in this Ordinance.

SECTION 2. The Council of the City of Palo Alto amends the Fiscal Year 2022 Municipal Fee Schedule by amending and restating the Office of Transportation's parking permit fees as set forth in Exhibit "A" and incorporated here by reference. All fees not listed in Exhibit "A" remain unchanged.

SECTION 3. The fees in this Ordinance are a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not changed, and which does not exceed the reasonable costs to local government of conferring the benefit or granting the privilege; or for voluntary entrance and/or use of government property. Pursuant to Art. XIII C, Section I(e)(2) and (4) of the California Constitution, these fees are not a tax.

SECTION 4. The Council finds that this Ordinance is categorically exempt from the provisions of the California Environmental Quality Act ("CEQA") per section 15301 (Existing Facilities).

//

//

//

//

NOT YET APPROVED

SECTION 5. This ordinance shall be effective thirty-one days after the date of its adoption or on January 1, 2022, whichever is later.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Chief Transportation Official

Director of Administrative
Services

NOT YET APPROVED

Exhibit A
Fiscal Year 2022 Municipal Fee Schedule
Office of Transportation

<i>Parking District</i>	<i>Full Price Employee Permit</i>	<i>Reduced Price Employee Permit (eligibility required)</i>	<i>Annual Resident Parking Permit (price per year)</i>
Parking Permit – Business District (These fees replace the annual parking permit rates)			
<i>University Avenue</i>	\$75/month \$900/year (Permits may be issued in one-month or longer durations as determined by the City Manager by pro-rating the yearly fee)	\$18.75/month \$225/year (Permits may be issued in one-month or longer durations as determined by the City Manager by pro-rating the yearly fee)	N/A
<i>California Avenue</i>	\$54.17/month \$650/year (Permits may be issued in one-month or longer durations as determined by the City Manager by pro-rating the yearly fee)	\$13.54/month \$162.50/year (Permits may be issued in one-month or longer durations as determined by the City Manager by pro-rating the yearly fee)	N/A
Parking Permit – Residential			
<i>College Terrace</i>	None	None	\$50
<i>Downtown</i>	\$87.50/month \$525/six-months	\$21.88/month \$131.25/six-months	\$50
<i>Crescent Park</i>	None	None	\$50
<i>Evergreen Park/Mayfield</i>	\$62.50/month \$375/six-months	\$15.63/month \$93.75/six-months	\$50 (no first free permit)
<i>Southgate</i>	\$62.50/month \$375/six-months	\$15.63/month \$93.75/six-months	\$50 (no first free permit)
<i>Old Palo Alto</i>	None	None	\$50

NOT YET APPROVED

Fees deleted

Downtown RPP - Daily Employee Parking Permit

Evergreen Park - Mayfield RPP Daily Employee Parking Permit

Southgate RPP - Daily Employee Parking Permit

All fees not amended or deleted in this Exhibit "A" remain unchanged from the FY 2022 Municipal Fee Schedule.

NOT YET APPROVED

Resolution No. ____

Resolution of the Council of the City of Palo Alto Amending and Restating Resolution 9782 that Regulating the Downtown Residential Preferential Parking District (RPP) Program to Modify the Number of Employee Parking Permits Available and to Make Clarifying and Other Minor Modifications

RECITALS

A. California Vehicle Code Section 22507 authorizes the establishment, by city council action, of permit parking programs in residential neighborhoods for residents and other categories of parkers.

B. A stakeholders group comprised of Downtown residents and business interests was convened to discuss the implementation of Residential Preferential Parking Districts (RPP Districts).

C. On December 15, 2015 the Council adopted Ordinance No. 5294, adding Chapter 10.50 to Title 10 (Vehicles and Traffic) of the Palo Alto Municipal Code. This Chapter establishes the city-wide procedures for RPP Districts in the city.

D. On December 1, 2014, the Council adopted Resolution No. 9473 implementing the Downtown Residential Preferential Parking Pilot Program in two phases, and on February 23, 2016, the Council adopted Resolution No. 9577 updating the process for implementing the second phase.

E. On March 6, 2017 the Council adopted Resolution No. 9671 to end the pilot phase and implement the Downtown Residential Preferential Parking Program as a continuing program.

F. It is the goal of the City to reduce the impacts of non-resident overflow parking from the Downtown Commercial District on the surrounding neighborhoods.

G. On June 25, 2018, the Council adopted Resolution 9782 to reduce the number of employee parking permits that may be issued and to make other clarifying and minor modifications.

H. The Council now desires to amend Resolution 9782 to reduce the number of employee permits that may be issued, to allow for virtual permits to be issued, and update titles that reflect that this program is run by the City's Office of Transportation (and not by the former Planning Department).

NOW, THEREFORE, the Council of the City of Palo Alto RESOLVES, as follows:

NOT YET APPROVED

SECTION 1. Findings. The criteria set forth in Section 10.50.030 of the Palo Alto Municipal Code for annexing the areas described in 3.A of this Resolution as part of the Downtown Residential Preferential Parking Program District have been met as follows:

- (1) That non-resident vehicles do, or may, substantially interfere with the use of on-street or alley parking spaces by neighborhood residents, in that, based on observation, there are few available parking spaces available midday, while the streets are relatively unoccupied at midnight, thus demonstrating the parking intrusion is largely by non-residents.
- (2) That the interference by the non-resident vehicles occurs at regular and frequent intervals, either daily or weekly, in that the parking intrusion is contained to the daytime hours during the regular workweek.
- (3) That the non-resident vehicles parked in the area of the proposed district create traffic congestion, noise, or other disruption (including shortage of parking spaces for residents and their visitors) that disrupts neighborhood life, in that based on information from residents and other city departments the vehicle congestion is interfering with regular activities.
- (4) Other alternative parking strategies are not feasible or practical in that the City has implemented a series of alternative parking strategies in the past and concurrently and there is still a shortage of parking available

SECTION 2. General Provisions. The following provisions shall apply to the Downtown Residential Preferential Parking Program District:

A. **Temporary Work Parking Permits.** In addition to the permits described in this Resolution, the City may issue Temporary Work Parking Permits for contractors or construction workers completing work for households located within the Downtown Residential Preferential Parking Program District. Prices and duration of the Temporary Work Parking Permits will be determined by the Municipal Fee Schedule.

B. **Permanent Regulations.** The Downtown Residential Preferential Parking Program shall remain in force until the City Council takes action to modify or rescind.

SECTION 3. Downtown Residential Preferential Parking Program District Boundaries.

A. **Annexed Zones.** The areas shown on **Exhibit B** as “Downtown RPP Program Area” are included in the Downtown Residential Preferential Parking Program District.

B. **Eligibility Areas.** The areas shown on **Exhibit B** as “Approved Eligibility Areas” are eligible for administrative annexation, as provided in Palo Alto Municipal Code Section 10.50.085.

NOT YET APPROVED

C. Employee Parking Zones. The area within the District Boundaries (which includes both the Annexed Zones and the Eligibility Areas referenced in subsections A and B, above) is divided into several Employee Parking Zones as listed in **Exhibit A** and shown in **Exhibit B**.

SECTION 4. Hours and Days of Enforcement, Parking Restrictions, and Exemptions.

A. Hours. The Downtown Residential Preferential Parking Program parking regulations shall be in effect Monday through Friday from 8:00 AM to 6:00 PM, except holidays as defined in Palo Alto Municipal Code Section 2.08.100. Outside of these enforcement hours, any motor vehicle may park in the Downtown Residential Preferential Parking Program District, subject to other applicable parking regulations.

B. Two-Hour Parking Limit; Re-parking Prohibited. During the regulated days and hours of enforcement, the following parking prohibitions shall apply:

- i. No person shall park in the same Employee Parking Zone within the Downtown Residential Preferential Parking Program District for more than two continuous hours without a valid parking permit.
- ii. No person shall re-park on the same day in the same Employee Parking Zone within the Downtown Residential Preferential Parking Program District so as to be parked within the same zone more than two hours after initially parking without a valid parking permit.

C. Exemptions. A vehicle lawfully displaying a valid Resident Parking Permit or Employee Parking Permit in the proper fashion shall be exempt from the two-hour time limit. Electric vehicles parked at and using an electric charging station within the Downtown Residential Preferential Parking Program District shall be exempt from the two-hour limit. Other vehicles exempt from the parking regulations are identified in Palo Alto Municipal Code Section 10.50.070.

SECTION 5. Residential and Employee Parking Permits.

A. Duration. Resident Parking Permits shall be available on an annual basis. One-day Resident Parking Permits shall also be available. Employee Parking Permits shall be available on a one-month and/or six-month basis.

B. Purchase of Permits. Requirements and eligibility for purchase of both Resident Parking Permits and Employee Parking Permits shall be listed in the Residential Preferential Parking Administrative Guidelines, as approved by the Chief Transportation Official.

NOT YET APPROVED

C. Parking Permit Sales.

1. Resident Parking Permits.

a. Annual Resident Parking Permit. Each residential address may obtain up to six (6) annual Resident Parking Permits. These permits may be in any form as the City may decide. Physical permits shall clearly indicate the date through which it is valid.

b. Daily Resident Parking Permits. Each residential address may purchase up to 50 Daily Resident Parking Permits per year. These permits may be in any form as the City may decide. Physical permits shall clearly indicate the date through which it is valid.

2. Employee Parking Permits. The City may issue Employee Parking Permits for use by employees working in the Downtown area as specified in **Exhibit A**. Employee Parking Permits shall be subject to the following regulations:

a. Duration. Employee Parking Permits shall be available for one-month and/or six-month durations (as determined by the Chief Transportation Official).

b. Commuting Only. Employee Parking Permits are for the exclusive use by employees working for businesses within the Downtown Residential Preferential Parking Program District boundaries while commuting to work.

c. Employee Parking Permit Cap. The City shall issue Employee Parking Permits on an iterative basis to ensure that the issuance of Employee Parking Permits does not adversely affect parking conditions for residents and merchants in the District in accordance with Section 22507(b) of the Vehicle Code. Notwithstanding the above, the City shall issue no more than 580 Employee Permits at any given time, with an additional 200 held in reserve. The Employee Parking Permits are to be allocated among the existing, annexed, and eligible Employee Parking Zones according to the authorized maximums annually determined by the City's Chief Transportation Official. Only streets participating in the Downtown Residential Preferential Parking Program may be allocated permits.

d. Employee Parking Permit Priority for Low-income Employees. Preference will be given in the sale of Employee Parking Permits to employees who qualify for reduced price permits based on hourly or annual income.

e. Employee Parking Zones. Each Employee Parking Permit shall be issued for only one of the Employee Parking Zones as shown in Exhibits A and B and shall

NOT YET APPROVED

entitle the permitholder to park only in that zone.

f. Daily Employee Parking Permits. Daily Employee Parking Permits shall not be issued beginning January 1, 2021.

SECTION 6. Cost of Parking Permits. The cost of Parking Permits described in this Resolution shall set by the City's Municipal Fee Schedule, as may be adjusted from time to time.

SECTION 7. CEQA. This resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations since it can be seen with certainty that there is no possibility the adoption and implementation of this resolution may have a significant effect on the environment and Section 15301 in that this proposed ordinance will have a minor impact on existing facilities.

SECTION 8. Supersede. To the extent any of the provisions of this Resolution are inconsistent with the regulations set forth in Resolution 9782, this Resolution shall control.

SECTION 9. Effective Date. This Resolution shall take effect on December 1, 2021. Enforcement shall commence, pursuant to Chapter 10.50 of Title 10 of the Palo Alto Municipal Code and the California Vehicle Code, when signage is posted.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Chief Transportation Official

EXHIBIT A**Table 1. Downtown RPP Program Employee Parking Zones and Current Allocations¹**

Employee Parking Zone	Boundaries	Permit Allocation
1	Lytton Avenue between Alma Street and Webster Street (where RPP restrictions are in place) 300 blocks of: Alma Street, High Street, Emerson Street, Ramona Street, Bryant Street, Waverley Street, Kipling Street, Cowper Street Everett Avenue between Alma Street and Webster Street	60
2	200 blocks of: Alma Street, High Street, Emerson Street, Ramona Street, Bryant Street, Waverley Street, Kipling Street, Cowper Street Hawthorne Avenue between Alma Street and Webster Street	90
3	100 blocks of: Alma Street, High Street, Emerson Street, Ramona Street, Bryant Street, Waverley Street, Kipling Street, Cowper Street Palo Alto Avenue between Alma Street and Webster Street Poe Street Ruthven Avenue Tasso Street	50
4	Palo Alto Avenue between Webster Street and Guinda Street 600 block of Hawthorne Avenue 600 and 700 blocks of Everett Avenue, Lytton Avenue, University Avenue 100-500 blocks of Webster Street, Byron Street, Middlefield Road, Fulton Street	50
5	600 and 700 blocks of Hamilton Avenue 200-700 blocks of Forest Avenue and Homer Avenue 700 blocks of Ramona Street, Bryant Street, Waverley Street, Cowper Street 600-700 blocks of Webster Street, Byron Street, Middlefield Road, Fulton Street	100
6	800 blocks of Ramona Street, Bryant Street, Waverley Street, Kipling Street, Cowper Street, Webster Street, Middlefield Road Channing Avenue between Ramona Street and Guinda Street	80
7	900 blocks of Ramona Street, Bryant Street, Waverley Street, Cowper Street, Webster Street, Middlefield Road Addison Avenue between High Street and Guinda Street	100
8	1000 and 1100 blocks of High Street, Emerson Street, Ramona Street, Bryant Street, Waverley Street, Cowper Street, Webster Street, Byron Street, Middlefield Road,	50

Employee Parking Zone	Boundaries	Permit Allocation
	Fulton Street Lincoln Avenue and Kingsley Avenue between Alma Street/Embarcadero Road and Guinda Street Embarcadero Road from Alma Street to Kingsley Avenue	
9	1200 block of Bryant Street 1200-1300 blocks of Waverley Street 1200-1400 blocks of Cowper Street, Webster Street, Byron Street 1300-1400 blocks of Tasso Street 1200-1500 blocks of Middlefield Road 1200-1300 blocks of Fulton Street Melville Avenue between Embarcadero Road and Guinda Street Kellogg Avenue between Cowper Street and Middlefield Road Embarcadero Road between Kingsley Avenue and Middlefield Road	0
10	Guinda Street between Palo Alto Avenue to Melville Avenue Palo Alto Avenue between Guinda Street and Hale Street 500 blocks of Chaucer Street and Hale Street 600 block of Hale Street 800 blocks of Lytton Avenue, Homer Avenue and Palo Alto Avenue 800 and 900 blocks of University Avenue, Hamilton Avenue 800-1100 blocks of Forest Avenue Boyce Avenue between Guinda Street and Hale Street 1000-1100 blocks of Fife Avenue 800-900 blocks of Channing Avenue and Addison Avenue 800-1000 blocks of Lincoln Avenue 800 block of Melville Avenue 1000-1100 blocks of Hamilton Avenue	0
Total Employee Parking Permits		580 (780) ²
¹ The permit allocations within each zone may be modified annually through administrative action of the Chief Transportation Official, so long as the 580 (or 780 as applicable) maximum is not exceeded. ² 200 additional Employee Parking Permits are held in reserve and only released (in whole or in part) as approved by the Chief Transportation Official. The number in parenthesis is the total maximum number of permits if all permits held in reserve are released.		





Source: Office of Transportation, November 2021.



Downtown Residential Preferential Parking Program

MEN LO
PA RK

STANFORD

-  Downtown RPP Program Area
-  Approved Eligibility Area
-  Non-RPP Parking in RPP District (check signs)
-  RPP Employee Parking Zones

*NOT YET APPROVED

Resolution No. ____

Resolution of the Council of the City of Palo Alto Amending and Restating
Resolution 9739, Continuing the Evergreen Park-Mayfield Residential
Preferential Parking District (RPP) Program and Adjusting the Number of
Employee Permits Available and Allowing Virtual Permits

R E C I T A L S

A. California Vehicle Code Section 22507 authorizes the establishment, by city council action, of permit parking programs in residential neighborhoods for residents and other categories of parkers.

B. On December 15, 2014, the Council adopted Ordinance No. 5294, adding Chapter 10.50 to Title 10 (Vehicles and Traffic) of the Palo Alto Municipal Code, which established the city-wide procedures for (RPP) Districts in the city.

C. On May 9, 2016, the City Council directed City staff to implement a Residential Preferential Parking program in the Evergreen Park-Mayfield area.

D. In July 2016, a stakeholders' group comprised of Evergreen Park residents and business interests met two times and made its recommendations to the City on the particular rules to be applied to the Evergreen Park-Mayfield RPP District.

E. On December 14, 2016, the Planning and Transportation Commission held a public hearing to consider the proposed Evergreen Park-Mayfield residential preferential parking program.

F. On January 23, 2017, the Council adopted Resolution No. 9663, which established the Evergreen Park-Mayfield Residential Preferential Parking Program pilot and rescinded existing parking restrictions that conflicted with the restrictions established by this RPP district.

G. In October and November 2017, the City conducted a parking occupancy study in the Evergreen Park-Mayfield Residential Preferential Parking Program District and met with residents and stakeholders to receive program feedback. The study found occupancies below 60% in Employee Parking Zones A and B, with areas of higher occupancy closer to businesses. In addition, some businesses were unable to receive Employee Parking Permits under the current limits.

H. It is the goal of the City to reduce the impacts of non-resident overflow parking from the commercial areas on the surrounding neighborhoods.

I. On February 5, 2018, the Council adopted Resolution 9739, which continued the Evergreen Park-Mayfield Residential Preferential Parking Program as an ongoing program with modifications to address issues identified in the pilot.

*NOT YET APPROVED

J. The Council now desires to amend and restate Resolution 9739 to eliminate employee parking permits in certain zones, allow the use of virtual permits, and update outdated procedures.

NOW, THEREFORE, the Council of the City of Palo Alto RESOLVES, as follows:

SECTION 1. Findings. The criteria set forth in Section 10.50.030 of the Palo Alto Municipal Code for designating a Residential Preferential Permit Zone have been met as follows:

- A. That non-resident vehicles do, or may, substantially interfere with the use of on-street or alley parking spaces by neighborhood residents in that based on observation there are few available parking spaces available midday, while the streets are relatively unoccupied at midnight thus demonstrating the parking intrusion is largely by nonresidents.
- B. That the interference by the non-resident vehicles occurs at regular and frequent intervals, either daily or weekly, in that the parking intrusion is most severe during daytime hours during the regular workweek.
- C. That the non-resident vehicles parked in the area of the District create traffic congestion, noise, or other disruption (including shortage of parking spaces for residents and their visitors) that disrupts neighborhood life in that based on information from residents and other city departments the vehicle congestion is interfering with regular activities.
- D. Other alternative parking strategies are not feasible or practical in that the City has implemented a series of alternative parking strategies in the past and concurrently and there is still a shortage of parking available.

SECTION 2. Definitions.

- A. "Dwelling Unit" shall have the same meaning as it is defined in Palo Alto Municipal Code Section 10.50.020.
- B. "Evergreen Park-Mayfield Residential Preferential Parking Program District" or "District" shall be that area as shown in Exhibit A to this Resolution.
- C. "Parking Zones" shall be those areas within the District as shown in Exhibit A to this Resolution.

SECTION 3. Parking Restrictions within the District.

- A. Two-hour Parking Limit and No Re-parking. In the areas within the District listed in Table 1, no person shall park a vehicle adjacent to any curb for more than two hours. Re-parking a vehicle more than two hours after initially parking on the same day in the same

*NOT YET APPROVED

Parking Zone is prohibited. These restrictions shall be in effect Monday through Friday from 8:00 AM to 6:00 PM, except holidays as defined in Palo Alto Municipal Code Section 2.08.100. Vehicles properly displaying a valid Parking Permit as described in Section 4 of this Resolution are exempt from these restrictions.

TABLE 1	
STREET	BLOCKS
Park Blvd.	1700, 1800, 1900, 2000, 2100, 2200-2211, 2555-2599, 2600
Park Ave.	100
Leland Ave.	200, 300, 400
Stanford Ave.	200, 300, 400
Oxford Ave.	200, 300, 400
College Ave.	200, 300, 400
Birch Ave.	1800, 1900, 2000, 2100, 2200-2288, 2518-2575, 2600
Ash St.	1800, 1900, 2000, 2100, 2502-2599, 2600, 2700
Grant St.	100, 200, 300, 400
Sheridan Ave.	200, 300, 400

- B. Exempt vehicles. Vehicles exempt from parking restrictions as described in Palo Alto Municipal Code Section 10.50.070(d) are exempt from the restrictions in this section.

SECTION 4. Parking Permits.

- A. Employee Parking Permits. The City may issue Employee Parking Permits for use by employees working in the District. Employee Parking Permits shall be subject to the following regulations:
- Duration. Employee Parking Permits shall be available in the form of monthly and/or six-month permits (as determined by the Chief Transportation Official).
 - Form of Permit. The City may issue Employee Parking Permits in any form it deems practicable.
 - Commuting Only. Employee Parking Permits are valid only when used by employees who are working within the District on the day the permit is used.
 - Zones. Employee Parking Permits shall be specific to one of the Parking Zones as specified in Exhibit A and shall entitle the permit holder to park only in the Parking Zone designated on the Employee Parking Permit.
 - Maximum Number of Permits Issued. A maximum of 40 Employee Parking Permits shall be granted at any given time to employees who work within the Evergreen Park-Mayfield Residential Preferential Parking District, and these Employee

*NOT YET APPROVED

Parking Permits shall be valid only in Zone G. An additional 10 Employee Parking Permits shall be held in reserve, and may be released for sale, in whole or in part, upon approval of the Chief Transportation Official, in accordance with this subsection e.

- f. Daily Employee Parking Permits. Daily Employee Parking Permits shall not be issued beginning January 1, 2022.
- B. Resident Parking Permits. The City may issue Resident Parking Permits to residents of dwelling units within the District. Resident Parking Permits shall be subject to the following regulations:
- a. Duration. Resident Parking Permits shall be available in the form of annual permits and one-day permits.
 - b. Form of Permit. The City may issue Resident Parking Permits in any form it deems practicable, including stickers, hangtags, and/or virtual permits.
 - c. Zones. Resident Parking Permits shall not be restricted to a specific Parking Zone. Resident Parking Permits shall be valid only in the areas listed in Table 1.
 - d. Maximum Number of Permits per Dwelling Unit. Each dwelling unit within the District shall be limited to five Annual Resident Parking Permits at any given time. These permits may be used by residents or guests within the District.
 - e. Daily Resident Parking Permits. Each dwelling unit shall be limited to 50 Daily Resident Parking Permits annually. These permits may be in the form of scratcher hangtags, an online issuance system, or such other form as the City determines. Physical permits will state the date through which it is valid.

SECTION 5. Parking Permit Fees. The fee for Parking Permits in the District shall be set by the City's Municipal Fee Schedule.

SECTION 6. Existing Parking Restrictions.

- A. Section 2 of Resolution 4051 is repealed and replaced with the restrictions in this Resolution.
- B. 2 Hour Parking. The 2 Hour Commercial Area parking restrictions as identified in Exhibit A shall remain in effect.
- C. Conflicting Restrictions. In the event City staff should, at a later time, discover conflicting parking restrictions within the District that conflict with the restrictions of this resolution, but are not expressly rescinded, the RPP restrictions of this resolution shall control. However, existing parking restrictions indicated by painted curbs and

*NOT YET APPROVED

implemented pursuant to Vehicle Code section 21458 are not superseded by this Resolution and remain in effect.

SECTION 7. Supersede. To the extent any of the provisions of this Resolution are inconsistent with the regulations set forth in Resolution 9739, this Resolution shall control.

SECTION 8. CEQA. This Resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations since it can be seen with certainty that there is no possibility the adoption and implementation of this resolution may have a significant effect on the environment and Section 15301 in that this proposed resolution will have a minor impact on existing facilities.

SECTION 9. Effective Date. This Resolution shall take effect on January 1, 2022. Enforcement shall commence, pursuant to Chapter 10.50 of Title 10 of the Palo Alto Municipal Code and the California Vehicle Code, when signage is posted.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

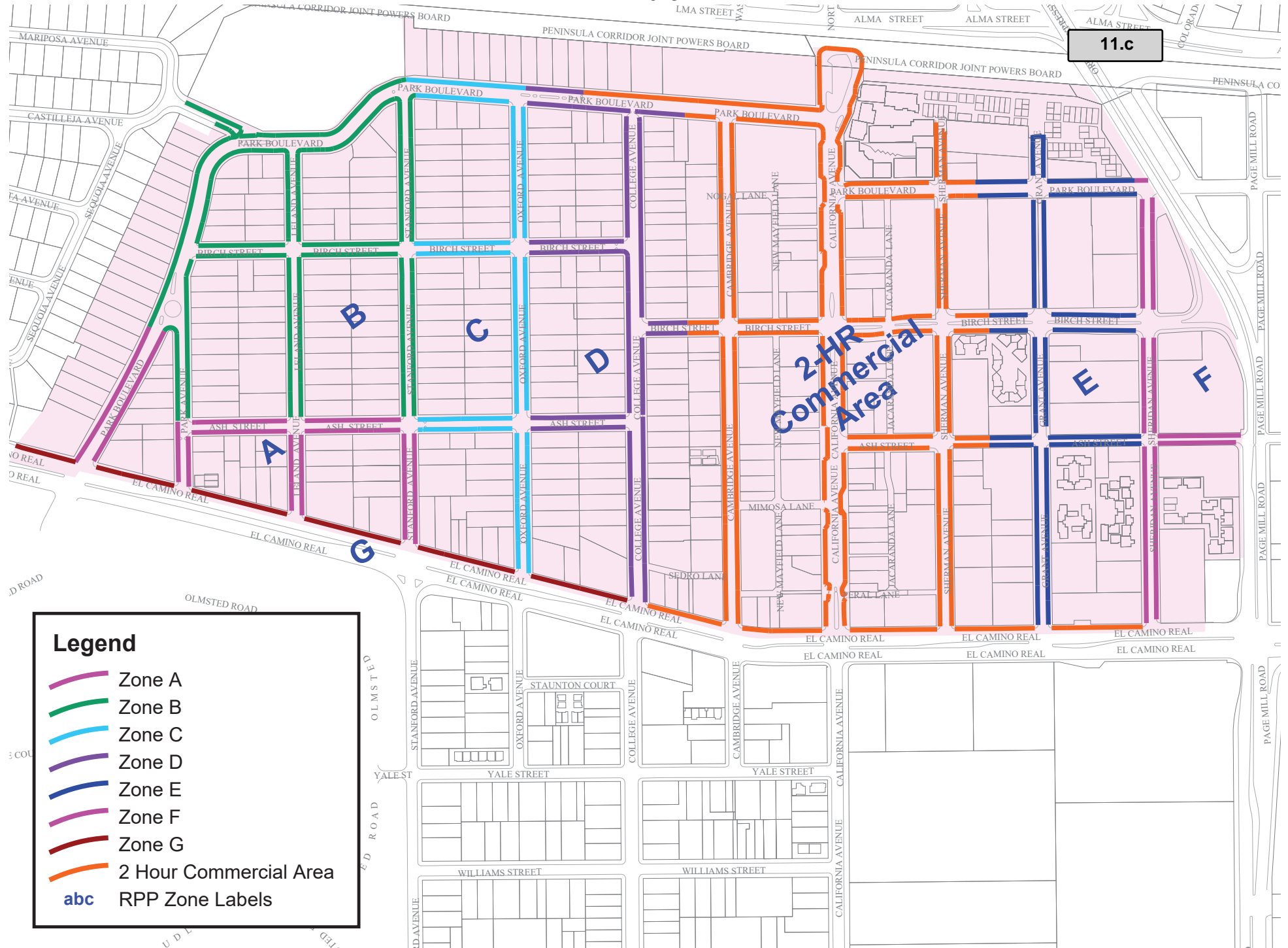
APPROVED:

Deputy City Attorney

City Manager

Chief Transportation Official

Exhibit A



NOT YET APPROVED

Resolution No. _____

Resolution of the Council of the City of Palo Alto Amending and Restating
Resolution 9859 To Continue the Southgate Residential Preferential Parking
District (RPP) Program with Minor Modifications

R E C I T A L S

A. On December 15, 2014, the Council adopted Ordinance No. 5294, adding Chapter 10.50 to Title 10 (Vehicles and Traffic) of the Palo Alto Municipal Code, which established the city-wide procedures for Residential Preferential Parking (RPP) Districts in the city.

B. On May 9, 2016, the City Council directed City staff to implement a Residential Preferential Parking program in the Southgate area.

C. In July 2016, a stakeholders' group comprised of Southgate residents and business interests met and made its recommendations to the City on the particular rules to be applied to the Southgate RPP District.

D. On April 26, 2017, the Planning and Transportation Commission held a public hearing to consider the proposed Southgate Residential Preferential Parking program.

E. On June 19, 2017, the Council adopted Resolution No. 9688, which established the Southgate Residential Preferential Parking program pilot and rescinded existing parking restrictions that conflicted with the restrictions established by this RPP district. The pilot program was twice amended in 2018 by Resolution Nos. 9742 and 9756.

F. On October 7, 2019, the Council adopted Resolution 9859 to continue the Southgate Residential Preferential Parking program as a permanent program with modifications as detailed in that Resolution, including increasing the number of employee parking permits in Zone S1 to twenty and limiting the number of daily parking permits available to employees to twenty-four per six-month period.

G. The Council now desires to make minor modifications to this RPP program: to allow monthly employee parking permits and to clarify that the permit fees are set by the Municipal Fee Schedule.

NOW, THEREFORE, the Council of the City of Palo Alto RESOLVES, as follows:

SECTION 1. Findings. The criteria set forth in Section 10.50.030 of the Palo Alto Municipal Code for annexing the areas described in this Resolution as part of the Southgate Residential Preferential Parking Program District have been met as follows:

NOT YET APPROVED

A. That non-resident vehicles do, or may, substantially interfere with the use of on-street or alley parking spaces by neighborhood residents, in that, based on observation, there are few available parking spaces available midday, while the streets are relatively unoccupied at midnight, thus demonstrating the parking intrusion is largely by non-residents.

B. That the interference by the non-resident vehicles occurs at regular and frequent intervals, either daily or weekly, in that the parking intrusion is contained to the daytime hours during the regular workweek.

C. That the non-resident vehicles parked in the area of the proposed district create traffic congestion, noise, or other disruption (including shortage of parking spaces for residents and their visitors) that disrupts neighborhood life, in that based on information from residents and other city departments the vehicle congestion is interfering with regular activities.

D. Other alternative parking strategies are not feasible or practical in that the City has implemented a series of alternative parking strategies in the past and concurrently and there is still a shortage of parking available.

SECTION 2. Definitions.

A. “Dwelling Unit” shall have the same meaning as it is defined in Palo Alto Municipal Code Section 10.50.020.

B. “Southgate Residential Preferential Parking Program District” or “District” shall be that area as shown in Table 1 to this Resolution. Exhibit B is a supplemental map depicting the District. In case of conflict, Table 1 shall control.

C. “Employee Parking Zones” shall be those areas specified in Exhibit A to this Resolution. Exhibit B is a supplemental map depicting the Employee Parking Zones. In case of conflict, Exhibit A shall control.

Table 1

Area of the Southgate Residential Preferential Parking Program District

STREET	BLOCKS ENFORCED
Castilleja Avenue	1500 and 1600
Churchill Avenue	12 to 100
El Camino Real	East Side of El Camino Real, starting 190 feet North of Park Boulevard and ending at Churchill Avenue
El Camino Real	West Side of El Camino real between Park Boulevard and Churchill Avenue

NOT YET APPROVED

Escobita Avenue	1500 and 1600
Madrono Avenue	1500 and 1600
Manzanita Avenue	200 and 300
Mariposa Avenue	1500 and 1600
Miramonte Avenue	100, 200, 300, 400 and 500
Portola Avenue	1500 and 1600
Sequoia Avenue	200, 300, and 400

SECTION 3. Parking Restrictions within the District.

A. Two-hour Parking Limit and No Re-parking. Within the District, no person shall park a vehicle adjacent to any curb for more than two hours. Re-parking a vehicle more than two hours after initially parking on the same day in the District is prohibited. These restrictions shall be in effect Monday through Friday from 8:00 AM to 5:00 PM, except holidays as defined in Palo Alto Municipal Code Section 2.08.100. Vehicles properly displaying a valid Parking Permit as described in Section 4 of this Resolution are exempt from these restrictions.

B. Exempt vehicles. Vehicles exempt from parking restrictions as described in Palo Alto Municipal Code Section 10.50.070(d) are exempt from the restrictions in this section. Electric vehicles parked at and using an electric charging station within the District are also exempt from the restrictions in this section. Official vehicles belonging to the State of California are exempted when parked on that section of El Camino Real that is within the District.

SECTION 4. Residential and Employee Parking Permits.

A. Duration. Resident Parking Permits shall be available on an annual basis. One-day Resident Parking Permits shall also be available. Employee Parking Permits shall be available on a one-month and/or six-month basis.

B. Purchase of Permits. Requirements and eligibility for purchase of both Resident Parking Permits and Employee Parking Permits shall be subject to the provisions of this Section 4 and also to any administrative guidelines, as approved by the Chief Transportation Official.

C. Parking Permit Sales.

1. Resident Parking Permits. Resident Parking Permits shall be subject to the following regulations:

a. Annual Resident Parking Permit. Each dwelling unit within the District may obtain up to six (6) annual Resident Parking Permits.

NOT YET APPROVED

b. Daily Resident Parking Permits. Each dwelling unit within the District may purchase up to 50 Daily Resident Parking Permits annually, which may be used on any vehicle including household visitor vehicles.

2. Employee Parking Permits. The City may issue Employee Parking Permits for use by employees working in the District. Employee Parking Permits shall be subject to the following regulations:

a. Commuting Only. Employee Parking Permits are for the exclusive use by employees working for businesses within the District while commuting to work.

b. Duration. Employee Parking Permits shall be available in one-month and/or six-month permits (as determined by the Chief Transportation Official).

c. Employee Parking Permit Cap. No more than thirty (30) Employee Parking Permits shall be granted at any given time, and shall be allocated between the Employee Parking Zones as specified in Exhibit A.

d. Employee Parking Permit Priority for Low-income Employees. Preference will be given in the sale of Employee Parking Permits to employees who qualify for reduced price permits based on hourly or annual income.

e. Employee Parking Zones. Employee Parking Permits shall be specific to one of the Employee Parking Zones shown in Exhibit A and shall entitle the permit holder to park only in the Employee Parking Zone designated on the Employee Parking Permit.

f. Daily Employee Parking Permits. Daily Employee Parking Permits shall not be sold beginning January 1, 2022.

SECTION 5. Fees. The fee for Parking Permits in the District shall be set by the City's Municipal Fee Schedule.

SECTION 6. CEQA. This resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations since it can be seen with certainty that there is no possibility the adoption and implementation of this resolution may have a significant effect on the environment and Section 15301 in that this proposed ordinance will have a minor impact on existing facilities.

SECTION 7. Supersede. This Resolution supersedes Resolution 9859.

NOT YET APPROVED

SECTION 8. Effective Date. This Resolution shall take effect on January 1, 2022. Enforcement shall commence, pursuant to Chapter 10.50 of Title 10 of the Palo Alto Municipal Code and the California Vehicle Code, when signage is posted.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Chief Transportation Official

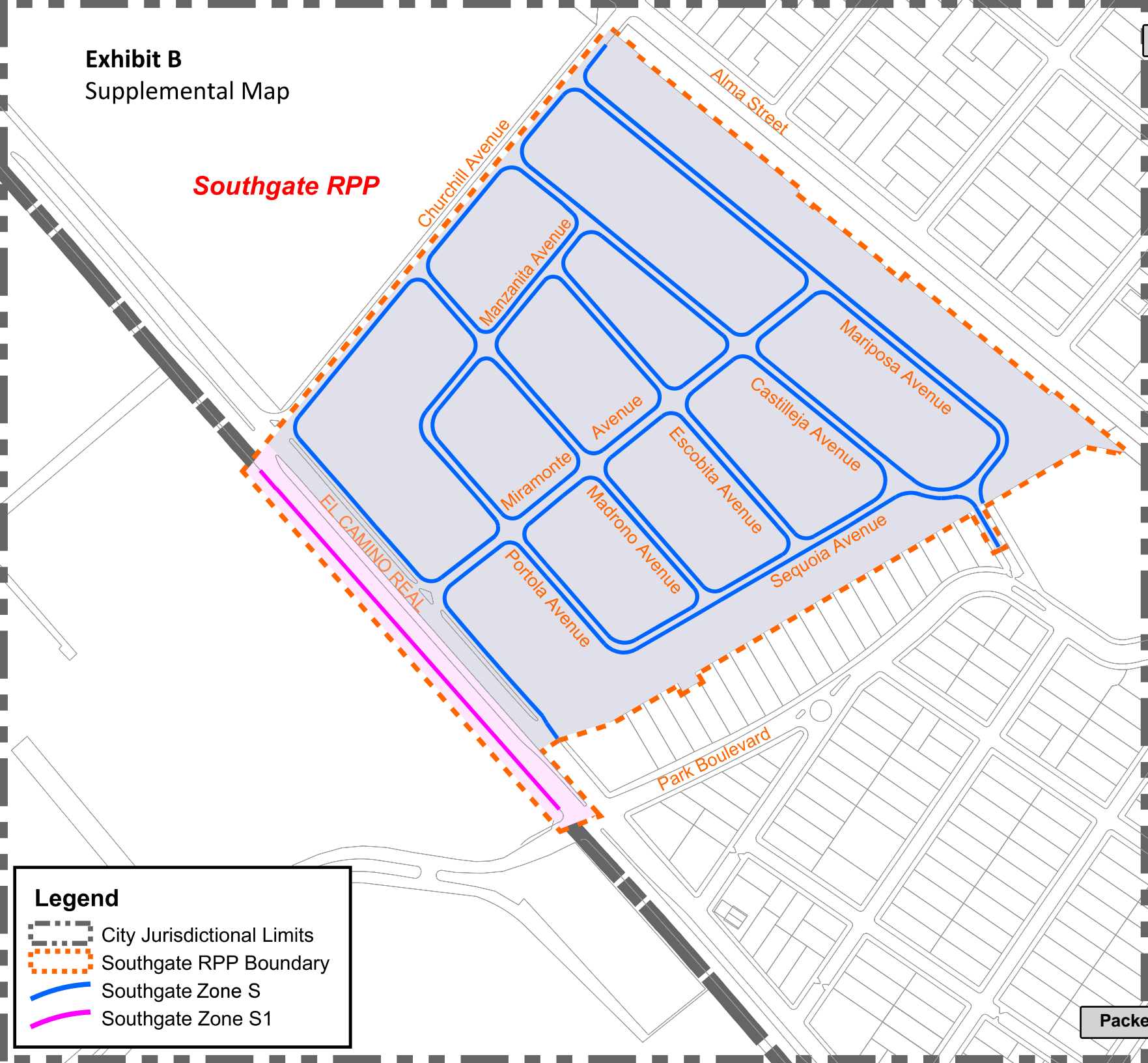
NOT YET APPROVED

Exhibit A





EMPLOYEE ZONES AND PERMIT ALLOCATION			
Zone Name	Maximum Number of Employee Permits	STREET	BLOCKS ENFORCED
S	10 permits	Castilleja Avenue	1500 and 1600
		Churchill Avenue	12 to 100
		Escobita Avenue	1500 and 1600
		Madrono Avenue	1500 and 1600
		Manzanita Avenue	200 and 300
		Mariposa Avenue	1500 and 1600
		Miramonte Avenue	100, 200, 300, 400 and 500
		Portola Avenue	1500 and 1600
		Sequoia Avenue	200, 300, and 400
		El Camino Real	East Side of El Camino Real starting 190 feet North of Park Boulevard and ending at Churchill Avenue
S1	20 permits	El Camino Real	West Side of El Camino Real between Park Boulevard and Churchill Avenue

Exhibit B
Supplemental Map

Southgate RPP



Legend

-  City Jurisdictional Limits
-  Southgate RPP Boundary
-  Southgate Zone S
-  Southgate Zone S1



City of Palo Alto City Council Staff Report

(ID # 13703)

Report Type: Consent Calendar

Meeting Date: 11/1/2021

Title: SECOND READING: Adopt Ordinance to Establish Fire Department Ambulance Subscription Program Fees (FIRST READING: October 18, 2021 PASSED: 6-1, Tanaka no)

From: City Manager

Lead Department: City Clerk

This was heard by the City Council on October 18, 2021 for a first reading and was approved 6-1, Tanaka no. No changes were made to the Ordinance; it is now before you for a second reading.

Attachments:

- **Attachment12.a:** Attachment A: Fire Department Ambulance Subscription Program Fees Ordinance

Yet to be Passed

Ordinance No. ____

Ordinance of the Council of the City of Palo Alto Amending the
Fiscal Year 2021 Municipal Fee Schedule to Add Fire Department
Ambulance Subscription Program Fees

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

A. The City of Palo Alto Fire Department has provided an ambulance transport service since 1974.

B. The City plans to establish a new Ambulance Subscription Program (Program) allowing eligible participants to pay an annual fee to have the insurance co-pay waived for ambulance transports occurring within the City.

C. All residences and businesses within the City of Palo Alto are eligible for voluntary participation in the program.

D. A Residential Program subscription will cover all permanent residents at the subscribing household address, as further described in the Program terms.

E. A Business Program subscription will cover all employees at the subscribing business address or those who are elsewhere in the City of Palo Alto during the course of their duties, as further described in the Program terms.

The City will fund the Program through a flat monthly fee for Residential and Business Program participants.

SECTION 2. The Council of the City of Palo Alto approves and adopts new fees for an Ambulance Subscription Program available to residential and business participants and adopts the amendments to the Fiscal Year 2021 Municipal Fee Schedule as set forth in Exhibit "A" and incorporated here by reference.

SECTION 3. The fees in this Ordinance are for voluntary enrollment in the Program. Pursuant to Art. XIII C, Section 1(e) of the California Constitution, such fees are not a tax.

SECTION 4. The Council finds that adoption of an Ambulance Subscription Program and related fees is not a project requiring environmental review for the purpose of the California Environmental Quality Act, because the Program will not result in a direct or reasonably foreseeable indirect physical change in the environment (Pub. Res. Code sec. 21065, 14 CCR sec. 15378(b)(4)).

SECTION 5. This ordinance shall be effective thirty-one days after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Fire Chief

Director of Administrative
Services

Fiscal Year 2021 Municipal Fee Schedule
Chapter VIII - Fire Fees

New Fee: Ambulance Subscription Program

Residential Rate	
Monthly Fee per Household	\$8

Business Rate		
Rate Tier	Employee Headcount	Monthly Fee
1	0-10	\$20
2	11-50	\$100
3	51-100	\$200
4	101-250	\$500
5	251-1000	\$1,000



City of Palo Alto City Council Staff Report

(ID # 13547)

Report Type: Action Items

Meeting Date: 11/1/2021

Title: Adoption of an Ordinance Amending Existing Palo Alto Municipal Code Chapter 5.20, Collection, Removal and Disposal of Refuse, and Adding Chapter 5.40, Edible Food Recovery, to Comply with Senate Bill 1383 (Short-Lived Climate Pollutants Reduction Strategy); Finding of Exemption from CEQA Review; Adoption of a Resolution Amending the Administrative Penalty Schedule to add the SB 1383 Requirements; and Review of Other Requirements Related to Senate Bill 1383.

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

1. Adopt an Ordinance amending Palo Alto Municipal Code (PAMC) Chapter 5.20 Collection, Removal and Disposal of Refuse, and adding a new Chapter 5.40 Edible Food Recovery (Attachment A);
2. Find that adoption of the Ordinance is exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Sections 15061(b)(3), 15307 and 15308; and
3. Adopt the Resolution Amending the Administrative Penalty Schedule (Attachment B).

Executive Summary

This staff report details the recommended actions the City take to ensure its compliance with the new Short-Lived Climate Pollutant legislation outlined in Senate Bill 1383 (SB 1383). The SB 1383 regulations aim to reduce a variety of short-lived climate pollutants, including methane from organic waste disposed in landfills. While the City meets many of the requirements through its existing Zero Waste programs, including the commercial and residential compostables collection programs and mandatory recycling and composting ordinance, the following crucial actions are needed to fully comply with the new State regulations:

- Update the PAMC Chapter 5.20, Collection, Removal and Disposal of Refuse and the Administrative Penalty Schedule to align with the SB 1383 requirements and adjust the Zero Waste enforcement program to incorporate the new monitoring and compliance requirements;

- Establish an edible food recovery program including a new ordinance requiring food generators to recover the food they generate to feed people instead of disposing of it and increase capacity for edible food recovery; and
- Increase the City’s annual purchase of recovered organic products to meet the procurement requirements by conducting a future Request for Proposals.

Background

In September 2016, Governor Brown signed SB 1383 into law, which set methane emissions reduction targets for California in a statewide effort to reduce the emissions of short-lived climate pollutants.

Landfills are the third largest source of methane in California and are responsible for 20 percent of the state’s methane emissions. When organic waste such as food scraps, yard trimmings, and paper products are disposed in a landfill, they decompose in the absence of oxygen and create methane, a powerful greenhouse gas. SB 1383 regulations aim to reduce methane emissions by keeping organic waste out of landfills. The regulations established targets to achieve a 50 percent reduction in the level of statewide disposal of organic waste by 2020, a 75 percent reduction in the level of statewide disposal of organic waste by 2025, and a target of at least 20 percent of currently disposed edible food to be recovered for human consumption by 2025. This is to be achieved through the mandated collection of organic material to be processed into recovered organic products instead of landfilled and the establishment of edible food recovery programs in cities throughout the State. Under SB 1383 the term “organic waste” refers to solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges. In PAMC Chapter 5.20 the term “Compostables” is used and is meant to be construed as having the same meaning as organic waste.

The California Department of Resources, Recycling and Recovery (CalRecycle) is the State agency that oversees solid waste management in California and was responsible for developing the portion of SB 1383 regulations pertaining to organic waste collection and processing, and edible food recovery. CalRecycle completed the final rulemaking in November 2020.

These regulations represent the largest and most prescriptive waste management legislation in California since the California Integrated Waste Management Act of 1989 (AB 939). However, Palo Alto’s existing Zero Waste programs and ordinances already meet or are positioned to meet the majority of SB 1383’s requirements with few changes. The following table details the major requirements, current status of Palo Alto’s programs, and the actions needed to achieve compliance with the new requirements.

Table 1: Summary of SB 1383 Requirements and Actions Needed by Palo Alto

Item	Requirement	Status	Actions needed to comply with SB 1383
1	Provide mandatory organics collection service to all residents and businesses	The City is mostly compliant. The City passed a mandatory composting and recycling ordinance in 2015 and provides organics collection service to all residents and businesses. Most collection requirements are met by the City's existing Zero Waste programs.	Updates to PAMC Chapter 5.20 to better align with requirements.
2	Establish an edible food recovery ordinance and program	The City is not in compliance with this new requirement. City staff has been working collaboratively with a Santa Clara County multi-stakeholder group to create a Countywide ordinance and program.	New Edible Food Recovery Ordinance, Chapter 5.40.
3	Procure a target amount of recovered organic waste products and of recycled content and recyclable paper products	<p>The City is partially compliant. The City currently purchases compost for giveaway to Palo Alto residents at the new permanent compost giveaway station located at Eleanor Pardee Community Park. Staff anticipates that a maximum of 360 tons of compost per year could be used for community gardens and compost giveaways, representing only 11 percent of the City's procurement target.</p> <p>The City currently purchases recycled paper products including printing and writing papers, paper janitorial supplies, and more. The City's existing <i>Paper Reduction and Procurement of Environmentally Preferable Paper Products Policy</i> (Policy and Procedures Manual, Section 5, Environment), last updated in 2018, generally complies</p>	<p>Procure additional qualifying recovered organic waste products to meet the remaining 89 percent of the required procurement target.</p> <p>Create minor changes to existing <i>Paper Reduction and Procurement of Environmentally Preferable Paper Products Policy</i> to reflect recordkeeping and</p>

		with the requirements of this regulation, and in most cases is more stringent than the SB 1383 requirements.	recyclability requirements under SB 1383.
4	Conduct education and outreach to all generators	The City is compliant and will increase targeted efforts. The City currently conducts education and outreach to commercial and residential waste generators through its Zero Waste programs, and via the contract with the City's waste collector, GreenWaste of Palo Alto.	Additional outreach to be conducted to self-haulers, food generators, and food recovery organizations.
5	Meet CalGreen and Model Water Efficiency Ordinance requirements	The City is compliant. These requirements are codified in Chapter 16.14 and 12.32 of the PAMC, respectively.	On-going reporting required.
6	Provide information to the County for its recycling and edible food recovery capacity planning requirements	The City is compliant. The City is currently collaborating with Santa Clara County through the Technical Advisory Committee (TAC) to the County's Recycling and Waste Reduction Commission (RWRC).	On-going assistance to County with capacity planning.
7	Monitor compliance and conduct enforcement	The City is compliant and will increase targeted efforts. In 2018, the City established a Zero Waste Enforcement Program with an enforcement process, including education, waste audits, citation process, and administrative fees.	Some enforcement of new requirements will be incorporated into the existing Zero Waste Enforcement Program; Enforcement of the Edible Food Recovery Ordinance may be done by the County but will be determined at a future date. Enforcement of

			the Edible Food Recovery Ordinance begins in 2024.
--	--	--	--

Discussion

Palo Alto's past progressive environmental leadership, including the Zero Waste strategic planning, the updated [2018 Zero Waste Plan](#), and the actions and goals set in the [Sustainability Climate Action Plan](#), has resulted in the City already meeting many of SB 1383's requirements. The focus of this staff report will be on the actions needed to meet the SB 1383 regulations, including amending the PAMC, adoption of an Edible Food Recovery Ordinance, and the procurement requirement (items 1, 2, and 3 in Table 1 above). While there are obligations the City must meet for items 4 through 7, the City is well positioned to meet these requirements under its existing Zero Waste programs.

1. Changes to PAMC Chapter 5.20

SB 1383 requires cities to provide organic waste collection service to all residents and businesses and to impose enforceable requirements on haulers of organic waste as well as placing requirements for businesses and residents to correctly sort organic waste. Additionally, organics must be hauled to a high-diversion waste processing facility, defined as a facility that meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent, increasing to 75 percent in January 2025.

The changes to PAMC Chapter 5.20 (Attachment A) to reflect the requirements of SB 1383 include new self-hauler requirements, clarifications for commercial and residential customers, and added or modified definitions. Additionally, the Administrative Penalty Schedule is being updated to align with the SB 1383 requirements (Attachment B).

1A. Self-Hauler Requirements

SB 1383 requires self-haulers of organic waste (e.g., landscapers, gardeners, and contractors) to take source-separated organic waste such as grass clippings or yard trimmings to a high-diversion organic waste processing facility and to maintain records on how much organic waste is delivered to each facility, including delivery receipts and weigh tags. These records are subject to inspections by the City upon request. These new requirements are being included in the amended PAMC Chapter 5.20 under a new self-haul section 5.20.111. The City will perform outreach to local self-haulers regarding the new requirements beginning Fall 2021.

1B. Requirements for Commercial and Residential Customers

In 2016, the City updated Chapter 5.20 to require refuse to be sorted appropriately into recycle, compost, and landfill containers and for compliance checks to occur specifically with commercial customers. SB 1383 goes one step further and requires cities to actively monitor refuse containers for contamination and to carry out an enforcement action for both residential

and commercial customers if contamination is identified. Examples of contamination include having organic waste such as food scraps, food soiled paper, or yard trimmings in the landfill containers.

For commercial customers, minor changes to Section 5.20.108 are required for compliance with SB 1383 including requiring generators to meet new container labelling requirements, providing outreach material to new tenants, documenting their source separation program, inspecting refuse containers, and documenting when contamination is observed and what actions were taken to address the contamination. For the first two years, beginning January 1, 2022 and ending January 1, 2024, SB 1383 requires only outreach and education to both commercial and residential sectors. After January 1, 2024, all customers are subject to an enforcement action. Examples of enforcement action include actively checking containers for contamination, applying additional fees for contaminated materials found, and potentially issuing citations to non-cooperative waste sorters. To ensure compliance with SB 1383, PAMC Section 5.20.100 is being updated to prohibit residents from disposing of organic waste into the landfill or recycle containers. Additionally, PAMC Section 5.20.105 relating to contamination of containers must be modified to include that residential customers are subject to extra collection fees. A residential customer can be subject to a “return trip fee” and/or an “extra pick-up fee” if they contaminate any of their waste containers. These fees already exist for commercial customers.

1C. Updates to the Administrative Penalty Schedule (Attachment B)

SB 1383 requires enforcement on the proper separation of organic waste from the other waste streams and that administrative penalty amounts be established when a violation occurs. The City is proposing the lowest possible penalty amounts for residential customers allowed by SB 1383 ([California Code of Regulations Title 14 Section 18997.2](#)). The penalty amounts range from \$50 for the first violation up to \$250 for the third violation. Additionally, there is a new penalty associated with the new section 5.20.111 for self-haul, and new penalties are being added to reflect SB 1383’s lowest possible amount at \$100 associated with the new Edible Food Recovery Ordinance, Chapter 5.40.

2. Edible Food Recovery Requirement

SB 1383 requires cities to establish edible food recovery ordinances and programs in their communities, inspect commercial food generators for compliance, obtain reports from food recovery organizations and services, and conduct education and outreach. Additionally, cities are required to work with their County to help build food recovery capacity within the County. This will require that certain businesses arrange to recover the maximum amount of edible food that would otherwise be disposed. In addition to targeting methane emissions, these new programs and requirements are intended to help reduce food insecurity in California. These new requirements highlighted below have been incorporated into the new Edible Food Recovery Ordinance, Chapter 5.40 (Attachment A).

2A. Edible Food Recovery

Commercial food generators that are impacted under this requirement are categorized as “Tier 1” and “Tier 2” food generators. Tier 1 food generators include supermarkets, large grocery stores with a facility size equal to or larger than 10,000 square feet, food service providers such as Aramark or Sodexo, food distributors such as Sysco or Tyson, or wholesale food vendors. Tier 2 food generators include large restaurants with 250 or more seats or a facility size equal to or greater than 5,000 square feet, hotels with an on-site food facility and 200 or more rooms, health facilities with an on-site food facility, large events or venues, State agency cafeterias, and local education agency facilities with on-site food facilities. In Palo Alto, approximately seven food generators are in the Tier 1 category. There are significantly more food generators in the Tier 2 category, however, the specific impacted locations have not yet been determined. Outreach for Tier 2 food generators is planned for the beginning of calendar year 2022. Tier 1 and Tier 2 generators must comply with the same requirements; however, the tiers have different compliance deadlines: January 1, 2022 and January 1, 2024, respectively.

The food generators in each tier must conduct the following:

- Arrange to recover the maximum amount of edible food that would otherwise be disposed of as landfill or compost;
- Enter into a written agreement with food recovery organizations or services for the collection or acceptance of edible food; and
- Keep records of their contracts and the type, frequency, and amount of food recovered each month.

Food recovery organizations and food recovery services located within Palo Alto that have a contract or written agreement with a commercial edible food generator must maintain records and report to the City or County annually on the type, frequency, and amount of food recovered each month from each generator. The City must audit the food generators and provide outreach and education material if they do not meet the requirements.

The new Edible Food Recovery Ordinance, PAMC Chapter 5.40, (Attachment A) was prepared as a countywide ordinance in collaboration with Santa Clara County and other cities within the county via its Technical Advisory Committee (TAC) to the County’s Recycling and Waste Reduction Commission (RWRC). A countywide ordinance and program will ensure consistency of ordinance language between all cities in Santa Clara County, standardize rules for businesses, and provide the same outreach and program to all edible food generators, food recovery organizations and services within the County. This means a grocery store in Palo Alto will have the same specific requirements and process to follow as the same brand name store in San Jose or Gilroy.

2B. Capacity Planning

The City is required under SB 1383 to work with the County of Santa Clara to ensure there is sufficient food recovery capacity to handle the increased amount of edible food being recovered from edible food generators. If new or expanded capacity is needed, the City will need to create an implementation schedule to build that capacity, collaborate with the County,

and provide outreach to the community. Currently in Palo Alto there is enough capacity but staff will monitor and report on an annual basis any changes to the County and State.

2C. Outreach and Enforcement

To assist the County and cities in creating an Edible Food Recovery Program and comply with SB 1383 requirements, RWRC contracted with Joint Venture Silicon Valley (JVSV), a not-for-profit entity, to assist in the development and implementation of SB 1383's edible food recovery requirements and create collaboration for a Countywide approach and outreach. Subcommittees were created and included staff from multiple cities and the impacted food recovery organizations, such as Second Harvest, as well as other stakeholders. Palo Alto staff actively participated in the multi-stakeholder group to create a draft model ordinance for all cities to use, as well as outreach material and a website with information about the new requirements for the edible food generators. The outreach to the food generators began in July 2021. In addition, staff is individually contacting the seven Tier 1 edible food generators identified in Palo Alto to inform them of the upcoming requirements and due dates. The same stakeholder group is also actively determining the best approach for enforcing the SB 1383 requirements related to the Edible Food Ordinance (individual cities vs. County process) and at this time a decision and compliance check process has not yet been determined. Enforcement is not required to begin until January 2024.

3. Procurement Requirements

In addition to keeping organic waste from being landfilled, SB 1383 has a set of procurement requirements intended to create demand for the increased amount of recovered organic waste products that will be created under the new legislation (by diverting organic materials away from landfills to anaerobic digestors or composting operations), and to require the purchase of paper products that meet certain recycled content and recyclability standards.

3A. Recovered Organic Waste Product Procurement

Beginning in calendar year 2022, cities are required to annually purchase a quantity of organic waste products, such as mulch, compost, and energy products like electricity or vehicle fuel, or a combination thereof, that meets or exceeds their annual procurement target, which is calculated based on population. For Palo Alto, with a population of 67,657 in 2021, based on the most recent annual data reported by the California Department of Finance, the procurement target is calculated as follows:

- Procurement Target = 0.08 tons per capita * 67,657
- Amount of recovered organic waste to be purchased = 5,413 tons

Equivalencies for electricity, fuel, and gas are calculated based on conversion factors that were developed by CalRecycle and are listed in the regulation (e.g., 1 ton of mulch is equivalent to 0.58 tons of compost, or 21 diesel gallon equivalents of transportation fuel, or 242 KWh of electricity, etc.) Consequently, the annual quantity target for Palo Alto would be met by purchasing either 5,413 tons of mulch, 1,309,840 KWh of electricity (derived from renewable gas), 3,139 tons (or 7,849 cubic yards) of compost, 113,664 gallons of transportation fuel,

119,076 therms of heat, or a combination of products equivalent to the established target. The conversion factors that result in the equivalencies are outlined in the table below.

Table 2: Recovered Organic Waste Procurement Options

Recovered Organic Waste Product	Annual Quantity Target Equivalent
Mulch	5,413 tons
Electricity (derived from renewable gas)	1,309,840 kilowatt-hours
Compost	3,139 tons or 7,849 cubic yards
Transportation fuel (renewable gas)	113,664 diesel gallon equivalents
Heating (derived from renewable gas)	119,076 therms

The City currently purchases qualifying compost for giveaway to Palo Alto residents at the new permanent compost giveaway station located at Eleanor Pardee Park. It is anticipated that a maximum of 360 tons of compost per year could be used for community gardens and compost giveaways, but this represents only 11 percent of the City's procurement target. Public Works staff has been researching alternatives to satisfy the remainder of the requirement and has engaged internally with various City departments, including Utilities staff, and externally with the RWRC TAC. The likely contender is satisfying the remainder of the requirement by way of a power purchase of electricity derived from organic waste diverted from landfill (such as energy derived from anaerobic digestion) that would be included in the City's Utility portfolio. The City's existing portfolio includes electricity derived from landfill gas, but it does not meet the SB 1383 standard. Based on preliminary data, staff estimates the cost to meet the procurement requirement would be \$200,000 to \$400,000. Staff is evaluating potential partnerships for a power purchase as well as other alternatives as they become available. The next steps staff will take are to develop a Request for Proposals and detail the recommended procurement in a future staff report in Spring 2022.

3B. Recycled Paper Procurement

SB 1383 requires that cities procure printing and writing paper consistent with the requirements of the Public Contract Code, starting January 1, 2022. This means that cities must purchase recycled paper products instead of non-recycled products whenever recycled products are available at the same or lesser total cost if fitness and quality are equal. Paper

products includes printing and writing papers, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling.

The City's existing Paper Reduction and Procurement of Environmentally Preferable Paper Products Policy (Policy and Procedures Manual, Section 5, Environment), last updated in 2018, generally complies with the requirements of this regulation, and in most cases is more stringent than the SB 1383 requirements. However, some language will need to be added to incorporate the SB 1383 requirements on recyclability and recordkeeping. Staff is currently drafting the proposed minor changes needed to the existing policy to align it with SB 1383 requirements. This policy update will not require Council action since it will be incorporated into the City's internal administrative policies.

Timeline

Beginning January 1, 2022, the SB 1383 regulations take effect and staff expects Palo Alto to be compliant. Table 3 is a summary of the needed actions and timeline for meeting the requirements.

Table 3: Timeline of Palo Alto Needed Actions

	SB1383 Requirements	Updated PAMC Chapter 5.20 - Collection and Source Separation Requirements	New PAMC Chapter 5.40 - Edible Food Recovery	Procurement Requirements
July – December 2021	n/a	Outreach materials developed and issued for education and engagement	Outreach materials including website and letters distributed to food generators and food recovery organizations	n/a
November 2021	n/a	First reading / Public hearing	First reading / Public hearing	
December 2021		Second Reading	Second Reading	
January 2022	Regulations take effect and State enforcement of cities begins	Proposed changes take effect	Proposed changes take effect, Edible Food Recovery Program established	Updated City <i>Paper Reduction and Procurement of Environmentally Preferable</i>

				<i>Paper Products Policy</i> Request for proposals for procurement of qualifying electricity
January 2022 – December 2023		Education and outreach to commercial and residential customers and self-haulers continues. City to continue existing enforcement program for commercial customers.	Food generators to begin contracted service with food recovery organizations and begin recovering the maximum amount of edible food for donation and human consumption	City to meet the procurement requirements
January 2024		State requires cities to initiate enforcement and take action against non-compliant entities	City to initiate enforcement and take action against non-compliant entities	

Resource Impact

Palo Alto already meets many of the SB 1383 requirements through existing Zero Waste programs, processes, and ordinances, therefore there is little to no additional resource impact related to outreach and education activities or enforcement and monitoring requirements. There may be future funding needed for enforcing the new edible food recovery ordinance, PAMF Chapter 5.40 (Attachment A), if Santa Clara County determines that the County is best positioned to perform the related enforcement functions; however, this has not yet been determined since the enforcement on the Edible Food Recovery requirements does not begin until 2024 and the new program and processes are still being determined. Any future costs unable to be captured through existing Refuse Fund budget would go through the fiscal year 2023 or 2024 operating budget process.

To fulfill the additional procurement requirement for recovered organic waste, additional funding may be requested through the Fiscal Year 2023 operating budget development process. The specific amount at this time is unknown as it will depend on proposals received through a

future Request for Proposal process planned for Winter 2022.

Policy Implications

The proposed changes to the PAMC align with the organics collection, enforcement, and edible food recovery requirements of SB 1383. They support the sustainability and Zero Waste goals adopted in 2016 to increase diversion, minimize landfilling of materials, reduce greenhouse gases emission, and achieve 95 percent diversion of waste from landfills by 2030. These changes would facilitate implementation of the Sustainability and Climate Action Plan and the [2018 Zero Waste Plan](#), specifically initiative #22 Mandatory Ordinance Enforcement for Residential and initiative #17 Commercial Food Donations. They are also consistent with the Palo Alto Comprehensive Plan Policy S-3.8.

Changes will be made to the Environmentally Preferred Purchasing and Paper Reduction internal policy for City purchases of paper products to include minor changes to reflect details of the State regulations. These administrative policy updates do not require Council action.

Stakeholder Engagement

The requirements for complying with SB 1383 are mandated by the State of California and are being incorporated into the City's policies. Staff is conducting outreach and education to inform the community, edible food generators, food recovery organizations, and self-haulers as well as some businesses that may need to adjust their service to be compliant with SB 1383 requirements. The outreach includes direct mail to specific stakeholders, site visits, social media posts, E-news, newsletter articles, and updating older education pieces such as signs and posters and adding translations. Additionally, new webpages with SB 1383 information were created and added to the Zero Waste website at www.cityofpaloalto.org/sb1383regulations as well as a new webpage specifically for edible food generators and food recovery organizations at <https://reducewaste.sccgov.org/food-recovery>.

Environmental Review

When developing the new regulations, CalRecycle completed the Final Environmental Report SB 1383 Regulations Short-Lived Climate Pollutants: Organic Waste Methane Emission Reduction, December 2019 (<https://www2.calrecycle.ca.gov/Docs/Web/116058>).

The proposed changes to the PAMC and the new Edible Food Recovery Ordinance are exempt from environmental review pursuant to CEQA Guideline Section 15061(b)(3), because it can be seen with certainty that the provisions contained therein do not have the potential for causing a significant effect on the environment, and also under CEQA Guidelines Sections 15307 and 15308, as actions taken by regulatory agencies to assure the maintenance, restoration, or enhancement of natural resources and the environment.

Attachments:

- **Attachment13.a:** Attachment A – Ordinance Amending PAMC Chapter 5.20 - Collection, Removal and Disposal of Refuse and adding New PAMC Chapter 5.40 Edible Food Recovery Requirements

- Attachment13.b: Attachment B – Resolution Amending and Restating the Administrative and Civil Penalty Schedules

Not Yet Approved

Ordinance No. ____

An Ordinance of the Council of the City of Palo Alto Amending Title 5 (Health and Sanitation), -Chapter 5.20 (Removal and Disposal of Refuse) and Adding Chapter 5.40 (Edible Food Recovery Requirements) for Mandatory Organic Waste Disposal Reduction in Landfills in Compliance with Senate Bill 1383

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

A. State recycling law, Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, *et seq.*, as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse, and recycle (including composting) Solid Waste generated in their jurisdictions to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment.

B. State recycling law, Assembly Bill 341 of 2011 (approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, as amended, supplemented, superseded and replaced from time to time), places requirements on businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste to arrange for recycling services and requires the City to implement a Mandatory Commercial Recycling program.

C. State organics recycling law, Assembly Bill 1826 of 2014 (approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time), requires businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste, Recycling, and Organic Waste per week to arrange for recycling services for that waste, requires the City to implement a recycling program to divert Organic Waste from businesses subject to the law, and requires the City to implement a Mandatory Commercial Organics Recycling program.

D. SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, (approved by the Governor of the State of California in September 2016) required CalRecycle to develop Regulations to reduce organics in landfills as a source of methane. The Regulations (14 CCR 18981 *et seq.*) place requirements on multiple entities including the City, residential

Not Yet Approved

households, Commercial Businesses and business owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of Statewide Organic Waste disposal reduction targets. SB 1383 further requires the City to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of the SB 1383 Regulations.

E. Adoption of this Ordinance complies with the requirements of SB 1383 and will also help reduce food insecurity by requiring Commercial Edible Food Generators to arrange to have the maximum amount of their Edible Food, that would otherwise be disposed, be recovered for human consumption.

F. Requirements in this Ordinance are consistent with other adopted goals and policies of the City including the City of Palo Alto 2018 Zero Waste Plan containing new programs and initiatives to meet the City's zero waste goals, and the City of Palo Alto's Sustainability Climate Action Plan goals of 95 percent of waste generated in Palo Alto to be diverted from landfills and 80 percent reduction of greenhouse gases by 2030.

SECTION 2. Chapter 5.20 of Title 5 is hereby amended to read as follows. The amendments are shown through ~~striketrough~~ and interlineation:

Chapter 5.20

COLLECTION, REMOVAL AND DISPOSAL OF REFUSE *

Sections:

- 5.20.010 Definitions.
- 5.20.020 Declaration of policy.
- 5.20.030 Discarding of refuse.
- 5.20.040 Collection, removal and disposal only by authorized persons.
- 5.20.050 No unauthorized containers.
- 5.20.060 Contracting for special hauling services.
- 5.20.070 Use of agents or subcontractors by the collector.
- 5.20.080 Number of solid waste containers required.
- 5.20.090 Collection and ownership of recyclable materials.
- 5.20.100 Collection and ownership of compostable materials.
- 5.20.105 Contamination of containers.
- 5.20.108 Requirements for owners or managers of multifamily properties and commercial premises.
- 5.20.109 Requirements for special events.
- 5.20.110 Exclusions.
- 5.20.111 Self-Haul.
- 5.20.120 Refuse containers.
- 5.20.130 Maintenance and placement of containers.
- 5.20.140 Frequency of refuse collection.

Not Yet Approved

- 5.20.150 Collection hours, quietness of collections, and collection equipment.
- 5.20.160 Litter, spillage or leakage of refuse.
- 5.20.170 Special permits in hardship cases.
- 5.20.180 No accumulation of refuse.
- 5.20.190 Burning, burial, or dumping of restrictions.
- 5.20.200 Hazardous waste.
- 5.20.220 Scavenging prohibited.
- 5.20.250 Liability for payment of rates.
- 5.20.260 Penalty for failure to pay collection rate.
- 5.20.270 Recycling center.
- 5.20.280 Administration by City manager.
- 5.20.290 Penalty for violation.

* Editor's Note: Prior ordinance history for this chapter includes Prior Code §§ 31.01 - 31.20 and 31.22 - 31.24, as amended by Ordinances 1667, 2029 (part), 2196, 2511, 2566 (part), 2627 (part), 2862, 2960 (part), 3034, 3205 and 3424. For provisions relating to dead animals, see Chapter 6.32.

5.20.010 Definitions.

Within and limited to this chapter, the following words and phrases shall be construed as defined in this section, unless the context indicates otherwise.

(1) "Back-haul" means transporting Refuse to a destination owned and operated by the generator using the generator's own employees or equipment.

~~(2)~~ "Bin" means a detachable refuse container used in connection with commercial premises with a 1 to 8 cubic yard capacity, equipped with a lid, and designed for mechanical pick-up by collection vehicles.

~~(3)~~ "Box" means a wheeled or sledged container or compactor, generally 7 to 50 cubic yards in size, suitable for the storage and collection of commercial solid waste or recyclable materials.

~~(4)~~ "Cart" means a wheeled receptacle equipped with a lid, and designed for mechanical pick-up by collection vehicles.

~~(5)~~ "CCR" refers to the California Code of Regulations.

~~(6)~~ "City" means the government of the City of Palo Alto, defined in Section 1.04.050(1) of the municipal code, with a principal place of business at 250 Hamilton Avenue, Palo Alto, County of Santa Clara.

~~(7)~~ "City manager" means the person referred to in Section 2.08.140 of the municipal code, or designee.

~~(8)~~ "Collection agreement" means a contract with the City for the collection of refuse pursuant to Section 5.20.040.

~~(9)~~ "Collector" means one or more persons authorized by Section 5.20.040 to provide the collection, processing and disposal of refuse pursuant to one or more written contracts with the city.

Not Yet Approved

(108) "Commercial business owner" means any person holding or occupying, alone or with others, commercial premises, whether or not the person holds the title or is the record owner of the commercial premise.

(119) "Commercial premises" means any occupied real property in Palo Alto, except property occupied by federal, state or local government agencies which do not consent to their inclusion, and except residential premises as defined in subsection (373) hereof, and shall include, without limitation, any wholesale or retail establishments, restaurant and food service establishment, bar, store, shop, shopping center, office, industrial establishment, manufacturing establishment, service station, repair, research and development establishment, professional, services, sports or recreational facility, any place or premise where an animal is maintained or sheltered, construction or demolition site, any multifamily property as defined by a dwelling that is not a residential premise in subsection 26 hereof, and any other commercial or industrial business facility, structure, site, or other establishment in Palo Alto.

(120) "Compostable materials" means organic materials designated by the City as approved for collection and processing, including, without limitation, yard trimmings, food scraps, soiled paper and compostable plastics, but excluding animal manure, sewage sludge, and human biological wastes. "Compostable materials" has the same meaning as "Organic Waste" as defined in Section 18982 (46) of Chapter 14 of the California Code of Regulations and used in SB 1383.

(13) "Compostable plastic" means any packaging made of compostable plastic meeting Biodegradable Products Institute (BPI) and ASTM D6400 standard for compostability. The packaging must contain the words "Compostable" to be acceptable in the City's organic waste collection program.

(141) "Composting" means the controlled, biological decomposition of organic materials into humus for use as a soil amendment, conditioner or fertilizer or for any other similar use or purpose.

(152) "Construction and/or demolition site" means any real property in Palo Alto, at which a building or structure, or any portion thereof, is being constructed, assembled, erected or demolished, and during which construction or demolition waste which must be removed from the property.

(163) "Construction and/or demolition waste" means any waste generated as the result of construction or demolition work, including, without limitation, discarded packaging or containers and waste construction materials, whether brought on-site for fabrication or used in construction or resulting from demolition, excluding liquid waste and hazardous waste.

(174) "Container" means any bin, box, cart, compactor, drop box, roll-off box, or receptacle, used for the storage of solid waste, recyclable materials, compostable materials or other materials designated by the City for collection by the collector.

(185) "Director" means the person referred to in Section 2.08.190 of the Municipal Code, or the director's designee.

Not Yet Approved

(196) "Disposal or processing facility" means a landfill facility, a recycling facility, a composting facility or a solid waste transfer or processing station.

(2017) "EPA" means the federal Environmental Protection Agency or successor agency.

(2118) "Food service establishment" means any establishment, located or providing food within Palo Alto, which provides prepared and ready-to-consume food or beverages, for public consumption, including, but not limited to, any retail service establishment, eating and drinking service (as defined in Chapter 18.23), takeout service (as defined in Chapter 18.23), supermarket, delicatessen, restaurant, food vendor, sales outlet, shop, cafeteria, catering truck or vehicle, cart or other sidewalk or outdoor vendor or caterer which provides prepared and ready-to-consume food or beverages, for public consumption.

(2219) "Hazardous waste" means waste defined as hazardous by Public Resources Code section 40141, as it now exists or may be amended, namely, a waste or combination of wastes, which due to its quantity, concentration, or physical, chemical or infectious characteristics, may do either of the following: (i) cause or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; (ii) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported, or disposed of, or otherwise managed. "Hazardous waste" includes extremely hazardous waste and acutely hazardous waste, and any other waste as may hereafter from time to time be designated as hazardous by the EPA or other agency of the United States Government, or by the California Legislature or any agency of the State of California empowered by law to classify or designate waste as hazardous, extremely hazardous or acutely hazardous.

(23) "High diversion organic waste processing facility" means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025.

(240) "Home composting" means the controlled decomposition of organic material, including, without limitation, yard trimmings and kitchen scraps, into humus by any person owning or occupying any place or premises in Palo Alto.

(251) "Manure" means the waste droppings of any animal.

(262) "Multifamily property" means any residential premise with three or more attached units with shared service.

(273) "Organic wastes" means "compostable materials."

(284) "Person" means any individual, or entity referred to in Section 1.04.050(5) of the Municipal Code and ~~including any general partnership, limited partnership, limited liability partnership, or limited liability company, firm, limited liability company, association, partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity whatsoever.~~

(295) "Place or premises" means every residential premises and commercial premises, including any structure, apparatus, or portion thereof occupied or operated by any person and situated on an integral parcel of land undivided by a public street, highway, or railway.

Not Yet Approved

(3026) "Public solid waste or recycling receptacles" means any container for the collection of solid waste, recyclable materials or compostable materials that are both located on public property and intended for use by the general public.

(3127) "Recyclable materials" means materials designated by the City as suitable for collection and transport to a material recovery facility for processing into a recycled content product, including, without limitation, newspaper, paper, cans, corrugated cardboard, glass and certain types of plastic, and metals.

(328) "Recycling" means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become solid waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. This term does not include transformation as that term is defined in Public Resources Code section 40180.

(3329) "Refuse" means and includes compostable materials, recyclable materials and solid waste.

(340) "Refuse room" means a room(s) located inside a building in which refuse containers are maintained and refuse is collected. Refuse rooms are typically located at the end of a hallway or on the ground level, but may be in other locations.

(351) "Refuse service" means the weekly or other periodic collection, processing and disposal of materials properly deposited in the collector-provided containers for solid waste, as well as weekly collection and processing of recyclable materials and weekly collection and processing of compostable materials.

(362) "Residential householder" means any person owning or occupying residential premises in Palo Alto.

(373) "Residential premises" means any residential dwelling unit in Palo Alto which does not meet the definition of multifamily property in subsection (26) hereof, typically single-family homes or duplexes. ~~including, without limitation, a multiple unit residential complex, such as a rental housing project, condominium, apartment house, mixed condominium and rental housing, and a mobile home park, except any multiple dwelling which, with the prior written approval of the director, receives commercial bin service.~~

(384) "Salvage" means the controlled removal of construction or demolition debris/material from a permitted building, construction, or demolition site for the purpose of recycling, reuse, or storage for later recycling or reuse. Examples include air conditioning and heating systems, columns, balustrades, fountains, gazebos, molding, mantels, pavers, planters, quoins, stair treads, trim, wall caps, bath tubs, bricks, cabinetry, carpet, doors, ceiling fans, lighting fixtures, electrical panel boxes, fencing, fireplaces, flooring materials of wood, marble, stone or tile, furnaces, plate glass, wall mirrors, door knobs, door brackets, door hinges, marble, iron work, metal balconies, structural steel, plumbing fixtures, refrigerators, rock, roofing materials, siding materials, sinks, stairs, stone, stoves, toilets, windows, wood fencing, lumber and plywood.

(39) "Self-Hauler" means a person who occasionally collects, transports and disposes of solid waste, compostable materials or recyclable materials generated at the person's place or premise, in lieu of availing themselves of the services of the collector. Self-hauler also

Not Yet Approved

includes a person who back-hauls waste. Self-Hauler includes, but is not limited to, landscapers, gardeners and contractors as specified in Section 5.20.111 of this Chapter.

–(40) "Self-Hauler of Compostable Materials" means a gardener, laborer, contractor, construction worker, or landscaper who collects, transports and disposes of compostable materials.

– (4135) "Solid waste" means solid and semisolid wastes, generated in or upon, related to the occupancy of, remaining in or emanating from residential premises or commercial premises, including garbage, trash, rubbish, ashes, industrial wastes, manure, animal carcasses, solid or semisolid wastes, and other solid and semisolid wastes. "Solid waste" shall not include liquid wastes or sewage, abandoned vehicles, hazardous waste, recyclable materials or compostable materials.

(4236) "Solid waste enterprise" ~~shall~~ means any person regularly engaged in the business of providing solid waste, recyclable materials or compostable materials handling services.

(4337) "Source separated single recyclable materials" means recyclable materials that are separated from other recyclable materials or solid waste and placed in separate containers according to type or category of materials and directly marketed as a single commodity.

(44) "Waste Station" -means a collection of at least three refuse containers, color coded, with proper signage located in common indoor and outdoor areas (such as lobbies, hallways, front entrances, laundry rooms, etc.) for use by the public, employees, tenants or customers allowing for proper separation of Refuse.

–(4538) "Yard trimmings" means plant trimmings generated from the maintenance or alteration of public, commercial premises or residential premises landscapes, including, without limitation, grass cuttings, yard clippings, leaves, tree trimmings, pruning, brush and weeds, excepting those materials which are prohibited under written rules and regulations promulgated by the director.

(Ord. 5475 §1, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.020 Declaration of policy.

(a) The accumulation, collection, removal and disposal of refuse must be controlled by the City for the protection of the public health, safety and welfare. The Council finds that to give practical effect to this policy a comprehensive system for the periodic collection, removal and disposal of refuse from all places or premises is essential and benefits all occupants of places or premises. All occupants of places or premises shall be liable for refuse collection charges established by the Council for the collection, removal and disposal of refuse.

(b) The City complies with the applicable provisions of the California Integrated Waste Management Act, as amended, codified in the Public Resources Code section 40000 et seq. The law requires that, by and after January 1, 2000, fifty percent (50%) of the solid waste generated must be diverted through some source reduction, recycling, and composting activities.

Not Yet Approved

(c) The City also complies with the 75 percent recycling goal included as part of AB 341 Mandatory Commercial Recycling Law, adopted on October 6, 2011, which includes modifications to the Public Resources Code.

(d) In addition, the city complies with the organic waste recycling requirements under AB 1826, which became effective on April 1, 2016.

(e) In 2016, SB 1383 established methane emissions reduction targets to reduce statewide emissions of short-lived climate pollutants including, establishing a fifty percent reduction of disposed organic waste from 2014 levels by 2020 and a seventy-five percent reduction by 2025; and the target to reduce twenty percent of disposed edible food by 2025. Also in 2016, the city established sustainability and climate action goals of an eighty percent reduction in greenhouse gases and ninety- five percent diversion of materials from landfills by 2030.

(f) In 2020, CalRecycle adopted Regulations pursuant to SB 1383 (14 CCR 18981 et seq.) to implement the goals of SB 1383; the City complies with these Regulations.

(g) The City may adopt, implement, and enforce requirements, rules and regulations for local compostable materials and local recyclable materials that are more stringent or comprehensive than California law.

(Ord. 5475 §2, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.030 Discarding of refuse.

(a) No person shall throw, drop, leave, place, keep, accumulate, or otherwise dispose of any refuse upon private property either with or without the intent to later remove the same from that place or premises, or upon any street, public right-of-way, sidewalk, gutter, stream, or creek, or the banks thereof, or any public place or public property.

(b) All persons shall separate their refuse according to its characterization as solid waste, compostable materials, or recyclable materials, and place each type of refuse in a separate container designated for disposal of that type of refuse. No person may mix any type of refuse, or deposit refuse of one type in a collection container designated for refuse of another type, except as otherwise provided in this chapter. This does not prohibit the placement of refuse in public solid waste or recycling receptacles, or in containers for collection in accordance with the provisions of this chapter. This section does not prohibit any person from engaging in home composting. ~~Administrative citations or any other enforcement actions will not apply to this paragraph for a person occupying a residential premise.~~

~~(c) Effective July 1, 2020, Any person occupying a commercial premises, not including multifamily property, or dwellings, who uses bags to collect and discard refuse, whether placed for collection inside or outside a container, shall ensure that the refuse contents of the bags are clearly visible. When bags are used, garbage shall be collected in clear plastic bags and recyclable materials shall be collected in blue-tinted plastic bags.~~

~~(d) Effective July 1, 2020, All persons who use bags to collect compostable materials, whether placed for collection inside or outside a container, shall use green-tinted compostable bags such that the contents are clearly visible.~~

(Ord. 5475 §3, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

Not Yet Approved

5.20.040 Collection, removal and disposal only by authorized persons.

(a) The City shall authorize, permit, regulate and control the collection, removal and disposal of all refuse generated at all places or premises. For this purpose, the City may enter into a collection agreement with one or more solid waste enterprises with or without advertising for bids. The collection agreement shall not be or be deemed or construed as a franchise.

(b) Notwithstanding any permit issued by any other governmental agency authorizing the collection of any type of refuse, no person other than a person with a collection agreement, or its duly authorized agents or subcontractors, as provided in Section 5.20.070, shall negotiate or contract for, undertake to receive, collect, remove, transport, or dispose of any type of refuse from within the Palo Alto for a fee, service charge or other consideration therefor, except as specifically provided herein.

(c) No person shall interfere in any manner with the lawful operations of the collector or its duly authorized agents or subcontractors.

(d) Except as otherwise provided in this chapter, each residential householder and commercial business owner shall utilize the services of the collector for the collection of refuse from the residential or commercial premises held or occupied by that owner or occupant and shall pay the fees for services as approved by the Council. No residential householder or commercial business owner shall enter into an agreement with a solid waste enterprise for the collection of refuse except as otherwise provided in this chapter. (Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.050 No unauthorized containers.

(a) Except as expressly authorized by this Chapter 5.20, no person other than a collector may place a container within Palo Alto.

(b) The City shall notify, in writing, any person who violates this Section 5.20.050 that the prompt and permanent removal of the container from the place or premises is required. The City shall deliver the written notice by posting a copy of the notice prominently upon the container. If the container is identified by the name and telephone number of the solid waste enterprise servicing it, as required by Section 5.20.130(e), the City shall endeavor to contact the enterprise by telephone. The failure of the City to notify telephonically the owner of the presence of the container at the place or premises shall not invalidate the notice. The City may impound or cause to be impounded any container if the same is not permanently removed from the place or premises within the time set forth in the notice, which time shall be not less than twenty-four hours after the posting of the notice, or not less than six business hours after the telephonic notification, if any notice is provided. For purposes of this Section 5.20.050, "business hours" means the hours of 7:00 a.m. and 6:00 p.m., Monday through Saturday. Any person who violates this Section 5.20.050 shall be liable to the City for all fines and charges levied in connection with the collection, transportation, storage and handling of that container by the City. The container impounded by the City shall be retrieved by the owner or his or her representative immediately after all applicable fines and charges have been paid. The City manager may delegate to the collector the authority to impound any unauthorized containers and to collect the fines and charges levied by the City.

Not Yet Approved

(c) Upon posting of a written notice of violation upon the unauthorized container, the person using the unauthorized container shall immediately cease placing refuse therein. (Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.060 Contracting for special hauling services.

Any owner, occupant or tenant of a place or premise may contract with the collector or its duly authorized agents or subcontractors, as provided in Section 5.20.070, but not otherwise, for special hauling services for the collection, removal and disposal of solid waste in excess of the regular services provided by the collector. (Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.070 Use of agents or subcontractors by the collector.

The City may provide in any written contract entered into pursuant to Section 5.20.040(a) that the collector may designate, in writing, one or more agents or subcontractors who may collect, remove, and dispose of solid waste or construction and demolition waste as may be in excess of the regular collection made by the collector, subject to the limitations set forth in the collection agreement. (Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.080 Number of solid waste containers required.

All persons owning or occupying any place or premises where solid waste is created, produced or accumulated shall subscribe and pay for this type of refuse service and shall subscribe and pay for a number of containers to hold all solid waste created, produced or accumulated at or on the place or premise during a one-week period, unless a different frequency for a collection schedule has been approved or directed pursuant to this chapter. (Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.090 Collection and ownership of recyclable materials.

(a) All persons owning or occupying any place or premises where recyclable materials are created, produced or accumulated shall subscribe and pay for this type of refuse services and shall subscribe and pay for a number of containers sufficient to hold all recyclable materials created, produced or accumulated at the place or premises during a one-week period, unless a different frequency collection schedule has been approved or directed pursuant to this chapter.

(b) Recyclable materials placed for curbside collection in or outside of a container shall become the property of the collector at the time of placement at the curb or other designated location for collection in or outside of the container. The collector shall have the exclusive right to collect the recyclable materials, unless the collection agreement specifies a different arrangement.

(c) The disposal of solid waste and compostable materials in containers designated for the collection of recyclable materials is prohibited. Recyclable materials that are placed in a recyclable materials container for collection by the collector ~~shall must~~ be free of solid waste and compostable materials.

Not Yet Approved

(d) Cardboard boxes shall be broken down flat before being placed into recyclables containers to allow for adequate space to contain the recyclable materials.
(Ord. 5475 §4, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.100 Collection and ownership of compostable materials.

(a) All persons owning or occupying any place or premises where compostable materials are created, produced or accumulated shall subscribe and pay for this type of refuse services and shall subscribe and pay for a number of containers sufficient to hold all compostable materials created, produced or accumulated at the place or premises during a one-week period, unless a different frequency collection schedule has been approved or directed pursuant to this chapter.

(b) Compostable materials placed for curbside collection in a container shall become the property of the collector at the time of placement at the curb or other designated location for collection of the container.

(c) The disposal of solid waste and recyclable materials in containers designated for the collection of compostable materials is prohibited. Compostable materials that are placed in a compostable materials container for collection by the collector shall be free of solid waste and recyclable materials.

(d) All commercial premises at which solid waste refuse service is subscribed, shall subscribe and pay for a number of containers sufficient to hold compostable materials created, produced or accumulated at or on the place or premises during a one-week period, unless a different frequency collection schedule has been approved or directed pursuant to this chapter.

~~(ed)~~ The City may direct the collector to audit individual solid waste streams generated at commercial or residential premises to determine the owner, occupant or tenant's compliance with this section.

(Ord. 5475 §5, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.105 Contamination of containers.

(a) No person subscribing to refuse service shall dispose or permit the disposal of solid waste in a container designated for the collection of recyclable materials or compostable materials. The person shall remove any solid waste deposited in the recyclable materials and compostable materials containers before the collection of the recyclable materials and compostable containers occurring that week.

(1) The collector will notify any person who occupies commercial or residential premises whenever the City or the collector determines the recyclable materials or compostable materials container of that person is contaminated with solid waste and the waste ~~shall~~ must be removed. After the person removes the solid waste from the recyclable materials and compostable materials container, the collector will return to the commercial or residential premises to service the container or containers and the person occupying the commercial or residential premises will be charged a "return trip" fee specified in the refuse rate schedules.

(2) If the person occupying the commercial or residential premises does not remove the waste from the recyclable materials and compostable materials containers by the

Not Yet Approved

scheduled pick-up date, the containers will be serviced at the next business day and the person occupying the commercial or residential premises will be charged both an "extra solid waste pick-up" fee and a "return trip" fee in addition to the refuse charges that apply to the level of service subscribed by the person occupying the commercial or residential premises. The extra solid waste pick-up fee shall be determined according to the size of the contaminated recyclable materials or compostable materials container and the established rates approved by the City.

(3) The fees outlined in Section 5.20.105 (a)(1) - (2) will also apply if a person occupying a commercial or residential premises places recyclable materials in containers designated for compostable materials or compostable materials in containers designated for recyclable materials.

(4) If a person occupying a commercial or residential premises places recyclable materials and/or compostable materials in containers designated for solid waste, the person will be subject to a "contamination" fee.

~~(5) A person occupying residential premises will not be subject to a "return trip" fee, an "extra solid waste pick-up" fee, a "contamination" fee, an administrative citation or any other enforcement action. A multifamily property will not be subject to a "return trip" fee or an "extra solid waste pick-up" fee if owners or managers of the multifamily property can demonstrate compliance with Section 5.20.108 to the satisfaction of the director.~~

(b) No person shall dispose of commercial grease or cooking oil in a compostable materials container.

(Ord. 5475 §6, 2019; Ord. 5377 §1 (part), 2016)

5.20.108 Requirements for owners or managers of multifamily properties and commercial premises.

(a) The owner or manager of any multifamily property or commercial premises shall ~~must~~ provide a level of refuse service sufficient to contain the refuse generated by the owners, occupants, tenants, employees, contractors, and customers of the property or premises.

(b) The owner or manager of any multifamily property or commercial premises shall ~~must~~ provide the number and type of containers at the property or premises sufficient to make the source separation of refuse convenient for the owners, occupants, tenants, employees, contractors, and customers of the property or commercial premises.

(c) The three types of containers shall: (1) Be appropriate in number and size with respect to the quantity of solid waste, compostable materials, and recyclable materials anticipated to be generated at the property or premises; (2) Bear appropriate signage/label and be color-coded - blue containers for recyclable materials, green containers for compostable materials, and black containers for solid waste - to identify the primary materials type of refuse accepted and the primary materials prohibited in each ~~to be contained~~ and meet any additional design criteria established by the City; and (3) Be placed within 6" or less of each other or as close together as practicable to provide equally convenient access to users.

Not Yet Approved

(d) The owner or manager of any multifamily property or commercial premises shall provide information and ~~or~~ training for new occupants or ~~,~~ tenants, employees and contractors, including janitors, on the manner of source separation of solid waste, compostable materials, and recyclable materials before or within 14 days of occupation of the premises or performing work on the premises. The owner or manager shall provide information or train current occupants, tenants, employees and contractors at least once per calendar year.

(e) The owner or manager of any commercial premises or their contractor shall collaborate with on-site janitors to create effective source separation programs.

(f) All commercial businesses including Multifamily Property shall periodically inspect green Compostable Materials containers for contamination and shall inform employees if containers are contaminated and of the requirements to only use those containers for Compostable Materials.

~~(g)~~ The use of public solid waste, recycling, or composting receptacles by any commercial premises is prohibited.

(Ord. 5377 § 1 (part), 2016)

5.20.109 Requirements for special events.

(a) The promoter or coordinator of a special event held in Palo Alto ~~shall~~must provide a level of refuse service sufficient to contain the refuse generated at the special event.

(b) The promoter or coordinator shall provide containers at appropriate locations at the special event to facilitate the source separation of solid waste, compostable materials, and recyclable materials by event employees, vendors, and attendees.

(c) The three types of containers shall:

(1) Be appropriate in number and size with respect to the quantity of solid waste, compostable materials, and recyclable materials anticipated to be generated at the property or premises;

(2) Bear appropriate signage and be color-coded - blue containers for recyclable materials, green containers for compostable materials, and black containers for solid waste - to identify the type of refuse to be contained and meet any additional design criteria established by the City; and

(3) Be placed together as a waste station to provide equally convenient access to users.

(d) If the promoter or coordinator determines that vendor booths at the special event will require refuse containers, the vendors shall receive from the promoter or coordinator a set of refuse containers that bear appropriate signage and are color-coded to identify the type of waste to be contained.

(e) The use of public solid waste recycling or composting receptacles at special events is prohibited. The promoter or coordinator shall remove or cover all public solid waste recycling or composting receptacles to prevent their use during the special event. If covers for receptacles are utilized, the promoter or coordinator shall return them to the city after the special event.

(Ord. 5475 §7, 2019; Ord. 5377 §1 (part), 2016)

Not Yet Approved

5.20.110 Exclusions.

(a) Residential Householder Exclusion. No provision of this chapter shall prevent a residential householder from collecting and disposing of occasional loads of solid waste generated at the residential premise, composting at home, or selling, donating or disposing of recyclable or compostable materials generated at the residential premise. The containers provided by the collector may not be used for activities authorized by this paragraph. Notwithstanding the foregoing, no residential householder shall employ or engage any solid waste enterprise, other than the collector to haul or transport solid waste, recyclable materials, or compostable materials to a disposal or processing facility. No residential householder may collect or dispose of solid waste generated at a location that is not the residential premise.

(b) Gardener's Exclusion. No provision of this chapter shall bar a gardener, tree trimmer or other person engaged in a similar trade from collecting and disposing of yard trimmings not containing other solid waste whenever the collection and disposal are incidental to providing the gardening, tree trimming or similar services. Trade persons shall adhere to the requirements described in Section 5.20.111.

(c) Commercial Source Separated Recyclable Materials and Compostable Materials.

(1) Commercial business owners shall retain the right to donate or sell recyclable materials and compostable materials, or to pay fees for services to solid waste enterprises other than the collector for the collection of particular recyclable materials and compostable materials, so long as all recyclable materials and compostable materials collected are source separated single recyclable materials and compostable materials. Recyclable materials and compostable materials collected pursuant to this paragraph (c) shall be transported to a recyclable materials and compostable materials facility achieving a diversion rate of 90 percent and where not more than 10 percent of the materials are disposed of in a landfill. For source separated compostable materials owner shall follow requirements in Section 5.20.111.

(2) Commercial business owners shall demonstrate compliance with the provisions of this paragraph (c) at the request of the director.

(3) The City may require any recycler, junk dealer or other enterprise engaged in the business of buying and marketing recyclable materials and compostable materials to provide the City with information pertaining to the collection and the amount of recyclable materials and compostable materials collected from within Palo Alto's territorial limits.

(d) Collection of Source Separated Single Recyclable Materials. No provision of this chapter shall prevent a recycler, junk dealer or other enterprise engaged in the business of buying and marketing source separated single recyclable materials in the stream of commerce and which buys such materials for marketing and not for disposition in a landfill or transfer station (as defined in Public Resources Code Section 40200), from buying recyclable materials for monetary or other valuable consideration. A recycler, junk dealer or enterprise which buys recyclable materials shall not be prohibited from removing and transporting those materials to a destination for marketing in the stream of commerce.

(e) Renovation, Rebuilding, Repairs. No provision of this chapter shall prevent a commercial business owner from arranging for any worn, spent, or defective equipment, or part thereof, used in the commercial business and requiring renovation, rebuilding, recharging, regeneration or repair, to be picked up, renovated, rebuilt, recharged,

Not Yet Approved

regenerated or otherwise restored and repaired and returned to that commercial business owner. Any person engaged in the business of renovating, rebuilding, recharging, regenerating, or otherwise restoring or repairing the equipment or part thereof, is not prohibited from transporting the same from or returning it to the commercial business, or from removing, transporting or disposing of the equipment, or part thereof, replaced in connection with an equipment repair or service contract.

(f) Contractors' Exclusions. In addition to the authority granted by paragraph (c) of this Section 5.20.110, no provision of this chapter shall prevent a licensed contractor under contract for the deconstruction, demolition or reconstruction of a building, structure, pavement, or concrete installation from marketing any saleable, including cardboard and metal, or donation items salvaged from the deconstruction, demolition or reconstruction, or from causing the salvageable items or construction or demolition waste to be removed and transported from the place or premises at which such waste is generated, pursuant to the provisions of the demolition or construction contract, subject to the following:

(1) The collection, removal and disposal activity shall be performed only by the licensed contractor under contract for the construction, deconstruction or demolition work that generated the salvageable items or by regularly employed personnel carried on the licensed contractor's payroll records as an employee.

(2) All vehicles used to facilitate the collection, removal and disposal activities shall be owned by or under the exclusive control of the licensed contractor and shall meet all of the requirements of this chapter and all other laws, statutes, rules, regulations and ordinances of the state of California and the City. All vehicles shall be subject to inspection by and the approval of the director from time to time.

(3) The placement and use of a container, other than a container provided by the collector, shall be prohibited, whether placed on the ground, on a vehicle, or any other place.

(4) A licensed contractor performing the work can collect, remove and dispose of clean soil. The soil must be free of other materials including compostable materials, wood, C & D debris, metal, etc.

(g) Concrete Exclusion. In addition to the authority granted by paragraph (f) of this Section 5.20.110, nothing in this chapter shall prevent a commercial/industrial business owner, residential householder, or licensed contractor from using a solid waste enterprise other than the collector to dispose of concrete.

(h) Document Destruction Service. No provision of this chapter shall prevent any person engaged in the business of destroying or disposing of secret, confidential or sensitive documents from transporting or disposing of those documents, provided the transport and disposal of the documents are incidental to the document destruction or disposal service.

~~—(i) Self Haul Exclusion. In addition to the authority granted by paragraph (a) of this Section 5.20.110 nothing in this chapter shall prevent a commercial business owner or residential householder from, on a regular basis, collecting, transporting and disposing of solid waste generated at the place or premise, in lieu of availing themselves of the services of the collector. No residential householder or commercial business owner shall employ or engage any solid waste enterprise, other than the collector, to haul or transport the solid waste to a disposal or processing facility. Any residential householder or commercial business owner who pursuant to this paragraph (i) seeks to on a regular basis collect,~~

Not Yet Approved

transport and dispose of solid waste generated at the place or premise, shall first obtain approval of the director, and must comply with any written rules and regulations established by the director.

(ij) General Requirement. In all cases where the right to an exclusion pursuant to this Section 5.20.110 is exercised, disposal shall be made at a disposal or processing facility that meets all applicable regulatory requirements. Any disposal by a person exempted under this section shall not be relieved of any obligation or liability imposed by this chapter or any other ordinance, resolution, rule or regulation for the payment of the minimum solid waste and recyclable materials disposal rates imposed pursuant to this chapter or any other applicable rates or fees.

~~(k) Backhauling Compostable Materials. A commercial business may opt out of the compostable materials service levels required by this chapter, provided that business verifies to the satisfaction of the director that all compostable materials generated on-site will be transported to a central facility to be later composted or otherwise recycled at a 90 percent rate and not placed in a landfill.~~

(jl) Space Limitations for Existing Structures. The director may grant a written exemption for any existing commercial business structure that lacks sufficient storage space for compostable materials or recyclable materials from all or portions of this section in accordance with the written rules and regulations established by the director. The director, in cases where space constraints are determined to exist, shall also evaluate the feasibility of shared container usage by contiguous businesses or multifamily property structures.

~~(km)~~ De Minimis Exception. The director may waive any of the requirements of this section if documentation satisfactory to the director, based upon rules and regulations, is provided to establish that the materials in any type of container, on an on-going basis is incidental to any other materials originating from that collection location.

(Ord. 5475 §8, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.111 Self-Haul

(a) In addition to the authority granted by paragraph (a) of Section 5.20.110 nothing in this chapter shall prevent a person from, occasionally collecting, transporting, and disposing of refuse generated at the place or premise, in lieu of availing themselves of the services of the collector. The person shall adhere to the container requirements as specified in Section 5.20.050. Any person who pursuant to paragraph (a) seeks to on a regular basis collect, transport and dispose of solid waste generated at the place or premise, shall first obtain approval of the director, and must comply with any written rules and regulations established by the director.

(b) Self-haulers of compostable materials, including gardeners, laborers, contractors, construction workers, and landscapers disposing of source separated compostable materials, shall:

(1) Adhere to container requirements as specified in Section 5.20.050, provided, however, that Self-haulers of compostable materials can use a truck with an attached bed, a landscaper/gardeners truck, a dump truck, or a trailer to collect, transport and dispose of compostable materials.

Not Yet Approved

(2) Transport the compostable materials to a high diversion organic waste processing facility approved by the City.

(3) Keep a record of the amount of source separated compostable materials delivered to each high diversion waste processing facility, including:

(A) Delivery receipts and weight tickets from the entity accepting the waste.

(B) The amount of material in cubic yards or tons transported by the generator to each entity.

(C) If the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the self-hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the compostable materials.

(4) Provide information collected in section (b)-(3e) above to City if requested, which shall be subject to Inspection by the City.

(c) A residential compostable materials generator that self-hauls compostable materials is not required to record or report information.

(d) A gardener, landscaper, or other contractor is not considered a residential compostable materials generator and is therefore required to follow section (b) above.

(e) No residential householder or commercial business owner shall employ or engage any solid waste enterprise, other than the collector, to haul or transport the solid waste to a disposal or processing facility.

5.20.120 Refuse containers.

(a) All types of refuse containers shall be kept in a sanitary condition with the lids closed except whenever they are being loaded or unloaded.

(b) Refuse containers suitable for residential places or premises shall be provided by the collector or the City. Any container shall be of a size based upon the subscription service level requested by the person responsible for the payment of charges therefor or as may be required by this chapter. Any container shall not be loaded with more than the quantity of materials that either can fit in the container with its lid closed or is in excess of the weight limit marked on the container, when the lid is closed. All containers for use at commercial premises shall be provided by or approved by the collector, except for industry-approved grease or cooking oil tallow containers that shall be provided by a designated tallow hauler.

(c) Refuse containers shall be collected by the collector whenever the containers are placed in a refuse enclosure or at the authorized collection area. Collection may be made at another location upon approval of the director, based upon the subscription service level requested.

(d) All commercial property owners, ~~and~~ commercial business owners and persons shall provide access to the city or the collector for the inspection of internal and external refuse containers and enclosures. The director shall be authorized to conduct inspections of commercial premises, as permitted by law, to ensure compliance with this chapter, including this section.

(e) Commercial property owners, ~~and~~ commercial business owners and persons shall ensure that all refuse containers and refuse enclosures are accessible and easily serviceable

Not Yet Approved

by the collector. Service vehicles shall have a safe and clear passage and access to refuse enclosures to provide for the efficient service to customers.

(Ord. 5475 §9, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.130 Maintenance and placement of containers.

(a) The commercial business owners and residential householder shall maintain their containers at their places and premises and the areas where the containers are located in good, usable, clean and sanitary condition, and shall ensure that the lids on the container are kept closed and shall ensure that there is no litter underneath or surrounding the containers. No refuse shall be placed outside of the container. Containers shall be maintained ~~by the commercial business owners and residential householders~~ in a manner that will prevent leakage, spillage and the emission of odors. Commercial premises sharing receptacles placed outside of retail areas, ~~shall~~must also share equally in the responsibility of emptying the receptacles so that they do not overflow and maintaining the area around the receptacles so that it is free of loose litter.

(b) The location or placement of containers at any place or premise shall be subject to the approval of the director. Every commercial business owner shall provide a location at the commercial premises for the containers they use.

(c) Any collection agreement may provide for the rental of containers approved by the collector to customers. The collector shall be responsible for maintenance of the rental containers by keeping the containers in good and sanitary condition (ordinary wear and tear excepted) and shall repaint the containers at a frequency as determined by the director. The collector and the renter shall determine and agree upon the placement of the containers to minimize traffic, aesthetics and other potential effects that may be associated with their placement.

(d) Where a container is not rented from the collector but is rented from another solid waste enterprise and approved by the City, the renter shall ensure that the container meets the standards of quality and maintenance applicable to the containers supplied by the collector. The renter shall procure the written standards or rules and regulations of the collector prior to renting from another solid waste enterprise.

(e) Any containers of a one cubic yard or greater size shall be identified with the name and telephone number of the collector or other solid waste enterprise servicing the container. The container shall be identified by the type of materials that can be deposited in the container.

(f) Containers shall remain on private property and not in the public right-of-way except as necessary to accommodate scheduled collection. Containers are permitted in the public right-of-way only during the day preceding the day of scheduled collection and terminating the day following such collection.

(Ord. 5475 §10, 2019; Ord. 5377 §1 (part), 2016; Ord. 4451 § 1 (part), 1997)

Not Yet Approved

5.20.140 Frequency of refuse collection.

The Collector or its duly authorized agents or subcontractors shall collect refuse from all residential premises and commercial premises within Palo Alto at least once a week, unless the director authorizes a different frequency of collection as provided in Section 5.20.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.150 Collection hours, quietness of collections, and collection equipment.

(a) Refuse shall be collected only between the hours of 6:00 a.m. and 6:00 p.m. in residential districts and at schools, churches, and commercial premises located in commercial districts adjacent to residential districts.

(b) Refuse shall be collected only between the hours of 4:00 a.m. and 9:00 p.m. in commercial districts other than as indicated in (a) above, subject to any reasonable modifications of collection periods as the director may impose.

(c) All collections shall be made as quietly as possible. All trucks and equipment for refuse collection shall be operated in a manner that complies with the noise ordinance codified in the Municipal Code. All unnecessarily noisy trucks or equipment for such collections are prohibited.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.160 Litter, spillage or leakage of refuse.

All types of refuse hauled by any person over public streets in Palo Alto shall be securely tied and covered during hauling in order to prevent litter and the leakage, spillage, blowing or dropping of refuse of any type on to public streets. No person shall allow any type of refuse to leak, spill, scatter, blow or drop from any vehicle operated on public streets within Palo Alto.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.170 Special permits in hardship cases.

Upon a showing of hardship by the owner, occupant or tenant of a place or premise, the director may issue a special written permit authorizing a variance with the provisions of this chapter yet the variance will be subject to the imposition of terms and conditions as the director may deem necessary to protect the public health, safety and welfare.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.180 No accumulation of refuse.

No person shall permit any type of refuse to accumulate at its place or premises for a period in excess of one calendar week, except the director may authorize by written rules and regulations a different frequency of collection, removal and disposal of refuse for compactors at commercial premises. This provision shall not be construed to prohibit any person from temporarily storing building materials at any place or premises during the period of active construction, reconstruction or repair of a building or structure thereon under a current valid building permit, storing wood in an orderly pile at the place or

Not Yet Approved

premise for household use, or retaining compostable materials for home composting purposes.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.190 Burning, burial, or dumping of restrictions.

(a) No person shall burn any refuse within Palo Alto at any time.

(b) No person shall bury or dump any type of refuse within Palo Alto. Compostable materials may be buried on-site by the occupant of the residential place or premises.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.200 Hazardous waste.

No person shall deposit any hazardous waste in a container.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.220 Scavenging prohibited.

(a) No person shall tamper with, modify, scavenge from or deposit any type of refuse placed in any refuse container which is not provided for the use of that person, without the permission of the person responsible for the container and payment of the fees therefor under this chapter.

(b) Except as otherwise provided in Sections 5.20.090 and 5.20.110, no person shall collect any type of refuse originating from any residential place or premises or any posted recycling center within Palo Alto.

(c) The foregoing prohibitions are in addition to the prohibitions set forth in Section 41950 et seq. of the Public Resources Code.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.250 Liability for payment of rates.

Except as set forth in Section 5.20.110, every person with residential premises or commercial premises within Palo Alto shall be liable for the payment of the refuse service rates, including any collection rates authorized by the City.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.260 Penalty for failure to pay collection rate.

(a) All collection rates and charges imposed by the Council pursuant to the provisions of this chapter for the collection, removal and disposal of all types of refuse shall be a civil debt owing to the City from the owner, occupant or person maintaining or controlling the place or premises receiving the services.

(b) All such collection rates and charges shall be billed along with other municipal utility bills, if so billed, and shall be subject to the provisions of the City's utility rates and regulations governing the collection and payment of other utility rates. The City may by agreement permit the collector or other person to collect the applicable rates and charges

Not Yet Approved

for refuse service. Notwithstanding the foregoing, fees for the use of boxes may be collected by the collector.

(c) The collection of the rates imposed pursuant to this chapter shall be in addition to any other remedies available to the City for the failure of any person to pay the rates. (Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.270 Recycling center.

The city may maintain within the city's territorial limits a recycling center which accepts from residents and nonresidents the delivery of recyclable materials. The delivery of some or all of these recyclable materials may be subject to the imposition of rates as a condition of acceptance at the recycling center. Under rules and regulations promulgated by the city manager, the city at any time may prohibit nonresidents from delivering some or all recyclable materials to the recycling center, and may impose on nonresidents rates on the delivery of recyclable materials that differ from those imposed on residents.

(Ord. 5136 § 2, 2011; Ord. 4451 § 1 (part), 1997)

5.20.280 Administration by City manager.

(a) The City manager or designee shall adopt written rules and regulations, not inconsistent with this chapter, as may be necessary for the proper administration and enforcement of this chapter. The written rules and regulations may include, but are not limited to, regulations relating to the required frequency of refuse collection from various types of places or premises, the types of special containers required for placement at places or premises, and regulations governing the vehicles used in making collections.

(b) The City manager shall resolve all disputes concerning the administration or enforcement of this chapter, and his or her decision shall be final.

(Ord. 5377 § 1 (part), 2016; Ord. 4451 § 1 (part), 1997)

5.20.290 Penalty for violation.

Violation of any provision of this chapter shall be subject to the provisions and penalties set forth in Title 1 of the Municipal Code unless otherwise specified.

(Ord. 5377 § 1 (part), 2016; Ord. 4618 § 1, 2000; Ord. 4451 § 1 (part), 1997)

SECTION 3. Title 5, Health and Sanitation, of the Palo Alto Municipal Code is hereby amended by adding a new Chapter 5.40, entitled "Edible Food Recovery Requirements", to read in full as follows.

Not Yet Approved

Chapter 5.40

EDIBLE FOOD RECOVERY REQUIREMENTS

Sections:

- 5.40.010 Declaration of policy.
- 5.40.020 Definitions.
- 5.40.030 Requirements For Commercial Edible Food Generators.
- 5.40.040 Requirements For Food Recovery Organizations And Services.
- 5.40.050 Edible Food Recovery Inspections And Investigations By Department Or Designee.
- 5.40.060 Enforcement.

5.40.010 Declaration of Policy.

(a) Pursuant to Senate Bill 1383, the Short-Lived Climate Pollutant Reduction Act of 2016, the California Department of Resources Recycling and Recovery (CalRecycle) developed regulations to reduce organics in landfills as a source of methane. The regulations place new requirements on cities, counties, residential households, businesses, waste haulers, and food recovery organizations to support achievement of statewide organic waste disposal reduction targets. The regulations are set forth in Title 14 of the California Code of Regulations ("14 CCR").

(b) CalRecycle's regulations direct cities and counties to develop edible food recovery programs and require certain businesses to arrange for the donation of edible food that would otherwise go to waste. In addition to targeting methane emissions, these programs will help address food insecurity in California.

(c) Pursuant to 14 CCR Section 18981.2, jurisdictions may delegate certain responsibilities for implementing, monitoring, and enforcing their edible food recovery programs to public or private entities.

5.40.020 Definitions.

The definitions set forth in this section shall govern the application and interpretation of this Chapter.

- (1) "City" means the City of Palo Alto.
- (2) "Department" means any department of the City, the County of Santa Clara, or any other public agency designated by the City to enforce or administer this Chapter, as authorized in 14 CCR Section 18981.2. The City manager or designee is authorized to administer and enforce the provisions of this Chapter on behalf of the City.
- (3) "Designee" means any private entity that the City contracts with or otherwise arranges to carry out any responsibilities of this Chapter, as authorized in 14 CCR Section 18981.2.
- (4) "Edible Food" means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this Chapter, "Edible Food" is not solid waste if it is recovered and not discarded. Nothing in this Chapter requires or authorizes the recovery of edible food that does not meet the food safety requirements of the California Retail Food Code.

Not Yet Approved

- (5) "Food Distributor" means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).
- (6) "Food Facility" has the same meaning as in Section 113789 of the Health and Safety Code.
- (7) "Food Recovery" means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).
- (8) "Food Recovery Organization" means an entity that engages in the collection or receipt of Edible Food from commercial edible food generators and distributes that edible food to the public for food recovery either directly or through other entities. "Food Recovery Organization" includes, but is not limited to:
 - (i) A food bank as defined in Section 113783 of the Health and Safety Code;
 - (ii) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
 - (iii) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a commercial edible food generator for the purposes of this Chapter pursuant to 14 CCR Section 18982(a)(7).

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Chapter.

- (9) "Food Recovery Service" means a person or entity that collects and transports Edible Food from a commercial edible food generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator.
- (10) "Food Service Provider" means an entity primarily engaged in providing food services to institutional, governmental, commercial, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).
- (11) "Grocery Store" means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).
- (12) "Health Facility" has the same meaning as in Section 1250 of the Health and Safety Code.
- (13) "Hotel" has the same meaning as in Section 17210 of the Business and Professions code.

Not Yet Approved

- (14) "Inspection" means a Department or Designee's electronic or on-site review of records, containers, and an entity's collection, handling, recycling, or landfill disposal of organic waste or Edible Food handling to determine if the entity is complying with requirements set forth in this Chapter, or as otherwise defined in 14 CCR Section 18982(a)(35).
- (15) "Large Event" means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Chapter.
- (16) "Large Venue" means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. A venue facility includes, but is not limited to, a public, non-profit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. A site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Chapter.
- (17) "Local Education Agency" means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to solid waste, or as otherwise defined in 14 CCR Section 18982(a)(40).
- (18) "Non-Local Entity" means an entity that is an organic waste generator but is not subject to the control of a jurisdiction's regulations related to solid waste. These entities may include, but are not limited to, special districts, federal facilities, prisons, facilities operated by the state parks system, public universities, including community colleges, county fairgrounds, and state agencies.
- (19) "Restaurant" means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).
- (20) "Share Table" has the same meaning as in Section 114079 of the Health and Safety Code.
- (21) "Supermarket" means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).

Not Yet Approved

(22) “Tier One Commercial Edible Food Generator” means the following:

- (i) Supermarkets, as defined above.
- (ii) Grocery Stores, as defined above, with a total facility size equal to or greater than 10,000 square feet.
- (iii) Food Service Providers, as defined above.
- (iv) Food Distributors, as defined above.
- (v) Wholesale Food Vendors, as defined below.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Chapter.

For the purposes of this Chapter, Food Recovery Organizations and Food Recovery Services are not commercial edible food generators.

(23) “Tier Two Commercial Edible Food Generator” means the following:

- (i) Restaurants, as defined above, with 250 or more seats or a total facility size equal to or greater than 5,000 square feet.
- (ii) Hotels, as defined above, with an on-site Food Facility and 200 or more rooms.
- (iii) Health facilities, as defined above, with an on-site Food Facility and 100 or more beds.
- (iv) Large Venues, as defined above.
- (v) Large Events, as defined above.
- (vi) State agencies with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- (vii) Local Education Agency facilities, as defined above, with on-site Food Facilities, as defined above.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Chapter. Non-local entities that operate a facility that meets this definition are Tier Two Commercial Edible Food Generators.

For the purposes of this Chapter, food recovery organizations and food recovery services are not commercial edible food generators.

(24) “Wholesale Food Vendor” means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).

5.40.030 Requirements For Commercial Edible Food Generators.

Not Yet Approved

- (a) Tier One Commercial Edible Food Generators must comply with the requirements of this Section commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.
- (b) Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section, commencing January 1, 2024.
- (c) Tier One and Tier Two Commercial Edible Food Generators shall comply with the following requirements:
 - (1) Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.
 - (2) Contract with, or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection of Edible Food for Food Recovery; or, (ii) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.
 - (3) Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.
 - (4) Allow the Department or Designee to access the premises, conduct inspections, and review electronic and hard copy records pursuant to 14 CCR Section 18991.4.
 - (5) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:
 - (A) A list of each Food Recovery Service or Organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).
 - (B) A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).
 - (C) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:
 - (i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
 - (ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.
 - (iii) The established frequency that food will be collected or self-hauled.

Not Yet Approved

- (iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.
 - (d) Tier One Commercial Edible Food Generators shall submit Food Recovery Reports, as defined below, to the Department or Designee according to the following schedule:
 - (1) On or before August 1, 2022, Tier One Commercial Edible Food Generators shall submit a Food Recovery Report for the period of January 1, 2022 through June 30, 2022.
 - (2) On or before May 1, 2023, and on or before May 1st each year thereafter, Tier One Commercial Edible Food Generators shall submit a Food Recovery Report for the period covering the entire previous calendar year.
 - (e) Tier Two Commercial Edible Food Generators shall submit Food Recovery Reports, as defined below, to the Department or Designee according to the following schedule:
 - (1) On or before May 1, 2025, and on or before May 1st each year thereafter, Tier Two Commercial Edible Food Generators shall submit a Food Recovery Report for the period covering the entire previous calendar year.
 - (f) Food Recovery Reports submitted by Tier One and Tier Two Commercial Edible Food Generators shall include the following information:
 - (1) The name and address of the Commercial Edible Food Generator;
 - (2) The name of the person responsible for the Commercial Edible Food Generator's edible food recovery program;
 - (3) A list of all contracted Food Recovery Services or Food Recovery Organizations that collect Edible Food from the Commercial Edible Food Generator;
 - (4) The total number of pounds of Edible Food, per year, donated through a contracted Food Recovery Organization or Food Recovery Service.
 - (g) Nothing in this Chapter shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance issued by the California Department of Education pursuant to Senate Bill 557 (2017).
- 5.40.040 Requirements For Food Recovery Organizations And Services
- (a) Food Recovery Services collecting, receiving, or coordinating the collection of Edible Food directly from Tier One or Tier Two Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):

Not Yet Approved

- (1) The name, address, and contact information for each Commercial Edible Food Generator from which the Service collects Edible Food.
 - (2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.
 - (3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.
 - (4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.
- (b) Food Recovery Organizations collecting, receiving, or coordinating the collection of Edible Food directly from Tier One or Tier Two Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):
- (1) The name, address, and contact information for each Commercial Edible Food Generator from which the Organization receives Edible Food.
 - (2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.
 - (3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.
- (c) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the City and contract with or have written agreements with one or more Tier One or Tier Two Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall submit Food Recovery Reports, as defined below, to the Department or Designee according to the following schedule:
- (1) On or before August 1, 2022, Food Recovery Organizations and Food Recovery Services shall submit a Food Recovery Report for the period of January 1, 2022 through June 30, 2022;
 - (2) On or before May 1, 2023, and on or before May 1st each year thereafter, Food Recovery Organizations and Food Recovery Services shall submit a Food Recovery Report for the period covering the entire previous calendar year.
- (d) Food Recovery reports submitted by Food Recovery Services or Organizations shall include the following information:
- (1) Total pounds of Edible Food recovered in the previous calendar year from Tier One and Tier Two Edible Food Generators with whom the reporting entity has a contract or written agreement with pursuant to 14 CCR Section 18991.3(b).

Not Yet Approved

(2) Total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators within Santa Clara County with whom the reporting entity has a contract or written agreement pursuant to 14 CCR Section 18991.3(b).

(e) In order to support Edible Food Recovery capacity planning assessments or other studies conducted by the County of Santa Clara, the City, or their Designees, Food Recovery Services and Food Recovery Organizations operating in the City shall provide information and consultation to the City, Department, or Designee, upon request, regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by the City and its Tier One and Tier Two Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the City, the Department, or Designee shall respond to such request for information within 60 days, unless a shorter timeframe is specified.

5.40.050 Edible Food Recovery Inspections And Investigations By Department Or Designee.

- (a) The Department and/or Designee are authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from generators to confirm compliance with this Chapter by Tier One and Tier Two Commercial Edible Food Generators, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws. This Section does not allow the Department or Designee to enter the interior of a private residential property for Inspection.
- (b) Regulated entities shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the Department's or Designee's employees during such Inspections and investigations. Such Inspections and investigations may include in-person or electronic review of Edible Food Recovery activities, records, or any other requirement of this Chapter described herein. Failure to provide or arrange for access to an entity's premises or access to records for any Inspection or investigation is a violation of this Chapter and may result in penalties described.
- (c) Any records obtained by the Department or Designee during its Inspections, and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.
- (d) Representatives of the Department and/or Designee are authorized to conduct any Inspections, or other investigations as reasonably necessary to further the goals of this Chapter, subject to applicable laws.
- (e) Department shall receive written complaints, including anonymous complaints, regarding entities that may be in violation of this Chapter. Complaints shall include the name and contact information of the complainant, if the complainant is not anonymous;

Not Yet Approved

the identity of the alleged violator, if known; a description of the alleged violation including location(s) and all other relevant facts known to the complainant; any relevant photographic or documentary evidence to support the allegations in the complaint; and the identity of any witnesses, if known.

5.40.060 Enforcement.

- (a) **Administrative Fine.** Violation of any provision of this Chapter shall constitute grounds for issuance of a Notice of Violation and assessment of an administrative fine by the Department. Absent compliance by the respondent within the deadline set forth in the Notice of Violation, the Department shall commence an action to impose penalties, via an administrative citation and fine.
- (b) **Notice of Violation.** Before assessing an administrative fine, the Department shall issue a Notice of Violation requiring compliance within sixty days of issuance of the Notice. The Notice shall include: (1) the name(s) of each person or entity to whom it is directed, (2) a factual description of the violations, including the regulatory section(s) being violated, (3) a compliance date by which the respondent is to take specified action(s), and (4) the penalty for not complying before the specified deadline.
- (c) **Extensions to Compliance Deadlines.** The Department may extend the compliance deadlines set forth in a Notice of Violation if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:
 - (1) Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;
 - (2) Delays in obtaining discretionary permits or other government agency approvals;
 - (3) Deficiencies in Edible Food Recovery capacity and the existence of a corrective action plan imposed by CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies; or,
 - (4) Any other circumstance in which the Department Director, in their sole discretion, finds good cause to extend the compliance deadlines.
- (d) **Administrative Citations.** If the respondent fails to correct the violation by the compliance date, the Department shall issue an administrative citation and fine. The citation shall include a description of the administrative citation appeal process, including the designated hearing officer, the time within which the administrative citation may be contested, and instructions for requesting a hearing.
- (e) **Amount of Fine.** The amount of the administrative fine for each violation of this Chapter shall be as follows:

Not Yet Approved

- (1) For a first violation, the amount of the base penalty shall be \$50 to \$100 per violation.
 - (2) For a second violation, the amount of the base penalty shall be \$100 to \$200 per violation.
 - (3) For a third or subsequent violation, the amount of the base penalty shall be \$250 to \$500 per violation.
- (f) Factors Considered in Determining Penalty Amount. The following factors shall be used to determine the amount of the penalty for each violation within the appropriate penalty range:
- (1) The nature, circumstances, and severity of the violation(s).
 - (2) The violator's ability to pay.
 - (3) The willfulness of the violator's misconduct.
 - (4) Whether the violator took measures to avoid or mitigate violations of this Chapter.
 - (5) Evidence of any economic benefit resulting from the violation(s).
 - (6) The deterrent effect of the penalty on the violator.
 - (7) Whether the violation(s) were due to conditions outside the control of the violator.
- (g) Appeals. Persons receiving an administrative citation for an uncorrected violation may request a hearing to appeal the citation. The City will designate a hearing officer who shall conduct the hearing and issue a final written order. The hearing officer may be a City official or another public agency designated by the City. The hearing officer shall be identified in the administrative citation. A hearing will be held only if it is requested within fifteen days from the date of the notice of the administrative citation.
- (h) Other Remedies. Other remedies allowed by law may be used to enforce this Chapter, including civil action or criminal prosecution as misdemeanor or infraction. The Department and/or City may pursue civil actions in the California courts to seek recovery of unpaid administrative citations. The Department and/or City may choose to delay court action until such time as court action is a reasonable use of staff and resources.
- (i) Education Period for Non-Compliance. Beginning January 1, 2022, and through December 31, 2023, the Department and/or Designee will conduct Inspections and compliance reviews. If the Department and/or Designee determines that a Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this Chapter and a notice that compliance is

Not Yet Approved

required. It shall also provide notice that violations may be subject to administrative civil penalties starting on January 1, 2024.

SECTION 4. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The Council hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 5. This Ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City. The City Council hereby finds that under Section 15061(b)(3) of the State CEQA Guidelines, this Ordinance is exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment. It also finds the Ordinance is exempt from the requirements of CEQA pursuant to CEQA Guidelines Sections 15307 and 15308 as an action by a regulatory agency taken to protect the environment and natural resources.

//

//

//

//

//

//

//

//

//

//

//

//

Not Yet Approved

//

SECTION 6. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager

Director of Public Works

Director of Administrative Services

Yet to be passed

Resolution No. ____

Resolution of the Council of the City of Palo Alto Amending and
Restating the Administrative Penalty Schedule and Civil Penalty
Schedules for Certain Violations of the Palo Alto Municipal Code
and the California Vehicle Code Established by Resolution No. 9983

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. Administrative Penalties. The administrative penalty schedule for violations of the Palo Alto Municipal Code established by Resolution No. 9983 is hereby amended and restated to read as follows:

Standard penalty unless otherwise indicated below.	\$50
Second violation within 36 month period	150% of listed penalty (unless otherwise specified)
Third & subsequent violations within 36 month period.	200% of listed penalty (unless otherwise specified)
Delinquency penalty.	10% per month, simple interest, on delinquent amount
4.04.020 License or permit required.	300
4.04.100 Display of license or permit.	300
4.10.045 License fees for pushcart vendors.	300
4.10.050 Regulations for solicitors and peddlers.	350
4.10.055 Identification cards for solicitors.	250
4.10.057 Regulations for pushcart vendors.	300
4.10.070 License required - circus etc.	300
4.10.120 Arcade prohibited.	250
4.10.200 Pawn brokers prohibited.	250
4.10.230 Daily report of second hand dealers.	250
4.10.240 Maintaining reports - second hand dealers.	250
4.10.260 Failure to make report - second hand dealers.	250
4.10.270 Second hand goods held for inspection.	250
4.18.040 Unlawful dog or cat kennel.	250
4.30.010 Soliciting without a permit.	250
4.30.100 Conduct of solicitations.	250
4.32.020 Soliciting without a permit.	250
4.32.060 Investigation of records of solicitor.	250
4.32.090 Acts required during solicitation.	250
4.32.100 Restriction of solicitation.	250
4.32.110 Hours of solicitation.	250
4.34.020 Permit required - closing out sale.	250
4.39.030 Audible alarms.	250
4.39.040 Limitation on automatic dialing devices.	250
4.39.060 Registration of alarm.	250
4.39.110 Alarm violations.	100

Yet to be passed

4.42.020	Certificate of public convenience.	1000
4.42.085	Controlled substance and alcohol testing.	500
4.42.090	Taxi owners permit.	5000
4.42.100	Taxi drivers permit expired.	250
4.42.130(b)	Taxi drivers permit not displayed.	250
4.42.190	Taximeters.	500
4.42.200	Taxi cab operating regulations.	250
4.42.210(a)	Interference with inspection.	500
4.42.210(b)	Inspection of vehicles.	500
4.42.220	Operating regulations.	500
4.42.230	Maintenance of vehicles.	500
4.51.030	License required - bingo.	250
4.51.050	Minors restricted - bingo.	50
4.51.080	Staffing and operations - bingo.	250
4.51.110	Physical presence required - bingo.	250
4.52.020	License required - billiards and bowling.	1000
4.52.040	Minors restricted - billiards and bowling.	250
4.52.060	Offensive conduct - billiards and bowling.	250
4.52.070	Interference w/emerg. Access -billiards/bowling.	250
4.54.030(a)	Permit required - massage establishment.	1000
4.54.060(a)	Permit required - massage tech.	250
4.54.110	Massage establishment facilities.	250
4.54.130	Business name - massage.	250
4.55.030	License required - adult entertainment.	1000
4.56.030	License required - hot tub and sauna.	1000
4.56.060	Employee permit required - hot tub and sauna.	250
4.56.100	Hot tub/sauna establishment and operations.	250
4.56.120	Business name - hot tub and sauna.	250
4.56.150	Display of permit - hot tub and sauna.	250
4.56.200	Employment of persons < 18 - hot tub and sauna.	250
4.57.020	Permit required - firearms sales.	1000
4.57.095	Firearms dealers – business and security.	500
4.58.020	Minors restricted - narcotics paraphernalia shop.	750
4.58.030	Regulations - narcotics paraphernalia shop.	750
4.59.010	Pet shop requirements.	250
4.59.020	Pet shop sanitation.	250
4.59.030	Pet shop food.	250
4.59.040	Pet shop notification.	250
4.59.050	Pet shop - sale of dangerous or wild animals.	250
4.59.070	Dead animals.	250
4.59.080	Permit required - pet shop and kennel.	250
4.59.090	Permit required - grooming shop.	250
4.59.095	Sales of kittens and puppies.	250
4.59.100	Sales of raccoons.	250
4.59.105	Sales of rabbits, chicks, ducklings.	250
4.60.030	Business registration required	250
4.60.060	Business registry application required	250
4.60.120(a)	Business registry fee delinquency	50% of registry fee if 1-30 days late 100% of fee or 31+ days late
5.12.010	Permit required - refreshment stand.	250
5.20.030	Discarding solid waste.	250
5.20.040	Accumulation of garbage.	250
5.20.050	Unauthorized bins, boxes, containers-first violation.	500

Yet to be passed

	Second and subsequent violations.	1000
5.20.080	Number of containers required.	250
5.20.090	Collection of recyclable materials.	250 <u>for Commercial Premises</u> 50 <u>for Residential Premises</u>
5.20.100	Collection of compostable materials.	250 <u>for Commercial Premises</u> 50 <u>for Residential Premises</u>
5.20.105	Contamination of containers.	250 <u>for Commercial Premises</u> 50 <u>for Residential Premises</u>
5.20.108	Multifamily properties/Commercial premises.	250
5.20.109	Requirements for special events.	100
5.20.111	<u>Self-haul in violation of code</u>	<u>100</u>
5.20.120	Improper container condition.	250
5.20.130	Maintenance of bins and boxes- first violation.	250
	Second and subsequent violations.	500
5.20.160	Spillage or leakage of solid waste.	250
5.20.180	No accumulation of solid waste.	250
5.20.190	No burning, burial, or dumping of solid waste.	250
5.20.200	Hazardous waste.	500
5.20.220	Scavenging prohibited.	100
5.30.020	Polystyrene & Non-Recyclable Plastic.	500
5.35.020	Bags at retail establishments.	500
5.35.030	Bags at supermarkets.	500
6.08.020(b)	Interference with animal control officer.	250
6.16.010	No dog license.	50
6.16.080	Number of dogs allowed.	100
6.16.100	Leash Law.	100
6.20.010	Animals at large.	100
6.20.020	Animals on unenclosed premises.	100
6.20.030	Animals kept in enclosures.	100
6.20.035	Tying animals to bicycle racks or trees.	100
6.20.040	Nuisance on sidewalk.	100
6.20.045	Animal waste removal - first offense.	25
6.20.045	Animal waste removal - second offense.	50
6.20.045	Animal waste removal - third offense.	125
6.20.055	Animals in vehicles.	250
6.20.060	Bees close to property line.	100
6.20.080	Permit required - livestock.	100
6.20.090	Maintaining birds, goats, pigs and rabbits.	100
6.20.110	Number of cats kept.	100
6.20.120	Permit required - breeding animals.	100
6.20.130	Cat or dog in heat.	100
6.20.140	Barking dogs.	100
6.20.150	Vaccination required - animals.	100
6.20.160	Sanitary enclosures.	100
6.20.170	Slaughter of animals.	500
6.24.020	Permit required - construction of stable.	250
6.24.050	Maintenance of stable.	250
6.28.040	Possession of dangerous or wild animals.	500
6.32.010	Keeping diseased animals.	500
6.32.020	Confining animals with rabies.	500
6.32.050	Dead animals in public.	500
6.36.010	Sales of certain animals.	250

Yet to be passed

8.04.020	Permit required - tree work.	500
8.04.080	Interference with tree enforcement.	500
8.08.010	Weeds as public nuisance.	250
8.10.050	Protected trees.	500
8.10.070	Care of protected trees.	500
8.10.080(b)	Development conditions.	500
9.04.010	Open container in business district.	100
9.04.020	Open container in City parking lot.	100
9.04.030	Open container near liquor store.	100
9.04.040	Social host.	First violation 250
		Second violation 500
		Third & subsequent violation 1000
9.07.020	Safe Storage of Firearms	1000
9.08.010	Discharge of firearms/fireworks.	1000
9.09.010(a)	Urinating/defecating on street or public place.	250
9.09.010(b)	Igniting or maintaining outdoor fire.	250
9.10.030	Residential property noise limits.	100
9.10.040	Commercial property noise limits.	100
9.10.050	Public property noise limits.	100
9.10.060(b)	Construction noise signs.	250
9.10.060(c)	Construction noise.	250
9.10.060(d)	Construction equipment noise.	100
9.10.060(e)	Residential power equipment noise.	100
9.10.060(f)	Leaf blower noise- first violation.	100
	Leaf blower noise- second violation	150
	Leaf blower noise- third and subsequent violation	300
9.10.060(g)	Street sweeping noise.	100
9.10.060(h)	Refuse collection noise.	100
9.10.060(i)	Safety device noise.	100
9.10.060(k)	Public parking lot cleaning noise.	100
9.10.060(l)	Business district street cleaning noise.	100
9.12.010	Loudspeakers.	150
9.14.020	Smoking prohibited - enclosed places.	250 (2nd violation in 1 year: \$300; 3rd and subsequent violations in 1 year: \$500)
9.14.025	Smoking prohibited – unenclosed areas.	250 (2nd violation in 1 year: \$300; 3rd and subsequent violations in 1 year: \$500)
9.14.030	Smoking prohibited - city cars.	250 (2nd violation in 1 year: \$300; 3rd and subsequent violations in 1 year: \$500)
9.14.035	Smoking prohibited – public parks and public events	250 (2nd violation in 1 year: \$300; 3rd and subsequent violations in 1 year: \$500)
9.14.040	Smoking prohibited - child care facilities.	250 (2nd violation in 1 year: \$300; 3rd and subsequent violations in 1 year: \$500)
9.14.050	Smoking prohibited – commercial areas and public events.	250 (2nd violation in 1 year: \$300; 3rd and subsequent violations in 1 year: \$500)
9.14.080	Location of tobacco vending machines.	1000
9.14.090	Display of tobacco products.	500

Yet to be passed

9.14.100	Failure to post "No Smoking" signs.	50
9.22.010	Impersonating public officials.	500
9.26.020	False representation as police officer.	250
9.28.010	Hotel guest register required.	250
9.28.020	Use of false name by hotel guest.	50
9.40.020	Landing aircraft at other than airport.	1000
9.44.010	Solicitation prohibited - public parking lot.	100
9.48.010	Displaying goods on sidewalk.	50
9.48.025	Sitting or lying on University Avenue sidewalks.	100
9.48.030	Operation of sidewalk elevator.	500
9.48.040	Throwing rubbish on streets.	250
9.48.050	Obligation to clean sidewalk.	200
9.50.010	Graffiti prohibited on public property.	500
9.56.030	Abatement of public nuisance.	500 unless otherwise specified
9.56.030(a)(5)	Thirty-five foot site triangle.	200
9.56.030(a)(8)	Foliage/branch obstruction.	200
9.56.030(a)(10)	Excessive planting strip vegetation height.	150
9.60.030	Blocking entrances to City Hall.	500
9.60.050	Placing signs or climbing on City Hall.	500
9.60.060	Bicycles and skateboards at City Hall.	50
9.60.070	Alcoholic beverages prohibited - City Hall.	100
9.64.010	Overnight use of community facilities	250
9.74.030	Discrimination in housing.	250
9.78.020	Mosquito breeding places.	500
9.79.100	News rack violations.	100
12.08.010	Permit required - public right of way.	500
12.08.100	Removal of City Engineer monuments.	500
12.12.010	Building on public easement without or in violation of encroachment permit	1000
12.12.020	Failure to obtain or violation of commercial sidewalk encroachment permit	500
12.16.030	Overhead wires in underground districts.	500
12.16.090	Property owner responsibility.	500
12.20.010	Utility rules and regulations	500 unless otherwise specified
12.20.010	Emergency water conservation regulations (Reso. Nos. 9509, 9460, 9449)	100 (2nd violation in 1 year: \$250; 3rd and subsequent violations in 1 year: \$500)
12.20.020	Providing false information to City Utilities.	500
12.32.010	Water use regulation.	100
15.04.070	Violations of Uniform Fire Code.	500 unless otherwise specified
16.04.050	Violations of California Building Code as amended.	500 unless otherwise specified
16.05.040	Violations of California Mechanical Code as amended.	500
16.06.050	Violations of California Residential Code as amended.	500
16.08.040	Violations of California Plumbing Code as amended.	500
16.09.260	Violations of Sewer Use Ordinance	1000
16.10.020	Construction of private sewer system.	750
16.10.050	Permit required - private sewage system.	500
16.14.040	Violations of California Green Building Standards Code as amended	500
16.14.260	Failure to meet diversion requirements.	\$150 per ton of waste not diverted or \$3000, whichever is greater
16.14.370	Failure to meet diversion requirements.	\$150 per ton of waste not

Yet to be passed

		diverted or \$3000, whichever is greater
16.16.060	Violations of California Electrical Code as amended.	500
16.17.020	Violations of California Energy Code as amended.	500
16.18.020	Violations of International Pool and Spa Code as amended	500
16.20.020	Design review required - signs.	500
16.20.090	Prohibited signs.	250
16.20.100	Prohibited locations - signs.	250
16.20.110	Fuel price signs required.	250
16.20.210	Non-compliance with sign ordinance.	250
16.20.230	Abandoned signs.	250
16.20.250	Parking of advertising vehicles.	250
16.24.080	Fence violation.	250
16.28.060	Permit required - excavation and grading.	500
16.28.330	Protection of adjacent property.	500
16.28.340	Deposits of earth, rock, etc.	500
16.32.010	Permit required - moving a building.	250
16.36.050	Curb painting without a permit.	100
16.36.060	House numbering required.	100
16.38.020	Certificate of occupancy – community housing.	500
16.40.040	Dangerous and substandard buildings.	500
16.40.090	Non-compliance with order of building official.	500
16.40.180	Interference with repair or demolition work.	500
16.42.090	Failure to submit seismic report.	250
16.45.070	Failure to pay fee - Stanford Research Park.	250
16.46.060	Failure to pay fee - San Antonio - West Bayshore.	250
16.47.050	Failure to pay housing impact fee.	250
16.49.050	Exterior alteration of downtown historic structures or a significant structure outside the downtown without or in violation of permit	10000
16.49.060	Demolition of a significant downtown building without or in violation of permit	10000
16.49.070	Demolition of a contributing downtown structure or significant structure outside the downtown without or in violation of permit	10000
16.49.080	Maintenance of downtown historic structure.	10000
16.49.090	Demolition of downtown historic structure.	10000
16.52.070	Construction - flood hazards.	500
16.59.090	Failure to pay fee- Citywide Transportation Impact.	250
16.60.090	Failure to pay fee- Charleston/Arastradero.	250
16.62.020	Maintenance of expired building permit	200 for 31st through 60th day 400 for 61st through 120th day 800 for 121st day and thereafter
17.04.020	Violations of hazardous materials storage.	500, unless otherwise specified
17.04.030	Specific obligation - hazardous materials.	500
17.10.010	General obligation - underground storage tanks.	750 unless otherwise specified
17.10.040	Permit required - underground storage.	500
17.10.140	Financial responsibility - underground storage.	500
17.10.150	Monitoring underground storage tanks.	1000
17.10.170	Unlawful abandonment - underground storage tanks.	1000
17.12.010	Permit required - hazardous materials storage.	750
17.12.020	New hazardous materials storage facilities.	750

Yet to be passed

17.12.060	Hazardous materials storage facilities.	750
17.16.010	Hazardous materials management plan.	250
17.20.010	Hazardous materials inventory statement.	250
17.24.010	Hazardous materials discharge report.	750
17.32.010	Permit required - storage of hazardous materials.	1000
18.01.080	Violation of zoning laws.	500
18.16.060(d)	Hotel stay in excess of 30 days.	200
18.38.020	Planned Community zoning (unless otherwise specified in PC ordinance)	500 2500 beginning the 181st day following notice of violation

Violations of Ordinance 5069 shall be subject to the penalties listed above except that the penalty for violations of Sections 4(b)(1), (2), (6), and (7) of Ordinance 5069 shall not be subject to the penalties above or to the escalators for second, third and subsequent violations, but shall be \$2157 per day, for each and every day that a grocery store is not in operation within College Terrace Centre in accordance with the terms of Ordinance 5069. (The City Council intends to adjust this penalty amount periodically in future updates to this administrative penalty schedule to account for periodic increases in the Consumer Price Index for All Urban Consumers.) In calculating the penalties for such violations, the City will allow for a grace period for any daily violations that do not exceed six (6) cumulative months in any five (5) year period. However, this grace period was previously applied to violations from 1/10/18 through 7/10/18, so there is no entitlement to any further grace period prior to 1/10/23.

18.42.060(a)	Incompatibility of home occupations.	200
18.42.060(b)	Employees of home occupation.	200
18.42.060(c)	On site advertising of home occupation.	200
18.42.060(d)	Floor area of home occupation.	200
18.42.060(e)	Traffic related to home occupation.	200
18.42.060(f)	Home occupation as nuisance.	200
18.42.060(g)	Outdoor storage related to home occupation.	200
18.42.070	Servicing vehicles in residential zone.	250
18.52.050	Transportation demand management conditions	1000 4000 beginning the 181st day following notice of violation

Yet to be passed

18.84.200	Temporary uses.	250
22.04.030	Compliance with park regulations.	46 for violation of regulation R1-6 requiring payment of Foothills Park entry fee; 250 for violation of all other Park & Open Space Regulations.
22.04.040	Failure to obtain use permit.	300
22.04.150(b)	Entry at unapproved location - Foothills Park	50
22.04.150(c)	Person in park after hours - Foothills Park.	250
22.04.150(d)	Speed limit 20MPH - Foothills Park.	250
22.04.150(e)	Vehicles in Foothills Park after hours.	100
22.04.150(f)	Skateboards and motorcycles - Foothills Park.	250
22.04.150(g)	Smoking on trails - Foothills Park.	1000
22.04.150(h)	Fires in Foothills Park.	1000
22.04.150(i)	Use of trails - Foothills Park.	100
22.04.150(l)	Unleashed dog - Foothills Park.	250
22.04.155	Restraint of dogs in City parks.	250
22.04.160	Permit required - sales in parks.	250
22.04.170	Violation of park use permit.	250
22.04.180	Sound in parks.	250
22.04.190	Unauthorized golf and other games in parks.	250
22.04.200	Unauthorized models and kites in parks.	100
22.04.210	Parking in parks.	100
22.04.215	Launch and takeout from ramp or dock.	250
22.04.220	Bicycle not permitted on trails.	250
22.04.230	Dumping in park.	1000
22.04.240	Interference with park use permit.	250
22.04.250	Park regulations	250 unless otherwise specified
22.04.260	Discharge of weapons in park.	500
22.04.270	Removal of flora or fauna.	500
22.04.280	Removal of turf or soil.	500
22.04.290(a)	Damaging, defacing, etc., property.	1000
22.04.290(b)	Marking, writing or printing on property.	1000
22.04.290(c)	Attaching sign, etc., without permit.	500
22.04.290(d)	Entering, etc., structure after posted hours.	250
22.04.290(e)	Bringing portable tables without a permit.	100
22.04.300	Unlawful fire in city park.	1000
22.04.310	Enid Pearson Arastradero, Esther Park closure.	250
22.04.315	Byxbee Park and Baylands closed.	250
22.04.320	Parks closed.	250
22.04.321(a)	Skateboarding in park after hours.	50
22.04.322	Trespass at Rinconada Park pool.	50
22.04.330	Alcohol in Cogswell Park.	250
22.04.331	Alcohol in Lytton Plaza.	250
22.04.332	Alcohol in Johnson Park.	250
22.04.333	Alcohol in Boulware Park.	250
22.04.334	Alcohol in Scott St. Minipark.	250
22.04.335	Alcohol in Greer Park.	250
22.04.336(a)	Alcohol in Rinconada Park.	250
22.04.337	Alcohol in Mitchell Park.	250
22.04.338	Alcohol in Robles Park.	250
22.04.339	Alcohol in Hopkins Park.	250

Yet to be passed

22.04.340	Vehicles in park.	250
22.04.341	Alcohol in El Palo Alto Park.	250
22.04.342	Alcohol in Heritage Park.	250
22.04.343	Alcohol in Pardee Park.	250
22.04.350	Consumption of alcoholic beverage in vehicles.	250
22.04.360	Open container in park - alcoholic beverage.	250
22.04.370	Reckless driving in park.	250
22.04.380	Unlawful riding and towing in parks.	250
22.04.390	Duck pond.	100

SECTION 2. Municipal Code Civil Penalties. The civil penalty schedule for violations of the Palo Alto Municipal Code established by Resolution No. 9983 is hereby restated to read as follows*:

Standard penalty unless otherwise indicated below.	\$46
10.36.020 No parking in parkways.	46
10.36.030(a)Storage on the street (72 hours).	86
10.36.040(a)(1)Vehicle for sale on street.	46
10.36.040(a)(2)Repairing vehicle on street.	46
10.36.050 Not w/in 18" of left curb--One-way street.	46
10.36.090 Removal of chalk markings.	111
10.40.020(a)(1)Parking violation – red curb.	46
10.40.020(a)(4)Parking violation – green curb.	46
10.40.020(a)(5)Parking violation – blue curb.	308
10.40.020(b)Parking in violation of sign (except blue curb).	46
10.40.020(b)Unlawful disabled parking - signs (blue curb).	308
10.40.040(b)Commercial vehicle double parking.	46
10.40.050 Unlawful parking in yellow loading zone.	46
10.40.060 Unlawful parking in passenger loading zone.	46
10.40.070 Unlawful alley parking.	46
10.40.100(g)Parking in a bus zone.	46
10.44.010(b)Overtime parking (limited time zone).	41
10.44.010(c)Additional violation of time limited or no parking zones.	44
10.44.020(a)Oversized vehicle parking in residential or public facilities zones 2am-6am.	46
10.44.040(b)Not in space marking.	46
10.44.050(b)Parking violation--temporary sign.	46
10.44.060 Dealers--parking for sale or repair.	46
10.44.070(b)Parking in violation of posted sign.	46
10.44.080 Vehicle obstruction of roadway or lot.	46
10.44.090 Unattended vehicle, engine running.	111
10.45.110 Parking in on-street valet parking space.	46
10.46.110 Overtime residential parking permit (CT)	53
10.48.030 Truck route violation.	211
10.50.100(a)Violation of posted RPP permit sign	53
10.60.070(c)Permit not properly displayed.	41
10.60.070(d)Overtime permit parking in City lot.	41
10.60.070(e)Parking without permit in permit area.	46
22.04.150(e)In Foothills Park after hours.	111
22.04.210 Parking in parks.	111
Late payment penalty.	35
Collection cost penalty.	35% of listed penalty

Yet to be passed

*All penalties include state-mandated assessments pursuant to Gov't. Code 76000, S.B 1407(2008), and Government Code 76000.3 (S.B. 857, 2008) totaling \$12.50.

SECTION 3. Vehicle Code Civil Penalties. The civil penalty schedule for violations of the California Vehicle Code established by Resolution No. 9983 is hereby restated to read as follows*:

5200	No front license plate.	\$78
	(If corrected within 31 days)	10 (state mandated)
5204(a)	No registration tabs on license plate.	78
	(If corrected within 31 days)	10 (state mandated)
21113(a)	Parking on public grounds.	46
22500(a)	Parking in an intersection.	46
22500(b)	Parking in a crosswalk.	46
22500(d)	Parking w/in 15 feet--fire station driveway.	46
22500(e)	Blocking driveway.	46
22500(f)	Parking on sidewalk.	46
22500(g)	Parking or stopping--excavation site, etc.	46
22500(h)	Double parking on roadway.	46
22500(i)	Parking in a bus zone.	261
22500(l)	Parking in front of accessible curb.	303
22500.1	Parking in a fire lane (public or private).	46
22502	Right hand wheels not w/in 18" of rt. curb.	46
22505(b)	Parking on state highway violation.	46
22507.8(a-b)	Unlawful parking in handicapped space.	303
22507.8(c)(1-2)	Straddling Lines/Cross hatched, disabled.	303
22511.57(a)	Parking/standing of vehicle in disabled parking stall or space with invalid license/placard.	\$753
22511.57(b)	Unauthorized use of license/placard for vehicle parking/standing in disabled parking stall or space.	\$753
22511.57(c)	Parking/standing of vehicle in disabled parking stall or space with counterfeit, forged, altered or mutilated license/placard for disabled.	\$753
22514	Parking within 15 feet of fire hydrant.	46
22515	Unattended vehicle, engine running.	111
22516	Person locked in vehicle.	111
22521	Parking within 7 1/2 feet of railroad tracks.	46
22522	Parking near sidewalk access ramp.	303
22523(a)	Unlawful abandonment of vehicle on highway.	131
22523(b)	Abandoned vehicle--public/private property.	131
22526	Entering/blocking intersection – anti-gridlock.	131
22951	No street, alley parking--patron vehicles.	46

*All penalties include state-mandated assessments pursuant to Gov't. Code 76000, S.B 1407(2008), and Government Code 76000.3 (S.B. 857, 2008) totaling \$12.50.

SECTION 4. The Council finds that the adoption of this resolution does not meet the definition of a project under Public Resources Code Section 21065, thus, no environmental assessment under the California Environmental Quality Act is required.

//
//
//

Yet to be passed

//

SECTION 5. This resolution shall be effective upon adoption.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

APPROVED:

City Clerk

Mayor

Assistant City Attorney

City Manager

Director of Public Works



City of Palo Alto City Council Staff Report

(ID # 13702)

Report Type: Action Items

Meeting Date: 11/1/2021

Title: City Council receive an update on Homekey, adopt an amended resolution (Attachment A) 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), and related direction to staff as appropriate

From: City Manager

Lead Department: City Manager

Recommendation

Staff recommends that City Council adopt an amended resolution (**Attachment A**) 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).

Background

On September 27, 2021, the City Council adopted a series of actions which enabled staff to prepare necessary materials with LifeMoves in order to submit an application to the State of California Housing and Community Development Department for Homekey 2.0 to create an interim housing shelter in Palo Alto. CMR [13595](#); [Actions](#) taken:

- 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 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);
- 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.

On August 30 and August 9, the City Council discussed services for unhoused residents in Palo Alto and provided staff direction. Staff report [CMR 13521](#); [Minutes](#) for August 30 and [CMR 13453](#); [Minutes](#) for August 9.

On April 5, the City Council conducted a study session (no action taken) to review the services and partnerships currently offered in partnership with the City for unhoused residents and discussed future potential needs. [CMR 12133](#); [Minutes](#).

Discussion

Staff continues to work diligently with the City's partner on this project, LifeMoves, to prepare all materials needed for the Homekey 2.0 application. The California Department of Housing and Community Development (HCD), which administers the Homekey program, is requiring additional information to be submitted with the application in contrast to the process last year for Homekey 1.0. Staff is in regular communication with HCD and has conducted the pre-application meeting with them which allows the City to submit an application once all of the materials are ready.

In continuing the application preparation process, staff and LifeMoves continue to get more granular with the project costs as well as the projected operating costs. Staff received the updated operating and capital expenses and will be reviewing them with LifeMoves and will supplement this report with an updated spreadsheet of operating and capital expenses no later than October 28. For the operating expenses, the City will establish a path to set a target of funds to commit over the seven (7) year period and will work with LifeMoves on a fundraising and cost management strategy.

Staff included an amended resolution (**Attachment A**) for consideration by the City Council reflecting the updated capital expense total of up to \$26 million, of which \$21.1 million is anticipated from the Homekey grant. A private donor has pledged support for LifeMoves' Homekey projects with \$5 million to the capital costs of such projects as well. The increased capital expenses from the previous resolution are from:

- Added contingency funding (\$2.5 million) for various construction and design
- Added solar to the project (estimated at \$1 million)
- Recalculation of the capital cost for the family units. Given the size, the family units should have been costed as the equivalent of two single units. This equates to approximately \$4.8 million additional capital expenses.
- Added funds for the relocation of GreenWaste to another part of the parcel.

Also noteworthy, in continuing fundraising for this project, LifeMoves has been in touch with the Palo Alto Community Fund, which has committed \$100,000 over 2 years towards operating

expenses (**Attachment B**). This is a great example of community partners eager to participate on this large project for the residents of Palo Alto.

Attachments:

- **Attachment14.a:** Attachment A: Updated Resolution to Apply for Project Homekey 2021
- **Attachment14.b:** Attachment B: PA Community Fund Letter, 2021

NOT YET APPROVED

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF PALO ALTO AUTHORIZING JOINT
APPLICATION TO THE PROJECT HOMEKEY PROGRAM (REVISED)

R E C I T A L S

- A. WHEREAS, the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA), dated September 9, 2021, for the Homekey Program ("Homekey" or "Homekey Program"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code (HSC) Section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Session)); and
- B. WHEREAS, the City of Palo Alto (Co-Applicant) desires to jointly apply for Homekey grant funds with LifeMoves (Corporation). Toward that end, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (Application) to the Department for review and consideration; and
- C. WHEREAS, the City Council for the City of Palo Alto adopted Resolution No. 9993 on September 27, 2021, authorizing a joint application with LifeMoves for Homekey grant funds and now wishes to update the projected grant request and budget based on new information; and
- D. WHEREAS, the Department is authorized to administer Homekey funds pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of the Homekey Program;

NOW, THEREFORE, the City Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, dated September 9, 2021, and to jointly apply for Homekey grant funds in a total amount not to exceed \$26 million. That amount includes \$21.1 million for capital expenditures (as allowed under Health and Safety Code, Section 50675.1.3 and \$3.52 million for a capitalized operating subsidy (as allowed under Health and Safety Code, Section 50675.1.3).

SECTION 2. If the Application is approved, the City Manager, on behalf of Co-Applicant, is hereby authorized to ensure that any funds awarded for capital expenditures are spent within 8 months of the date of award and that any funds awarded for capitalized operating subsidies are spent by June 30, 2026.

NOT YET APPROVED

SECTION 3. If the Application is approved, Co-Applicant is hereby authorized to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$26 million, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”).

SECTION 4. Co-Applicant acknowledges and agrees that if the Application is approved, it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

SECTION 5. Ed Shikada, City Manager, or their designees, are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager



BOARD OF DIRECTORS

Bruce Gee, *President*

Susan Bailey
Becky Beacom
Diane Downend
Leonard Ely
Steve Emslie
Kristine S. Erving
Masha Fisch
Anne Frahn
Karen French Neuman
Peter Gifford
Sheryl Klein
Kully Kooner
Fred Mondragon
Eliane Neukermans
Sigrid Pinsky
Missy Reller
Rob Roskoph
Jane Rytina
Diana Walsh
Anna Waring
Lanie Wheeler
Lauren Williams

ADVISORY BOARD

Mandy Lowell, *Co-Chair*
Michael Trigg, *Co-Chair*
Pastor Paul Bains
Melissa Baten Caswell
Annette Bialson
Enoch Choi
Catherine Crystal Foster
Anne Dauer
Ann DeBusk
Karen Douglas
Peter Fortenbaugh
Carol C. Friedman
Susie Hwang
Scott Joachim
Mark Johnsen
Wissy Ludwick
Beth Martin
Cindy Miller
Karen Nierenberg
Steve Player
Karen Ross
Lynne Russell
Anne Taylor
Dave Thorton
Cammie Vail

DIRECTORS EMERITI

Marti deBenedetti
Betsy Gifford
Bill Reller
Charles Schulz
Roger Smith
Maddy Stein

EXECUTIVE DIRECTOR

Lisa Van Dusen

October 14, 2021

City of Palo Alto

Attn: Ed Shikada, City Manager, Mayor Tom DuBois and City Council members
250 Hamilton Avenue
Palo Alto, CA 94301

Dear Mr. Shikada, Mayor DuBois and City Council members:

We are writing today on behalf of the Palo Alto Community Fund (PACF) Board of Directors to express our full support of the application of the City of Palo Alto and LifeMoves for Project Homekey Palo Alto (supportive interim housing). PACF has committed \$100,000 in funding to be distributed to LifeMoves at \$50,000 per year over two years in 2022 and 2023.

This funding is contingent upon approval of the application by the State of California.

The mission of PACF is to focus on the unique needs of our community and channel the charitable giving of local donors to effective organizations that improve the quality of life for everyone in Palo Alto, East Palo Alto and Menlo Park.

In 2020, PACF launched our inaugural Dave Mitchell Impact Grants in memory of longtime community leader, Dave Mitchell. In 2021, PACF proactively awarded grants to local nonprofit organizations focused on youth mental health, extremely affordable housing, and COVID-19 vaccine equity. This multi-year grant will be a PACF Dave Mitchell Impact Grant.

Since the start of the pandemic, the City of Palo Alto has worked diligently to collaborate with key community partners to respond quickly to provide for the health and safety of residents and employees. At PACF, we are grateful to the City staff for their leadership on Project Homekey Palo Alto. We will continue to support the City and LifeMoves in their efforts however possible.

Our Board of Directors is honored and eager to join this effort to respond to the homelessness and housing crisis exacerbated by the COVID-19 pandemic. PACF strongly supports Project Homekey Palo Alto and looks forward to partnering with the City of Palo Alto and LifeMoves on this critical project.

Sincerely,

Lisa Van Dusen
Executive Director

Bruce Gee
President, Board of Directors



City of Palo Alto City Council Staff Report

(ID # 13543)

Report Type: Action Items

Meeting Date: 11/1/2021

Council Priority: Grade Separations

Title: Review Three Grade Separation Design Alternatives for Churchill Avenue and Confirm Which Alternative(s) Continue Towards Selection of Preferred Alternative, and Direction to City Staff for Conducting Additional Studies for Consideration of Final/Preferred Alternative; and Authorize Staff to Negotiate with AECOM for Additional Scope of Work for Amendment to the Contract

From: City Manager

Lead Department: Transportation Department

EXECUTIVE SUMMARY

With the completion of the XCAP review of rail grade separation options and presentation to the City Council, the City Council directed staff at the April 26, 2021 Council meeting to come back with a detailed review of the design alternatives still under consideration at each of these rail crossings and to then provide direction on additional studies/next phase of the project.

The City Council's current discussion follows more than 18 months of engagement and deliberation by the Expanded Community Advisory Panel (XCAP). While many divergent issues were discussed, the XCAP ultimately recommended for closure of Churchill Avenue with six of nine members in favor of Churchill Avenue closure at this grade crossing. Option 2 with pedestrian/bike crossing that runs down the middle of Churchill Avenue east of Alma, which then proceeds under Alma and railroad tracks was the preferred option voted by seven of the nine members. In addition, XCAP recommended closure of Churchill Avenue to consider additional mitigations and studies.

On August 23, 2021, the City Council reviewed the details on the design alternatives under consideration for Meadow Drive and Charleston Road railroad crossings ([CMR 13435](#)) and eliminated the viaduct option for Meadow Drive and Charleston Road from further consideration. At this meeting, Council also provided direction on additional studies to be pursued for Meadow and Charleston alternatives under consideration that may provide greater information in narrowing these alternatives further.

This staff report provides detailed information on **Churchill Avenue** design alternatives and seeks Council direction in pursuing additional studies that could assist further in selecting preferred alternative(s).

The Discussion section of this staff report contains:

- Detailed Review of Charleston Road and Meadow Drive Grade Separation Alternatives
 - Layout (Vehicular, Bike, Pedestrians) and Right of Way
 - Traffic Circulation
 - Noise & Vibration Analysis
 - Outreach
 - Construction & Engineering Challenges
 - Project Cost
- Additional Studies, as described below
- Next Steps

The additional studies listed in this report for Churchill Avenue are identical to those presented for Meadow Drive and Charleston Road Crossing as these studies have a similar scope of work and there are cost efficiencies due to economy of scale. However, staff is seeking Council guidance on the scope of additional studies that may be relevant to Churchill Avenue crossings for consideration of the final alternative(s) to design and construct grade separation. Below is a brief list of issues of interest previously identified by the City Council Members, the XCAP, and community for consideration. Further details on each of these can be found under “Additional Studies” in the report.

It should be noted that many of these studies are typically conducted later in a construction project development process and focused on a primary rather than multiple alternatives. This is reflected in the associated costs. In addition, conclusions from these studies must be considered preliminary, since responsible agencies such as Caltrain will provide limited guidance and feedback at the current conceptual design stage. Nonetheless, to the extent these studies provide community stakeholders greater confidence in decision-making, the costs involved represent a small percentage of the ultimate costs of grade separation construction.

- Track Review and Caltrain Coordination (estimated \$90,000-\$110,000): Palo Alto has been identified in the Caltrain Business Plan as a potential location for high-growth capacity improvements, including 4-tracks. To date, alternatives developed for the Rail Program have only been evaluated for 2-tracks. Work to further define the ability of grade separation alternatives to accommodate four tracks includes: Gather Data from Caltrain, Evaluate Alternatives, Meet with Caltrain, Prepare memorandum report.
- Traffic Study Update (2040) (estimated \$45,000-\$55,000): Update to traffic analysis to reflect a future forecast year of 2040 rather than the year 2030 forecasts will require the

following specific tasks: Work to Model Land Use, Model Forecasts, Traffic Calculations, Documentation.

- *Design Refinement of Underpass Alternatives (estimated \$125,000-\$150,000):* Refinement of the Underpass Alternative at Meadow and Charleston requires additional iteration of review to ensure that input from the PABAC and school committees should be incorporated to further refine this alternative. As such staff requested the Consultant for their support to develop the estimated costs and scope as follows: Enhance Alternatives, Update Exhibits, Update Renderings, Update Cost Estimates, Update Miscellaneous Items.
- *Preliminary Geotechnical Investigations (estimated \$130,000-\$160,000):* Data Collection and Review – Groundwater and Geotechnical, Field Investigation – Two CPT Borings, Memorandum Report – Draft and Final.
- *Box Jacking System/Geotechnical Investigation & Feasibility Study (estimated \$350,000-\$600,000):* Data Collection and Review – Groundwater and Geotechnical, Construction Methodology Evaluation, Construction Phasing / Sequencing, Cost Estimate, 3D Animation, Memorandum Report.
- *Shadow Analysis (Light Plane Review) (estimated \$20,000-\$25,000):* 3D Model Development, Shadow Study Analysis, Study Document Production and Final Report.
- *Additional Noise Study (estimated \$55,000-\$65,000):* Expand Study Area/Measurements, Expand Analysis for Future Growth, Analyze Structural Noise/Vibration, Update Noise Study Report.
- *Storm Drainage Infrastructure (estimated \$200,000 – \$250,000):* Evaluate Trench Storm Drain Alternatives, A rough order-of-magnitude (ROM) cost will be developed for both options. Evaluate Underpass Storm Drain Alternatives, Prepare Memorandum Report.
- *Additional Outreach (estimated \$15,000-\$20,000):* Conduct Meetings with Additional Stakeholders, Prepare Meeting Notes.
- *Urban Designer (estimated \$100,000-\$125,000):* Urban Design / Public Realm Opportunity Mapping opportunities for public realm improvements for each of the three (3) alternatives and constraints urban design plan diagram will be created for each of the three alternatives, Urban Design / Public Realm Design Enhancements conceptual site plan for each alternative will be updated with the proposed public realm design features, and Meetings.
- *Conceptual Design for Ped/Bike Undercrossing at Seale And Loma Verde (estimated \$80,000-\$100,000):* Conceptual Layouts, Cost Estimates, 3D Renderings, and Miscellaneous Public Outreach Materials.
- *Sustainability (estimated \$50,000-80,000):* Sustainability Strategy Plan strategy to identify major categories where sustainable materials and practices can be incorporated into the final design of alternatives, and Bike/Ped Usage improvement in relation to the grade separation alternatives.

Note: The estimated scope and fee listed above for various studies is inclusive of work anticipated for all three crossings (Churchill Avenue, Meadow Drive, and Charleston Road). Most of these studies can be performed independently for each of the alternatives at these crossings. However, there is a general economy of scale in performing similar work for a greater number of alternatives and crossings. In addition, some of the studies such as Noise Study update and Traffic Study Update for 2040, if conducted will be tied to update models for all crossings concurrently. Box Jacking evaluation also us

BACKGROUND

With the proposed California High Speed Rail (CAHSR) using the Caltrain corridor and the planned electrification of the Caltrain corridor that will increase the frequency of trains along this corridor, the delays to the at-grade crossings are expected to increase significantly. Therefore, City initiated the plan to consider grade separation at all four of the existing at-grade crossings in Palo Alto. For the past decade, City engaged the public to help develop and evaluate potential grade separation options at each of Palo Alto's four Caltrain rail crossings.

Since 2017, the City's focus has been mainly on the three existing grade crossings of Churchill Avenue, Meadow Drive, and Charleston Road. The crossing at Palo Alto Avenue was separated, to be integrated with the Downtown Coordinated Area plan. The planning process for the development of alternatives at the three crossings of Churchill Avenue, Meadow Drive, and Charleston Road was led by staff and consultants with public input coming through community meetings. In 2018, City Council created a Citizen Advisory Panel (CAP) for advising staff and consultants on developing alternatives and improving community outreach and communications efforts. Later in 2019, City Council formed an Expanded Community Advisory Panel (XCAP) for the evaluation of the Connecting Palo Alto railroad grade separation at these three crossings (Churchill Avenue, Meadow Drive, and Charleston Road) along the Caltrain corridor and to achieve greater community input for selection of the preferred alternative at these three crossings.

The XCAP group met diligently over eighteen (18) months and completed the review of a total of nine (9) alternatives and prepared a Final Report providing their recommendations to the Council on March 23, 2021 ([CMR 11797](#)). At this study session, Council received the final XCAP report and discussed major recommendations and findings from the report. Considering the environmental challenges and the estimated costs for the South Palo Alto Tunnel alternatives, the XCAP unanimously recommended that the Council remove the tunnel alternatives from further consideration.

After the review of the XCAP report and considering the XCAP recommendation, **the City Council on April 26, 2021, removed the two tunnel alternatives** 1) South Palo Alto Tunnel (Passenger and Freight) 2) South Palo Alto Tunnel (With At-Grade Freight) from further consideration for grade separation.

For Meadow Avenue and Charleston Road crossings, City Council on August 23, 2021 discussed the alternatives in detail and directed the following actions:

- Eliminate viaduct alternative.
- Establish a policy to engage with Caltrain on 4-tracks by City Council, Staff, and LPMG representatives.
- Conduct preliminary geotechnical studies.
- Design refinements of Underpass alternatives to address current shortcomings including the size of the roundabout, bike/ped connections, and right of way
- Continue work on the bike plan in parallel with consideration of construction time and interaction with grade crossing plans;
- Obtain the cost for a second cost opinion of the Trench option, in particular to a company with experience of trenches, underground or subterranean methods in parallel to the geotechnical studies.

The current six (6) alternatives in consideration at these three crossings are as follows:

Churchill Avenue

Churchill Avenue Closure with Mitigation - Option 1 & 2
Churchill Avenue Viaduct
Churchill Partial Underpass

Meadow Drive and Charleston Road

Meadow Charleston Trench
Meadow Charleston Hybrid
Meadow Charleston Underpass

DISCUSSION

This agenda item presents a detailed review of the alternatives in considerations at Churchill Avenue Crossings. Staff seeks City Council direction on whether to further narrow alternatives by eliminating any of the current alternatives under consideration and any additional studies desired for the selection of a preferred alternative.

Layout (Vehicular, Bike, Pedestrians) & Right of Way

Below is a summary of the layout and right of way that would result in each of the four alternatives. Further explanation and details can be found below this summary table organized by alternative (trench, viaduct, hybrid, and underpass).

TABLE 1: Summary of Layout & Right of Way

	Closure with Mitigation (option 1)	Closure with Mitigation (option 2)	Viaduct	Partial Underpass
Vehicular	Closed to through Traffic at tracks. The traffic will be routed to other streets.	Closed to through Traffic at tracks. The traffic will be routed to other streets.	No change to traffic movements. Same as existing	<ul style="list-style-type: none"> • WBT, EBT, SBL, and WBL are not permitted at Churchill and Alma. • Intersections on Alma Street at Kellogg Ave and Coolidge Ave will be limited to right-in and right-out only
Pedestrian	The pedestrians will use the traffic signal at Alma to cross Churchill Avenue and use ramps that will run parallel to RR tracks and crossing under tracks north of Churchill Avenue	The pedestrians will use an undercrossing that will be crossing both Alma Street and RR crossing. This crossing will be in the middle of Churchill Avenue.	The pedestrian facilities will be provided along the roadway and cross under the viaduct on existing grade.	The pedestrian and bike crossing will be provided at Kellogg Avenue. No pedestrian crossing can be made at Churchill Avenue
Bike	<ul style="list-style-type: none"> • The bicycles will use traffic signals at Alma to cross Churchill Avenue and use ramps that will run parallel to RR tracks and crossing under tracks north of Churchill Avenue. • Ninety (90) degrees bends to provide minimum ramp slopes meeting ADA requirements. 	The bicycles will use the undercrossing that will be crossing both Alma Street and RR crossing. This crossing will be in the middle of Churchill Avenue.	The bicycle facilities will be provided along the roadway and cross under the viaduct on existing grade.	<ul style="list-style-type: none"> • The pedestrian and bike crossing will be provided at Kellogg Avenue. No pedestrian crossing can be made at Churchill Avenue • Ninety (90) degrees bends to provide minimum ramp slopes meeting ADA requirements.
Other	ROW impacts for mitigations were not identified, however may likely require some additional ROW from fronting properties.	ROW impacts for mitigations were not identified, however may likely require some additional ROW from fronting properties.	Churchill Avenue will require widening	Will require partial property acquisitions.

Closure with Mitigation

For the Mitigation closure alternative, the railroad tracks will remain at their existing location and at existing elevation. All existing traffic movements that occur by crossing over the railroad tracks will be prohibited under this alternative. Churchill Avenue becomes a T-intersection with Alma Street on the east side and ends at Mariposa Avenue on the west side. The vehicular movements for eastbound (through, left, right) and westbound through movement will be prohibited at this intersection with this alternative. These movements will be directed to other roadways and therefore anticipated to affect other intersections, for which a traffic study was conducted. The Traffic Circulation section of this report provides details on impacts. A pedestrian/bike only undercrossing will accommodate pedestrian and bike traffic in this alternative. Two options are proposed with this alternative based on the configuration and layout of pedestrian/bike undercrossing.

Option 1: In this alternative the pedestrian and bike traffic cross the intersection of Alma Street at the signalized intersection. The pedestrian bike crossing then runs parallel to the railroad tracks and crosses under the railroad tracks on the north side of Churchill Avenue, then ramps up on the other side of the railroad tracks. The pedestrian/bike ramps on both sides of the tracks for the underpass at Churchill Avenue will require surface encroachment inside Caltrain's right-of-way.

Option 2: In this alternative option the pedestrian and bike undercrossing begins to ramp down on the west side of Churchill Avenue (within the roadway) and uses undercrossing to crosses under both the railroad tracks and Alma Street. It then ramps up on the other side of the railroad tracks to meet at grade and connects to pedestrian and bike facilities along Churchill Avenue

Ramps and stairs in varying configurations will provide access to the undercrossing for pedestrians and cyclists. However, the grade on the pedestrian/bike ramp will not exceed 8% with 5-foot landings. The pedestrian/bike ramp is planned to be 8-10 feet in width.

Partial ROW take may be needed for the intersections identified as part of the mitigations. These impacts are not identified at this time.

Viaduct

For the viaduct alternative, the railroad tracks will be elevated on a structure over Churchill Avenue. The new electrified railroad tracks will be built at the existing railroad alignment and will begin rising north of Homer Avenue, remain elevated over Churchill Avenue, and return to the existing elevation before California Avenue Station. The Stanford Game Day station will be eliminated. The maximum railroad grade for this alternative will be 1.6% which will also require a Caltrain design exception. The railroad tracks will be approximately 20 feet above the existing street at Churchill Avenue Crossing.

The Churchill Avenue will remain at its existing grade and have a similar configuration to what exists today, with the addition of Class II buffered bike lanes. This addition will require expanding the width of the road to maintain bike lanes through the underpass of the railroad and to accommodate the new column supporting the railroad structure.

Partial Underpass

The partial underpass alternative retains the Caltrain tracks at the current grade. The Caltrain tracks will be supported on a new rail bridge spanning across a lowered Churchill Avenue at approximately its current location. This alternative will grade separate Churchill Avenue, however, as this is a partial underpass, not all the traffic movements will be feasible with this grade separation alternative. The through traffic movements in both eastbound and westbound directions, the westbound left turn, and the southbound left turn at this intersection will no longer be permitted. In addition, certain side streets intersecting Alma street will be limited to right-in and right-out movements. The movements of traffic along these approaches are described below.

Eastbound Traffic: Traffic on Churchill Avenue from the Paly Road/Castilleja Avenue intersection will descend and pass under the railroad and terminate at a lowered, signal-controlled, forming a T-intersection at Alma Street where vehicles can make a left turn onto northbound Alma Street or a right turn onto southbound Alma Street. These lanes will then ascend and return to grade along Alma Street.

Westbound Traffic: Traffic on Churchill Avenue from Emerson Street will terminate at Alma Street. Right turns only (onto northbound Alma Street) will be permitted. Similarly, westbound traffic on Kellogg Avenue and Coleridge Avenue approaching Alma Street will be permitted to make right turns only onto northbound Alma Street. Traffic on northbound Alma Street will be split near Coleridge Avenue.

Northbound Traffic: The vehicles in the northbound lane will bear right to continue going north and will remain at grade on existing Alma Street. This traffic will be permitted to make right turns onto all connecting streets (Coleridge Avenue, Churchill Avenue, Kellogg Avenue, etc.) approaching Emerson Street. Vehicles bearing left to make a northbound left turn will descend to the T-intersection with Churchill Avenue and be permitted to make left turns (under the railroad) onto westbound Churchill Avenue approaching Paly Road/Castilleja Avenue and El Camino Real.

Southbound Traffic: Traffic on southbound Alma Street will operate as it does today, however it will descend to meet at the T intersection formed by a partial underpass and then come back up to meet at grade on Alma Street. Due to grade differential, the southbound left turns onto Churchill Avenue cannot be permitted at this location. In addition, left turns on southbound Alma Street onto Kellogg Avenue and Coleridge Avenue will also not be permitted.

With this alternative, the pedestrian and bike crossing will be provided at Kellogg Avenue. From westbound Kellogg Avenue, a 10-foot wide path will descend at the center of the road, at which point widens to 20 feet and crosses under both Alma Street and the Caltrain tracks and conforms at the Embarcadero Bike Path adjacent to Palo Alto High School. The pedestrian/bike ramp on each side is approximately 220 to 250 feet long with width ranging from 10 to 20 feet, and a maximum grade of 8% with 5-foot landings spaced 35 feet apart.

Multiple partial acquisitions of residential properties will be required to accommodate this alternative. In addition, modifications to several driveways on Alma Street will also be needed with this alternative. The southbound lane/shoulder on Alma Street and the pedestrian/bike ramps on the west side of the tracks for the underpass at Kellogg Avenue will also require surface encroachment inside Caltrain's right-of-way.

Traffic Circulation

To review the traffic circulation, a traffic study was conducted by Hexagon Traffic consultants. The study evaluated the existing traffic conditions based on the traffic counts conducted in October 2019. The future traffic volumes were obtained from the traffic forecasts based on the 2016 Palo Alto Comprehensive Plan for future (Year 2030) conditions. The study analyzed traffic operations during the weekday AM (7-9) and PM (4-6) peak commute hours. The traffic study focuses on vehicular traffic operations; however, bicycle and pedestrian circulation have been accounted for in the traffic analysis.

Closure with Mitigation

As described above, for the Churchill closure alternative, all existing traffic movements that occur by crossing over the railroad tracks will be prohibited under this alternative. Therefore, a Traffic Study was conducted to evaluate the impacts of the closure of Churchill Avenue across

the railroad tracks. With the closure of Churchill Avenue west of the railroad tracks, Churchill Avenue would no longer provide an east-west connection for vehicles across Alma Street.

The study indicated that the intersection of Alma and Churchill Avenue would operate at an acceptable LOS C during both the AM and PM peak hours with existing and future traffic volumes with the Churchill Closure Alternative with Mitigations (Table 2 & 3).

Table 2: Alma and Churchill Grade Separation Alternatives – Existing Traffic Volumes

	Traffic Operations (Existing Traffic Volumes)											
	No Improvements (No Electrification) ¹				Churchill Closure ²				Viaduct ³			
	AM		PM		AM		PM		AM		PM	
	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS
Alma Street & Churchill Avenue	88.9	F	66.67	E	23.58	C	28.23	C	45.39	D	42.73	D

Notes:-

1. All turning movements permitted. Analysis assumes 8 trains per hour under existing conditions. Traffic analysis was conducted using PTV Vissim software.
2. The following turning movements would not be possible:- left-turn, right-turn and through traffic from eastbound Churchill, through traffic from westbound Churchill, northbound left-turns and southbound right-turn from Alma. Traffic analysis was conducted using PTV Vissim software.
3. All turning movements permitted. Traffic analysis was conducted using PTV Vissim software.
4. The following turning movements would not be possible:- eastbound and westbound through traffic on Churchill Avenue across Alma Street, left-turn from westbound Churchill, and left-turn from southbound Alma. Traffic analysis was conducted using SimTraffic.

Table 3: Alma and Churchill Grade Separation Alternatives – Future Traffic Volumes

	Traffic Operations (Year 2030 Traffic Volumes)															
	No Improvements (No Electrification) ¹				No Improvements (With Electrification) ²				Churchill Closure ³				Viaduct ⁴			
	AM		PM		AM		PM		AM		PM		AM		PM	
	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS	Delay (secs)	LOS
Alma Street & Churchill Avenue	118.5	F	90	F	173.5	F	178.5	F	25.1	C	30.6	C	48.4	D	56.77	E

Notes:-

1. All turning movements permitted. Analysis assumes 8 trains per hour with no electrification. Traffic analysis was conducted using PTV Vissim software.
2. All turning movements permitted. Analysis assumes 14 trains per hour with electrification. Traffic analysis was conducted using PTV Vissim software.
3. The following turning movements would not be possible:- left-turn, right-turn and through traffic from eastbound Churchill, through traffic from westbound Churchill, northbound left-turns and southbound right-turn from Alma. Traffic analysis was conducted using PTV Vissim software.
4. All turning movements permitted. Traffic analysis was conducted using PTV Vissim software.
5. The following turning movements would not be possible:- eastbound and westbound through traffic on Churchill Avenue across Alma Street, left-turn from westbound Churchill, and left-turn from southbound Alma. Traffic analysis was conducted using SimTraffic.

However, the Closure Alternative would cause the existing traffic using the Churchill railroad crossing to reroute to other crossings, creating traffic impacts on Embarcadero Road, Alma El Camino Real, and Oregon Expressway/Page Mill Road. The impacts on the intersections on these corridors were further studied to identify mitigation measures. To evaluate existing trip patterns that currently use Churchill Avenue, an origin-destination (O-D) analysis was conducted within the study area. The objective of this task was to determine how traffic would be rerouted with Churchill closed. Data for a typical Tuesday, Wednesday, and Thursday for the morning and afternoon hours during 2017, while schools in Palo Alto were in session (using the Street Light Data platform) was used for evaluating trip patterns through the Alma Street and Churchill Avenue intersection. Following six (6) intersections were identified to be impacted by the rerouting of traffic due to Churchill Closure. The existing and future LOS for these intersections is shown in Table 4

1. Alma Street/Lincoln Avenue
2. Alma Street/Embarcadero Road
3. Alma Street/Kingsley Avenue
4. El Camino Real/Embarcadero Road
5. El Camino Real/Oregon Expressway-Page Mill Road
6. Alma Street/Oregon Expressway

Table 4: Churchill Closure – Impacted Intersections LOS

#	Intersection	Peak Hour	Traffic Control	Existing Avg. Delay (sec.)	LOS	Churchill Closure			
						Existing		Year 2030	
						Avg. Delay (sec.)	LOS	Avg. Delay (sec.)	LOS
1	Alma St & Lincoln Ave	AM	One-Way	>=50	F	>=50	F	>=50	F
		PM	Stop	>=50	F	>=50	F	>=50	F
2	Alma St & Embarcadero Rd	AM	One-Way	>=50	F	>=50	F	>=50	F
		PM	Stop	>=50	F	>=50	F	>=50	F
3	Alma St & Kingsley Ave	AM	One-Way	>=50	F	>=50	F	>=50	F
		PM	Stop	>=50	F	>=50	F	>=50	F
4	El Camino Real/Embarcadero Rd*	AM	Signal	60.3	E	>80	F	>80	F
		PM	Signal	67.0	E	>80	F	>80	F
5	El Camino Real/Oregon Expwy-Page Mill Rd*	AM	Signal	72.9	E	>80	F	>80	F
		PM	Signal	66.4	E	>80	F	>80	F
6A	Alma St & Oregon Expwy WB Off Ramp (Oregon A)	AM	One-Way	>=50	F	>=50	F	>=50	F
		PM	Stop	>=50	F	>=50	F	>=50	F
6B	Alma St & Oregon Expwy EB Off Ramp	AM	One-Way	>=50	F	>=50	F	>=50	F
		PM	Stop	>=50	F	>=50	F	>=50	F

Notes:

1. *CMP Intersection.
2. Average delay is reported for the worst approach at one-way stop intersections.
3. Bold indicates substandard intersection level of service.

Mitigation Measures:

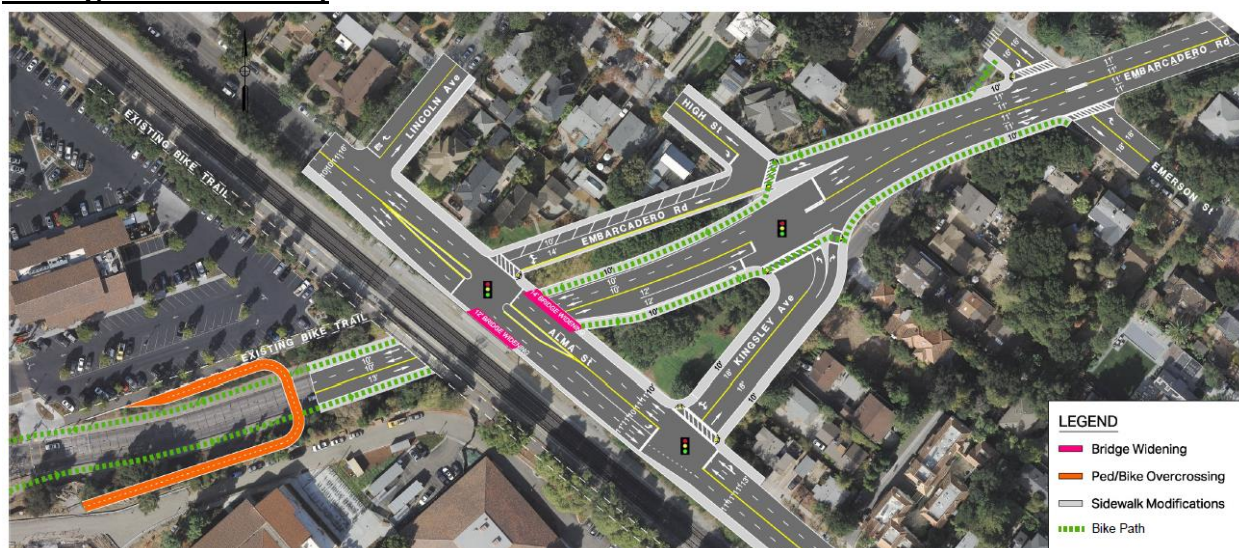
Potential mitigation measures were identified for the intersections that were shown to be impacted as described below.

Alma Street Intersections (Intersection # 1, 2, and 3) - See Figure 1 for conceptual layout

- Restrict the intersection of Alma Street/Lincoln Street to right-in/right-out only movements.
- Divert left-turning traffic off of Lincoln Avenue by adding a left-turn lane to the Embarcadero Road slip ramp to facilitate left-turns onto Alma Street.
- Install traffic signals at the Alma Street/Embarcadero Road slip ramp and Alma Street/Kingsley Avenue with one controller.
- Install a traffic signal at the Embarcadero Road/Kingsley Avenue intersection to allow left turns from Kingsley Street onto westbound Embarcadero Road.
- Provide a 75 to 100-foot left-turn pocket on southbound Alma Street at Kingsley Avenue.
- Provide two northbound travel lanes on northbound Alma Street at Kingsley Avenue.

In addition, providing two northbound travel lanes on Alma Street at Kingsley Avenue would require widening of the Alma Street bridge over Embarcadero Road, as the existing width of the bridge can only accommodate three travel lanes on Alma Street. Therefore, widening would be required and will include extensive modification or potential replacement of the existing bridge structure. However, no additional right-of-way needs are anticipated on Alma Street, south of Embarcadero Road.

Figure 1: Mitigation Measures (Conceptual layout for Alma Street Intersections - Lincoln, Kinsley, & Embarcadero)



El Camino Real/Embarcadero Road (Intersection # 4)

The analysis showed that at the Congestion Management Program (CMP) intersection of El Camino Real/Embarcadero Road, significant traffic impacts would occur due to reassigned traffic. It is recommended that an additional westbound left-turn lane and a northbound right-turn lane be provided along with signal optimization at this intersection. With these improvements, the intersection of El Camino Real and Embarcadero Road would operate at acceptable LOS E during both peak hours under existing and Year 2030 traffic volumes.

El Camino Real/Oregon Expressway-Page Mill Road (Intersection # 5)

El Camino Real/Oregon Expressway-Page Mill Road, also a CMP intersection, the traffic analysis identified significant traffic impacts due to reassigned traffic. The report recommended a westbound right-turn lane from Oregon Expressway to northbound El Camino Real along with optimizing the signal timing. With these improvements, the intersection would operate at acceptable levels of service during the AM and PM peak hours under existing conditions. Under Year 2030 traffic conditions, the analysis shows that the intersection would continue to operate at unacceptable LOS F with the proposed improvements. However, the intersection delay

during both the AM and PM peak hours is projected to be lower than the intersection delay without these improvements.

Alma Street & Oregon Expressway (Intersections # 6A and 6B)

The traffic analysis identified significant impacts to the intersections of Alma Street/Oregon Expressway with the reassignment. The analysis determined that these intersections currently meet the peak hour signal warrant and recommends traffic signals at both the on and off-ramps. With the proposed traffic signals at both the ramp locations, the intersections of Alma Street and Oregon Expressway are projected to operate at acceptable LOS C or better during both peak hours under existing and Year 2030 traffic conditions.

The study indicated that these intersections in existing conditions and future conditions with no improvements will be at LOS F. However, with the implementing the proposed mitigation measures, the LOS on these intersections for the future 2030 conditions will improve at most locations. The future LOS for these intersections is shown in Table 5 below.

Table 5: Churchill Closure – Impacted Intersections LOS (Future 2030 Conditions)

#	Intersection	Peak Hour	Churchill Closure - Year 2030 Conditions					
			No Improvements			With Improvements		
			Traffic Control	Avg. Delay (sec.)	LOS	Traffic Control	Avg. Delay (sec.)	LOS
1	Alma Street & Lincoln Avenue	AM	One-Way	>=50	F	One-Way	14.4	B
		PM	Stop	>=50	F	Stop	15.2	C
2	Alma Street & Embarcadero Road	AM	One-Way	>=50	F	Signal	4	A
		PM	Stop	>=50	F	Signal	3.6	A
3	Alma Street & Kingsley Avenue	AM	One-Way	>=50	F	Signal	13.0	B
		PM	Stop	>=50	F	Signal	14.8	B
4	El Camino Real/Embarcadero Rd*	AM	Signal	>80	F	Signal	73.6	E
		PM	Signal	>80	F	Signal	76.2	E
5	El Camino Real/Oregon Expwy-Page Mill Rd*	AM	Signal	>80 (120.3)	F	Signal	>80 (91.8)	F
		PM	Signal	>80 (108.4)	F	Signal	>80 (92.7)	F
6A	Alma St & Oregon Expwy WB Off Ramp (Oregon Ave)	AM	One-Way	>=50	F	Signal	7.8	A
		PM	Stop	>=50	F	Signal	9.1	A
6B	Alma St & Oregon Expwy EB Off Ramp	AM	One-Way	>=50	F	Signal	24.9	C
		PM	Stop	>=50	F	Signal	21.5	C

Notes:

1. Average delay is reported for the worst approach at one-way stop intersections.

2. Bold indicates substandard intersection level of service.

Viaduct

Based on the traffic study for the Viaduct Alternative, the intersection of Alma/Churchill operates at LOS F during both the AM and PM peak hours with or without Caltrain electrification project, considering no additional improvements are performed at the grade crossing. However, as Table 3 shows, the Viaduct Alternative will bring the intersection operations to LOS D during the AM and LOS E during PM peak hours.

Partial Underpass

This alternative proposes to separate Caltrain from Churchill Avenue but preserve access to Alma street by keeping Churchill Avenue partially open via a modified underpass as described in the layout section earlier in the report. The most significant traffic-flow change is that no through traffic would be possible on Churchill Avenue across Alma Street. This alternative also would separate the bicycle and pedestrian traffic crossing Alma Street from vehicular traffic by providing a bridge over Churchill Avenue that connects to the bike trail next to Palo Alto High School.

Because through traffic and some turning movements at Churchill would not be possible, some traffic would reroute to other streets. The following traffic movements would need to reroute:

- Eastbound through traffic on Churchill – 90% of the traffic is expected to reroute to turn left on Alma and travel north to use Embarcadero Road or one of the neighborhood cross streets. 10% of the traffic is expected to turn right at Alma and use one of the neighborhood cross streets.
- Westbound through traffic on Churchill Avenue – All traffic is expected to make a right turn on Alma and travel north to use Embarcadero Road.
- Westbound left-turn traffic on Churchill Avenue – All traffic is expected to use another of the neighborhood streets to access Alma.
- Southbound left-turn traffic on Alma Street – All traffic is expected to turn left into one of the other neighborhood streets.

As shown in Table 2 and Table 3, the signalized intersection of Alma Street and Churchill Avenue would operate at acceptable LOS C or better during both the AM and PM peak hour periods with the existing and future traffic volumes.

Noise & Vibration Analysis

Noise Analysis

As part of the evaluation, a noise study was conducted to better understand the relative benefits or penalties of the grade separation alternatives. A noise survey was conducted in the study area to establish existing conditions in a variety of locations throughout the project. The noise measurement locations were selected to represent a variety of noise-sensitive land uses in the study area with an emphasis on residential land uses. Most measurement locations were conducted at publicly accessible areas that were similar in distance and acoustical setting to nearby residential locations with an emphasis on first and second-row homes (typically within about 300 feet of the rail line and about 1500 feet of a grade crossing). Both short- and long-term noise measurements were conducted to evaluate the noise study.

For each alternative, the noise levels were predicted for generalized locations of the first row and second row of homes on both east and west side of the tracks. It was expected that at

locations beyond second-row homes, train events may still be audible, but calculated noise levels would be much closer to (or lower than) existing ambient noise levels.

The following table provides a summary of how the relative contributions of rail and road noise sources may be expected to change as a function of proposed alternatives. Most noise source levels will be reduced by most alternatives as they introduce more noise-reducing features such as increased shielding from noise barriers or structures, however, it is noted that engine noise viaduct alternative could increase slightly since the increased elevation of the rail path may reduce the effectiveness of first-row shielding at second-row homes.

TABLE 6: Noise Source Changes by Alternative

<i>Proposed Alternative</i>	<i>Potential Noise Reduction</i>			
	<i>Horns/Bells</i>	<i>Wheel/Rail</i>	<i>Engine</i>	<i>Road</i>
Existing	No change	No change	No change	No change
EMU trains	No change	No change	Reduction	No change
Closure	Reduction	No change	No change	No change
Trench	Reduction	Reduction	Reduction	No change
Viaduct	Reduction	Reduction	Reduction ¹	No change
Hybrid	Reduction	Reduction	Reduction ¹	Reduction ²
Tunnel (passenger + freight)	Reduction	Reduction	Reduction	No change
Tunnel (freight at grade)	Reduction	Reduction	Reduction	Reduction
Underpass	Reduction	No change	No change	Reduction ³
1) May create some increased noise level beyond first row for diesel freight events				
2) decrease at receivers to west				
3) depends on new roadway configuration				

In order to provide a quantitative comparison of relative acoustical benefits for these alternatives, future noise levels were calculated for representative residential locations at typical first and second-row homes to the east and west of the rail line. These calculations followed the methodology and calculation methods presented in the Federal Transit Administration's (FTA) Transit Noise and Vibration Impact Assessment Manual (2018) and assumptions were based on the Caltrain data provided in their environmental documents.

In addition to the alternatives in consideration, the noise study reviewed the additional scenario with a beneficial 6-foot tall parapet barrier that was assumed for the viaduct alternatives for the grade crossing closure and underpass alternatives. The following table provides a summary of the results of the noise reduction based on the prediction analysis for each alternative and each generalized receiver location

TABLE 7: Predicted Noise Reduction Relative to Existing Condition by Alternative (dBA)

Alternative	First Row West		Second Row West		First Row East		Second Row East		Average	
	Peak	Ldn	Peak	Ldn	Peak	Ldn	Peak	Ldn	Peak	Ldn
Existing/w Horns (EMU)	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.1	0.0	0.0
GC Closure (Diesel)	13.4	12.4	12.7	11.8	10.5	9.4	11.6	10.6	12.1	11.1
GC Closure (EMU)	14.2	12.9	13.4	12.2	10.9	9.7	12.1	10.9	12.7	11.4
GC Closure (EMU) w/barrier	18.4	16.5	16.6	15	12.3	10.9	14.1	12.7	15.4	13.8
Viaduct (Churchill)	18.4	16.5	16.6	14.1	12.3	10.9	14.1	12.2	15.4	13.4
Viaduct (Meadow/Charleston)	18.5	16.6	16.6	14.2	12.3	10.8	14.1	12.0	15.4	13.4
Hybrid	23.6	20.8	20.6	17.2	12.2	10.9	13.6	11.9	17.5	15.2
Trench	18.0	16.6	16.3	15.0	12.2	11.0	14.0	12.7	15.1	13.8
Transition (trench or tunnel)	21.1	15.6	15.5	14.1	12.6	10.4	13.3	11.9	15.6	13.0
Tunnel Pass. & Freight	18.9	17.6	16.9	15.7	12.4	11.2	14.3	13.1	15.6	14.4
Tunnel At Grade Freight	21.9	18.3	19.9	16.3	15.4	12.5	17.3	14.0	18.6	15.3
Underpass Meadow/Charleston	14.2	12.9	13.4	12.2	10.9	9.7	12.1	10.9	12.7	11.4
Underpass M/C w/barrier	18.4	16.5	16.6	14.9	12.3	10.9	14.1	12.7	15.4	13.8
Underpass Churchill	15.6	14.3	15.3	14.1	14.4	13.2	14.9	13.7	15.1	13.8
Underpass Churchill w/barrier	23.5	20.4	22.1	19.5	18.4	16.6	20	18	21.0	18.6

The study indicated that the biggest noise reduction would come from eliminating horn soundings in the vicinity of grade crossings with typical reductions of 9 to 14 dBA (as demonstrated by the “Existing vs. Closure” scenario). While all the studied alternatives will provide the acoustical benefit of ending horn soundings, some will provide smaller additional benefits.

Viaduct and hybrid alternatives will provide the additional benefit of reducing wheel/rail noise at all receivers and the hybrid alternative will also help reduce Alma street road noise for homes to the west of the rail line. The trench alternative will both provide significant reductions for engine and wheel/rail noise.

Vibration Analysis

The movements of rail vehicles generate ground-borne vibration. According to FTA guidelines, a passenger/freight rail line would have to pass within less than 20 feet of a typical residential structure to potentially cause structural damage which would not be an issue with this project.

However, human perception of, and potential annoyance to ground-borne vibration could be triggered in homes within 150-200 feet from the tracks. Under the current/existing conditions, many of the first-row homes to both the east and west of the track are already within 200 feet of the tracks and may already be experiencing perceptible vibrations from train pass-by events.

The vibration study conducted a relative qualitative assessment of changes in ground-borne vibration level by proposed alternatives based on FTA guidance. The following table provides a brief summary of the qualitative assessment.

TABLE 8: Potential Change in Ground-Borne Vibration by Alternative

Alternative	Qualitative Change in Ground Born Vibration
Grade Crossing Closure	No Change
Churchill Viaduct	Significant reduction for homes both east and west.
Meadow/Charleston Viaduct	Significant reduction for both east and west, but slightly better for west.
Hybrid	Slight reduction for homes both east and west
Trench	Slight reduction for homes both east and west
Tunnel, passenger and freight	Probable slight reduction for homes both east and west
Tunnel, freight at grade	Slight reduction for homes to west, possible increase for homes to east for nighttime freight events (which would be moved closer to homes)
Underpass	Little or no change
Source: FTA 2018, Table 6-12	

As indicated in the table above, most of the proposed alternatives would either create no significant change or perhaps a slight improvement in ground-borne vibration. The viaduct alternative may provide a significant improvement.

However, a more detailed ground vibration engineering analysis for the selected alternative at each of the crossings will need to be completed to develop a more detailed vibration impact assessment with detailed recommendations for vibration mitigation features to be incorporated into the final design.

Outreach

During the XCAP process, community represented participated and provided feedback and comments. The city staff and Consultant provided support at the XCAP meetings and conducted studies, performed analysis, and provided additional technical information for the review of the alternatives.

Earlier in 2020, before the pandemic began, the City hosted two well-attended Rail Town Hall meetings and smaller neighborhood specific open house meetings to gain community input on the rail alternatives and answer community questions. Staff also developed and released online surveys and used social media, the City's website, and electronic newsletters to inform, answer questions and gain feedback from the community on this important City priority.

In addition, to further engage the community, City staff hosted a [Virtual Town Hall](#) from August 19, 2020 to September 14, 2020 gaining over 1,000 unique visitors to the online platform. This virtual platform was designed to inform the community and seek feedback on the proposed alternatives for grade separation at the three grade crossing locations of Churchill Avenue, Meadow Drive, and Charleston Road. A summary report of Virtual Town Hall was provided as an informational report to the City Council on November 30, 2020 ([CMR 11759](#)). Staff and XCAP also provided project updates and related information to the Pedestrian and Bike Advisory Committee (PABAC), City's School Liaison Committee, and City School Traffic Committee. A shift

to the Virtual Town Hall format was a direct result of the pandemic and the opportunity to further community engagement through this project phase.

Construction & Engineering Challenges:

There are several Construction and Engineering challenges with each of these alternatives. These challenges are described below and are summarized in the table to show the impact on each alternative.

- Conformance of railroad grade with preferred maximum grade by Joint Peninsula Board (JPB)/Caltrain. With the current design, the viaduct alternative on Churchill Avenue exceeds Caltrain's maximum preferred railroad grade. Therefore, it will require a design exception from the JPB/Caltrain.
- Four Tracking of Caltrain: during the later stages of the conceptual plan development, JPB/Caltrain indicated a need for four (4) tracking of its railroad line within the vicinity of south Palo Alto may be needed to accommodate future Caltrain demands. As a result, these designs shall accommodate the need of these future four tracks. These concepts as planned has not been designed to accommodate these four (4) tracking requirement. As such a future review and coordination with Caltrain will be needed.
- Underground Structure Conflicts: Installation of underground structures will impact the underground facilities with the Closure and Partial Underpass Alternative.
- Ground Water Conditions: Due to the groundwater conditions partial underpass will require pump stations for dewatering which will increase long-term maintenance costs and risk of flooding due to pump stations. The partial underpass alternatives will require dewatering near the intersections where improvements are constructed. In addition, some dewatering will be required to construct footings for viaduct structures.
- Utility Relocation: Utility relocations will be required to remove any conflicts with foundations and for any lowered construction conditions. For Closure with Mitigation and partial Underpass Alternatives, the utility relocation will be encountered generally at the pedestrian crossing locations, however, for the partial underpass alternative, such utility relocations will be at the intersection also. In addition, for Viaduct, any utility conflict within the foundations and pier structure will need relocation.
- Shoo-Fly/Temporary Rial System: Shoo-Fly /Temporary Rail system included temporary electrification of the tracks will be required to accommodate all alternatives except for the Closure with Mitigation Alternative based on the current design. For the Partial Underpass alternative, the XCAP members shared an alternative methodology "Box Jacking" that may be feasible. Such technique will require further evaluation and Caltrain acceptance before determination of applicability for Underpass Alternative.

- **Traffic During Construction:** For both Viaduct and Partial Underpass Alternatives, Alma Street will be reduced to a two-lane roadway to accommodate shoofly. However, for Underpass Alternative, during part of the construction, only one lane for northbound direction will remain open. In addition, the west leg of Churchill Avenue will be closed for part of the construction time period to perform sub-structure work to provide intersection improvements for Partial Underpass Alternative.
- **Construction Time Period.** Both Churchill Avenue Closure with mitigation options and Viaduct Alternatives are anticipated to take two (2) years to construct, whereas the Partial Underpass Alternatives is anticipated to take two and a half years (2-1/2) to three (3) years. The construction duration for the Partial Underpass Alternative, however, may change depending upon the construction means and methods.

TABLE 9: Summary of Construction and Engineering Challenges

LOCATION/ DESCRIPTION	CLOSURE		
	W/MITIGATIONS	VIADUCT	PARTIAL UNDERPASS
Construction Period	2 Years	2 Years	2.5-3 Years
Railroad Grade	-	1.6%	-
Shoo-Fly /Temp Rail System	NO	Yes	Yes /Alt Tech
Utility Relocation	Yes, at Ped/Bike Crossings	Yes, Conflicts with Foundations	Yes, at Crossings and Ped Bike Crossing
Closure on Alma	-	Reduced to 2 lanes, No turn lanes	Reduced to 2 lanes, 1NB lane only during part of construction
Intersection Closures/impacts	-	Minor Widening	West Leg of Churchill will be closed during part of construction
Dewatering & Excavation	-	-	Yes, significant at intersection
Long term dewatering	-	-	Pump Station

Project Cost

The high-level cost breakdown based on the current designs is shown in the following table.

TABLE 10: Summary of Project Cost

LOCATION/ DESCRIPTION	CLOSURE W/MITIGATION	VIADUCT	PARTIAL UNDERPASS
Roadway & Railroad Items	\$22M to \$24M	\$55M to \$73M	\$70M to \$86M
Structure Items	\$4M to \$9M	\$115M to \$152M	\$8M to \$10M
Right-Of-Way & Utilities	\$4M to \$7M	\$16M to \$20M	\$24M to 30M
Support Costs	\$11M to \$14M	\$60M to \$80M	\$28M to \$36M
Escalation To 2025 Dollars	\$9M to \$11M	\$54M to \$75M	\$30M to \$38M
Total Project Costs	\$50M to \$65M	\$300M to \$400M	\$160M to \$200M
Construction Period	2 Years	2 Years	2.5 - 3 Years

Additional Studies

With the presentation of the XCAP Final Report to the City Council at the study session on March 23, 2021 and final recommendations on April 26, 2021, several concerns were brought up by the City Council and the XCAP that would require additional studies and consultant support in order to fully address in reviewing the alternatives. Subsequently, staff requested the project Consultant AECOM to provide estimated scope and costs for the additional studies and revisions that may be helpful in further reviewing the alternatives in consideration for the selection of the preferred alternative(s). These additional studies were identified for all alternatives including Meadow Drive and Charleston Road grade separation alternatives. On August 23, 2021 staff presented the details of the additional studies and staff recommendations.

Similarly, for Churchill Avenue, these studies are presented again to seek direction from the Council on additional studies that would help in further narrowing the alternative selection. It should be noted that many of these studies are typically conducted later in a construction project development process and focused on a primary rather than multiple alternatives. This is reflected in the associated costs. In addition, conclusions from these studies must be considered preliminary, since responsible agencies such as Caltrain will provide limited guidance and feedback at the current conceptual design stage. Nonetheless, to the extent these studies provide community stakeholders greater confidence in decision-making, the costs involved represent a small percentage of the ultimate costs of grade separation construction. The additional studies with estimated scopes and fees are listed below.

It is worth noting, when considering further studies to be conducted, the distinct roles of City staff and our consultant team. As noted above, many of the studies described below are typically conducted later in project development. As such, neither staff nor our consultants are advocating for advancing these studies at this time. At the same time, the consultant team

brings the subject matter expertise and resources needed to provide the additional analysis desired to support decision-making. Staff will negotiate with our consultants on study scopes and fees based on Council direction. Should Councilmembers believe that further studies would more appropriately be conducted by independent organizations, staff would like to discuss any concerns. The schedule, cost effectiveness, and workload effect of such direction should be considered, while recognizing that ultimately staff could pursue separate procurements for the required services.

Overall, the estimated scope and fee listed above for various studies is inclusive of work anticipated for all three crossings (Churchill Avenue, Meadow Drive, and Charleston Road). In general, these costs are not directly proportional to the number of crossings. Depending upon the City Council direction, if a particular item needs exclusion from further study at any of the crossings, the scope will be reviewed and negotiated with the consultant. Discussion and direction from the Council on priorities within these potential additional studies will help staff manage project costs and ensure continued progress on the evaluation of the alternatives within resources.

Track Review and Caltrain Coordination: Estimated fee* \$90,000-\$110,000.

JPB/Caltrain has adopted the moderate-growth improvement program as outlined in its Business Plan (<https://caltrain2040.org/>). However, JPB also indicated that the high-growth improvement program should not be precluded. Palo Alto has been identified in the Business Plan as a location for the high-growth improvements, including 4-tracks. To date, alternatives developed for the Rail Program have been evaluated for 2-tracks. Identifying the implications of each alternative with 4-tracks will require additional engineering analysis.

- **Gather Data from Caltrain:** Meet with Caltrain to gather more information about what the limits of the 4-track alignment would be and what the typical section would be along the limits and at the stations.
- **Evaluate Alternatives:** Conduct a high-level analysis of the impacts of 4-tracks for each alternative still under consideration (MC Viaduct, MC Hybrid, MC Trench, MC Underpass, CH Viaduct, CH Underpass, and CH Closure) by overlaying Caltrain's 4-track geometry over the proposed 2-track. Identify a list of significant impacts for each alternative. Determine if the alternatives are still feasible with 4-tracks or does not preclude 4-tracks in the future. Note: This task assumes no animations or photo simulations or updates to existing exhibits.
- **Meet with Caltrain:** Meet with Caltrain to review the evaluation of alternatives and gather additional feedback on the feasibility and impacts of each.
- **Prepare memorandum report:** Prepare a draft and final memorandum report that documents the evaluation of the 4-track alignment and feedback received from Caltrain. Incorporate one-set of consolidated comments from the City and Caltrain on the draft technical memorandum.

Traffic Study Update (2040): *Estimated fee** *\$45,000-\$55,000*

During the study session and the XCAP recommendations, there was a discussion to review the traffic conditions with the future forecast of 2040 rather than the 2030 forecasts that have been used in the traffic study. While explained that the forecast reflects Comprehensive Plan buildout rather than a specific year, additional land use forecasts could be incorporated in order to update the traffic model. The update to traffic analysis to reflect a future forecast year of “2040” rather than the year 2030 forecasts will require the following specific tasks.

- **Model Land Use:** Palo Alto has not identified any growth beyond 2030, which is considered the horizon for the Comprehensive Plan. Therefore, for the traffic analysis zones (TAZ) within Palo Alto, the land use data will be the same as the 2030 forecasts. Outside of Palo Alto, Hexagon will update the land use data to year 2040 using the latest version of the VTA model.
- **Model Forecasts:** Consultant (Hexagon) will run the Palo Alto model and produce traffic volume forecasts for the major streets in Palo Alto in the study area. These forecasts will be used to calculate growth factors, and the growth factors will be applied to the existing intersection turning movement counts from the prior traffic study. This will yield an estimate of intersection turning movement counts for 2040.
- **Traffic Calculations:** The 2040 forecast intersection turning movements will be used to recalculate intersection levels of service for the project alternatives. There are 11 project alternatives, and calculations will be done for the AM and PM peak hours. Thus, 22 scenarios will be included in the study.
- **Documentation:** Consultant (Hexagon) will prepare a revised traffic report that updates the long-range analysis to year 2040. The existing conditions analysis will remain unchanged.

Design Refinement Of Underpass Alternatives: *Estimated fee** *\$125,000-\$150,000*

The XCAP in their presentation to the City Council recommended that the Underpass Alternative at Meadow and Charleston undergo an additional design iteration to incorporate input from the PABAC and school committees. As such staff requested the Consultant for their support to develop the estimated costs and scope as follows:

- **Enhance Alternatives:** Refine the three underpass alternatives (Churchill, Meadow, and Charleston) by including input received by the XCAP, the school committees, and the ped/bike advisory committees (PABAC, etc.).
Note: This task assumes the railroad profiles remains at-grade.
- **Update Exhibits:** Update the plan, profile and typical section exhibits for each of the three alternatives.
- **Update Renderings:** Update the 3D CAD model and still image renderings to include all refinements, including those not captured previously (U-turn at Alma Plaza, for example).
Note: This task does not include animations or photo simulations.

- **Update Cost Estimates:** Update the quantities, and cost estimates for each alternative. Note: If the unit costs get updated, then additional time will need to be added to update all other alternatives too for consistency.
- **Update Miscellaneous Items:** Update the Evaluation Matrix, Fact Sheets, website materials and VR room materials/exhibits based on the refinements.

Preliminary Geotechnical Investigations: Estimated fee* \$130,000-\$160,000

The XCAP in their presentation to the City Council recommended that the review of the subsurface conditions will provide a better understanding of the groundwater condition for the design of underground structures. As a result, staff requested the consultant to provide scope for the preliminary geotechnical investigation.

- **Data Collection and Review – Groundwater and Geotechnical:** Collect available geotechnical and groundwater data from adjacent projects. This could include data from Santa Clara Water District channel projects, Caltrans Local Bridges, and other sources.
- **Field Investigation – Two CPT Borings:** Once the existing available data has been collected and reviewed, a recommendation to conduct a limited geotechnical field investigation to confirm data closer to proposed bridge and retaining wall structures. For this effort, two Cone Penetrometer Test (CPT) borings are anticipated. Recommendations for further detailed geotechnical field investigations will be evaluated but deferred to the next level of design. The purpose of this limited geotechnical investigation is to confirm design assumptions made during this design phase.
- **Memorandum Report – Draft and Final:** The data collected in the stated tasks above will be summarized in a memorandum. The memorandum will also discuss further investigation needed for detailed design as well as confirm assumptions used for bridge and retaining walls foundations.

Box Jacking System/Geotechnical Investigation & Feasibility Study: Estimated fee* \$350,000-\$600,000

The XCAP in their presentation to the City Council recommended an additional review of the newer more advanced technologies such as “Box Jacking” could expedite the project and may also eliminate the need of shoofly thereby reducing the construction costs. Based on this recommendation, staff requested the consultant to provide scope for evaluating the feasibility of such a system. The scope for this work includes the preliminary geotechnical investigation and described below.

- **Data Collection and Review – Groundwater and Geotechnical:** The scope described in the task above for Preliminary Geotechnical investigation for data collection and field investigations is also be included in this task. In addition to the CPT described in the task above, one exploratory boring would be taken at each crossing location to supplement the data collected from the CPT.
- **Construction Methodology Evaluation:** Data collected in the above task will be used to determine the feasibility of a relatively long-span (40-60 feet or possibly longer) box culvert-like structure to support the various loading conditions (dead load, live load, lateral and vertical seismic loads, and buoyancy due to groundwater).
- **Construction Phasing / Sequencing:** In this task, the various components involved with the set up and operation of a box jacking system will be evaluated, such as dewatering of the excavation pit, the size of the pit and the extent of the temporary shoring, utility conflicts and the potential need for relocations, the maintenance of vehicular traffic and Caltrain’s overhead contact system.
- **Cost Estimate:** Prepare a rough order-of-magnitude (ROM) cost for the box jacking system.
- **3D Animation:** Prepare a 3D animation of the steps anticipated to complete the installation of a box culvert-like substructure via a box jacking system.
- **Memorandum Report:** The information in the tasks stated above would be summarized in a technical memorandum. It also includes the incorporation of one round of comments is (one Draft and one Final report).

Cost Details: Geotechnical Investigation \$120,000-\$150,000; Structural Analysis \$230,00-\$450,000

Shadow Analysis (Light Plane Review): Estimated fee* \$20,000-\$25,000

- XCAP recommended that the shadow of the overhead structures may impact the residential properties adjacent to the tracks and shall be studied for such alternatives. Staff requested the consultant to provide the scope and fee for such work. The proposed scope by the consultant is as described below: **3D Model Development**
 - Collect geolocation info (Lat/Long and Elevation data) for correct sun angle
 - Complete topology and surface conditions
 - Note: This does not include a Lidar scan, it’s assumed that 3D information from public sources (i.e., Google Earth) are used

- Complete object 3D model (features that will **cast** shadows)
- Complete subject 3D model (features that will **receive** shadows)
- Model other details, as needed (trees, etc.)
- **Shadow Study Analysis**
 - Shadow Study Analysis
 - Note: One specific day of the year will be selected for the analysis
 - Organization and Preparation: Study imagery combined with analytics
 - Add Legend/Icons/Notes
- **Study Document Production and Final Report**
 - Image and document post-production using Adobe Illustrator and Photoshop
 - Combine multiple studies using Adobe InDesign
 - Address comments and complete final report

Assumptions for these studies:

- Three sites (Churchill, Meadow, and Charleston) and two alternatives (Viaduct at each and a Hybrid at Meadow and Charleston) will be studied.
- Each site has three proposed subjects (buildings) to be analyzed.
- Each site will have several buildings that can be used to extrapolate shadow study analytics for that area. Structures predicted to receive the most shading will be the subjects for study.
- The estimate includes one study at Churchill (Viaduct), two studies each at Meadow and Charleston (Viaduct and Hybrid).
- Fifteen (15) shadow analyses will be completed; three (3) at Churchill, six (6) at Meadow, and six (6) at Charleston. Each one will include an analysis of shadow impact on the target structure and a visual of the shadow path, sun angles, and other simulation details. Studies for each site will be combined and annotated according to any given constraints. For example, a pass/fail system based on a maximum number of shade hours a target structure is allowed to receive.

Additional Noise Study: Estimated fee* \$55,000-\$65,000

The XCAP and community members were concerned with the lack of the extent of the noise study. As a result, staff requested the consultant to provide scope for the expanded study area and to include future growth of Caltrain as part of this study. The proposed scope by the consultant is as described below:

Expand Study Area/Measurements: Conduct additional noise measurements, going further back into the adjacent residential neighborhoods (perhaps 3 or 4 rows in a few locations near grade crossings) to determine the contribution of existing train noise relative to non-train ambient noise levels at these locations and incorporate these findings into the evaluation of the various grade separation alternatives.

- **Expand Analysis for Future Growth:** Expand the noise analysis to consider the comparative influence of the future growth scenarios (see table below) on the projected relative effectiveness of the proposed grade-crossing design alternatives.

TABLE 9: Trains per Day, Caltrain Corridor

Scenario	Year (Est.)	Type of Train			Comment
		Caltrain	Freight	HSR	
Existing	2020	92	3	0	All diesel Locos
Electrification	2024	114	3	0	All EMU (used in current analysis)
Baseline growth	2040	174	3	130	Per Caltrain Business Plan
Moderate growth	2040	268	3	130	
High Growth	2040	348	3	130	

Source: Caltrain Business Plan

- **Analyze Structural Noise/Vibration:** Conduct a limited literature review to collect data and support technical conclusions regarding the relative acoustical contribution of modern viaduct structures such as those proposed for use in the viaduct alternative.
- **Update Noise Study Report:** Update the technical noise report document to incorporate all three of the preceding expanded analyses and present the result (remotely) at a City Council meeting and incorporate one round of comments into a final report document.

Storm Drainage Infrastructure: Estimated fee* \$200,000 – \$250,000

- **This item is primarily covering the major storm drainage infrastructure that will impact the trench alternative for Meadow Charleston and therefore not applicable for Churchill Avenue.**
- **Evaluate Trench Storm Drain Alternatives:** An evaluation of a siphon or a lift station options will be performed for the creek crossing based on the trench grade separation alternative. The following items will be considered:
 - Environmental issues/concerns (e.g., impact to creek habitat)

- Permit requirements (RWQCB, SCVWD, FEMA, USACE, Department of Fish and Game)
- Flooding potential and impacts
- Maintenance issues and long term requirements
- Design Options and conceptual details (depth of siphon, entrance/exit slope and length, etc.)
- Utility conflicts and impacts
- Temporary shoring requirements
- Traffic impacts during construction
- Right-of-way impacts
- Groundwater and aquifer impacts

A rough order-of-magnitude (ROM) cost will be developed for both options.

- **Evaluate Underpass Storm Drain Alternatives:** Drainage requirements for the underpass alternatives will be determined. For example, the size of the pump station, and the location of a motor control center (MCC) building, and potential right-of-way impacts, will be considered. A ROM cost will also be included.
- **Prepare Memorandum Report:** The information from the evaluation will be summarized in a technical memorandum. Incorporation of one round of comments is assumed (one Draft and one Final report).

Additional Outreach: Estimated fee* \$15,000-\$20,000

- **Conduct Meetings with Additional Stakeholders:** Conduct separate virtual meetings with Palo Alto Unified School District (PAUSD), Stanford, and the Palo Alto Bicycle Advisory Committee (PABAC) to review the alternatives still under consideration (MC Viaduct, MC Hybrid, MC Trench, MC Underpass, CH Viaduct, CH Underpass, and CH Closure). A total of three meetings with the stakeholder are anticipated.
- **Prepare Meeting Notes:** Prepare draft and final meeting notes for each that document the feedback received from each stakeholder. Develop a list of revisions to be considered at the next phase of design. Incorporate one-set of consolidated comments from the City and Caltrain on the draft technical memorandum. Note: This task does not include revising/updating any previously prepared exhibits or changing the location of the ped/bike undercrossing.

Urban Designer: Estimated fee* \$100,000-\$125,000

The XCAP members asked the staff to explore the possibility to bring in the urban designer for review of the alternatives. Staff requested the consultant to provide scope for such services. The scope of work is described as follows:

- **Urban Design / Public Realm Opportunity Mapping:** Identify opportunities for public realm improvements for each of the three (3) alternatives that considers landscaping, public art, pedestrian, and bicycle network enhancements and other placemaking strategies that benefit the community as well as the environment. An opportunities and constraints urban design plan diagram will be created for each of the three alternatives.
- **Urban Design / Public Realm Design Enhancements:** Building on the analysis in opportunity mapping task, the layout of potential public realm enhancements that provide co-benefits to the community will be prepared. Strategies that will be considered includes urban greening, integration of public art, aesthetic character of walls and hardscape, and an overall human-centric approach to design that enhances the experience for the public. A conceptual site plan for each alternative will be updated with the proposed public realm design features. Note: This task does not include renderings, animations or photo simulations.
- **Meetings:** Two (2) team members to attend up to eight (8), virtual team coordination meetings.

Conceptual Design for Ped/Bike Undercrossing At Seale And Loma Verde: Estimated fee* \$80,000-\$100,000

The XCAP in their presentation to the City Council indicated concerns about the limited pedestrian bike crossings across the Caltrain corridor. The interest of the XCAP was to provide for these facilities prior to construction of grade separation alternatives so that there is adequate mobility across the corridor. As a result, staff requested the consultant to provide scope for such services. The scope of work is described as follows:

- **Conceptual Layouts:** Develop plan, profile and typical section exhibits for a ped/bike undercrossing at two locations: Seale Ave/Peers Park and Loma Verde Ave.
- **Cost Estimates:** Develop a conceptual-level cost estimate at each location to the same level of detail that was done for the previous alternatives.
- **3D Renderings:** Create a 3D CAD model of the conceptual designs and provide up to six (6) computer-generated renderings and two (2) photo simulations at each location.
- **Miscellaneous Public Outreach Materials:** The two concepts will be added to the Evaluation Matrix. Fact Sheets for each will be provided, and exhibits will be uploaded to the website. In addition, the VR room will be updated accordingly.

This Council discussed and directed the staff to continue work on the bike plan in parallel with consideration of construction time and interaction with grade crossing plans.

<i>Sustainability:</i>	<i>Estimated</i>	<i>fee*</i>	<i>\$50,000-\$80,000</i>
-------------------------------	------------------	-------------	--------------------------

The community members and the City Council indicated interest in the sustainability factors for these alternatives. As a result, staff requested the consultant to provide scope for such services. The scope of work is described as follows:

- **Sustainability Strategy Plan:** All of the alternatives developed to date can incorporate sustainability practices into the design. This task will develop a strategy to identify major categories where sustainable materials and practices can be incorporated into final design of alternatives.
- **Bike/Ped Usage:** Lowering greenhouse gases usage factors into the sustainable design of an alternative. Pedestrian and bicycle facilities factor into reduced greenhouse gases. This task would evaluate how bike/ped facilities can be improved in relation to the grade separation alternatives.

*The estimated scope and fee listed above for various studies is inclusive of work anticipated for all three crossings (Churchill Avenue, Meadow Drive, and Charleston Road). Most of these studies can be performed independently for each of the alternatives at these crossings. However, there is a general economy of scale in performing similar work for a greater number of alternatives and crossings. In addition, some of the studies such as Noise Study update and Traffic Study Update for 2040, if conducted will be tied to update models for all crossings concurrently. Box Jacking evaluation also us. Therefore, these costs are not directly proportional to the number of crossings. Depending upon the City Council direction, if a particular item needs exclusion from further study at any of the crossings, the scope will be reviewed and negotiated with the consultant.

Next Steps

- Following the City Council's review of alternatives in detail and possible narrowing of alternatives and direction from the City council on the additional studies, staff will negotiate with AECOM Consultants, the final scope and fee for this additional work. Staff will then return to Council for approval of an amendment to the existing consultant contract for expanded scope of work needed to accomplish additional work.
- Perform additional studies of selected alternatives as directed at each of the locations and bring back additional information for Council consideration.
- Rail Committee to discuss the financial consideration, when substantive information from the additional studies becomes available.
- Direction from the City Council on the final selection of the preferred alternative at each of the three crossings.
- Direction to staff for preparing the initial Project Study Report (PSR) that provides the summary of actions and demonstrates the purpose, need and provides the scope of the project which is necessary to complete studies and the work needed for project approval and environmental design.

The selection of preferred alternatives will therefore lead to the development of preliminary engineering and preparation of environmental documents including the associated Environmental Impact Report (EIR). The completion of Environmental documents will better position the City to seek grant funding from Federal and State programs for such projects. Depending upon the timing and funding availability, after the approval of EIR, the project will move towards completion of final design documents and then followed by construction of project improvements.

RESOURCE IMPACT

Preliminary scope and cost estimates to conduct additional studies were developed for all three rail crossings (Churchill Avenue, Meadow Drive, and Charleston Road) for Council's review and consideration for further staff direction. The recommendation to perform additional studies needed to select the preferred alternative will result in direct resource impact. Amendment to the Consultant Contract for performing these additional studies will be brought forward for Council approval.

Funding for the grade separation project of \$2.3 million is programmed in the FY 2022 Adopted Capital Improvement Budget for Railroad Grade Separation Project (PL-17001) that includes funding from 2016 Measure B Local Streets and Roads. The anticipated costs of the all the studies for these crossings is estimated to range between \$1.25M to \$1.73M. Funding for future years is subject to City Council approval through the annual budget process.

Direction from the City Council regarding further work, outside those recommended in this report, on the grade separation projects may lead to future resource impacts. As City Council direction is provided, corresponding budget adjustments will be brought forward for approval as appropriate. Rail grade separation projects are historically funded by the General Capital Improvement Fund through funding sources such as Measure B, SB1 and in or through General Fund support. Additional funding allocations will need to be taken into consideration of competing needs and limited funding remaining as part of the general Capital Improvement Fund.

ENVIRONMENTAL REVIEW

The proposed action is part of a planning study for a possible future action, which has not been approved, adopted, or funded and is therefore exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15262. The future decision to approve the construction of any one of the identified potential alternatives would be subject to CEQA and require the preparation of an environmental analysis. Environmental review and design for the grade separation project will be performed in the subsequent steps of the project development.

DOCUMENTS

All of the project-related documents are posted on the project webpage here: <https://connectingpaloalto.com/>. Here are direct links furthered for Council consideration and public information as part of this staff report:

- [Fact Sheets & Matrix](#)
- [Renderings & Animations](#)
- [Traffic Analysis Report](#)
- [Noise & Vibration Report](#)
- [Virtual Town Hall website](#)

XCAP Final Report & Appendix

Appendix A contains Fact Sheets, Matrix, Renderings and Plans (created by AECOM). Appendix B contains general information. Appendix C contains XCAP materials. Due to file size limitations, the Appendix is broken into six parts:

- [XCAP Final Report](#)
 - Part 1: [Appendix A-1 thru A-2-1](#)
 - Part 2: [Appendix A-2-2 \(01-04\)](#)
 - Part 3: [Appendix A-2-2 \(05-08\)](#)
 - Part 4: [Appendix A-2-3 thru A-6](#)
 - Part 5: [Appendix B](#)
 - Part 6: [Appendix C](#)



City of Palo Alto City Council Staff Report

(ID # 13441)

Report Type: Informational Report

Meeting Date: 11/1/2021

Title: Sales Tax Digest Summary Calendar 2021 Q2

From: City Manager

Lead Department: Administrative Services

DISCUSSION

This report transmits information regarding the City of Palo Alto's sales tax receipts for the second quarter (April to June) of 2021.

There are two attachments to this report that provide further level of information:

- City of Palo Alto Sales Tax Digest Summary (Attachment A)
- California Legislative Update -September 2021 (Attachment B)

The City's sales tax cash receipts of \$7.5 million for the second quarter (April to June 2021) is \$1.7 million (28.2 percent) higher than the same quarter of the prior year (see Attachment A, chart 5). This increase includes late payment anomalies related to the state sales tax extension program to help alleviate the short term and negative economic impacts of the pandemic. After adjustments made for the non-period related payments, the overall economic quarter over quarter sales tax activity (Q2 2020 to Q2 2021) increased by 50.3 percent. It should be noted that Q2 2020 saw significant impacts from COVID-19 due to it being the first quarter after the pandemic began.

For the year ending in the second quarter of 2021, cash receipts (including pools) for the City declined 5.9 percent from the prior year. In comparison, statewide increased by 12.9 percent, Northern California increased by 13.0 percent, and Southern California by 12.8 percent.

After adjustments for non-period related payments, the overall economic sales tax activity (local business excluding pools) in Palo Alto for the year decreased by 8.5 percent. After adjustments, the economic sales tax activity for the state decreased 3.7 percent, increased 0.8 percent in Northern California and decreased 6.6 percent in Southern California.

While reviewing the second quarter figures, it is important to recognize that the state of California offered small businesses a 90-day extension to pay their first quarter of 2020 taxes

due to the economic impact of the pandemic. This resulted in some businesses paying their first quarter economic payments in the second quarter.

Attachments:

- **Attachment16.a:** Attachment A City of Palo Alto 2021 Q2 Digest
- **Attachment16.b:** Attachment B California Legislative Update, September 2021

City of Palo Alto
Sales Tax Digest Summary
Collections through August 2021
Sales April through June 2021 (2021Q2)

California Overview

For the year ending in second quarter 2021, cash receipts increased 12.9% statewide, 13.0% in Northern California and 12.8% in Southern California. However, when adjusted for non-period related payments, the overall economic sales tax activity for the year ending in second quarter 2021 decreased by -3.7% statewide, down -6.6% in Southern California, and up 0.8% in Northern California.

City of Palo Alto

For the year ending in the second quarter of 2021, sales tax cash receipts for the city declined -5.9% from the prior year. However, when adjusted for non-period related payments, the overall economic sales tax activity in Palo Alto for the year ending in second quarter 2021 decreased by -8.5%.

On a quarterly basis, sales tax cash receipts increased by 28.2% from Quarter 2 2020 to Quarter 2 2021. However, this increase includes late payment anomalies related to a state sales tax extension program (see note below). The period's cash receipts include tax from business activity during the period, payments for prior periods and other cash adjustments. When adjusted for non-period related payments, the overall economic quarter over quarter sales tax activity (Q2 2020 to Q2 2021) in Palo Alto increased by 50.3%.

Note: It is important to recognize that the state offered small businesses a 90-day extension to pay their first quarter of 2020 taxes (to alleviate some of the short-term economic difficulties of the pandemic), and some businesses had partial or no payments for the first quarter of 2020. As a result of this extension program, some payments for first quarter economic activity were paid in the second quarter of 2020. While Palo Alto experienced a 26.6% cash decrease for the first quarter of 2020 (from Q1 2019), this includes late payment decreases related to the state 90-day extension program, actual first quarter of 2020 economic activity did not decline to this extent.

Regional Overview

The first chart on page two shows adjusted economic benchmark year amounts, which means that it shows a full calendar year from the third quarter of 2020 through second quarter of 2021 compared to third quarter of 2019 through second quarter of 2020 (benchmark years are rolling annual comparisons through the current quarter). The decrease is different between the state and Palo Alto because the sales tax from businesses in Palo Alto were more impacted than those statewide.

City of Palo Alto

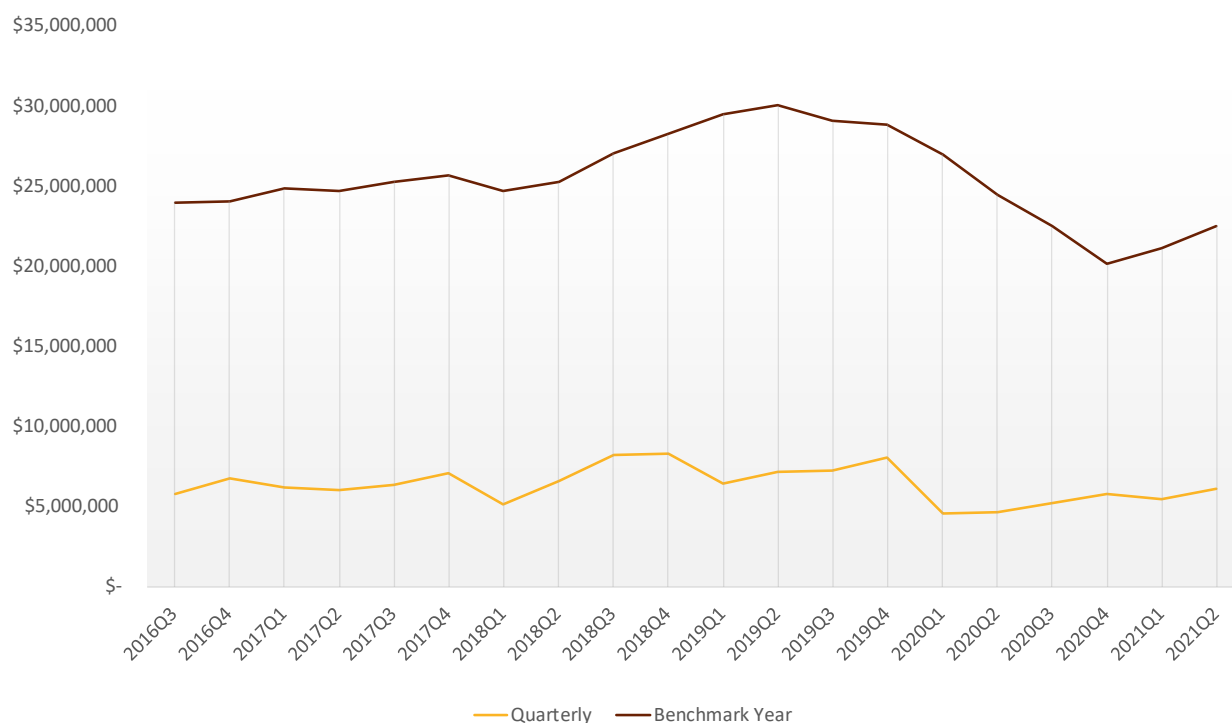
Chart 1

Regional Overview Chart (Economic)

ECONOMIC CATEGORY ANALYSIS FOR YEAR ENDED 2nd Quarter 2021									
% of Total / % Change	Palo Alto	California Statewide	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	Inland Empire	North Coast	Central Coast
General Retail	27.2 / -13.9	28.4 / 3.0	26.8 / 2.9	26.8 / 15.7	37.3 / 27.9	27.1 / 6.3	30.5 / -34.0	30.5 / 14.2	28.7 / -12.6
Food Products	12.6 / -27.1	18.5 / -14.0	17.5 / -21.4	15.4 / -1.2	13.7 / -7.5	20.4 / -6.6	17.9 / -40.9	15.8 / -22.4	30.0 / -25.5
Transportation	22.8 / 2.8	23.8 / -0.8	21.6 / 1.4	28.6 / 12.9	21.5 / -5.5	24.4 / 9.7	25.2 / -41.7	27.8 / 8.1	23.3 / -16.1
Business to Business	33.3 / -8.6	17.1 / -8.0	21.5 / -0.8	14.4 / 4.0	15.4 / -3.2	16.9 / -0.8	11.2 / -59.9	9.0 / 3.2	8.2 / -35.1
Misc/Other	4.2 / 124.3	12.2 / 0.5	12.6 / 2.7	14.8 / 12.4	12.1 / 3.5	11.2 / 10.6	15.2 / -36.6	16.9 / 9.0	9.8 / -18.8
Total	100.0 / -8.5	100.0 / -3.7	100.0 / -3.4	100.0 / 9.8	100.0 / 6.0	100.0 / 3.4	100.0 / -41.7	100.0 / 3.1	100.0 / -20.4
ECONOMIC SEGMENT ANALYSIS FOR YEAR ENDED 2nd Quarter 2021									
	Palo Alto	California Statewide	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	Inland Empire	North Coast	Central Coast
Largest Segment	Auto Sales - New	Auto Sales - New	Auto Sales - New	Auto Sales - New	Department Stores	Restaurants	Auto Sales - New	Auto Sales - New	Restaurants
% of Total / % Change	19.4 / 5.1	12.4 / 13.3	12.3 / 15	13 / 23.8	11.3 / -1.9	13.6 / -11.6	12.2 / -27.7	12.4 / 22.4	20 / -27.6
2nd Largest Segment	Leasing	Restaurants	Restaurants	Department Stores	Miscellaneous Retail	Auto Sales - New	Miscellaneous Retail	Department Stores	Auto Sales - New
% of Total / % Change	18.6 / 23.8	11.9 / -18.7	11 / -27.9	10 / 4.7	11.1 / 114.2	13.2 / 25	11.1 / -12.3	12 / 9.5	14 / -2.2
3rd Largest Segment	Restaurants	Department Stores	Miscellaneous Retail	Restaurants	Furniture/ Appliance	Department Stores	Restaurants	Bldg.Matls-Retail	Miscellaneous Retail
% of Total / % Change	10.7 / -28.9	8.7 / -6.5	10.1 / 16.4	9.7 / -4	8.9 / 29.5	8.6 / 3.2	10.4 / -44.3	10.2 / 15.1	8.6 / -14.4

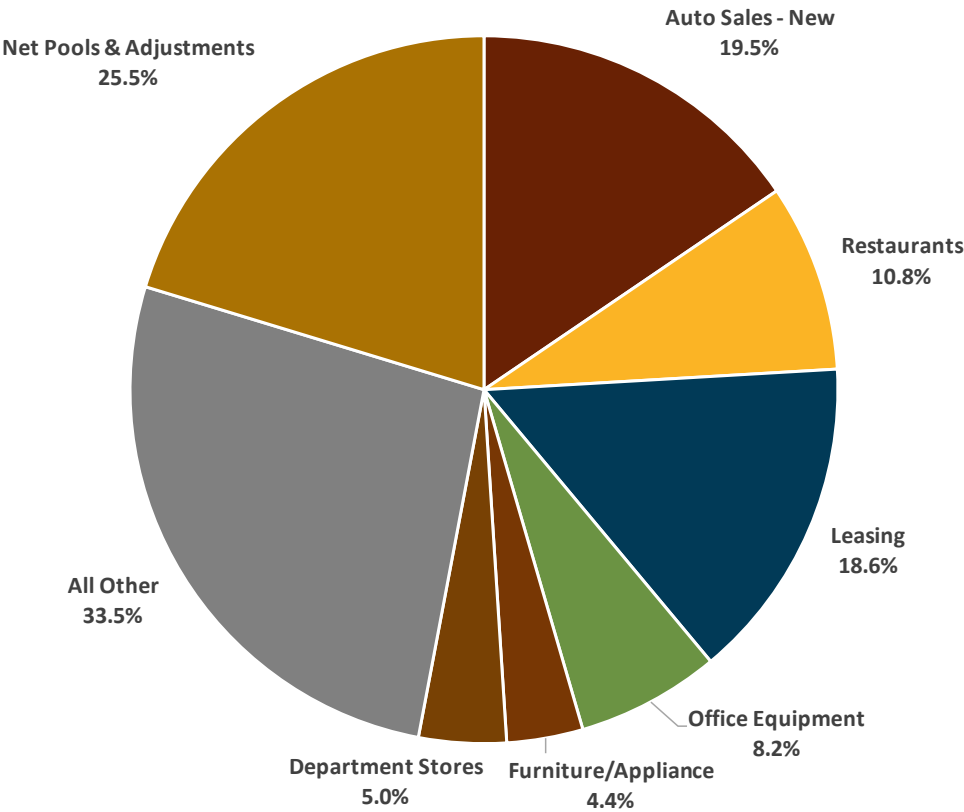
Chart 2

Gross Historical Sales Tax Cash Receipts by Benchmark Year and Quarter (Before Adjustments)



Net Cash Receipts for Benchmark Year Second Quarter 2021: \$28,124,751

**Benchmark year (BMY) is the sum of the current and 3 previous quarters (2021Q2 BMY is sum of 2021 Q2, 2021 Q1, 2020 Q4, 2020 Q3)*

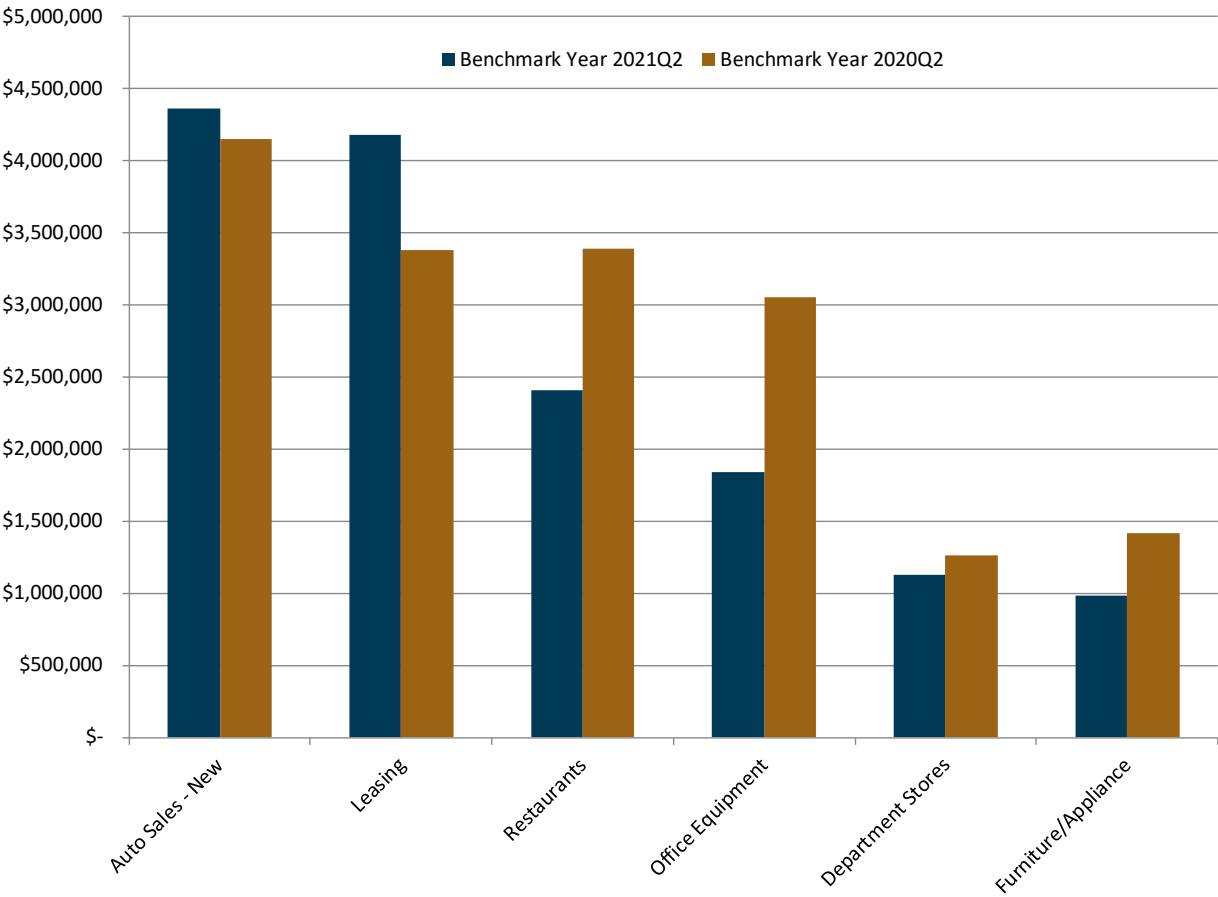


TOP 25 SALES/USE TAX CONTRIBUTORS

The following list identifies Palo Alto's Top 25 Sales/Use Tax contributors. The list is in alphabetical order and represents the year ended second quarter of 2021. The Top 25 Sales/Use Tax contributors generate 62.3% of Palo Alto's total sales and use tax revenue.

Anderson Honda	HP Computing & Printing	Shell Service Stations
Apple Stores	Louis Vuitton	Shreve & Co.
Atila Biosystems	Lucile Packard Children's Hospital	Stanford Outpatient Pharm.
Audi Palo Alto	Macy's Department Store	Tesla
Bloomingdale's	Magnussen's Toyota of Palo Alto	Tesla Lease Trust
Dell Marketing	Neiman Marcus	Tiffany & Company
Enclos Corp.	Nordstrom	Varian Medical Systems
Hengehold Trucks	Richemont	Volvo Cars Palo Alto
Hermes		

Sales Tax from Largest Non-Confidential Sales Tax Segments (Economic)



Historical Analysis by Calendar Quarter

Economic Category	%	2021Q2	2021Q1	2020Q4	2020Q3	2020Q2	2020Q1	2019Q4	2019Q3	2019Q2	2019Q1	2018Q4
Business To Business	21.9%	1,638,092	1,803,993	1,948,294	2,027,964	1,870,893	2,010,844	2,381,737	1,950,735	1,958,684	2,244,140	1,910,168
Miscellaneous/Other	21.4%	1,602,297	1,424,075	1,650,242	1,321,778	990,334	1,225,410	1,692,985	1,516,049	1,784,443	1,464,631	2,497,498
General Retail	24.1%	1,803,297	1,259,993	1,709,004	1,298,977	657,723	1,449,509	2,573,066	2,415,683	1,993,189	1,887,330	2,559,140
Food Products	12.0%	897,222	621,710	721,698	647,289	434,446	976,479	1,244,954	1,203,802	1,267,934	1,176,607	1,240,898
Subtotal Economic (Local Business)	79.5%	5,940,907	5,109,771	6,029,238	5,296,007	3,953,397	5,662,242	7,892,743	7,086,269	7,004,251	6,772,708	8,207,703
Net Pools & Adjustments	20.5%	1,529,534	1,680,031	1,311,945	1,227,317	1,872,972	4,307	1,949,165	1,471,130	1,742,411	942,447	1,700,082
Total Cash Receipts	100.0%	7,470,441	6,789,802	7,341,183	6,523,324	5,826,368	5,666,550	9,841,908	8,557,399	8,746,661	7,715,155	9,907,785

Economic Segment	%	2021Q2	2021Q1	2020Q4	2020Q3	2020Q2	2020Q1	2019Q4	2019Q3	2019Q2	2019Q1	2018Q4
Miscellaneous/Other	48.5%	3,621,968	3,491,725	4,014,369	3,687,523	3,192,638	3,556,542	4,675,922	4,323,203	4,044,470	4,097,682	4,842,499
Restaurants	10.5%	785,086	529,770	600,427	543,111	339,414	853,240	1,095,153	1,072,082	1,122,871	1,041,119	1,079,230
Miscellaneous Retail	6.1%	456,685	329,448	456,914	325,380	107,313	279,945	500,221	384,381	392,196	333,960	544,739
Apparel Stores	5.3%	395,779	263,259	365,837	263,940	72,307	305,736	552,734	469,447	486,790	408,476	599,685
Department Stores	5.2%	384,763	237,522	315,453	186,208	29,823	245,862	552,822	431,508	453,439	356,943	599,796
Service Stations	2.0%	152,565	117,648	127,467	108,840	70,063	146,282	181,063	175,309	185,969	159,032	173,915
Food Markets	1.2%	89,669	71,860	91,881	81,580	76,039	102,026	118,952	104,192	113,153	106,194	124,138
Business Services	0.7%	54,393	68,539	56,890	99,426	65,799	172,609	215,876	126,148	205,363	269,302	243,701
Subtotal Economic (Local Business)	79.5%	5,940,907	5,109,771	6,029,238	5,296,007	3,953,397	5,662,242	7,892,743	7,086,269	7,004,251	6,772,708	8,207,703
Net Pools & Adjustments	20.5%	1,529,534	1,680,031	1,311,945	1,227,317	1,872,972	4,307	1,949,165	1,471,130	1,742,411	942,447	1,700,082
Total Cash Receipts	100.0%	7,470,441	6,789,802	7,341,183	6,523,324	5,826,368	5,666,550	9,841,908	8,557,399	8,746,661	7,715,155	9,907,785

The chart above shows the categories and segments in quarterly economic basis amounts. The total amount is the net cash receipts, and it was obtained by adding up the categories/segments with the “Net Pools & Adjustments” amount.

Historical Analysis by Calendar BMY from 2012Q2 to 2021Q2

Economic Category	%	2021Q2	2020Q2	2019Q2	2018Q2	2017Q2	2016Q2	2015Q2	2014Q2	2013Q2	2012Q2
Business To Business	26.6%	7,485,938	8,193,739	7,496,054	6,707,627	5,418,731	5,120,759	4,034,581	4,713,800	4,125,561	4,549,848
Miscellaneous/Other	21.3%	6,071,341	5,410,009	7,996,503	6,336,544	6,023,496	5,828,635	5,526,056	5,279,967	9,063,573	3,489,764
General Retail	21.7%	6,113,299	7,106,633	8,543,599	8,381,689	8,508,010	8,180,392	8,079,780	8,106,060	7,807,453	7,782,563
Food Products	10.1%	2,835,515	3,891,336	4,885,701	4,776,697	4,596,100	4,609,460	4,323,122	4,035,894	3,659,741	3,380,211
Subtotal Economic (Local Business)	79.7%	22,506,094	24,601,717	28,921,857	26,202,557	24,546,336	23,739,246	21,963,538	22,135,721	24,656,329	19,202,386
Net Pools & Adjustments	20.3%	5,618,657	5,290,508	7,167,972	3,517,465	4,313,668	4,407,390	4,034,611	3,441,331	3,335,946	2,710,652
Total	100.0%	28,124,751	29,892,225	36,089,829	29,720,022	28,860,004	28,146,636	25,998,149	25,577,052	27,992,275	21,913,038

Economic Segment	%	2021Q2	2020Q2	2019Q2	2018Q2	2017Q2	2016Q2	2015Q2	2014Q2	2013Q2	2012Q2
Miscellaneous/Other	52.9%	14,975,418	15,725,284	17,028,634	14,508,286	12,802,455	12,024,028	10,653,521	11,130,513	14,157,426	9,068,967
Restaurants	8.6%	2,410,193	3,388,800	4,304,101	4,166,128	3,993,417	4,010,073	3,761,655	3,516,294	3,126,823	2,877,248
Miscellaneous Retail	5.7%	1,590,233	1,273,539	1,639,505	1,676,488	2,137,729	1,885,952	1,506,384	1,497,498	1,354,304	1,278,762
Apparel Stores	4.6%	1,282,785	1,400,225	2,004,839	1,835,953	1,692,171	1,627,846	1,655,700	1,660,948	1,626,393	1,569,384
Department Stores	4.0%	1,124,004	1,260,329	1,885,556	2,068,624	2,065,427	2,250,100	2,397,566	2,403,841	2,475,567	2,442,573
Service Stations	1.7%	488,904	572,745	698,559	651,979	587,986	581,619	699,331	776,593	764,774	723,149
Food Markets	1.2%	331,966	402,973	452,977	498,697	504,997	509,177	489,468	449,881	470,528	446,376
Business Services	1.1%	302,590	577,822	907,685	796,402	762,154	850,451	799,913	700,153	680,514	795,927
Subtotal Economic (Local Business)	79.7%	22,506,094	24,601,717	28,921,857	26,202,557	24,546,336	23,739,246	21,963,538	22,135,721	24,656,329	19,202,386
Net Pools & Adjustments	20.3%	5,618,657	5,290,508	7,167,972	3,517,465	4,313,668	4,407,390	4,034,611	3,441,331	3,335,946	2,710,652
Total	100.0%	28,124,751	29,892,225	36,089,829	29,720,022	28,860,004	28,146,636	25,998,149	25,577,052	27,992,275	21,913,038

The chart above shows the categories and segments in benchmark year economic basis amounts. The total amount is the net cash receipts, and it was obtained by adding up the categories/segments with the “Net Pools & Adjustments” amount. Benchmark year (BMY) is the sum of the current and 3 previous quarters (2021Q2 BMY is sum of 2021 Q2, 2021 Q1, 2020 Q4, 2020 Q3).

Quarterly Analysis by Sales Tax Category: Change from 2020Q2 to 2021Q2 (Economic)

	General Retail	Food Products	Transportation	Business to Business	Misc/Other	2021/2 Total	2020/2 Total	% Chg	Largest Gain	Second Largest Gain	Largest Decline	Second Largest Decline
Campbell	-3.2%	-4.7%	-4.0%	-17.1%	-4.4%	1,486,197	1,552,216	-4.3%	Bldg.Matls-Retail	Miscellaneous Retail	Florist/Nursery	Office Equipment
Cupertino	87.2%	81.8%	65.7%	-8.6%	71.1%	8,697,680	8,910,939	-2.4%	Restaurants	Miscellaneous Retail	Office Equipment	Recreation Products
Gilroy	102.3%	40.4%	74.6%	43.8%	71.1%	4,180,592	2,554,657	63.6%	Apparel Stores	Auto Sales - New	Bldg.Matls-Retail	Heavy Industry
Los Altos	58.5%	30.4%	99.9%	-52.1%	94.6%	516,580	401,341	28.7%	Restaurants	Service Stations	Business Services	Food Markets
Los Gatos	93.0%	31.6%	75.2%	13.0%	15.3%	1,347,562	996,408	35.2%	Restaurants	Auto Sales - New	Miscellaneous Other	Food Processing Eqp
Milpitas	111.5%	23.2%	-5.2%	-14.6%	-6.1%	3,843,394	3,605,023	6.6%	Apparel Stores	Restaurants	Office Equipment	Electronic Equipment
Morgan Hill	36.6%	43.3%	63.3%	-15.3%	61.5%	2,420,733	1,776,518	36.3%	Auto Sales - New	Restaurants	Light Industry	Electronic Equipment
Mountain View	36.5%	29.7%	79.3%	23.3%	74.0%	3,804,307	2,881,560	32.0%	Restaurants	Auto Sales - New	Office Equipment	Bldg.Matls-Whsle
Palo Alto	173.1%	104.1%	65.8%	-12.7%	70.6%	5,940,907	3,948,447	50.7%	Auto Sales - New	Restaurants	Office Equipment	Drug Stores
San Jose	22.5%	45.9%	70.3%	31.3%	68.9%	52,315,286	38,930,614	34.4%	Auto Sales - New	Restaurants	Drug Stores	Closed Acct-Adjustmt
Santa Clara	84.5%	58.7%	80.3%	11.9%	78.3%	11,330,428	8,611,022	31.6%	Auto Sales - New	Light Industry	Office Equipment	Leasing
County of Santa Clara	69.9%	87.2%	-7.3%	26.5%	13.0%	1,057,424	714,434	48.0%	Food Processing Eqp	Restaurants	Misc. Vehicle Sales	Heavy Industry
Saratoga	67.8%	78.3%	85.8%	184.3%	72.4%	251,729	141,732	77.6%	Restaurants	Service Stations	Bldg.Matls-Retail	Health & Government
Sunnyvale	64.8%	25.1%	68.0%	7.2%	67.9%	5,580,181	4,228,420	32.0%	Auto Sales - New	Light Industry	Office Equipment	Misc. Vehicle Sales

Unlike the chart on page one which showed a 'benchmark year' through second quarter of 2021, the chart above shows a comparison of one quarter only – second quarter of 2021 to second quarter of 2020. This chart is for local 'brick and mortar' businesses and it excludes county pools and adjustments.

City of Palo Alto Geo Areas & Citywide Chart Data: Change from 2020Q2 to 2021Q2 (Economic)

California Avenue	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
FOOD PRODUCTS	105.4%	40,916	19,916	41.4%	29.8%
GENERAL RETAIL	15.3%	32,184	27,919	32.6%	41.8%
ALL OTHER	34.7%	25,616	19,018	25.9%	28.4%
TOTAL	47.7%	98,716	66,853	100.0%	100.0%

El Camino Real and Midtown	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
FOOD PRODUCTS	106.1%	84,335	40,927	12.4%	12.9%
GENERAL RETAIL	52.7%	21,587	14,138	3.2%	4.4%
ALL OTHER	117.4%	571,950	263,119	84.4%	82.7%
TOTAL	113.0%	677,872	318,184	100.0%	100.0%

Greater Downtown	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
FOOD PRODUCTS	154.4%	338,681	133,138	55.3%	48.6%
GENERAL RETAIL	133.0%	217,238	93,221	35.5%	34.0%
BUSINESS TO BUSINESS	9.4%	32,034	29,278	5.2%	10.7%
CONSTRUCTION	12.3%	12,598	11,220	2.1%	4.1%
MISCELLANEOUS	54.2%	7,821	5,071	1.3%	1.9%
TRANSPORTATION	74.2%	3,723	2,138	0.6%	0.8%
TOTAL	123.3%	612,095	274,066	100.0%	100.0%

Stanford Shopping Center	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
GENERAL RETAIL	605.3%	1,041,136	147,624	72.3%	39.2%
FOOD PRODUCTS	120.7%	128,990	58,457	9.0%	15.5%
ALL OTHER	58.5%	270,116	170,410	18.8%	45.3%
TOTAL	282.5%	1,440,242	376,491	100.0%	100.0%

City of Palo Alto Geo Areas & Citywide Chart Data: Change from 2020Q2 to 2021Q2 (Economic) Cont.

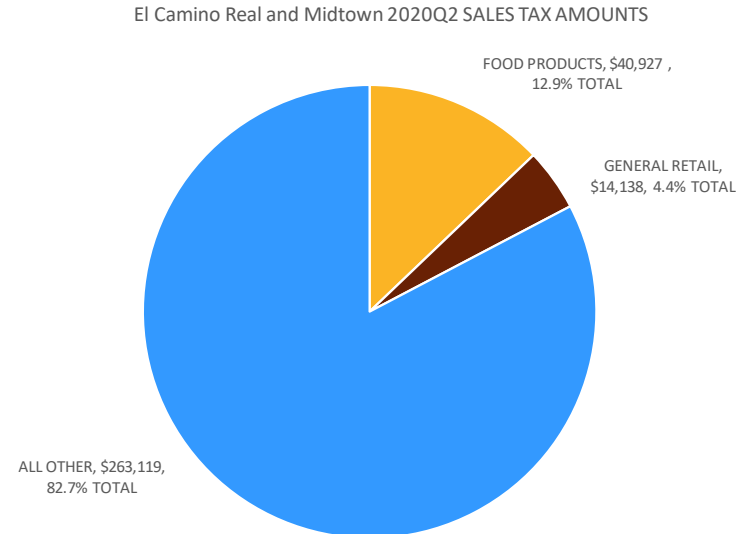
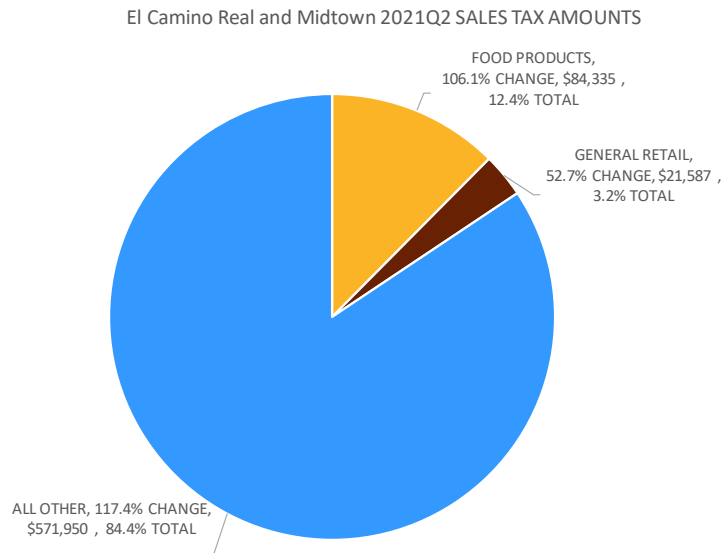
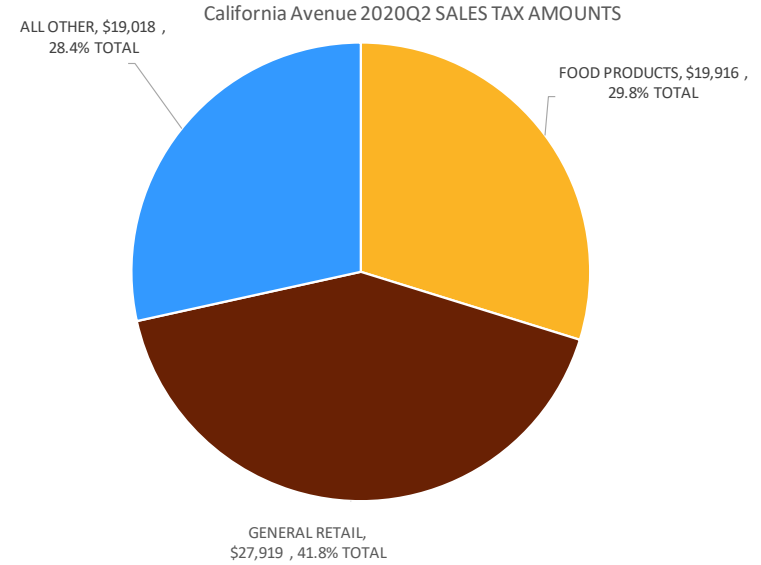
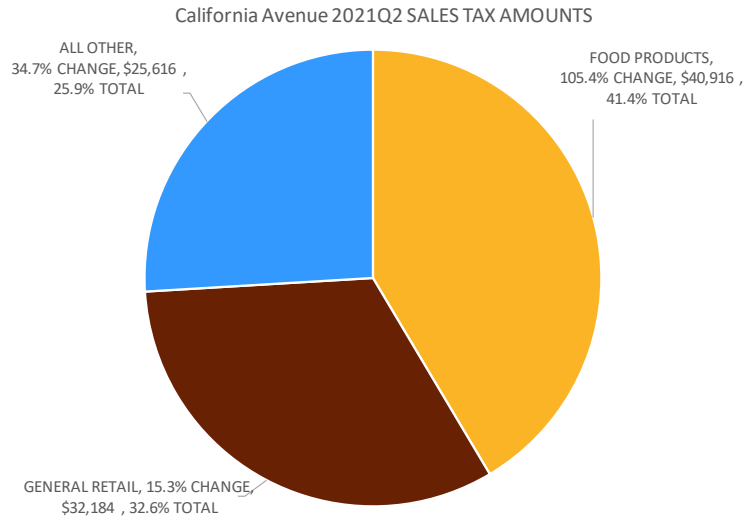
Town And Country Shopping Center	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
GENERAL RETAIL	240.6%	56,352	16,544	38.4%	30.7%
ALL OTHER	142.8%	90,521	37,283	61.6%	69.3%
TOTAL	172.9%	146,873	53,827	100.0%	100.0%

All Other Geos combined with Balance of Jurisdiction	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
GENERAL RETAIL	160.1%	1,584,518	609,210	30.3%	18.2%
BUSINESS TO BUSINESS	-12.6%	1,506,551	1,723,722	28.8%	51.5%
TRANSPORTATION	111.7%	1,253,451	592,186	23.9%	17.7%
FOOD PRODUCTS	112.3%	743,378	350,150	14.2%	10.5%
MISCELLANEOUS	154.6%	111,889	43,940	2.1%	1.3%
CONSTRUCTION	26.5%	37,522	29,669	0.7%	0.9%
TOTAL	56.4%	5,237,309	3,348,878	100.0%	100.0%

All Geo Area Totals Comparison 21Q2 & 20Q2	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
Balance of Jurisdiction	0.1%	2,261,511	2,259,458	43.2%	67.5%
Stanford Shopping Center	282.5%	1,440,242	376,491	27.5%	11.2%
El Camino Real and Midtown	113.0%	677,872	318,184	12.9%	9.5%
Greater Downtown	123.3%	612,095	274,066	11.7%	8.2%
Town And Country Shopping Center	172.9%	146,873	53,827	2.8%	1.6%
California Avenue	47.7%	98,716	66,853	1.9%	2.0%
TOTAL	56.4%	5,237,309	3,348,878	100.0%	100.0%

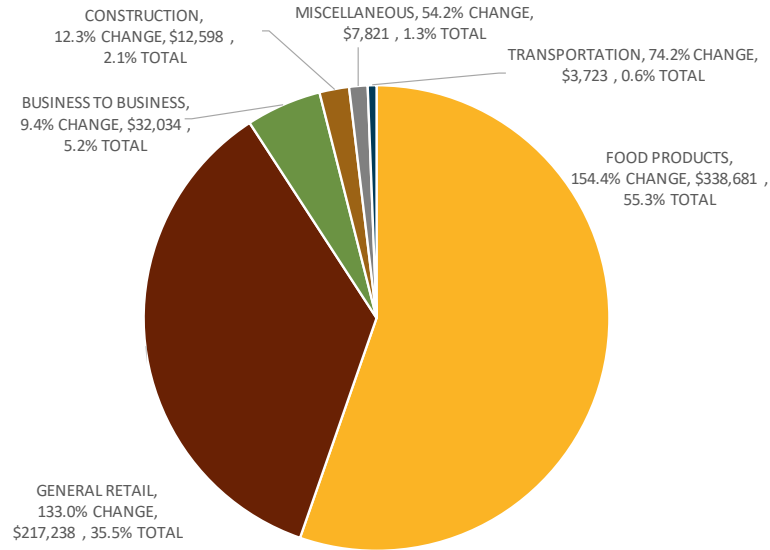
Palo Alto citywide QE 21Q2 & 20Q2	% CHANGE QoQ	2021Q2 QE	2020Q2 QE	21Q2 % OF TOTAL	20Q2 % OF TOTAL
GENERAL RETAIL	173.1%	1,803,297	660,300	30.4%	16.7%
BUSINESS TO BUSINESS	-12.7%	1,638,092	1,875,641	27.6%	47.6%
TRANSPORTATION	65.8%	1,420,886	856,748	23.9%	21.7%
FOOD PRODUCTS	104.1%	897,222	439,540	15.1%	11.1%
MISCELLANEOUS	104.7%	139,571	68,176	2.3%	1.7%
CONSTRUCTION	-2.6%	41,840	42,941	0.7%	1.1%
TOTAL	50.7%	5,940,907	3,943,347	100.0%	100.0%

City of Palo Alto Geo Area Pie Charts

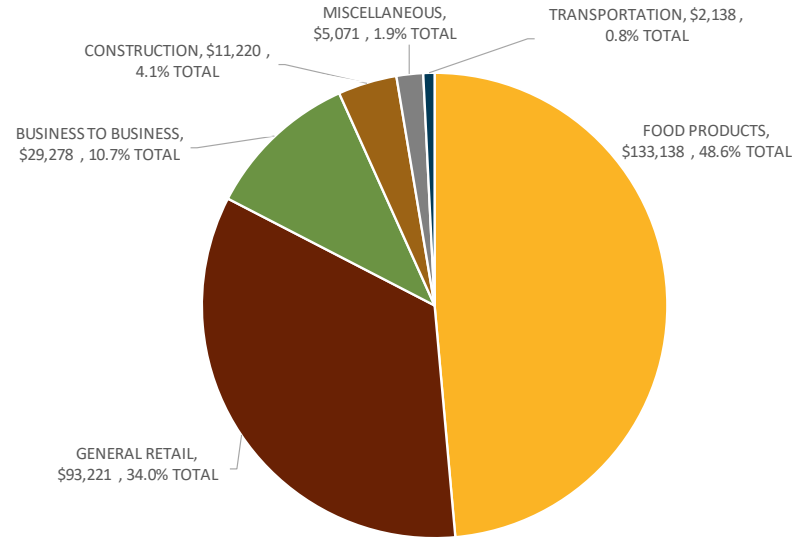


City of Palo Alto Geo Areas Pie Charts

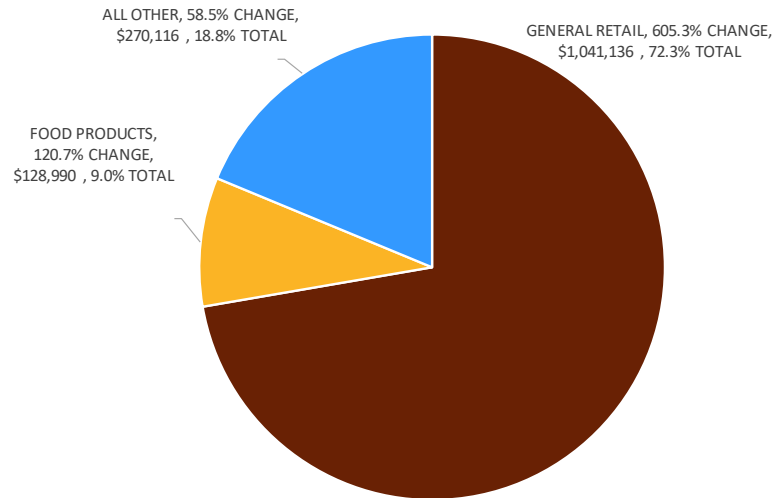
Greater Downtown 2021Q2 SALES TAX AMOUNTS



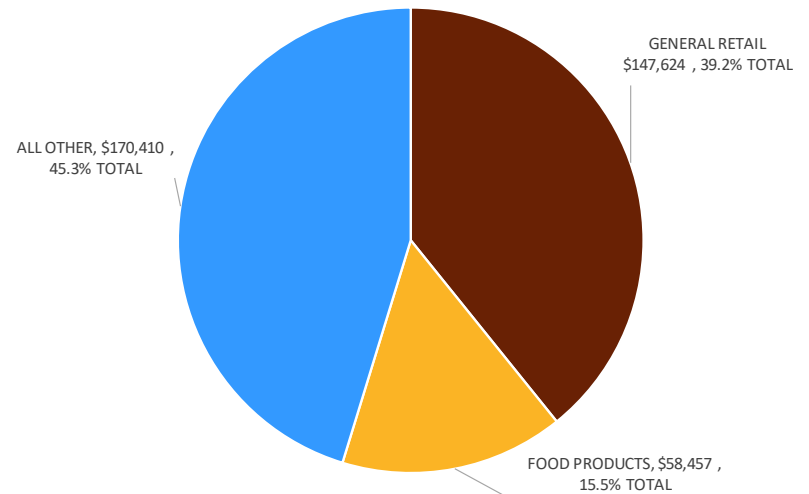
Greater Downtown 2020Q2 SALES TAX AMOUNTS



Stanford Shopping Center 2021Q2 SALES TAX AMOUNTS

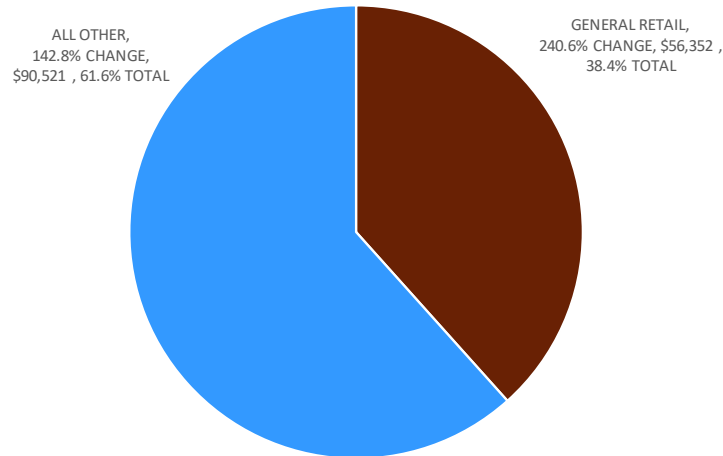


Stanford Shopping Center 2020Q2 SALES TAX AMOUNTS

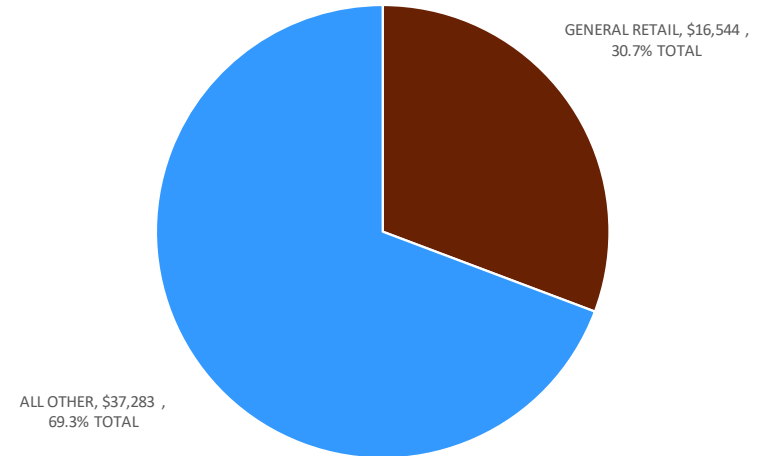


City of Palo Alto Geo Area Pie Charts

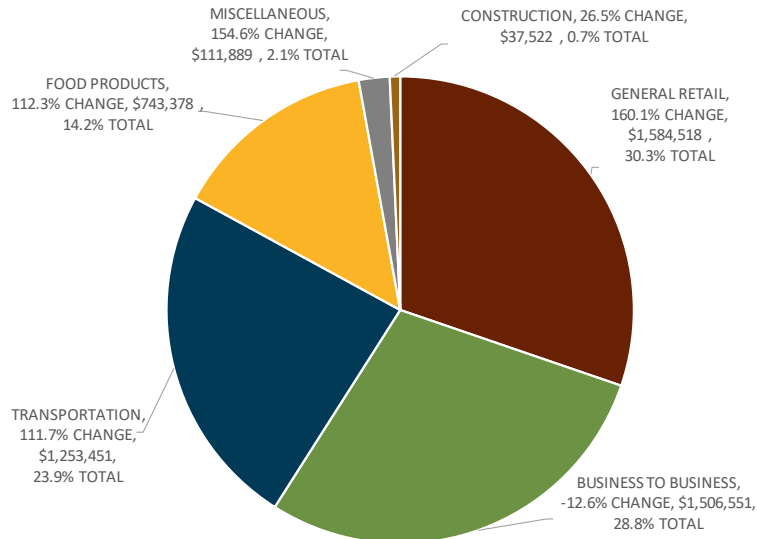
Town And Country Shopping Center 2021Q2 SALES TAX AMOUNTS



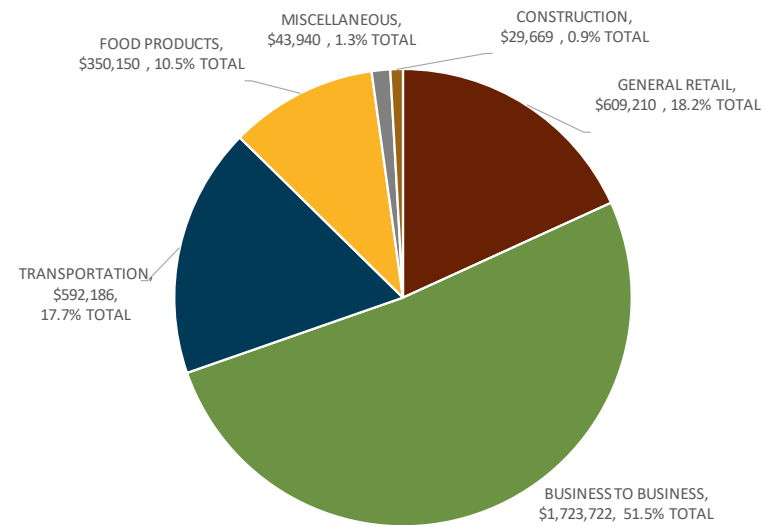
Town And Country Shopping Center 2020Q2 SALES TAX AMOUNTS



All Other Geos combined with Balance of Jurisdiction 2021Q2 SALES TAX AMOUNTS

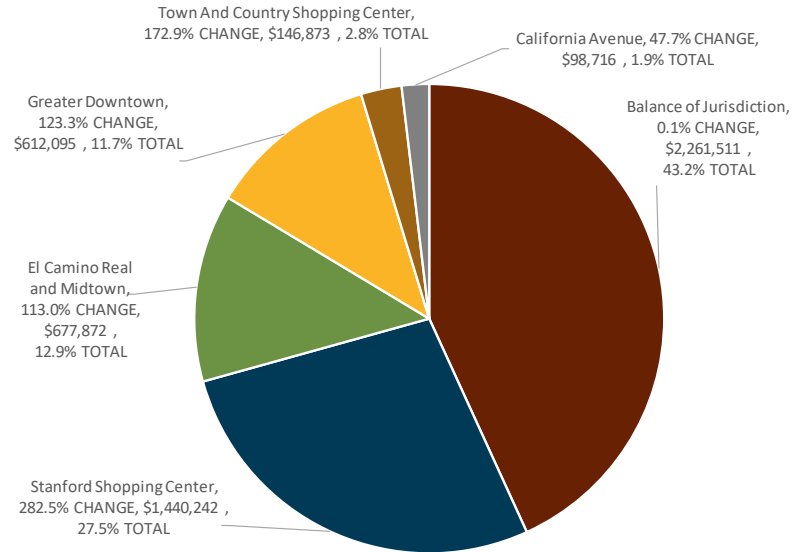


All Other Geos combined with Balance of Jurisdiction 2020Q2 SALES TAX AMOUNTS

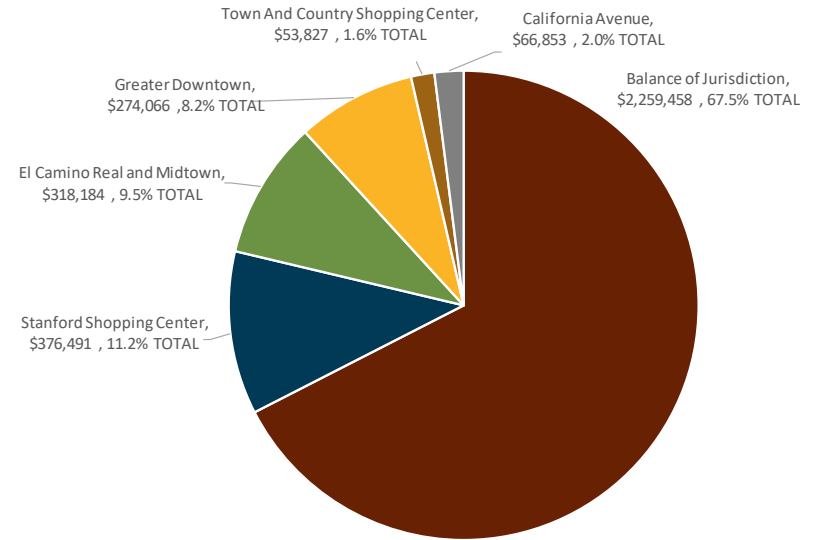


City of Palo Alto Geo Area & Citywide Pie Charts

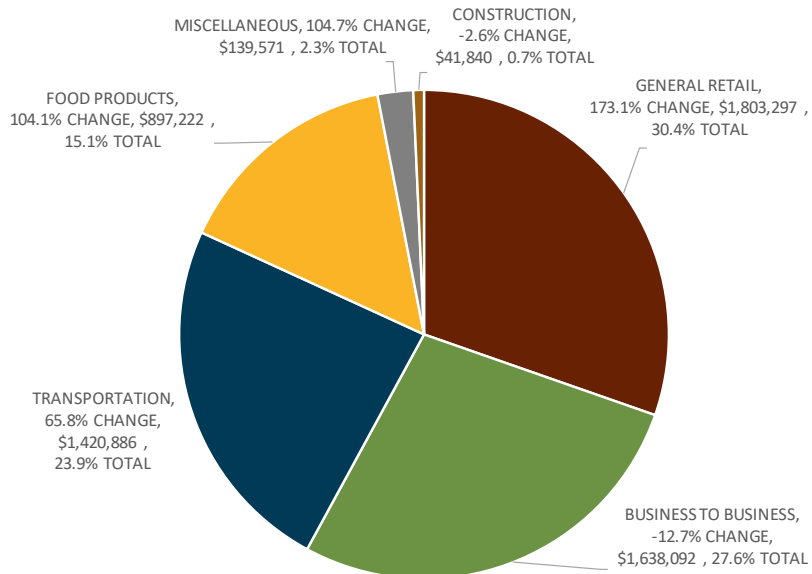
All Geo Area Totals 2021Q2 SALES TAX AMOUNTS



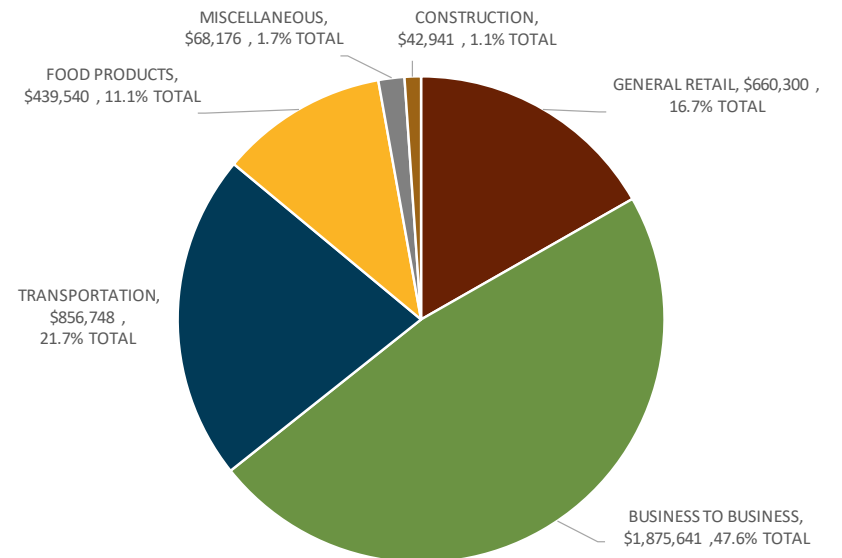
All Geo Area Totals 2020Q2 SALES TAX AMOUNTS



Palo Alto citywide 2021Q2 SALES TAX AMOUNTS



Palo Alto citywide 2020Q2 SALES TAX AMOUNTS



CA End of Session Legislative Update – Sept 2021

On September 10, 2021 at 9:00PM, the Senate and Assembly adjourned session for the year and are not scheduled to return to the Capitol until January 3, 2022. This end of session was far less exciting than in prior years, partially because of the 72-hour in print rule, and partially because some issues were punted to next year, including high-speed rail.

A high-profile proposal from Assemblywoman Buffy Wicks (D-Oakland) mandating employee vaccinations and requiring proof of vaccination in indoor public places such as restaurants and movie theaters was quickly introduced and shelved, and several controversial public safety measures were put off until 2022.

We hope this information is helpful. Please feel free to contact me with any questions.
Fran Mancia, Vice President of Government Relations Fran.Mancia@AvenuInsights.com

2021-22 Legislation of Interest

Sales and Use Tax: Exemptions and Exclusions

AB 217 (Valladares) Sales and Use Taxes. Exemption. Tax Holiday. School Supplies.

Provides a sales tax exemption for school supplies for a single back-to-school buying season (July 30, 2022 to August 1, 2022).

Status: As of 1/28/2021, referred to the Assembly Revenue and Taxation Committee, two-year bill

Cal Cities Position: Oppose

CSAC Position: Oppose, Unless Amended

AB 296 (Gipson) Sales and Use Taxes: Exclusion: Pawnbrokers: Transfer of Vested Property.

Extends an existing sales and use tax exclusion for five years, until January 1, 2027, when a customer buys back their property from a pawnbroker after defaulting on a loan.

Status: As of 8/31/2021, ordered to engrossing and enrolling, headed to the governor's desk

Cal Cities Position: Watch

CSAC Position: Watch

Note: The Assembly Appropriations Committee estimates annual state and local revenue losses of approximately \$34,000.

AB 607 (Arambula) Sales and Use Taxes. Exemptions. Blood Screening.

Provides a five-year sales and use tax exemption for licensed blood bank equipment and supplies.

Status: As of 2/25/2021, referred to the Assembly Revenue and Taxation Committee, two-year bill

Cal Cities Position: Oppose

CSAC Position: Oppose, Unless Amended

AB 879 (Rubio) Personal income tax: corporation tax: sales and use taxes: California Tax Amnesty and Revenue Recovery Act.

Requires the Franchise Tax Board (FTB) and California Department of Tax and Fee Administration (CDTFA) to administer a tax amnesty program for eligible taxpayers, waiving penalty and fee liabilities for tax reporting periods between January 1, 2020, and January 1, 2021. A taxpayer who does not participate in the program is subject to a

7.75% penalty on outstanding tax liabilities. This bill requires FTB and CDTFA to maximize public awareness of the program, which must be conducted from September 1, 2022, to October 31, 2022.

Status: As of 5/25/21, held on the Assembly Appropriations Suspense File, two-year bill

Cal Cities Position: Watch

CSAC Position: Watch

AB 906 (Carrillo) Zero-emission Trucks: Tax and Fee Exemptions.

Exempts zero emission heavy duty trucks from sales tax, vehicle license fees, registration fees, and weight fees. Cal Cities is watching this measure and will take it to their policy committee. Cal Cities staff expressed concerns that exempting zero emissions vehicles from taxes and fees sets a difficult precedent as these vehicles are likely to be the standard in the future resulting in a significant negative impact on cities' tax and fee revenues. Cal Cities is advocating for the Legislature to take a different policy approach in encouraging wider adoption of zero emission trucks and vehicles.

Status: As of 4/30/2021, referred to the Assembly Revenue and Taxation and Transportation Committees, failed deadline, two-year bill

Cal Cities Position: Watch

CSAC Position: None

AB 1121 (Rodriguez) Sales and Use Taxes. Emergency Preparation Items.

Exempts specified emergency preparedness items beginning at 12:01 a.m. on the Saturday before the last Monday in June and ending at midnight on the last Monday in June, beginning January 1, 2022 until January 1, 2024.

Status: As of 3/4/2021, referred to the Assembly Revenue and Taxation Committee, failed deadline, two-year bill

Cal Cities Position: Oppose

CSAC Position: Oppose, Unless Amended

SB 771 (Becker) Sales and Use Taxes. Zero Emission and Hybrid Vehicles Exemption.

Enacts a state-only (3.9375%) sales and use tax exemption for zero emission on hybrid vehicles purchased under the Clean Cars 4 All Program.

Status: As of 5/26/2021, awaiting referral to a policy committee in the Assembly, two-year bill

Cal Cities Position: Watch

CSAC Position: Neutral

Note: Amendments neutralized Cal Cities and CSAC opposition.

Soda Tax

AB 1163 (Nazarian) Local Government: taxation: prohibition: groceries.

Restores local authority to tax carbonated non-alcoholic beverages.

Status: As of 4/30/2021, referred to the Assembly Revenue and Taxation Committee, two-year bill

Cal Cities Position: Watch

CSAC Position: Pending

Online Sales

AB 1402 (Levine) Marketplace Facilitator: Fee Collection.

Expands the online sales tax collection framework installed after the Wayfair decision to include any fees that should be collected on sales as defined in Fee Collection Procedures Law. The Wayfair decision addressed the rapid growth of online sales, resulting in an under-collection in local sales and use tax revenues across the country. In Wayfair, the U.S. Supreme Court upheld a South Dakota statute that imposed a collection requirement on out-of-state vendors selling more than \$100,000 in products or 200 separate transactions into the state.

Status: As of 9/9/2021, presented to the governor

Cal Cities Position: Watch

CSAC Position: Watch

SB 792 (Glazer) Sales and Use Tax Retailers. Reporting.

Requires online retailers with over \$50 million in sales from the preceding calendar year to provide to the CDTFA a schedule reporting the gross receipts from sales of property for each local jurisdiction where it shipped or delivered to a purchaser in that jurisdiction. This bill is intended to help the CDTFA map out the flow of payments and shipments. According to Cal Cities, this bill would require reporting and information gathering, but would not impact the County Pool Use Allocations.

Status: As of 9/10/2021, ordered to engrossing and enrolling, headed to the governor's desk

Cal Cities Position: Support

CSAC Position: Pending

Business and Property Taxes**AB 1181 (Nguyen) Local Restaurant Fee Prohibition and Refunds.**

Prohibits cities and counties from imposing or collecting license fees from restaurants from January 1, 2020 to December 31, 2021. Requires a full refund of any collected fees. According to Cal Cities, this measure is a one size fits all approach that could have significant negative impacts for city budgets. Cal Cities further argues that cities across the state have already been working with their local businesses to waive fees and make other accommodations to soften the impacts of COVID-19.

Status: As of 3/4/2021, referred to the Assembly Governmental Organization and Health Committees, two-year bill

Cal Cities Position: Oppose

CSAC Position: Oppose

SB 219 (McGuire) Property Taxation: Delinquent Penalties and Costs: Cancellation: Public Health Orders.

Provides tax collectors the authority to provide penalty relief to delinquent taxpayers due to a documented hardship, resulting from a shelter-in-place order, as defined, issued by the governor or the public health officer of a city, county, or city and county in which the property is located, or its owner resides. Taxpayers would have to pay the principal to receive penalty relief. According to the author, "SB 219 creates much needed relief for both taxpayers and tax collectors by giving tax collectors the discretion to cancel penalties accrued as a direct result of health and safety orders. SB 219 reflects the tax collectors' collective experience of a crisis and puts that experience into action. The bill will ensure that our local governments are positioned and prepared to function in an uninterrupted fashion during a crisis, and yet be nimble enough to help individuals in their time of hardship."

Status: As of 7/23/2021, signed by the governor, Chapter 131, Statutes of 2021

Cal Cities Position: Support

CSAC Position: Support

SB 539 (Hertzberg) Property Taxation: Taxable Value Transfers.

Implements two new sections of property tax law to assist implementation of Proposition 19 (2020). Proposition 19, otherwise known as the Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act. Specifically, the bill clarifies responsibilities, documentation, and oversight. Last year, the Legislature placed the measure on the ballot, and voters approved Proposition 19. Among other provisions, Proposition 19 created a new section of the California Constitution to allow base year value transfers for disabled taxpayers and persons over the age of 55, as well as victims of wildfires or other natural disasters. Specifically, Proposition 19 allowed taxpayers, as defined, to transfer base year values to properties of greater value and across county lines regardless of whether the accepting county enacted an ordinance, so long as the replacement property is purchased or constructed within two years of the date the original property is sold, or damaged or destroyed by a disaster. According to the author, SB 539 makes several clarifying changes to relevant statutory provisions to eliminate confusion and ensure Proposition 19 is consistently implemented throughout California.

Status: As of 9/8/2021, ordered to engrossing and enrolling, headed to the governor's desk

Cal Cities Position: Watch

CSAC Position: Support

Short Term Rentals

SB 60 (Glazer) Residential Short-term Rental Ordinances. Health or Safety Infractions. Maximum Fines.

Raises the maximum fines for a violation of an ordinance relating to a residential short-term rental. A violation that is an infraction and poses a threat to health or safety would incur a fine of \$1,500 for a first violation, and \$3,000 for a second violation of the same ordinance within one year of the first violation.

Status: As of 9/9/2021, presented to the governor

Cal Cities Position: Support

CSAC Position: Pending

Note: Assembly amendments add an urgency clause.

SB 555 (McGuire) Online Short-Term Rental Facilitator Program.

Provides an opt-in program for cities to delegate short-term rental Transient-Occupancy Tax (TOT) collection authority to the CDTFA. Requires short term rental platforms to register with the CDTFA and collect TOT.

Status: As of 8/27/2021, held on the Assembly Appropriations Suspense File, two-year bill

Cal Cities Position: Oppose, Unless Amended

CSAC Position: Pending

Note: According to Cal Cities, "As currently drafted, this measure could unfortunately result in less effective and less transparent TOT collection in addition to the swift termination of existing and future voluntary collection agreements. Any option to contract with CDTFA should be effective and transparent. This measure should be amended to require platforms to provide CDTFA and contracting cities robust rental information to ensure proper collection, protect existing arrangements, protect local tax rates and charges as adopted by contracting agencies, and clarify that this measure does not preempt any local short-term rental ordinances.

Economic Development

SB 696 (Allen) Enhanced Infrastructure Financing Districts Powers.

Provides Enhanced Infrastructure Financing Districts (EIFDs) with powers to acquire property and utilize eminent domain similar to powers provided to Community Revitalization and Investment Authorities (CRIAs). Allows the State to participate in EIFDs and contribute to state resources.

Status: As of 9/9/2021, gutted and amended to pertain to mixed income housing developments and referred to the Senate Governance and Finance Committee, two-year bill

Cal Cities Position: Watch

CSAC Position: Watch

SB 780 (Cortese) Local Finance: Public Investment Authorities.

Makes several revisions to the EIFD and CRIA laws intended to further incentivize their use and attract investors. Removes the 10-year protest provision.

Status: As of 9/9/2021, presented to the governor

Cal Cities Position: Support

CSAC Position: Watch

Development Fees and Financing

SB 8 (Skinner) Housing Crisis Act of 2019.

Extends the sunset date for the Housing Crisis Act of 2019 from 2025 to 2030. The Housing Crisis Act (HCA) declared a statewide housing crisis and froze nearly all development related fees once a developer submits a preliminary application, including essential project specific fees.

Status: As of 9/9/2021, presented to the governor

Cal Cities Position: Watch

CSAC Position: Watch

Note: Assembly amendments provide that, until January 1, 2034, the HCA's provisions apply to housing development projects that have submitted a preliminary application before January 1, 2030, extend the vesting provisions of the HCA for an additional year for affordable housing, revise some of the HCA's demolition protections, and make other changes.

SB 695 (Ochoa Bogh) Mitigation Fees.

Makes numerous changes to how cities impose development fees, including expanding nexus study requirements to include dedications of parkland or in-lieu fees imposed under the Quimby Act and construction excise taxes. Prohibits a housing impact requirement from exceeding the amount necessary to maintain the existing level of service identified in the nexus study for the type of capital facility for which the housing impact requirement is imposed.

Status: As of 4/30/2021, referred to the Senate Governance and Finance Committee, two-year bill

Cal Cities Position: Watch

CSAC Position: Pending

ACA 1 (Aguiar-Curry) Local Government Financing. Affordable Housing and Public Infrastructure. Voter Approval.

Reduces the voting threshold to 55% for ad valorem taxes to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes.

Status: As of 4/22/2021, referred to the Assembly Local Government Committee, two-year bill

Cal Cities Position: Watch

CSAC Position: Support

Cannabis

SB 59 (Caballero) Cannabis provisional licenses: local equity applicants.

Prohibits a licensing authority from issuing a new provisional license to an applicant on or after July 1, 2022, unless the applicant is a qualified equity applicant, as defined by the California Cannabis Equity Act, and authorizes a licensing authority to reinstate a provisional license issued prior to July 1, 2022, to an applicant for the same activity previously licensed at the location. This bill also extends the repeal date of these provisional license provisions to January 1, 2028, and makes findings and declarations that this bill furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

Status: As of 5/24/2021, ordered to the inactive file, two-year bill

Cal Cities Position: Watch

CSAC Position: Support

Note: SB 59 was made a two-year bill following the release of the May Revise, which proposed an extension of the provisional license program for cannabis. Language is captured in [AB 141](#) and [SB 160](#), which were approved by the Legislature and took effect on July 1. AB 141 and AB 160 will allow the Department of Cannabis Control to renew cannabis provisional licenses until January 1, 2025, with some exceptions, and provided that provisional licensed holders demonstrate progress towards CEQA compliance. Per the legislation, the provisional license program sunsets the following year on January 1, 2026. Cities and counties with commercial cannabis programs are encouraged to review both bills.

SB 398 (Skinner) Cannabis Licenses. Cannabis Licensing Agreements. Cannabis Excise Tax.

Establishes a process for the Bureau of Cannabis Control to administer commercial cannabis licensing, permitting, or other regulatory activities on behalf of a local jurisdiction pursuant to a cannabis licensing agreement and imposes new labor peace agreement requirements for cannabis license applicants.

Status: As of 5/24/2021, in Senate Appropriations Committee on the suspense file, two-year bill

Cal Cities Position: Watch

CSAC Position: Watch

Schedule of Meetings

Published October 21, 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 except City Council Meetings will be held virtually.
City Council Meetings will be held in-person and virtually starting November 1st.**

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

Sp. 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.

WEDNESDAY, NOVEMBER 10

Planning & Transportation Commission Meeting, 6 p.m.

MONDAY, NOVEMBER 15

Sp. City Council Meeting, 5 p.m.

TUESDAY, NOVEMBER 16

Sp. Finance Committee Meeting, 6 p.m. (**CANCELLED**)

WEDNESDAY, NOVEMBER 17

Sp. Parks & Recreation Commission Meeting, 7 p.m.

THURSDAY, NOVEMBER 18

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

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

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

Public Art Commission Meeting, 7 p.m.

Persons with disabilities who require auxiliary aids or services in using City facilities or programs, or who would like information on the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact: ADA Coordinator, City of Palo Alto, 650-329-2550 (voice) or 329-1199 (TDD), ada@cityofpaloalto.org. Listening assistive devices are available in the Council Chambers. Sign language interpreters will be provided upon request with 72 hours advance notice. Please advise the City Clerk's Office (650-329-2571) of meetings or changes by 3:00 p.m. on Wednesdays for inclusion in the following week's schedule.



CITY OF PALO ALTO OFFICE OF THE CITY ATTORNEY

November 1, 2021

The Honorable City Council
Palo Alto, California

Adoption of a Resolution Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency

Recommendation

Adopt a Resolution (**Attachment A**) authorizing the use of teleconferencing under Government Code Section 54953(e) for meetings of the Council and its committees due to the Covid-19 declared state of emergency.

Background

In February and March 2020, the state and the County declared a state of emergency due to the Covid-19 pandemic. Both emergency declarations remain in effect.

On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act, effective October 1, 2021, to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days.

AB 361, codified at California Government Code Section 54953(e), empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act in any of the following circumstances:

- (A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- (B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- (C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B) (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. (Gov. Code § 54953(e)(1).)

In addition, Section 54953(e)(3) requires that policy bodies using teleconferencing reconsider the state of emergency within 30 days of the first teleconferenced meeting after October 1, 2021, and at least every 30 days thereafter, and find that one of the following circumstances exists:

1. The state of emergency continues to directly impact the ability of the members to meet safely in person.
2. State or local officials continue to impose or recommend measures to promote social distancing.

Discussion

At this time, the circumstances in Section 54953(e)(1)(A) exist. The Santa Clara County Health Officer continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts. (See August 2, 2021 [Order](#).) In addition, the California Department of Industrial Relations Division of Occupational Safety and Health (Cal/OSHA) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures.

Accordingly, Section 54953(e)(1)(A) authorizes the City to continue using teleconferencing for public meetings of its policy bodies, provided that any and all members of the public who wish to address the body or its committees have an opportunity to do so, and that the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing are protected.

To comply with public health directives and promote public safety, Palo Alto policy bodies have been meeting via teleconference since March 2020. On September 27, 2021, Council considered the format for future Council, committee, and Board and Commission meetings. Council determined that beginning November 1, 2021, Council meetings would be conducted using a hybrid format that allows Council Members and the public to decide whether to attend in person, following masking and distancing protocols, or participate via teleconference. Council directed that Council standing and ad-hoc committees and Boards and Commissions would continue meeting via teleconference through January 2022.

Adoption of the Resolution at **Attachment A** will make the findings required by Section 54953(e)(3) to allow the continued use of teleconferencing for Council meetings (for those Council Members who elect to participate remotely) and for Council standing and ad hoc committees. Each Board and Commission will consider and make similar findings.

ATTACHMENTS:

- **Attachmenta:** Attachment A: Resolution Allowing Hybrid In-Person and Teleconferenced Meetings under Section 54953(e) (PDF)

Department Head: Molly Stump, City Attorney

Resolution No. _____

Resolution Making Findings to Allow Teleconferenced Meetings Under California Government
Code Section 54953(e)

R E C I T A L S

- A. California Government Code Section 54953(e) empowers local policy bodies to convene by teleconferencing technology during a proclaimed state of emergency under the State Emergency Services Act so long as certain conditions are met; and
- B. In March 2020, the Governor of the State of California proclaimed a state of emergency in California in connection with the Coronavirus Disease 2019 (“COVID-19”) pandemic, and that state of emergency remains in effect; and
- C. In February 2020, the Santa Clara County Director of Emergency Services and the Santa Clara County Health Officer declared a local emergency, which declarations were subsequently ratified and extended by the Santa Clara County Board of Supervisors, and those declarations also remain in effect; and
- D. On September 16, 2021, the Governor signed AB 361, a bill that amends the Brown Act to allow local policy bodies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in State law that would otherwise apply, provided that the policy bodies make certain findings at least once every 30 days; and
- E. While federal, State, and local health officials emphasize the critical importance of vaccination and consistent mask-wearing to prevent the spread of COVID-19, the Santa Clara County Health Officer has issued at least one order, on August 2, 2021 (available online at [here](#)), that continues to recommend measures to promote outdoor activity, physical distancing and other social distancing measures, such as masking, in certain contexts; and
- F. The California Department of Industrial Relations Division of Occupational Safety and Health (“Cal/OSHA”) has promulgated Section 3205 of Title 8 of the California Code of Regulations, which requires most employers in California, including in the City, to train and instruct employees about measures that can decrease the spread of COVID-19, including physical distancing and other social distancing measures; and
- G. The Palo Alto City Council has met remotely during the COVID-19 pandemic and can continue to do so in a manner that allows public participation and transparency while minimizing health risks to members, staff, and the public that would be present with in-person meetings while this emergency continues; now, therefore,

The Council of the City of Palo Alto RESOLVES as follows:

1. As described above, the State of California remains in a state of emergency due to the COVID-19 pandemic. At this meeting, the Palo Alto City Council has considered the circumstances of the state of emergency.
2. As described above, State and County officials continue to recommend measures to promote physical distancing and other social distancing measures, in some settings.

AND BE IT FURTHER RESOLVED, That for at least the next 30 days, meetings of the Palo Alto City Council and its committees will occur in a hybrid format, where both members of the policy body and members of the public may elect to be present in person, utilizing appropriate distancing and masking practices, or participate by teleconferencing technology. Such meetings of the Palo Alto City Council and its committees that occur using teleconferencing technology will provide an opportunity for any and all members of the public who wish to address the body its committees and will otherwise occur in a manner that protects the statutory and constitutional rights of parties and the members of the public attending the meeting via teleconferencing; and, be it

FURTHER RESOLVED, That the City Clerk is directed to place a resolution substantially similar to this resolution on the agenda of a future meeting of the Palo Alto City Council within the next 30 days. If the Palo Alto City Council does not meet within the next 30 days, the City Clerk is directed to place a such resolution on the agenda of the immediately following meeting of Palo Alto City Council.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager



CITY OF PALO ALTO

Supplemental Report - Item 8

MEETING DATE: NOVEMBER 1, 2021

TO: HONORABLE CITY COUNCIL

FROM: BRAD EGGLESTON, DIRECTOR OF PUBLIC WORKS

SUBJECT: AGENDA ITEM NUMBER 8 – APPROVAL OF DESIGN CHANGE OPTION C
FOR THE PUBLIC SAFETY BUILDING COMMUNITY ROOM EXTERIOR

This memorandum clarifies that Item 8 on Council’s Consent Agenda proposes that Council approve changes to the Public Safety Building’s Community Room exterior designated “Option C.” A “yes” vote on Agenda Item 8 will endorse Option C.

While staff recommends approval of Option C, the report also includes information about two other potential options that were considered, designated “Option A” and “Option B.” Council Members who do not agree with Option C may vote “no” on the item or move to remove it from Consent so that the matter can be discussed on a future Action agenda.



CITY OF PALO ALTO

Supplemental Report - Item 14

MEETING DATE: NOVEMBER 1, 2021

TO: HONORABLE CITY COUNCIL

FROM: CHANTAL GAINES-LYNCH, DEPUTY CITY MANAGER

SUBJECT: CITY COUNCIL RECEIVE AN UPDATE ON HOMEKEY, ADOPT AN AMENDED 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), AND RELATED DIRECTION TO STAFF AS APPROPRIATE

Recommendation

Staff recommends that City Council receive an update on Homekey, adopt an amended resolution (**Attachment A**) 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), and related direction to staff as appropriate.

Supplemental Information

Discussion

Staff continues to work with LifeMoves to prepare all information for the very detailed application for Project Homekey. The application requires that a site Phase I and Phase II report (among other things) be completed before the application can be submitted. The City's application will be submitted after the Phase II report is completed in late November (estimated completion timing).

As mentioned in the original staff report printed for this November 1 meeting, the updated operating costs over the course of seven (7) years is shown below and in Exhibit 1.

Operating Expenses over 7 Years for Palo Alto Homekey:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Program Expense								
Program Salary & Benefits	\$ 1,523,786	\$ 1,599,975	\$ 1,679,974	\$ 1,763,973	\$ 1,852,171	\$ 1,889,215	\$ 1,926,999	\$ 12,236,092
Site Operating Costs	\$ 1,214,687	\$ 1,197,749	\$ 1,209,106	\$ 1,248,775	\$ 1,234,362	\$ 1,283,316	\$ 1,276,659	\$ 8,664,654
Operations Labor and Fringe	\$ 768,502	\$ 806,648	\$ 846,700	\$ 888,755	\$ 932,913	\$ 951,459	\$ 970,376	\$ 6,165,353
Total Program Expenses	\$ 3,506,975	\$ 3,604,372	\$ 3,735,780	\$ 3,901,502	\$ 4,019,446	\$ 4,123,990	\$ 4,174,034	\$ 27,066,099
Administration Expenses								
Administration Expenses	\$ 350,698	\$ 360,437	\$ 373,578	\$ 390,150	\$ 401,945	\$ 412,399	\$ 417,403	\$ 2,706,610
Total Administration Expenses	\$ 350,698	\$ 360,437	\$ 373,578	\$ 390,150	\$ 401,945	\$ 412,399	\$ 417,403	\$ 2,706,610
Total Expenses	\$ 3,857,673	\$ 3,964,809	\$ 4,109,358	\$ 4,291,652	\$ 4,421,390	\$ 4,536,389	\$ 4,591,437	\$ 29,772,709
Capital Costs - Van	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000
Total Expenses Including Van	\$ 3,912,673	\$ 3,964,809	\$ 4,109,358	\$ 4,291,652	\$ 4,421,390	\$ 4,536,389	\$ 4,591,437	\$ 29,827,709

Table also shown in Exhibit 1 in full size.

For the operating expenses, LifeMoves in partnership with the City will establish a path to set a target of funds to commit over the seven (7) year period and the City will partner with LifeMoves on a fundraising and cost management strategy including support LifeMoves in any application for government or grant application funding. As outlined and agreed to by the City Council, the City's contribution to the operating costs is \$7 million over the 7 years with the timing to be determined. Some operating funding support is expected from the project HomeKey funding (estimated at \$3.89 million) as well as the County of Santa Clara. Any remaining gaps in funding will need to be closed by fundraising, operating cost containment strategies, and/or grant funds.

The capital funding sources for Homekey are shown below. There is an increased amount of anticipated base funding due to innovatively making the family units into more versatile spaces with additional doors though serving, at minimum, at least the same number of families.

Capital Funding:

CAPEX Funding	Palo Alto
Public and Private Funding	
CA BASE HomeKey Funding	\$16,200,000
Supplemental Homekey Match	\$4,891,104
Homekey Bonus Award (early app)	\$1,080,000
Private Donor	\$5,000,000
Total CAPEX Funding	\$27,171,104

Included in the total capital expenses (in addition to the capital expenses necessary for the buildout of the new facility) is an estimated cost associated with the relocation of the GreenWaste facilities on part of the current parcel to another part of Area C. Initial cost estimates related to GreenWaste relocation reflect capital investment of just under \$1 million. These site relocations within the parcel include (but are not limited to) pavement of new areas, movement of modular infrastructure and utilities such as charging stations, and CEQA or remediation efforts needed. Staff continues to review and refine these costs and evaluate if

these costs are eligible for Homekey funding as currently expected. If the Homekey funds do not cover the GreenWaste changes, this would be an additional cost to the project.

ATTACHMENTS:

- Exhibit 1-Nov. 1 Homekey-Operating Expenses
- Attachment A: Updated Resolution to Apply for Project Homekey 2021 (Revised)

Exhibit 1 – Updated Homekey Operating Expenses (estimated)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Program Expense								
Program Salary & Benefits	\$ 1,523,786	\$ 1,599,975	\$ 1,679,974	\$ 1,763,973	\$ 1,852,171	\$ 1,889,215	\$ 1,926,999	\$ 12,236,092
Site Operating Costs	\$ 1,214,687	\$ 1,197,749	\$ 1,209,106	\$ 1,248,775	\$ 1,234,362	\$ 1,283,316	\$ 1,276,659	\$ 8,664,654
Operations Labor and Fringe	\$ 768,502	\$ 806,648	\$ 846,700	\$ 888,755	\$ 932,913	\$ 951,459	\$ 970,376	\$ 6,165,353
Total Program Expenses	\$ 3,506,975	\$ 3,604,372	\$ 3,735,780	\$ 3,901,502	\$ 4,019,446	\$ 4,123,990	\$ 4,174,034	\$ 27,066,099
Administration Expenses								
Administration Expenses	\$ 350,698	\$ 360,437	\$ 373,578	\$ 390,150	\$ 401,945	\$ 412,399	\$ 417,403	\$ 2,706,610
Total Administration Expenses	\$ 350,698	\$ 360,437	\$ 373,578	\$ 390,150	\$ 401,945	\$ 412,399	\$ 417,403	\$ 2,706,610
Total Expenses	\$ 3,857,673	\$ 3,964,809	\$ 4,109,358	\$ 4,291,652	\$ 4,421,390	\$ 4,536,389	\$ 4,591,437	\$ 29,772,709
Capital Costs - Van	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000
Total Expenses Including Van	\$ 3,912,673	\$ 3,964,809	\$ 4,109,358	\$ 4,291,652	\$ 4,421,390	\$ 4,536,389	\$ 4,591,437	\$ 29,827,709

NOT YET APPROVED

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF PALO ALTO AUTHORIZING JOINT
APPLICATION TO THE PROJECT HOMEKEY PROGRAM (REVISED)

R E C I T A L S

- A. WHEREAS, the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA), dated September 9, 2021, for the Homekey Program ("Homekey" or "Homekey Program"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code (HSC) Section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Session)); and
- B. WHEREAS, the City of Palo Alto (Co-Applicant) desires to jointly apply for Homekey grant funds with LifeMoves (Corporation). Toward that end, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (Application) to the Department for review and consideration; and
- C. WHEREAS, the City Council for the City of Palo Alto adopted Resolution No. 9993 on September 27, 2021, authorizing a joint application with LifeMoves for Homekey grant funds and now wishes to update the projected grant request and budget based on new information; and
- D. WHEREAS, the Department is authorized to administer Homekey funds pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department approved STD 213, Standard Agreement (Standard Agreement), and all other legal requirements of the Homekey Program;

NOW, THEREFORE, the City Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, dated September 9, 2021, and to jointly apply for Homekey grant funds in a total amount not to exceed \$27 million. That amount includes \$22.17 million for capital expenditures (as allowed under Health and Safety Code, Section 50675.1.3 and \$3.89 million for a capitalized operating subsidy (as allowed under Health and Safety Code, Section 50675.1.3).

SECTION 2. If the Application is approved, the City Manager, on behalf of Co-Applicant, is hereby authorized to ensure that any funds awarded for capital expenditures are spent within 8 months of the date of award and that any funds awarded for capitalized operating subsidies are spent by June 30, 2026.

NOT YET APPROVED

SECTION 3. If the Application is approved, Co-Applicant is hereby authorized to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$26 million, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the “Homekey Documents”).

SECTION 4. Co-Applicant acknowledges and agrees that if the Application is approved, it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.

SECTION 5. Ed Shikada, City Manager, or their designees, are authorized to execute the Application and the Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager