



# CITY COUNCIL MEETING

## AGENDA

7:00 PM - Tuesday, May 28, 2024

*via Videoconference and In Person*

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**PARTICIPATION:** Members of the public may participate by being present at the Los Altos Council Chamber at Los Altos City Hall located at 1 N. San Antonio Rd, Los Altos, CA during the meeting. Public comment is accepted in person at the physical meeting location, or via email to PublicComment@losaltosca.gov.

**RULES FOR CONDUCT:** Pursuant to Los Altos Municipal Code, Section 2.05.010 "Interruptions and rules for conduct": Understanding that the purpose of the city council meetings is to conduct the people's business for the benefit of all the people, in the event that any meeting of the city council is willfully interrupted by a person or group of persons so as to render the orderly conduct of the meeting impossible, the mayor, mayor pro tem, or any other member of the city council acting as the chair may order the removal of the person or persons responsible for the disruption and bar them from further attendance at the council meeting, or otherwise proceed pursuant to Government Code Section 54957.0 or any applicable penal statute or city ordinance.

**REMOTE MEETING OBSERVATION:** Members of the public may view the meeting via the link below, but will not be permitted to provide public comment via Zoom or telephone. Public comment will be taken in-person, and members of the public may provide written public comment by following the instructions below.

<https://losaltosca-gov.zoom.us/j/83810820148?pwd=EgOR32Djir6ToApa2ciKUgYWRXYTSb.1>

**Telephone: 1-669-444-9171 / Webinar ID: 838 1082 0148 / Passcode: 764446**

**SUBMIT WRITTEN COMMENTS:** Prior to the meeting, comments on matters listed on the agenda may be emailed to PublicComment@losaltosca.gov. Emails sent to this email address are sent to/received immediately by the City Council. Emails sent directly to the City Council as a whole or individually, and not sent to PublicComment@losaltosca.gov will not be included as a public comment in the Council packet.

***Please note: Personal information, such as e-mail addresses, telephone numbers, home addresses, and other contact information are not required to be included with your comments. If this information is included in your written comments, they will become part of the public record. Redactions and/or edits will not be made to public comments, and the comments will be posted as they are submitted. Please do not include any information in your communication that you do not want to be made public.***

Correspondence submitted in hard copy/paper format must be received by 2:00 p.m. on the day of the meeting to ensure distribution prior to the meeting. Comments provided in hard copy/paper format after 2:00 p.m. will be distributed the following day and included with public comment in the Council packet.

*The Mayor will open public comment and will announce the length of time provided for comments during each item.*

## AGENDA

### CALL MEETING TO ORDER

### ESTABLISH QUORUM

### PLEDGE ALLEGIANCE TO THE FLAG

### REPORT ON CLOSED SESSION

### CHANGES TO THE ORDER OF THE AGENDA

### SPECIAL ITEMS

Issue Proclamation Recognizing Historical Preservation Award

### PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

*Members of the audience may bring to the Council's attention any item that is not on the agenda. The Mayor will announce the time speakers will be granted before comments begin. Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "The Brown Act") items must first be noted on the agenda before any discussion or action.*

[05-28-2024](#) Written Public Comments

### CONSENT CALENDAR

These items will be considered by one motion unless any member of the Council or audience wishes to remove an item for discussion. Any item removed from the Consent Calendar for discussion will be handled at the discretion of the Mayor.

- [1.](#) Approve Draft Meeting Minutes for the Regular Meeting of May 14, 2024
- [2.](#) Adopt a Resolution in Support of Childcare for All

### PUBLIC HEARINGS

- [3.](#) Introduce and waive further reading of an Ordinance of the City Council of the City of Los Altos adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code enacting regulations for dual opportunity developments (SB9) and find the Ordinance exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA), and Adopt a Resolution rescinding Resolution 2021-57 establishing objective standards for single-family residences to implement Senate Bill 9 and find the Resolution exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA)

4. Adopt a Resolution of the City Council of the City of Los Altos Adopting a Nexus Study for Development Impact Fees in Compliance with Assembly Bill 602 (AB 602) and find that this action is exempt from environmental review pursuant to Section 15273 of the State Guidelines implementing the California Environmental Quality Act of 1970

## DISCUSSION ITEMS

5. Review non-profit and civic organization contribution applications and direct staff to incorporate funding into the budget for FY24-25
6. Adopt a Resolution Declaring Intent to Transition from an At-Large Election System to a District-Based Election System Pursuant to California Elections Code Section 10010, with the Transition Taking Effect at the November 2026 and 2028 Elections

## INFORMATIONAL ITEMS ONLY

*There will be no discussion or action on Informational Items*

7. Tentative Council Calendar and Housing Element Update Implementation Calendar
8. Memo on the County of Santa Clara Weed Abatement Program

## COUNCIL/STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

## ADJOURNMENT

**(Council Norms: It will be the custom to have a recess at approximately 9:00 p.m. Prior to the recess, the Mayor shall announce whether any items will be carried over to the next meeting. The established hour after which no new items will be started is 11:00 p.m. Remaining items, however, may be considered by consensus of the Council.)**

## SPECIAL NOTICES TO THE PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk 72 hours prior to the meeting at (650) 947-2610.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, and that are distributed to a majority of the legislative body, will be available for public inspection at the Office of the City Clerk's Office, City of Los Altos, located at One North San Antonio Road, Los Altos, California at the same time that the public records are distributed or made available to the legislative body.

If you wish to provide written materials, please provide the City Clerk with 10 copies of any document that you would like to submit to the City Council for the public record.

## Melissa Thurman

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**From:** patmarriott@sbcglobal.net  
**Sent:** Sunday, May 26, 2024 12:24 PM  
**To:** Public Comment  
**Subject:** PUBLIC COMMENT ITEM #6 MAY 28, 2024

Council Members:

I urge you to challenge Kevin Shenkman's demands to divide the city into voting districts.

Some cities are big enough and diverse enough where districts might be important for fair representation. Los Altos isn't one of them. We're a small city that's pretty homogeneous, with Asians living all across town. I don't think we have an "Asian district" that lacks representation.

Districting will limit voters to electing only one candidate – and perhaps a mayor. Finding qualified candidates in each district will be a challenge. If only one emerges, he or she will have a council seat by default, regardless of abilities.

Each district representative will be elected by a very small number of voters. In 2022, roughly 11,000 Los Altosans went to the polls. If we had five districts with 2,200 voters each, a councilmember could be elected with just 1,101 votes in a two-person race.

District representatives will have to cater to local demands instead of looking at the good of the city as a whole. Even now, we often hear complaints that "South Los Altos" isn't getting as much attention as "North Los Altos." Imagine five districts vying for resources!

Shenkman Told the Town Crier "a group of residents asked us to investigate whether Los Altos' at-large elections violate the California Voting Rights Act ..." Have you seen the evidence or is that one of Shenkman's standard tactics?

Have you done any surveys of our Asian residents or reached out to Asian organizations? How many of the city's total Asian population think they're victims of a "minority vote dilution"?

Shenkman has made himself a \$15M fortune by changing the face of California politics – and not necessarily for the better. Forced districting will be a detriment to democracy in Los Altos.

The irony will be if no Asians from any district run for council.

Pat Marriott

## Melissa Thurman

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**From:** Roberta Phillips <robertaphillips1@gmail.com>  
**Sent:** Monday, May 27, 2024 9:34 AM  
**To:** Public Comment; City Council  
**Subject:** May 28,2024 Council meeting Item #5 Public Comment

Dear Council Members

I was looking at the requests from different non-profits . The City Policy states : "The organization must provide a direct benefit to the Los Altos community. "

In Los Altos we already have a Commission that does Calls for Art. Over the years they have been instrumental in providing art at the new Community Center and around town with the approval of the City Council and set policies. Arts Los Altos works with private property owners. They do not have criteria to evaluate the art they want to place nor oversight from the City. Please deny their application.

The funds requested by Compassion Week do not directly benefit Los Altans. They are requesting \$2000 for 500 homeless hygiene kits.

We do not have 500 homeless people in Los Altos. Currently California has spent \$17.5 billion dollars on the homeless, yet the homeless numbers keep growing. ( \* please see attached article below) They are also asking for \$2500 to build a playhouse and \$2000 for fleece blankets. These items will not directly benefit Los Altans

Jasper Ridge Farms is located in Portola Valley. There is no local direct benefit. Please deny the application

LAMV Community Foundation is asking for \$5000 for website and branding. They already have a good website. \$3000 for production. \$12,000 for staff and \$5000 for virtual meetings. They already have zoom and staff , many of whom are volunteers/

RLA is asking for \$50,000. This amount is exorbitant.

Los Altos should not be handing out money like it is candy so that other nonprofits can claim they are charitable when in fact the money is coming from the City.

Former Mayor and Council woman Megan Satterlee often said that the City is Not " Social Services"

Los Altans work hard to earn a living. Inflation is hitting us hard. The City should be focusing on providing basic services to the community and stop doing "feel good" things that do not fall into the agreed upon City Priorities. Charity is not a priority. Los Altans are free to donate to the Charity of their choice.

Sincerely  
Roberta Phillips

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<https://www.cnn.com/2023/07/11/us/california-homeless-spending/index.html>

## Melissa Thurman

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**From:** Arthur Whipple <[awhipple@whipples.us](mailto:awhipple@whipples.us)>  
**Sent:** Monday, May 27, 2024 2:04 PM  
**To:** Public Comment; Anthony Carnesecca  
**Cc:** Harry Guy  
**Subject:** Fwd: Non-Profit and Civic Organization Contribution FY24-25  
**Attachments:** Letter to City Council 20240527.pdf

Also copying public comment.

----- Forwarded message -----

**From:** Arthur Whipple <[awhipple@whipples.us](mailto:awhipple@whipples.us)>  
**Date:** Mon, May 27, 2024 at 12:14 PM  
**Subject:** Non-Profit and Civic Organization Contribution FY24-25  
**To:** <[council@losaltosca.gov](mailto:council@losaltosca.gov)>  
**Cc:** Anthony Carnesecca <[acarnesecca@losaltosca.gov](mailto:acarnesecca@losaltosca.gov)>

Dear City Council,

On May 28, 2024, the City Council will review this year's Non-Profit and Civic Organization Contribution applications for FY25 as item 5 on the agenda.

Resilient Los Altos is an applicant and would like to provide additional detail to you and city staff regarding our activities for the City.

Please see the attached letter.

I plan to be at Tuesday's meeting to answer any questions that you may have.

Thank you,

Resilient Los Altos  
Art Whipple, Director

May 27, 2024

Members of the City Council  
City of Los Altos  
1 North San Antonio Road  
Los Altos, CA 94022

Dear Members of the City Council,

Resilient Los Altos (“RLA”) is invested in mitigation, preparedness, response and recovery relating to disasters and significant emergencies that can and will occur in Los Altos. We are sponsored by the Los Altos Mountain View Community Foundation but have separate finances.

Most of us have never had a house fire but we still buy fire insurance every year. We don’t expect our house to ever burn down, but we mitigate the risk, prepare for the worst and expect to recover. The City has not faced a regional disaster since the Loma Prieta earthquake in 1989, almost 35 years ago. The leadership of several City Councils and city management organizations will soon be providing a secure and robust Emergency Operations Center that will be invaluable for the City for many years to come. Kudos to the City for wanting to be prepared.

The City of Los Altos has an Emergency Operations Plan that focuses on continuity of government, City personnel and City assets. One of the Planning Assumptions for that plan is that “Residents may need to be self-sufficient for one week or more” (pp. 4). This is appropriate given the size of the City’s staff and the distance from their homes to the City. City and County staff will be overwhelmed trying to support more than 30,000 residents and non-resident employees, students and visitors that could be here when bad things happen. The 300 trained members of RLA have taken on the task of helping neighborhoods organize and prepare for the next disaster and being the “civilian side” of emergency mitigation, preparedness, response and recovery for Los Altos.

While we will bring dedicated and trained volunteers to the City in crisis, we need financial support to function in this role, not for wages but for long-lived assets and infrastructure that will help us save lives in a disaster or severe emergency in the future.

We train continuously to be competent in this role. The cost of travel, lodging and meals is paid by the individual taking the training.

The California Specialized Training Institute (“CSTI”), a part of the California Office of Emergency Services (Cal OES), offers training to law enforcement and emergency response personnel. RLA members have earned certificates in classes like these:

- EOC Management and Operations (including multi-agency coordination)– G775
- Incident Command System and Emergency Operations Center Interface – G191
- Local Volunteer and Donations Management – G288
- Management of Spontaneous Volunteers in Disasters – G489
- Standardized Emergency Management System – SEMS G606
- Multi-Hazard Planning for Schools – G364
- Emergency Planning – G235

The Bay Area Training and Exercise Program (“BATEP”) is supported by the Bay Area Urban Areas Security Initiative. RLA members have taken classes like these:

- Disaster Volunteer Management
- Recovery From Disasters: The Local Community Role
- Community Preparedness Coordination
- Government – CBO Coordination – Map Your Neighborhood for First Responders

The Santa Clara County ARES/RACES (Amateur Radio Emergency Services / Radio Amateur Civil Emergency Services) organization offers classes to licensed amateur radio operators (“hams”). In the calendar year 2023, Los Altos hams logged 907 hours of training and community service. Los Altos hams have completed classes like these:

- Introduction to Emergency Communications
- Fundamentals of Emergency Communications
- Field Operations
- Net Control
- Packet Operations
- Message Passing
- County EOC Radio Room Orientation
- Creek and Shelter Survey
- Cross-Band Repeating / Antenna Fundamentals

Three RLA volunteers were certified by the FEMA Emergency Management Institute to teach Community Emergency Response Team (CERT) classes. More than 90 Los Altos residents were trained by these volunteers following the FEMA CERT curriculum during 2014 and 2015, until the City Council approved adding CERT training to the SCCFD service contract.

RLA staff also teach members of the community aspects of emergency preparedness.

- Since 2017, RLA staff have conducted 11 neighborhood drills to practice collecting injury, building damage, and hazard information that would be reported to authorities in a disaster
- We support the Santa Clara County Fire Department by teaching new CERT members and CERT “refreshers” radio communications skills.
- We support the Los Altos Hills County Fire District by teaching TEEN CERT classes to mostly Los Altos High School students in emergency communications and disaster psychology.
- We teach Los Altos church congregations about resilience, emergency preparedness, first aid and emergency communication for their members and their neighbors.
- We have taught classes to Los Altos School District elementary school staff in light search and rescue and emergency communication and we have assisted in the management of their local emergency supplies.
- We have arranged talks at Los Altos libraries about building community, earthquake science, insurance for disasters and emergency preparedness.
- We are offering five free emergency preparedness classes a quarter at the Los Altos Community Center.



- We offer four Zoom classes each quarter for residents who want to start and support a Block Action Team (“BAT”) in their neighborhood.

Historically, the City has supported our work through its Community Emergency Preparedness Grant (“CEPG”) program; however, this program was not funded for FY24.

In our request for support in this year’s Non-Profit and Civic Organization Contributions program, we identified over \$70,000 in proposed investments but are asking for \$50,000 in contributions. We hope that the City Council will have the wisdom to spend less than one tenth of one percent (0.1%) of the City’s budget or a little more than \$1.00 per person (residents, employees, students and visitors) to support our work to protect and potentially save the lives of people in Los Altos.

Sincerely,

Resilient Los Altos Leadership Group

Art Whipple, Harry Guy, Jim Clark, Patricia Evans, Fred Evans, Ed North, Don Gladstone, Jim Fenton, Charlie Mason, Lou Cartalano, Cookie Murata, Ian Massey

**Melissa Thurman**

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**From:** Tina Swithin <tina.swithin@gmail.com>  
**Sent:** Monday, May 27, 2024 7:56 PM  
**To:** Public Comment; City Council  
**Subject:** Women SV (Women of Silicon Valley) funding for \$60,000 grant

Dear Los Altos City Council Members,

It has come to my attention that Ruth Darlene, Founder and Executive Director of WomenSV (Women of Silicon Valley) will be asking the city council for a \$60,000 grant (or funding) at Tuesday's City Council Meeting.

I am writing in opposition of her request. While I do not reside in Los Altos (I reside in San Luis Obispo County), I oversee an international organization (One Mom's Battle) focused on supporting victims of domestic abuse when they enter the family court system. In my organization, we have chapters all over the world divided by geographical locations, including a very active chapter in California.

Over the years, I have encountered multiple survivors of domestic abuse who consider themselves to be further victimized by Women SV. I have also read articles in the media which paint this organization in a very unfavorable light. There are a lot of worthy organizations doing important work to help victims of domestic abuse, I do not personally believe this is one of them.

Thank you for your time and consideration.

Sincerely,

Tina Swithin

## Melissa Thurman

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**From:** Ca Grandparents United <cagrandparents@yahoo.com>  
**Sent:** Monday, May 27, 2024 10:13 PM  
**To:** City Council; Public Comment  
**Subject:** Objection to Further Funding of WomenSV  
**Attachments:** Objection Letter for WomenSV Funding Los Altos City Council.pdf

Good Evening,

Our group was just made aware of the funding request from WomenSV and its founder, Ruth Patrick Darlene. As local residents, grandparents and business owners , we strongly oppose the city providing more funding for the nonprofit.

We also ask that you have the city attorney look into investigating the nonprofit and its founder.

Attached please find our letter for your consideration prior to your vote on May 28, 2024.

Thank you,



May 27, 2024

Dear Los Altos City Council,

We are a group of grandparents based in Los Altos and Carmel, California. Nonprofit WomenSV came to our attention after a number of adults and young children reported concerning information about the organization, its founder and funding which came from Los Altos and Santa Clara County taxpayers and donors.

In 2023, the Davis Vanguard published a series of articles about WomenSV and the impact it had on many associated with our group. We are painfully aware of the accuracy of these articles, and the fact that the nonprofit, and its founder, Ruth Patrick Darlene, functioned as a referral business for local divorce lawyers who provided substandard legal services for WomenSV referred clients.

Ruth Patrick Darlene is not a therapist, nor an attorney. The so – called “help” she provided survivors of domestic violence came in the form of meetings with divorce attorneys, divorce attorney referrals and pressure to support Santa Clara County District Attorney Jeff Rosen’s political campaigns.

According to the WomenSV tax returns, most of the revenue from the organization went to pay the salary of Ruth Patrick Darlene.

In her 2024 application seeking \$60,000 from the Los Altos taxpayers, Ms. Patrick has no verifiable information. Further, it is our understanding that Ms. Patrick sold her home in Los Altos, and now operates out of Hawaii. We continue to receive complaints from residents and donors about the operation of this nonprofit and the harm it continues to inflict to benefit private divorce attorneys.

Funding from local taxpayers would support Ms. Patrick’s lavish out-of-state lifestyle and do little for victims of domestic violence. It would also likely expose the city to vicarious liability and unnecessary expense.

Further, WomenSV has a history of engaging in **racist and discriminatory practices**, which has been confirmed by Black and Asian women who reached out to WomenSV for help, alleging domestic violence in connection with a divorce. Additionally, the nonprofit has a pattern and practice of discriminating against men who can be victims of domestic violence as well.

Last year the city of Los Altos provided funding to WomenSV, but not to other locally based charities that provide a positive impact for the Los Altos community.

We ask that you reject WomenSV’s 2024 application and launch an investigation into how WomenSV and Ruth Patrick Darlene used over \$350,000 in local taxpayer money and deceptive promotion in the Los Altos Crier, to inflict harm on our most vulnerable residents.

Thank you,

Sara Logan

***Spokesperson for California Grandparents United***

## Melissa Thurman

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**From:** Monica Waldman <contact.mlw@gmail.com>  
**Sent:** Tuesday, May 28, 2024 7:59 AM  
**To:** Public Comment  
**Subject:** [External Sender]Public Comment Agenda Item 5

Dear Council Members,

Last year when the Council deliberated giving funds to local nonprofits, then Mayor Meadows realised there was a conflict of interest giving money to Arts Los Altos when there is a Commission chartered and capable of choosing art within the City with public oversight by Council.

Arts Los Altos' website (<https://www.artslosaltos.org/>) says:

*Arts Los Altos is dedicated to implementing public art that elevates the cultural identity of Los Altos. We have the unique ability to work directly with artists, the downtown business community and property owners to achieve vibrant, curated public art on **private property**.*

**Arts Los Altos places artwork on private property, therefore public funds should \*not\* be used to fund art on private property.** Arts Los Altos has returned this year asking for \$15,000 for "Artist, Materials, Marketing" and "Community Outreach" without an explanation of where they plan to put the art, what kind of art, with no public oversight. Again I ask that public funds not be used to place art on private property.

Included is a copy of the statement I read to Council last year in regards to funding Arts Los Altos in 2023 which still seems relevant today

*My name is Monica Waldman. I have been a resident of Los Altos for almost a quarter of a century and proudly served on the Los Altos Public Arts Commission for the last 8 years. Today I speak for myself.*

*The last time the Council discussed what to do with Commissions, numerous Council members stressed how they value Commissions and Commissioners. Tonight Council will continue to discuss combining the Public Art Commission with the Parks and Recreation Commission. If the City Council values Commissions and Commissioners, shouldn't they allow the new Commission to explore what kind of art they can bring to our City instead of funding an outside non-profit with tax payer money known as Arts Los Altos?*

*Until recently, Arts Los Altos' main webpage said this about their organization, "Arts Los Altos volunteers have the unique ability to work directly with artists and the*

*downtown Los Altos business community and property owners to achieve vibrant, curated public art without the need for a municipal process.”*

*Note the phrase, “without the need for a municipal process.” This phrase is disrespectful to City Staff, the Public Arts Commission and you, our City Council who are part of the municipal process.*

*Arts Los Altos was born from frustration with the “municipal process” and quitting from the Public Arts Commission when not getting what they wanted from a previous City Council with the rejection of our Master Art Plan. Some of us on the Commission, while disappointed with the decisions of that previous City Council, stuck it out with the Commission and worked to make change for the benefit of all Los Altos.*

*I ask Council members: Why would you fund and reward an organization with taxpayer money who flaunts avoiding a municipal process until they smell free money? I ask that you not fund an organization that is hostile to the municipal process that you are part of.*

## Melissa Thurman

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**From:** Katie Zoglin <kzoglin@aol.com>  
**Sent:** Tuesday, May 28, 2024 8:28 AM  
**To:** Public Comment  
**Subject:** City Council Meeting--May 28, 2024, Agenda Item #6 (Transitioning to District-Based Elections)

Dear Mayor Weinberg and City Council:

I served on the Santa Clara County Advisory Redistricting Commission and am writing to share some observations based on that experience. I am writing in my individual capacity.

First, the process takes time and the proposed schedule is a tight one. Under Elections Code section 10010(e)(3)(C), I believe the plaintiff could grant an extension so that the City Council would have until the end of November to approve the districts. I suggest that the City request additional time under that section if it has not already done so.

Second, there must be robust outreach in order to obtain public input. Public comment is challenging until a draft map has been presented because there is too little information upon which to base input. The schedule and outreach should take this reality into account.

Third, the City needs to take care in selecting the demographer. Even experienced demographers may not be familiar with the Los Altos community and therefore may not offer the most appropriate maps.

Thank you for your time and consideration of these comments.

Sincerely,

Katie Zoglin

## Melissa Thurman

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**From:** Anne Paulson <anne.paulson@gmail.com>  
**Sent:** Tuesday, May 28, 2024 9:06 AM  
**To:** Public Comment  
**Subject:** Adopting a Nexus Study, Item #4, May 28, 2024

May 28, 2024

City of Los Altos  
City Council

By email: [PublicComment@losaltosca.gov](mailto:PublicComment@losaltosca.gov)

Re: Adopting a Nexus Study, Item #4, May 28, 2024

Dear Mr. Mayor and City Council,

The Development Impact Fee Study, as it is now, has several errors with significant consequences. It should not be adopted without revision.

1. As I brought up when the initial draft was released, the average unit size for multifamily units (calculated in footnote 14 on page 12) is not correct. This results in the impact fees for multifamily projects being much higher than legally permitted.
2. The Public Art Development Fee is listed as an in-lieu fee. But it is not an in-lieu fee, because R3 developers have no option to provide art instead of paying the fee (Municipal Code 3.52.030 B). And it doesn't work as an impact fee, because the nexus provided is not an adequate nexus for an impact fee and the fee is not calculated per square foot as required for impact fees.
3. The Public Safety Impact Fee is not calculated correctly. The weighting is incorrect (Tables 27, 28 and 29 on p 24). The document provides data that existing residents use emergency services about twice as much per resident as commercial business use emergency services per employee. Therefore, new residents should be charged about twice as much as new businesses per capita, but the proposed fee does the opposite. Moreover, the allocation of costs between existing residents/businesses and new residents/businesses is incorrectly calculated (Table 24 on p 22).
4. The Transportation Impact Fee follows completely different growth assumptions than those outlined in the Projected Growth and Development section. At the least, there needs to be an explanation of why the Transportation Fee calculations assume robust commercial growth whereas the rest of the fees assume virtually none.

The Development Impact Fee Study binds the city for the next eight years. It must be revised to correct these issues, before it is adopted.

Sincerely, Anne Paulson



## Melissa Thurman

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**From:** Laura Roberts <laurabob0421@gmail.com>  
**Sent:** Tuesday, May 28, 2024 10:39 AM  
**To:** Public Comment  
**Cc:** Bob Jones & Laura Roberts  
**Subject:** Arts Los Altos Deserves a City Grant

My husband and I have been very excited to see the many new murals and lively artworks by Arts Los Altos springing up downtown over the past few years. It brings a youthful cultural vitality that has been missing. This nonprofit has established a reputation and proven ability to work with the local community and produce results in a way that honors Los Altos's history and culture. They are deserving of City support to continue this amazing work. Please vote YES tonight to award a Nonprofit grant to Arts Los Altos.

Laura Roberts & Bob Jones, residents of Los Altos for 34 years.

## Melissa Thurman

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**From:** Madeleine Fackler <mfackler949@gmail.com>  
**Sent:** Tuesday, May 28, 2024 11:07 AM  
**To:** Public Comment  
**Subject:** I'm a huge supporter of Arts Los Altos and believe they should be given a nonprofit grant ...

During challenging times for any downtown area (with so many retail stores closing post Covid), Arts Los Altos has been a positive force for Los Altos. They have found a way to get attractive murals and other art works to adorn the downtown and provide another reason for people to come to our small city. I have had several friends who live outside of the area comment how impressed they are by the various artworks and how much they have enjoyed coming into downtown to see what is new.

I'm impressed by their overall approach and continued advertisement for their work and want to see our community embrace them in every way possible !

I'm hopeful that the City Council sees the value that Arts Los Altos has already provided and will support them more through a nonprofit grant as they continue to expand their work.

Sincerely,

Madeleine Fackler  
400 East Edith Ave  
Los Altos, CA 94022  
(650) 949 5725

## Melissa Thurman

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**From:** Kyle Hurlbut <kyle@graphicslab2.com>  
**Sent:** Tuesday, May 28, 2024 11:17 AM  
**To:** Public Comment  
**Subject:** Please Support Arts Los Altos at Today's Meeting

Hello City of Los Altos,

I am a big supporter and fan of Arts Los Altos and I hope you will support them as well. When I first came to Los Altos 31 years ago, I was a bit horrified at the bronze realistic sculptures and my guess is most people would agree they haven't aged well. But Art Los Altos have done art pieces and events that are terrific.

Please support them at today's vote,

All the Best,

Kyle

Kyle Hurlbut  
kyle@graphicslab2.com  
650-714-1855 m  
650-941-1413 h  
graphicslab2 (instagram)  
portfolio.graphicslab2.com

## Melissa Thurman

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**From:** Monica Waldman <contact.mlw@gmail.com>  
**Sent:** Tuesday, May 28, 2024 11:57 AM  
**To:** Public Comment; Jonathan Weinberg; Pete Dailey; Sally Meadows; Neysa Fligor; Lynette Lee Eng  
**Subject:** Public Comment on Study Session Agenda Item 1

Dear Council Members,

Cities are governed by laws but have a choice in what laws they are governed by. I urge you to add "investigating the City of Los Altos becoming a Charter City" to the list of Council priorities to allow Los Altos more autonomy over how the City is run.

Monica Waldman

## Melissa Thurman

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**From:** Julie Mahowald <jmahowald@icloud.com>  
**Sent:** Tuesday, May 28, 2024 12:15 PM  
**To:** Public Comment  
**Subject:** Los Altos should grant \$15K to Arts Los Altos

Hello Council Members,

Thank you for considering this grant to Arts Los Altos. I am incredibly grateful to this proven nonprofit for bringing a variety of art and culture to our town to brighten our lives. They have been so prolific and so cooperative with local businesses and nonprofits bringing 12 new art pieces to bring us joy. They demonstrate the wisdom of public-private partnerships in that they can progress faster than a city can all while carefully collaborating within the community. At the same time many of the pieces honor Los Altos history and culture. Their communications are strong and their events bring people downtown. The monarchs just make me smile each time I go by.

Arts Los Altos' work is genius in these ways I have noted. I put my full support behind them, including donations. It's a win-win for the city to contribute as well.

Warm regards,

Julie Mahowald

resident for 27 years

## Melissa Thurman

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**From:** Marissa Song <marissasong@gmail.com>  
**Sent:** Tuesday, May 28, 2024 1:04 PM  
**To:** Public Comment  
**Subject:** Support Arts Los Altos

Hello. I hope you are well. My husband and I have been very excited to see the many new murals and lively artworks by Arts Los Altos springing up downtown over the past few years. This nonprofit has established a reputation and proven ability to work with the local community and produce results in a way that honors Los Altos's history and culture. They are deserving of City support to continue this amazing work. Please vote YES tonight to award a Nonprofit grant to Arts Los Altos.

Marissa and Young-Sae Song, residents of Los Altos for 20 plus years

## Melissa Thurman

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**From:** Geoff Davis <geoff@geoffdavis.net>  
**Sent:** Tuesday, May 28, 2024 1:10 PM  
**To:** Public Comment  
**Subject:** Nonprofit grant for Arts Los Altos

To Whom It May Concern:

I'm writing in support of a nonprofit grant to Arts Los Altos this year. My family and I are big fans of the public art that Arts Los Altos has organized. I love that we're able to support local artists and make their work available for the whole community to enjoy on a daily basis. I'm particularly happy that our children, who are just finishing kindergarten and first grade at Almond, get to be inspired and entertained by all the murals and sculptures.

Sincerely,

Geoff Davis

## Melissa Thurman

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**From:** Dan Perkins <dan.perkins@gmail.com>  
**Sent:** Tuesday, May 28, 2024 1:20 PM  
**To:** Public Comment  
**Subject:** Re: 28 May Council Mtg, Agenda item 5 (grants), Resilient Los Altos (attachment 5)

28 May 2024

Dan & Nancy Perkins  
Grant Park Neighborhood  
Los Altos, CA 94024

Re: 28 May Council Mtg, Agenda item 5 (grants), Resilient Los Altos (attachment 5)

Grant Park is not an appropriate site for container storage, particularly by a third-party organization seeking public funding for their project(s). We join with Steve Smith and others against creating an eyesore/nuisance that would better be housed at the City Maintenance Yard on Foothill expressway, which already provides public emergency supplies (sandbags) and has better vehicle access. Moreover, Los Altos has long-already parked a “temporary” storage structure in front of the Grant Park multipurpose room, occluding a beautiful Redwood Grove — just another eyesore that attracts trouble (teenagers climbing and “hanging-out” on top the structure, as they do on the trash-can housing). The proposed storage use will be no different — unsightly, obtrusive, and imposing.

The city has many other options — Please keep our city parks clean, welcoming, uncluttered and a source of enjoyment for the community, esp. children, youths and adjacent neighbors.

Thank you for your attention to this matter.

Dan & Nancy Perkins  
Grant Park Neighborhood  
Los Altos, CA 94024



## Melissa Thurman

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**From:** Vivien D'Andrea <mamadoc650@gmail.com>  
**Sent:** Tuesday, May 28, 2024 1:25 PM  
**To:** Public Comment  
**Subject:** [External Sender]Arts Los Altos

Hello

I'm sending this email in support of Arts Los Altos and hoping the city can fund them. They're doing an amazing job with their hard working volunteers. The Los Altos walls are so much more interesting now with the various murals. We can become a destination for art lovers to come to our town, tour the art, and then perhaps shop and eat here.

Please support their nonprofit grant request.

Vivien D'Andrea  
Los Altos resident since 1992

Please excuse any typos from my slow first-finger typing!

## Melissa Thurman

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**From:** Susan Bassi <gilroybassi@gmail.com>  
**Sent:** Tuesday, May 28, 2024 1:31 PM  
**To:** City Council; Public Comment  
**Subject:** Objection to Funding WomenSV and founder Ruth Patrick Darlene

Dear City Council Members,

By way of introduction, I am a 35 year Santa Clara resident and former local magazine publisher and investigative journalist who reports locally on police, the courts and domestic violence in Silicon Valley.

In 2017 I was introduced to Ruth Patrick Darlene and the nonprofit WomenSV by individuals who had donated to and supported the organization. In my work as an investigative reporter, I referred donors and sources to the nonprofit based on the community support and funding that appeared to legitimize the nonprofit's activities.

In 2018 I referred Ms. Patrick to my associates at NBC and the San Jose Mercury, which brought Ms. Patrick media attention she desperately craved, despite an abundance of publicity she had been afforded through the Los Altos Town Crier. At the time, I was unaware the Crier's publishers sat on the WomenSV nonprofit board, raised funds through their publication and also prepared the nonprofit's tax returns.

Ms. Patrick referred women to me, knowing our team was reporting on high asset divorce and domestic violence cases in the area.

In 2020 our team began to get complaints from the women referred to the group. We were provided recordings from group meetings where the women "clients" were brought to WomenSV, not for a meeting to assist them move through allegations of domestic violence and related divorce, but to hear presentations from private divorce lawyers and the Santa Clara County District Attorney, Jeff Rosen.

We heard recordings of meetings where Ms. Patrick referred and recommended private divorce attorneys and told "clients" to vote for DA Rosen as he "supported" those associated with WomenSV. We are aware that Mr. Rosen and countless divorce lawyers who benefited from WomenSV referrals attended their fundraisers at the Los Altos Country Club.

In 2021 our team began actively investigating Ms. Partick and WomenSV in connection with a divorce attorney and real estate referral scheme. Ultimately we found 80 donors and former clients who came forward to report an appearance that the nonprofit acted as a predatory business that largely benefited divorce lawyers, local real estate agents and the publishers of the Los Altos Crier.

Ruth Patrick is not a therapist, or an attorney. She did not offer services vulnerable women needed. Further, she openly discriminated against women of color and men who are often victims of domestic violence.

Ms. Patrick Darlene sold her home in Los Altos shortly after our reporting. The real estate agent who assisted in that sale, Patricia Horwath, was appointed to the WomenSV board and continues to seek public funding and private donations for this group in a manner that is deeply troubling.

**Links to our reporting are here:**

## Tainted Trials. Tarnished Headlines. Stolen Justice. Part Three: Ex-Wives of Silicon Valley

Posted by Robert JHansen | Date: February 24, 2023 | in: [Breaking News, Everyday Injustice](#) | [Leave a comment](#)



*WomansV founder Ruth Patrick-Darlene (Photo from WomenSV YouTube Channel)*

### **Nonprofit Exploits Ex-Wives of Silicon Valley**

February 2023 : <https://www.davisvanguard.org/2023/02/tainted-trials-tarnished-headlines-stolen-justice-part-three-ex-wives-of-silicon-valley/>

## Silicon Valley Nonprofit Victim Shames over 50 Former Clients in Online Post

Posted by Robert J.Hansen | Date: April 12, 2023 | in: Breaking News, Everyday Injustice | [Leave a comment](#)



*The Gilded Cage of WomenSV (WomenSV Facebook)*

By Robert J. Hansen & Susan Bassi

Complaints from 53 women alleging Los Altos-based nonprofit WomenSV referred clients to high-priced divorce attorneys who provided poor legal services and charged outrageous fees has [published a response](#) following The [Vanguard's reporting](#).

March 2023 : [Silicon Valley Nonprofit Victim Shames over 50 Former Clients in Online Post | Davis Vanguard](#)

## Nonprofit Founder Poised to Flee as Ex Wives Demand Fair Trials and Return of Funds Taken from Duped Donors

Posted by David Greenwald | Date: December 05, 2023 | in: Breaking News, Everyday Injustice | Leave a comment



Women financially and emotionally devastated by family court cases linked to alleged case rigging scheme through WomenSV distributed leaflets calling for the shuttering of the nonprofit and return of donor funds. Photo taken outside the Los Altos Crier Newspaper on Friday, December 1, 2023. (photo by Susan Bassi)

By Susan Bassi and Fred Johnson

December 2023: [Nonprofit Founder Poised to Flee as Ex Wives Demand Fair Trials and Return of Funds Taken from Duped Donors | Davis Vanguard](#)

## Silicon Valley Ex-Wives and Duped Donors Silenced as Judge Orders Lawsuit into Arbitration

Posted by Vanguard Administrator | Date: January 21, 2024 | in: Breaking News, Everyday Injustice | [Leave a comment](#)



Judge Socrates Manoukian photo taken from a granted media request. (Photo by Stephen James)

By Susan Bassi and Fred Johnson

More than eighty women, elderly donors and local real estate professionals have joined forces to expose an illicit attorney referral scheme benefiting prominent Silicon Valley law firms. The scheme, primarily operating through the Los Altos-based nonprofit [WomenSV](#), uses misinformation, NDAs, binding [arbitration agreements](#), unfair business practices and swanky fundraisers to attract vulnerable victims of domestic violence and prospective donors from wealthy communities.

January 2024: [Silicon Valley Ex-Wives and Duped Donors Silenced as Judge Orders Lawsuit into Arbitration | Davis Vanguard](#)

We stand by our reporting and hope to give a voice to the 80 plus victims and duped donors we have interviewed. As a local resident, journalist and business operator, it is my hope that the city council will deny the 2024 WomenSV funding application and launch an investigation into how funds previously donated were used.

Respectfully Submitted,

Susan Bassi

***Publisher, Investigative Journalist***

***Public Records & Local News Advocate***

P.O. Box 2220

Los Gatos, CA 95031

LinkedIn: [Susan Bassi | LinkedIn](#)

## Melissa Thurman

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**From:** PJ 650 <pjboonester@gmail.com>  
**Sent:** Tuesday, May 28, 2024 3:25 PM  
**To:** Public Comment; City Council  
**Subject:** Women SV and \$60,000 Grant Request

Dear Los Altos City Council Members,

My name is Patricia and I am a 63 year old mother of three children. It is my understanding that Women SV is requesting a \$60,000 grant. I have not only been a victim of domestic abuse, but a victim of WomenSV. My children have not only been victims of sexual abuse, but also victims of WomenSV.

As a result of my individual involvement with this organization, I found out about almost 80 other women who went to WomenSV and who were all harmed by this so called “domestic abuse organization” through the divorce lawyers more than their former spouses. These are the same people WomenSV and Ruth Patrick herself claimed to have “helped.”

When we were in the greatest need, WomenSV did not offer shelter, employment, therapy, pro bono attorneys, nor positive ways to pivot from the abuse we and our children had endured. Instead, we were sent to divorce lawyers who overcharged us, offered subpar legal services and made any abuse we endured far worse.

In closing, I strongly urge the city council to cease funding Ruth Patrick and the nonprofit she has operated with funds from the Los Altos community for nearly a decade. Also, it is imperative to launch an investigation as to what was done with the funds given. It is my understanding Ruth Patrick does not even live in Los Altos any more and has moved to Hawaii. Many of us have not received the assistance promised and have lost so much more than when we signed our non disclosure agreements to obtain services.

Once again, please stop funding an organization that harms women, men, and children.

Respectively,  
Patrica J. Boone



**CITY OF LOS ALTOS  
CITY COUNCIL MEETING MINUTES  
TUESDAY, MAY 14, 2024  
7:00 p.m.  
1 N. San Antonio Rd. ~ Los Altos, CA**

*Jonathan D. Weinberg, Mayor  
Pete Dailey, Vice Mayor  
Neysa Fligor, Councilmember  
Lynette Lee Eng, Councilmember  
Sally Meadows, Councilmember*

**CALL MEETING TO ORDER** – Jonathan D. Weinberg, Mayor, called the meeting to order at 7:00 p.m.

**ESTABLISH QUORUM** – All Councilmembers were present.

**PLEDGE OF ALLEGIANCE** – **Pete Dailey, Vice Mayor**, led the Pledge of Allegiance.

**REPORT ON CLOSED SESSION**

There was no reportable action taken for the Closed Session meeting of May 14, 2024 at 5:00 p.m.

**CHANGES TO THE ORDER OF THE AGENDA**

There were no changes to the order of the agenda.

**SPECIAL ITEM**

Issue proclamation recognizing Affordable Housing Month

**Jonathan D. Weinberg, Mayor**, presented the proclamation to **Monica Gallardo-Melkesian, Housing Manager**.

Issue proclamation recognizing Jewish Heritage Month

**Jonathan D. Weinberg, Mayor**, presented the proclamation to **Rabbi Ezzy Schusterman of Los Altos Chabad**.

Recognition of the Margaret Thompson Essay Contest Winners

**Jonathan D. Weinberg, Mayor**, presented the winners of the Margaret Thompson Essay Contest with checks.

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

The following members of the public spoke during Public Comment:

- Anita Enander
- Caroline Horn
- Anne Paulson



**Lynette Lee Eng, Councilmember**, requested to pull Item 6 for a separate vote.

Motion by Meadows and Second by Fligor to approve the Consent Calendar, excluding Item 6.  
**Motion carried unanimously by roll call vote.**

Motion by Weinberg and Second by Meadows to approve Item 6. **Motion carried unanimously by roll call vote.**

1. Approve the Draft Special and Regular Meeting Minutes for the Meeting of April 30, 2024
2. Adopt a Resolution calling for a General Municipal Election to be held on November 5, 2024 for three City Council seats and requesting the services of the County of Registrar of Voters to conduct the election and consolidate it with the General Election
3. Adopt a Resolution authorizing the increase of Solid Waste Collection Rates by 5.79% effective July 1, 2024; and finding it exempt from California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273(a)
4. Adopt the Public Works Department’s Microtrenching asphalt concrete (A.C.) Restoration Standard Detail SU-19A to comply with California Senate Bill 378
5. Authorize the City Manager to execute the Agreements for Countywide Household Hazardous Waste Collection Program and Countywide AB 939 Implementation Fee to provide for funding from the City of Los Altos in the amount of \$96,037 for the Countywide Hazardous Waste Disposal Program for FY 2025/26, and consider finding the Council’s action exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15273
6. Adopt Resolution certifying compliance with State Housing Laws in order to receive \$7,298,096.00 in One Bay Area Grant Cycle 3 (OBAG 3) funding for the San Antonio Complete Streets Project
7. Authorize the City Manager to execute an amendment to the original agreement with West Coast Arborists, Inc. in the amount of \$58,000 for On-Call City-wide Tree Maintenance Services to fully fund annual tree maintenance services that includes the tree work that was done on the Hetch Hetchy Trail
8. Authorize the City Manager to Purchase Motorola Nextgen Police Radios and accept grant monies from the Los Altos Mountain View Community Foundation to fund this replacement

## **PUBLIC HEARINGS**

9. Introduce and waive further reading of an Ordinance of the City Council of the City of Los Altos adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code enacting regulations for dual opportunity developments (SB9) and find the Ordinance exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA), and Adopt a Resolution rescinding Resolution 2021-57 establishing objective standards for single-family residences to implement Senate Bill 9 and find the Resolution exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA)

**Stephanie Williams, Deputy Director of Development Services**, presented the report.

**Jonathan D. Weinberg, Mayor**, opened the Public Hearing.

The following members of the public spoke regarding the item:

- Anne Paulson

**Jonathan D. Weinberg, Mayor**, closed the Public Hearing.

The City Council provided various amendments to the ordinance that were substantive in nature. The item will be brought back for re-introduction of the ordinance at the regular meeting of May 28, 2024.

The City Council took a recess at 9:05 p.m.

The City Council reconvened at 9:16 p.m.

## **DISCUSSION ITEMS**

10. Discuss and provide direction on a potential policy related to public comments from a remote platform for public meetings

**Melissa Thurman, City Clerk**, presented the report.

The following members of the public spoke regarding the item:

- Pierre Bedard
- Freddie Wheeler

Motion by Lee Eng and Second by Fligor to test resuming remote public comments for items on the agenda and to allow for an amended public comment period for items not on the agenda, including to potentially move comments not on the agenda to the end of the meeting.

Substitute Motion by Dailey and Second by Weinberg to take no action. **Motion carried 3-2 by roll call vote with Councilmembers Fligor and Lee Eng opposed.**

**INFORMATIONAL ITEMS ONLY**

*There will be no discussion or action on Informational Items*

**11. Tentative Council Calendar and Housing Element Update Implementation Calendar**

**COUNCIL/STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS**

- **Lynette Lee Eng, Councilmember** – Requested a future agenda item:
  - Discuss the benefits of becoming a Charter City (*No support*)

**ADJOURNMENT** – The regular meeting adjourned at 10:04 p.m.

The meeting minutes were prepared by Melissa Thurman, City Clerk, for approval at the regular meeting of May 28, 2024.

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Jonathan D. Weinberg  
Mayor

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Melissa Thurman, MMC  
City Clerk

The May 14, 2024 City Council meeting recording may be viewed via the following external website: <https://www.youtube.com/@CityofLosAltosCA>

The City of Los Altos does not own or operate YouTube. The video referenced on these minutes were live at the time the minutes were published.



## City Council Agenda Report

Meeting Date: May 28, 2024

Prepared By: Melissa Thurman, City Clerk

Approved By: Gabriel Engeland, City Manager

**Subject:** Adopt a Resolution in Support of Childcare for All

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### COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

### RECOMMENDATION

Adopt a Resolution in Support of Childcare for All

### POLICY QUESTION(S) FOR COUNCIL CONSIDERATION

1. Does the Council wish to adopt a resolution in support of Childcare for All?
2. Would the Council prefer another method to support Childcare for All?

### FISCAL IMPACT

None

### ENVIRONMENTAL REVIEW

Not applicable

### ATTACHMENTS

1. Resolution

**RESOLUTION NO. 2024-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
SUPPORTING ALL EFFORTS TO PROVIDE UNIVERSAL CHILDCARE TO ALL  
CHILDREN AND FAMILIES IN THE COUNTY OF SANTA CLARA AND THE  
STATE OF CALIFORNIA**

**WHEREAS**, the Council for a Strong American issued a report in early 2023 which details that the shortage of infant-toddler child care costs the United States \$122 billion in lost earnings, productivity, and revenue every year; and

**WHEREAS**, this shortage translates to a \$15 billion economic threat to California and a \$3 billion threat to Santa Clara County; and

**WHEREAS**, a family living in Silicon Valley needs to pay an average of \$26,450 per child per year for infant care and \$21,900 per year for one preschooler’s childcare; and

**WHEREAS**, the two most significant monthly expenses faced by working families are rent and childcare; and

**WHEREAS**, the lack of an affordable childcare option leads to underemployment, greater housing instability, less consumer spending, depressed business productivity, and the near impossibility of seeking, securing and maintaining employment;

**WHEREAS**, investing in affordable childcare provides vital infrastructure to working parents and supports early childhood development, allows families to remain in a geographic area, creates a stronger economy, improves business productivity and consumer spending, decreases poverty and leads to safer communities and provides revenues for cities; and

**WHEREAS**, cities have a direct interest in building strong local economies, supporting and benefiting from local small businesses, attracting and retaining families and employers; and

**WHEREAS**, one of the most impactful tools we can deploy to solve our greatest economic and societal challenges is investing in broadly accessible, high quality childcare immediately; and

**WHEREAS**, investments in the childcare sector should prioritize supporting our most underserved children and their families, including but not limited to families of color, families of children with special needs, low-income families, and undocumented families; and

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby:

1. Supports all efforts to provide universal childcare to all children of families in the County of Santa Clara and the State of California;
2. Will be proactive in its efforts to promote and advocate for public funding streams in support of universal childcare;

3. Will propose and support policies and practices that will facilitate expedited zoning, permitting and licensing processes for both center-based and home-based childcare facilities;
4. Will empower our office of economic development to promote the importance of childcare businesses in this city and provide support for providers who desire to operate within this city;
5. Joins with Build the Future Santa Clara County in advocating for comprehensive and collaborative solutions to solve our childcare crisis, including but not limited to building a coalition of stakeholders across all sectors including small and large businesses, community based organizations, neighborhood associations, law enforcement authorities, local governments including school and special districts and city councils, and labor and trades unions for the purpose of identifying and implementing solutions to this economic and social crisis.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 28th day of May, 2024 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jonathan D. Weinberg, MAYOR

Attest:

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Melissa Thurman, MMC  
City Clerk



## City Council Agenda Report

**Meeting Date: May 28, 2024**  
**Prepared By: Stephanie Williams**  
**Reviewed By: Nick Zornes**  
**Approved By: Gabriel Engeland**

**Subject: SB9 Regulations – Housing Element Implementing Ordinance**

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### **COUNCIL PRIORITY AREA**

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

### **RECOMMENDATION**

1. Introduce and waive further reading of an Ordinance of the City Council of the City of Los Altos adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code enacting regulations for dual opportunity developments (SB9) and find the Ordinance exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA). (Attachment 1)
2. Adopt a Resolution rescinding Resolution 2021-57 establishing objective standards for single-family residences to implement Senate Bill 9 and find the Resolution exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA). (Attachment 2)

### **INITIATED BY**

City of Los Altos adopted 6th Cycle Housing Element, Program 1.M: SB9 Implementation

### **FISCAL IMPACT**

No fiscal impacts are associated with the adoption of these implementing regulations.

### **ENVIRONMENTAL REVIEW**

The proposed amendments are exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines since there would be no possibility of a significant effect on the environment.

**PREVIOUS COUNCIL CONSIDERATION**

May 14, 2024 (see Attachment 3)

**BACKGROUND**

California Senate Bill 9 Overview

California Senate Bill 9 (SB 9) requires ministerial approval of certain housing development projects and lot splits on an R1 (Single-Family Residential) zoned property. SB 9 was passed by the California Legislature in 2021 and took effect January 1, 2022.

SB 9 requires approval of the following:

- Two primary units. Two units on an eligible R1 lot (whether the proposal adds two new units or adds one unit and keeps an existing unit).
- Urban lot split. A one-time subdivision of an eligible R1 lot into two lots. This would allow up to four units (two units on each lot).

SB 9 also requires that jurisdictions review and approve all SB 9 projects ministerially without discretionary review or public hearing; may only apply objective zoning, subdivision, and design standards; and these standards may not preclude the construction of up to two units of at least 800 square feet each on each lot with minimum 4’ side and rear setbacks. This law is similar to State ADU legislation in that it allows jurisdictions to apply local objective standards, as long as they do not prevent the development of new residential development to provide for increased housing opportunities which comply with SB9’s regulations.

Although SB 9 allows cities to create objective development standards, SB 330, as amended by SB 8 in 2021 (Housing Crisis Act of 2019), limits the ability for cities to add new standards. Specifically, the Housing Crisis Act prohibits cities from reducing the intensity of land use within an existing residential zoning district below what was allowed and in effect on January 1, 2018. Reducing intensity includes, but is not limited to reductions to height, density, floor area ratio (FAR); new or increased open space or lot size requirements; new or increased setback requirements; or any standard that would lessen the intensity of housing.

Existing City SB9 Regulations

The City previously considered and adopted an SB9 Implementation Resolution on December 14, 2021, in anticipation of SB9 going into effect on January 1, 2022 (see Attachment 3). These regulations were intended to assist staff and the public with reviewing SB9 applications consistent with State Law and establish objective design standards for residential units developed under the regulations. Council also directed staff to return to them by May 2022 to report on SB9 implementation and any recommendations on amendments that may be prudent after the review of applications. Due to staff shortages, turnover and other priorities, especially the Housing Element Update, efforts to return to Council by May 2022 were delayed.

Staff proposes to largely maintain existing SB9 development standards and objective design standards and adjust standards where they do not align with the implementation of minimum SB



9 requirements or were found to be problematic through implementation over the last approximately two years.

6th Cycle Housing Element 2023-2031

On January 24, 2023, the City adopted the 6th Cycle Housing Element 2023-2031 which included *Program 1.M: SB 9 Implementation*; which requires the City to ensure that its local SB9 ordinance remains consistent with State law. Additionally, the City is to monitor and report on the effectiveness of the City’s SB9 standards and report its findings and any recommendations on amendments which are appropriate to facilitate SB9 applications.

The Draft Ordinance is an implementing Ordinance of the City’s adopted Housing Element. Should the City of Los Altos not proceed with the implementing actions discussed in this report, the City will be vulnerable to penalties and consequences of Housing Element noncompliance. HCD is authorized to review any action or failure to act by a local government that determines is inconsistent with an adopted Housing Element or housing element law. This includes failure to implement program actions included in the Housing Element. HCD may revoke Housing Element compliance if the local government’s actions do not comply with State Law. Examples of penalties and consequence of Housing Element noncompliance include:

- **General Plan Inadequacy:** the Housing Element is a mandatory element of the General Plan. When a jurisdiction’s housing element is found to be out of compliance, its General Plan could be found inadequate, and therefore invalid. Local governments with an invalid General Plan can no longer make permitting decisions.
- **Legal Action and Attorney Fees:** local governments with noncompliant housing elements are vulnerable to litigation from housing rights’ organization, developers, and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff’s attorneys in addition to the fees paid by its own attorneys. Potential consequences of lawsuits include mandatory compliance within 120 days, suspension of local control on building matters, and court approval of housing developments.
- **Loss of Permitting Authority:** courts have authority to take local government residential and nonresidential permit authority to bring the jurisdiction’s General Plan and housing element into substantial compliance with State law. The court may suspend the locality’s authority to issue building permits or grant zoning changes, variances, or subdivision map approvals – giving local governments a strong incentive to bring its housing element into compliance.
- **Financial Penalties:** court-issued judgement directing the jurisdiction to bring its housing element into substantial compliance with state housing element law. If a jurisdiction’s housing element continues to be found out of compliance, courts can multiply financial penalties by a factor of six.
- **Court Receivership:** courts may appoint an agent with all powers necessary to remedy identified housing element deficiencies and bring the jurisdiction’s housing element into substantial compliance with Housing Element law.

SB9 Project Review Update

The proposed codification of SB9 regulations in the Zoning Ordinance and analysis contained in this report reflect staff’s utilization of the existing regulations over the past approximately two years and include recommendations on amendments. Since the law took effect on January 1, 2022 until the writing of this report, the City has received nine (9) urban lot split applications and eighteen (18) SB9 residential development applications. Minor changes are recommended to the existing regulations to improve implementation consistent with State law, clarify language, or align with modified City practices or laws.

Two changes reflected in the proposed Ordinance which align with the recent City ADU regulation changes include the removal of a daylight plane requirement and language regarding voluntary setbacks. Because the side and rear setbacks for developments are reduced from standard R1 zoning setbacks, the daylight plane requirement is removed as it is unenforceable and impossible to “protect” a daylight plane with a structure that is allowed four feet from a property line. The voluntary additional setback is intended to reduce the privacy impacts to abutting property owners, and applicants are encouraged to voluntarily increase the setbacks. Although this language is not in conflict with any State laws, the inclusion of such language within the ordinance creates a false sense of certainty for unenforceable setbacks between opposing parties, and results in City staff playing mediator of residents.

Planning Commission Recommendation

On April 18, 2024, the Planning Commission received a staff report, presentation, asked clarifying questions of staff, considered the proposed Ordinance, and conducted an in-depth discussion regarding the item. No one from the public spoke on the item and one letter of support was received. The Commission recommended modifications to the proposed regulations which include minor non-substantive language clarifications as well as an amendment to Section 14.64.090 – Objective Development Standards – to increase the Floor Area Ratio (FAR) for lots not exceeding 10,000 square feet to 40 percent where the previous language, which mirrored the existing regulations, had a maximum FAR of 35 percent for lots not exceeding 11,000 square feet. The commission voted unanimously to recommend approval of the Ordinance with the amended language.

City Council Public Hearing

On May 14, 2024, the Council considered the Planning Commission’s recommendation and Draft Ordinance (see Attachment 3) and directed staff to make the following modifications and return for consideration. The requested modifications have been integrated into the draft Ordinance in Attachment 1.

- Section 14.64.020.F (Eligibility) – Include trusts in the list of entities for which SB9 cannot be utilized.
- Section 14.64.040 (Lot Frontage Width and Design) – Remove reference to minimizing site disturbance and tree removal.
- Section 14.64.070 (Rental Term) – Include the definition of short-term rental.
- Section 14.64.080 (Maximum Number of Units) – Allow two junior accessory dwelling units per development which are not counted towards the 4 unit maximum.

- Section 14.64.090 (Objective Development Standards) – Remove a Floor Area Ratio (FAR) standard.

**ATTACHMENTS**

1. Draft Ordinance and Appendix A (Chapter 14.74)
2. Draft Resolution
3. May 14, 2024 Council Staff Report and Attachments

**ORDINANCE NO. 2024-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS ADDING CHAPTER 14.64 TO TITLE 14 (ZONING) OF THE LOS ALTOS MUNICIPAL CODE ENACTING REGULATIONS FOR DUAL OPPORTUNITY DEVELOPMENTS PURSUANT TO SENATE BILL 9 (SB9)**

**WHEREAS**, on September 16, 2021, the State of California enacted legislation known as Senate Bill 9 (“SB 9”), which added Sections 65852.21 and 66411.7 to the California Government Code, to require local public agencies, beginning January 1, 2022, to ministerially approve lot splits and the construction of two (2) primary dwelling units on single-family zoned lots meeting certain conditions; and

**WHEREAS**, the purpose of SB 9 is to address California’s affordable housing crisis by promoting small-scale neighborhood residential development to provide for increased housing opportunities; and

**WHEREAS**, SB 9 allows for streamlined ministerial approval for certain residential dwelling units and lot splits in single-family residential zones; and

**WHEREAS**, SB 9 requires the City to apply objective design standards to residential dwelling units approved pursuant to the legislation and prohibits discretionary design review for such units; and

**WHEREAS**, SB 9 allows cities to impose certain standards for projects approved under that legislation, which the City Council desires to adopt; and

**WHEREAS**, the City adopted Resolution 2021-57 establishing objective residential site development and design standards pursuant to SB9; and

**WHEREAS**, on January 24, 2023, the City Council approved the City’s Sixth Cycle Housing Element Update; and

**WHEREAS**, Program 1.M of the Housing Element Update requires the City of Los Altos to implement SB9; and

**WHEREAS**, the Planning Commission held a duly noticed public hearing on April 18, 2024 and provided a recommendation to the City Council; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 14, 2024 introducing an Ordinance adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations. Council requested modifications to the draft regulations and continued the item for consideration and reintroduction of the Ordinance at their next regular meeting; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 28, 2024 introducing an Ordinance adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations; and

**WHEREAS**, this Ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.

**NOW THEREFORE**, the City Council of the City of Los Altos does hereby ordain as follows:

**SECTION 1. AMENDMENT OF TITLE 14 OF THE MUNICIPAL CODE:** Chapter 14.64 is hereby added to Title 14 (Zoning) of the Los Altos Municipal Code as set forth in Appendix A to this Ordinance.

**SECTION 2. CONSTITUTIONALITY; AMBIGUITIES.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions hereof. Any ambiguities in the Los Altos Municipal Code created by this Ordinance shall be resolved by the Development Services Director, in their reasonable discretion, after consulting the City Attorney.

**SECTION 3. PUBLICATION.** This ordinance shall be published as provided in Government Code section 36933.

**SECTION 4. EFFECTIVE DATE.** This Ordinance shall be effective upon the commencement of the thirty-first day following the adoption date.

The foregoing Ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on May 28, 2024, and was thereafter, at a regular meeting held on June 11, 2024, passed and adopted by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Jonathan D. Weinberg, MAYOR

Attest:

\_\_\_\_\_  
Melissa Thurman, MMC, CITY CLERK

**APPENDIX A**  
**ADDITION OF CHAPTER 14.64 TO TITLE 14**

**Chapter 14.64 – DUAL OPPORTUNITY DEVELOPMENTS (SB9)**

**14.64.010 - Purpose**

Senate Bill (SB) 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 enables the creation of up to four housing units in the lot area typically used for one single-family home. This chapter allows residential housing developments to implement Government Code Section 65852.21 for developing two (2) primary residential units on single-family (R1) zoned lots and Section 66411.7 for urban lot splits.

**14.64.020 - Eligibility**

A proposed housing development or urban lot split shall comply with the following eligibility requirements:

- A. Property is zoned R1 (Single-Family Residential). Lots located in multi-family residential, commercial, mixed-use zones, etc. are not subject to these regulations even if single-family residential uses are a permitted use.
- B. Property is not located in a historic district, listed on the State Historic Resources Inventory, or designated a city landmark or historic resource.
- C. Shall not result in the demolition or structural modification of any portion of an existing residential unit that:
  - 1. Is protected by a recorded covenant, ordinance or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
  - 2. Housing that is subject to any form of rent or price control.
  - 3. Has been occupied by a tenant within the three (3) years prior to the submittal of an application to the city.
- D. Property does not contain a dwelling unit that was withdrawn from rental or lease under the Ellis Act at any time within fifteen (15) years before the date of application to the city.
- E. The lot to be subdivided shall not be a lot that was established through a prior urban lot split.
- F. The lot to be subdivided shall not abut any lot that was previously subdivided through an urban lot split by the owner of the lot proposed to be subdivided or any party acting in concert with the owner. For the purpose of this section, any party acting in concert with the owner shall include any individual with a familial relation to the property owner (including, but not limited to, parents, children, siblings and spouses), trusts, or any business entity in which the property owner has more than ten (10) percent ownership.
- G. Property does not contain any of the site conditions listed in Government Code Section 65913.4, subdivision (a)(6)(B-K), as may be amended from time to time, summarized as follows:

1. Prime farmland, farmland of statewide importance or land that is zoned or designated for agricultural protection or preservation by the voters.
2. A wetland.
3. Within a very high fire hazard severity zone, unless the site complies with all fire-hazard mitigation measures required by existing building standards.
4. A hazardous waste site that has not been cleared for residential use.
5. Within a delineated earthquake fault zone, unless all development on the site complies with applicable seismic protection building code standards.
6. Within a one hundred (100) year flood hazard area, unless the site has either been subject to a letter of map revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction or meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program.
7. Within a regulatory floodway, unless all development on the site has received a no-rise certification.
8. Land identified for conservation in an adopted natural community conservation plan, habitat conservation plan or other adopted natural resource protection plan.
9. Habitat for protected species.
10. Land under conservation easement.

**14.64.030 - Number of Lots and Minimum Site Area**

An existing lot shall not be subdivided into more than two lots. Each newly subdivided lot shall not be smaller than 40 percent of the original lot size and shall not be less than 1,200 square feet.

**14.64.040- Lot Frontage Width and Design**

Each lot shall adjoin a public or private street with a minimum frontage of 20 feet in width. Lot lines shall be organized to be parallel and perpendicular to the street on straight streets and approximately radial on curved streets, to the extent possible.

**14.64.050 - Owner Occupancy**

Upon submittal of an application for an urban lot split, the property owner shall sign an affidavit stating they intend to occupy one of the units as their primary residence for at least three years, unless the owner is a community land trust, as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code, or is a qualified nonprofit corporation as described in Section 214.15 of the Revenue and Taxation Code.



**14.64.060 - Map Act Compliance**

The urban lot split shall conform to all applicable objective requirements of the Subdivision Map Act (Gov. Code § 66410, et. seq.), including implementing requirements in this chapter.

**14.64.070 - Rental Term**

No unit created pursuant to this chapter may be used as a short-term rental. Short term rental shall be defined as a use that provides lodging in a dwelling unit for compensation for a period of fewer than thirty (30) consecutive calendar days.

**14.64.080 - Maximum Number of Units**

- A. No more than two (2) primary dwelling units are permitted on a single existing lot or newly created lot through an urban lot split.
- B. For existing lots not established through an urban lot split, in addition to a primary dwelling unit(s) an accessory dwelling unit(s) may be allowed for a maximum of four (4) total units (inclusive of primary units and accessory dwelling units).
- C. For lots established through an urban lot split, in addition to a primary dwelling unit, a second primary unit or an accessory dwelling unit may be allowed for a maximum of two (2) units per resulting lot (inclusive of primary units and accessory dwelling units).
- D. A total of two (2) junior accessory dwelling units are permitted per existing lot or one (1) per lot for lots established through an urban lot split. Junior accessory dwelling units shall not count towards the four (4) unit maximum.

**14.64.090 - Objective Development Standards**

<u>Coverage</u>	<u>One-story structures with a maximum height of 20 feet shall have a maximum lot coverage of 35 percent of the total site area. One-story structures exceeding 20 feet in height or two-story structures shall have a maximum lot coverage of 30 percent of the total site area.</u>
<u>Floor Area Ratio</u>	<u>None</u>
<u>Setbacks</u>	<u>Front: 25 feet for the first story; and 30 feet for the second story.</u>
	<u>Side: 4 feet</u>
	<u>Rear: 4 feet</u>
<u>Height</u>	<u>Maximum building height is two stories and 27 feet. Flag lots shall be limited to one story and 20 feet in height.</u>
	<u>Maximum first floor plate height: 10 feet</u>
	<u>Maximum second floor plate height: 9 feet</u>
	<u>Maximum entry porch plate height: 12 feet</u>
<u>Basements</u>	<u>Basements shall not extend beyond the floor area of the first floor.</u>
	<u>Light wells, ingress and egress wells, patio wells, and other similar elements shall not be permitted within a required setback.</u>
	<u>Light wells, ingress and egress wells, patio wells, and other similar elements shall utilize vertical retaining walls. Contour graded slopes, which expose the basement as a story, are prohibited.</u>
	<u>Light wells, ingress and egress wells, patio wells, and other similar elements shall be at least 75 percent open in area to light and air above.</u>
<u>Second Story Decks or Balconies</u>	<u>Second-story decks and balconies are allowed only on the front elevation facing a public or private street and shall meet the side setbacks. The maximum size of any one deck or balcony shall be 25 square feet and have a maximum depth of four feet. A deck on the roof of a two-story structure is prohibited.</u>
<u>Landscaping</u>	<u>A minimum of 50 percent of the required front yard setback area shall be landscaping.</u>
<u>Parking</u>	<u>A minimum of one covered space per unit within a garage or carport with a minimum interior dimension of nine feet in width by 18 feet in length. Parking for accessory dwelling units shall be provided separately as required under Chapter 14.14.</u>
<u>Fences</u>	<u>Fences shall be subject to the zoning standards of the underlying zoning district.</u>

<u>Outdoor Kitchen, Barbeques, Fireplaces, and Swimming Pools</u>	<u>Outdoor kitchen, barbeques, fireplaces, and swimming pools shall be subject to the zoning standards of the underlying zoning district.</u>
<u>Accessory Structures</u>	<u>Accessory structures shall be subject to the zoning standards of the underlying zoning district.</u>
<u>Signs</u>	<u>Signs shall be subject to the zoning standards of the underlying zoning district.</u>

1. All development standards shall be modified as necessary if they preclude two single-family units with a minimum size of 800 square feet and four-foot side and rear yard setbacks.
2. Development of an ADU shall be subject to the separate development standards and requirements pursuant to Chapter 14.14.
3. No architectural features (i.e. cantilevers, bay windows, and/or other architectural projection) shall be allowed within the required side and rear setbacks except for 12-inch maximum eaves with four-inch maximum gutters.
4. No parking is required if the property is located within one half mile walking distance of either a high-quality transit corridor or major transit stop; or a car share vehicle program is located within one block of the property.

**14.64.100 - Objective Design Standards**

A. Site and Building Design

1. Attached garages shall be recessed a minimum of one foot from the front elevation wall plane of the residence.
2. When a three-car attached garage is proposed, visual impact shall be reduced by, (i) using a tandem parking layout inside a two-car-wide garage; (ii) using three single-car-wide garage doors instead of a double and a single garage door; or (iii) setting back one of the doors from the others.
3. Each property is prohibited from more than one curb cut or driveway accessing a street unless the subject site is fronting a city’s arterial or collector street.
4. A curb cut or driveway width connecting to a public or private street shall be no greater than 20 feet in width.
5. No more than two types of roof forms and two roof pitches shall be used.
6. Building entrances shall be oriented towards the street.
7. Facade articulation shall be provided with at least six corners on the first floor.
8. Building entrances shall have a roofed projection (such as a porch) or recess with a minimum depth of at least five feet and a minimum horizontal area of thirty (30) square feet. Any corners within the building entrances shall not count as part of the corners as required above.
9. Windows and doors shall either be trimmed or recessed. When trimmed, the trim material shall not be less than 3.5" in width by 1" in depth when protruding from the wall. When recessed, the building primary siding material shall cover the recessed edge faces and wrap toward the interior face of the window glazing or door face by not less than 2 inches in depth.

10. On elevations that are facing interior side property lines, a minimum sill height of 5' is required for all second-floor windows.
11. Provide an inset/offset or plane change on long walls of greater than 25 feet in length.
12. First floor finished elevation shall be no more than twenty-two (22) inches above existing natural grade on a non-hillside lot.
13. For a hillside property, a stepped foundation is required where the average slope beneath the proposed structure is 10% or greater.
14. No exterior staircases above grade shall be allowed.
15. Except for pathway lighting, outdoor lighting fixtures shall be downward facing and fully shielded or recessed.

**B. Construction Materials and Colors**

1. Foam trim with a painted stucco finish is prohibited.
2. Mixing roof materials and colors are not allowed except for curved dormers and shed roof structures.
3. Exterior finish including wainscoting used for one structure shall be no greater than three different materials. Each material may be a different color, but every part of exterior finish comprised of a single material shall be a single color.
4. Architectural detailing shall be incorporated such as window and door trim, belly bands, cornices, shutters, column accents to the entry porch, and railings in an integrated composition.

**C. Landscaping and Screening Vegetation**

1. For lots five thousand (5,000) square feet in size or greater, a minimum of two medium to large canopy size trees shall be planted with at least one tree planted in the front yard. For each additional five thousand (5,000) square-foot lot size, an additional medium to large canopy size tree shall be planted onsite.
2. For lots with less than five thousand (5,000) square feet in size, a minimum of one, medium to large canopy size tree shall be planted onsite.
3. Screening vegetation shall be required within lines of sight from each jamb of any second-floor windows with a sill height of less than 5' to the side or rear property lines and within lines of sight to any side property line for any proposed second story deck or balcony.
4. Any required screening vegetation shall be evergreen species reaching at least fifteen feet through twenty feet in height at maturity with permanent irrigation.
5. All projects shall comply with the City's Water Efficiency Landscape Ordinance (WELO).

**14.64.110 - Nonconforming Conditions**

Corrections of nonconforming zoning conditions shall not be required for the ministerial approval of a housing development or urban lot split.

There shall be no required setbacks for an existing structure or for a structure constructed in the same location and to the same dimensions as an existing structure (i.e., a building reconstructed on the same footprint), subject to compliance with all applicable building and fire codes.

**14.64.120 - Administration**

Applications for a housing development or parcel map for an urban lot split pursuant to this chapter shall be processed ministerially without discretionary review, processes, or provisions. Review and submittal of an application for a housing development and/or parcel map for an urban lot split shall require submittal of all items listed on the City's application submittal checklist.

The city may deny an application for a housing development or parcel map for an urban lot split if the building official makes a written finding, based on a preponderance of the evidence, that the project would have a "specific, adverse impact" on either public health and safety or on the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

SB 9 allows for ministerial approval of certain "new" residential dwelling units. The term "new unit" as used in SB 9 shall be construed to mean any of the following:

- A. A new residential dwelling unit (other than an accessory dwelling unit) proposed to be constructed on a vacant lot.
- B. A new residential dwelling unit (other than an accessory dwelling unit) is constructed in place of a demolished residential dwelling unit.
- C. A residential dwelling unit (other than an accessory dwelling unit) is reconstructed to the substantial equivalence of new.

As used above, a residential dwelling unit is reconstructed to the "substantial equivalence of new" if any of the following sets of criteria apply:

- A. The residential dwelling unit is stripped to the studs and/or foundation and reconstructed.
- B. A substantial remodel is proposed in connection with a substantial addition so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
  - 1. An addition is proposed to an existing residential dwelling unit equal to or greater in size than 50% of the floor area of the existing residential dwelling unit (excluding garages, accessory dwelling units, other accessory structures, crawl spaces, unfinished attics, and basement floor areas).
  - 2. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing roof will be demolished, repaired, or replaced, and the entire roof covering will be replaced.
  - 3. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing facade will be demolished, repaired, or replaced, the entire facade will be repainted or otherwise resurfaced, and the entire facade for the residential dwelling unit in its completed condition is designed to match.

- 4. All existing floor coverings and plumbing fixtures will be removed and, as applicable, replaced.
- 5. Sprinklers will be installed if not already provided.
- 6. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of existing drywall or other wall coverings will be demolished, repaired, or replaced, and all retained wall covering will be repainted or otherwise resurfaced.
- 7. All exterior doors and windows will be replaced.

Applications to remodel and/or build single-family residences not subject to this chapter in their entirety shall continue to be subject to the requirements of the underlying zoning district and Chapter 14.76. Future additions or modifications to “new units” that were built under this chapter pursuant to SB9 shall utilize the standards and process pursuant to this chapter.

**RESOLUTION NO. 2024-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
RESCINDING RESOLUTION 2021-57 ESTABLISHING OBJECTIVE STANDARDS  
FOR SINGLE FAMILY RESIDENCES TO IMPLEMENT SENATE BILL 9**

**WHEREAS**, on September 16, 2021, the State of California enacted legislation known as Senate Bill 9 (“SB 9”), which added Sections 65852.21 and 66411.7 to the California Government Code, to require local public agencies, beginning January 1, 2022, to ministerially approve lot splits and the construction of two (2) primary dwelling units on single-family zoned lots meeting certain conditions; and

**WHEREAS**, on December 14, 2021, the City adopted Resolution 2021-57 establishing objective standards for single family residences to implement Senate Bill 9; and

**WHEREAS**, on January 24, 2023, the City Council approved the City’s Sixth Cycle Housing Element Update; and

**WHEREAS**, Program 1.M of the Housing Element Update requires the City of Los Altos to implement SB9; and

**WHEREAS**, the Planning Commission held a duly noticed public hearing on April 18, 2024 and provided a recommendation to the City Council to add Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 14, 2024 introducing an Ordinance adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations. Council requested modifications to the draft regulations and continued the item for consideration and reintroduction of the Ordinance at their next regular meeting; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 28, 2024 introducing an Ordinance adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations; and

**WHEREAS**, rescission of Resolution 2021-57 and the existing SB9 regulations is necessary to allow the implementation of new amended SB9 regulations; and

**WHEREAS**, this Resolution is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby rescinds Resolution 2021-57.

**BE IT FURTHER RESOLVED**, that the effective date shall be upon the commencement of the thirty-first day following the adoption date of the Ordinance implementing Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on May 28, 2024, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Jonathan D. Weinberg, MAYOR

Attest:

\_\_\_\_\_  
Melissa Thurman, MMC, CITY CLERK





## City Council Agenda Report

**Meeting Date: May 14, 2024**  
**Prepared By: Stephanie Williams**  
**Reviewed By: Nick Zornes**  
**Approved By: Gabriel Engeland**

**Subject: SB9 Regulations – Housing Element Implementing Ordinance**

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### **COUNCIL PRIORITY AREA**

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

### **RECOMMENDATION**

1. Introduce and waive further reading of an Ordinance of the City Council of the City of Los Altos adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code enacting regulations for dual opportunity developments (SB9) and find the Ordinance exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA). (Attachment 1)
2. Adopt a Resolution rescinding Resolution 2021-57 establishing objective standards for single-family residences to implement Senate Bill 9 and find the Resolution exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act (CEQA). (Attachment 2)

### **INITIATED BY**

City of Los Altos adopted 6th Cycle Housing Element, Program 1.M: SB9 Implementation

### **FISCAL IMPACT**

No fiscal impacts are associated with the adoption of these implementing regulations.

### **ENVIRONMENTAL REVIEW**

The proposed amendments are exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines since there would be no possibility of a significant effect on the environment.

**BACKGROUND**

California Senate Bill 9 Overview

California Senate Bill 9 (SB 9) requires ministerial approval of certain housing development projects and lot splits on an R1 (Single-Family Residential) zoned property. SB 9 was passed by the California Legislature in 2021 and took effect January 1, 2022.

SB 9 requires approval of the following:

- Two primary units. Two units on an eligible R1 lot (whether the proposal adds two new units or adds one unit and keeps an existing unit).
- Urban lot split. A one-time subdivision of an eligible R1 lot into two lots. This would allow up to four units (two units on each lot).

SB 9 also requires that jurisdictions review and approve all SB 9 projects ministerially without discretionary review or public hearing; may only apply objective zoning, subdivision, and design standards; and these standards may not preclude the construction of up to two units of at least 800 square feet each on each lot with minimum 4’ side and rear setbacks. This law is similar to State ADU legislation in that it allows jurisdictions to apply local objective standards, as long as they do not prevent the development of new residential development to provide for increased housing opportunities which comply with SB9’s regulations.

Although SB 9 allows cities to create objective development standards, SB 330, as amended by SB 8 in 2021 (Housing Crisis Act of 2019), limits the ability for cities to add new standards. Specifically, the Housing Crisis Act prohibits cities from reducing the intensity of land use within an existing residential zoning district below what was allowed and in effect on January 1, 2018. Reducing intensity includes, but is not limited to reductions to height, density, floor area ratio (FAR); new or increased open space or lot size requirements; new or increased setback requirements; or any standard that would lessen the intensity of housing.

Existing City SB9 Regulations

The City previously considered and adopted an SB9 Implementation Resolution on December 14, 2021, in anticipation of SB9 going into effect on January 1, 2022 (see Attachment 3). These regulations were intended to assist staff and the public with reviewing SB9 applications consistent with State Law and establish objective design standards for residential units developed under the regulations. Council also directed staff to return to them by May 2022 to report on SB9 implementation and any recommendations on amendments that may be prudent after the review of applications. Due to staff shortages, turnover and other priorities, especially the Housing Element Update, efforts to return to Council by May 2022 were delayed.

Staff proposes to largely maintain existing SB9 development standards and objective design standards and adjust standards where they do not align with the implementation of minimum SB 9 requirements or were found to be problematic through implementation over the last approximately two years.

6th Cycle Housing Element 2023-2031

On January 24, 2023, the City adopted the 6th Cycle Housing Element 2023-2031 which included *Program I.M: SB 9 Implementation*; which requires the City to ensure that its local SB9 ordinance remains consistent with State law. Additionally, the City is to monitor and report on the effectiveness of the City’s SB9 standards and report its findings and any recommendations on amendments which are appropriate to facilitate SB9 applications.

The Draft Ordinance is an implementing Ordinance of the City’s adopted Housing Element. Should the City of Los Altos not proceed with the implementing actions discussed in this report, the City will be vulnerable to penalties and consequences of Housing Element noncompliance. HCD is authorized to review any action or failure to act by a local government that determines is inconsistent with an adopted Housing Element or housing element law. This includes failure to implement program actions included in the Housing Element. HCD may revoke Housing Element compliance if the local government’s actions do not comply with State Law. Examples of penalties and consequence of Housing Element noncompliance include:

- General Plan Inadequacy: the Housing Element is a mandatory element of the General Plan. When a jurisdiction’s housing element is found to be out of compliance, its General Plan could be found inadequate, and therefore invalid. Local governments with an invalid General Plan can no longer make permitting decisions.
- Legal Action and Attorney Fees: local governments with noncompliant housing elements are vulnerable to litigation from housing rights’ organization, developers, and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff’s attorneys in addition to the fees paid by its own attorneys. Potential consequences of lawsuits include mandatory compliance within 120 days, suspension of local control on building matters, and court approval of housing developments.
- Loss of Permitting Authority: courts have authority to take local government residential and nonresidential permit authority to bring the jurisdiction’s General Plan and housing element into substantial compliance with State law. The court may suspend the locality’s authority to issue building permits or grant zoning changes, variances, or subdivision map approvals – giving local governments a strong incentive to bring its housing element into compliance.
- Financial Penalties: court-issued judgement directing the jurisdiction to bring its housing element into substantial compliance with state housing element law. If a jurisdiction’s housing element continues to be found out of compliance, courts can multiply financial penalties by a factor of six.
- Court Receivership: courts may appoint an agent with all powers necessary to remedy identified housing element deficiencies and bring the jurisdiction’s housing element into substantial compliance with Housing Element law.

SB9 Project Review Update

The proposed codification of SB9 regulations in the Zoning Ordinance and analysis contained in this report reflect staff’s utilization of the existing regulations over the past approximately two

years and include recommendations on amendments. Since the law took effect on January 1, 2022 until the writing of this report, the City has received nine (9) urban lot split applications and eighteen (18) SB9 residential development applications. Minor changes are recommended to the existing regulations to improve implementation consistent with State law, clarify language, or align with modified City practices or laws.

Two changes reflected in the proposed Ordinance which align with the recent City ADU regulation changes include the removal of a daylight plane requirement and language regarding voluntary setbacks. Because the side and rear setbacks for developments are reduced from standard R1 zoning setbacks, the daylight plane requirement is removed as it is unenforceable and impossible to “protect” a daylight plane with a structure that is allowed four feet from a property line. The voluntary additional setback is intended to reduce the privacy impacts to abutting property owners, and applicants are encouraged to voluntarily increase the setbacks. Although this language is not in conflict with any State laws, the inclusion of such language within the ordinance creates a false sense of certainty for unenforceable setbacks between opposing parties, and results in City staff playing mediator of residents.

Planning Commission Recommendation

On April 18, 2024, the Planning Commission received a staff report, presentation, asked clarifying questions of staff, considered the proposed Ordinance, and conducted an in-depth discussion regarding the item. No one from the public spoke on the item and one letter of support was received. The Commission recommended modifications to the proposed regulations which include minor non-substantive language clarifications as well as an amendment to Section 14.64.090 – Objective Development Standards – to increase the Floor Area Ratio (FAR) for lots not exceeding 10,000 square feet to 40 percent where the previous language, which mirrored the existing regulations, had a maximum FAR of 35 percent for lots not exceeding 11,000 square feet. The commission voted unanimously to recommend approval of the Ordinance with the amended language, which has been integrated into the draft Ordinance before Council.

**DISCUSSION/ANALYSIS**

The following is a summary of the proposed Ordinance which largely reflects the City’s existing implementing regulations and State law.

Urban Lot Splits

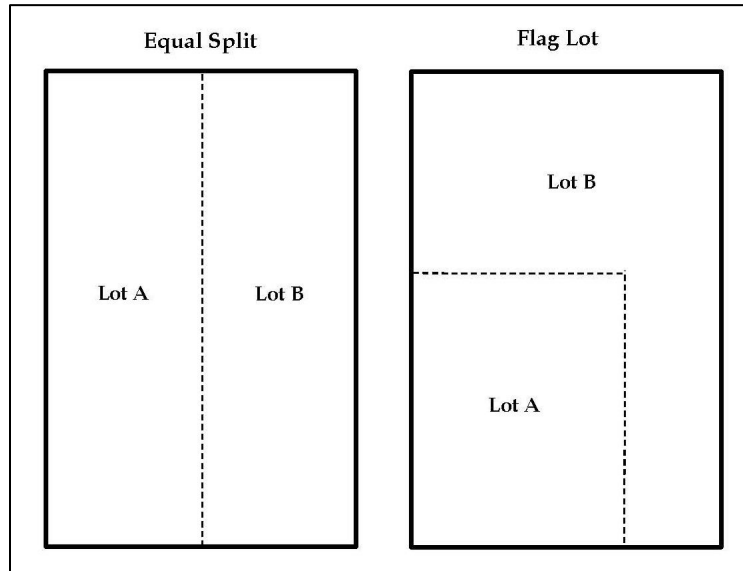
Pursuant to SB 9, eligible R1-zoned lots may be subdivided into two lots through a process which does not require discretionary review or public hearing. This type of subdivision is defined in the Ordinance as an “urban lot split.”

Through an urban lot split, an eligible R1-zoned property can be subdivided into two roughly proportional lots. To ensure rough proportionality, SB 9 specifies one lot cannot be less than 40% the size of the original lot to be subdivided and a minimum lot size of 1,200 square feet. Additionally, the following restrictions and requirements apply to urban lot split applications:

- Lots must adjoin a public or private street with a minimum width of 20 feet.
- May require easements for public services and facilities (e.g., utilities).
- Must meet the property eligibility criteria.

- Must submit a signed affidavit acknowledging the property owner intends to reside in one of the properties as their primary residence for a minimum of three years.

The following graphic demonstrates two possible ways to subdivide a typical single-family lot into two roughly proportional lots with the minimum lot standards.



### SB9 Residential Developments

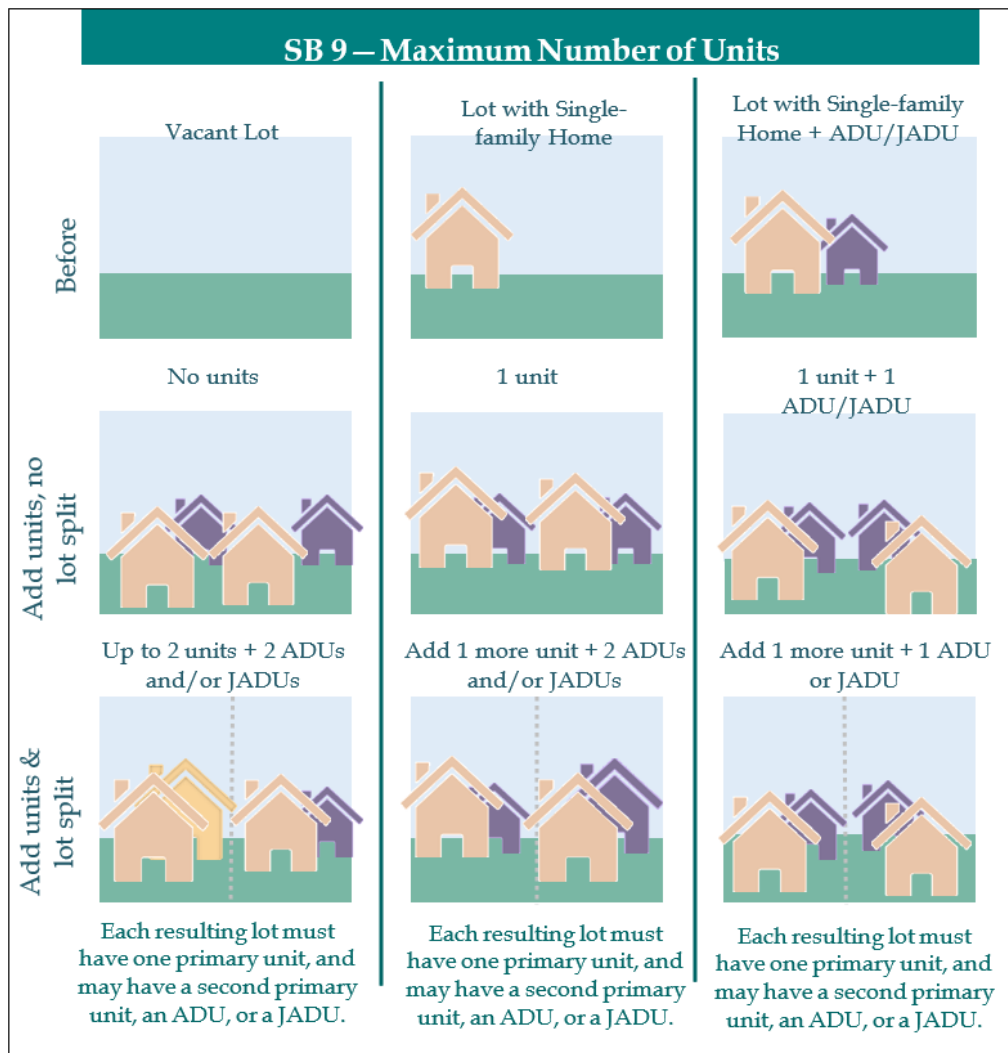
In addition to urban lot split provisions, SB 9 requires local agencies to allow the development of two units on each eligible R1-zoned lot. The residential development provisions can be used with the urban lot split standards, resulting in a maximum potential of four primary-dwelling units. In other words, if a lot is subdivided by an urban lot split, each resulting lot may contain two primary-dwelling units.

The provisions of SB 9 are utilized in concert with existing ADU/JADU regulations but do not require local agencies to allow any R1 lot to be developed with more than four units, inclusive of ADUs/JADUs. Based on staff's recommendation to strictly comply with SB 9, the following development scenarios will be possible when the existing ADU/JADU provisions are applied with the provisions of SB 9:

- a. No more than two (2) primary dwelling units are permitted on a single existing lot or newly created lot through an urban lot split.
- b. For existing lots not established through an urban lot split, in addition to a primary dwelling unit(s) an accessory dwelling unit(s) and/or a junior accessory dwelling unit(s) may also be allowed for a maximum of four (4) total units (inclusive of primary units, accessory dwelling units and junior accessory dwelling units).

- c. For lots established through an urban lot split, in addition to a primary dwelling unit, a second primary unit or an accessory dwelling unit or junior accessory dwelling unit may also be allowed for a maximum of two (2) units per resulting lot (inclusive of primary units, accessory dwelling units and junior accessory dwelling units)

The following graphic demonstrates different ways in which the four units allowed under SB 9 can be achieved.



SB 9 includes the following mandatory standards that all local jurisdictions must implement for the development of units:

- No more than 4' side and rear setbacks for new structures; no minimum setbacks for retention of existing structures.
- Minimum unit size of 800 square feet.
- No more than one parking space per unit; however, properties within a one-half-mile walking distance of high-quality transit or major transit stops, as defined by State law, or within one block of a car-share vehicle location, do not need to provide parking.

- Cannot require the correction of existing nonconforming zoning conditions or deny a development due to existing nonconforming conditions.
- Must meet the property eligibility criteria.
- Must require the applicant to sign an affidavit acknowledging the applicant intends to reside in one of the existing or proposed housing units as their principal residence for a minimum of three years.

The Draft Ordinance includes objective development standards and design standards for the development of residential units under SB9 which incorporate these mandatory standards as well as other objective standards which do not preclude development in conflict with SB9 or SB330.

**ATTACHMENTS**

1. Draft Ordinance and Appendix A (Chapter 14.74)
2. Draft Resolution
3. Existing SB9 Regulations
4. SB9 Fact Sheet – California Department of Housing and Community Development (HCD)

**ORDINANCE NO. 2024-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
LOS ALTOS ADDING CHAPTER 14.64 TO TITLE 14 (ZONING)  
OF THE LOS ALTOS MUNICIPAL CODE ENACTING  
REGULATIONS FOR DUAL OPPORTUNITY DEVELOPMENTS  
PURSUANT TO SENATE BILL 9 (SB9)**

**WHEREAS**, on September 16, 2021, the State of California enacted legislation known as Senate Bill 9 (“SB 9”), which added Sections 65852.21 and 66411.7 to the California Government Code, to require local public agencies, beginning January 1, 2022, to ministerially approve lot splits and the construction of two (2) primary dwelling units on single-family zoned lots meeting certain conditions; and

**WHEREAS**, the purpose of SB 9 is to address California’s affordable housing crisis by promoting small-scale neighborhood residential development to provide for increased housing opportunities; and

**WHEREAS**, SB 9 allows for streamlined ministerial approval for certain residential dwelling units and lot splits in single-family residential zones; and

**WHEREAS**, SB 9 requires the City to apply objective design standards to residential dwelling units approved pursuant to the legislation and prohibits discretionary design review for such units; and

**WHEREAS**, SB 9 allows cities to impose certain standards for projects approved under that legislation, which the City Council desires to adopt; and

**WHEREAS**, the City adopted Resolution 2021-57 establishing objective residential site development and design standards pursuant to SB9; and

**WHEREAS**, on January 24, 2023, the City Council approved the City’s Sixth Cycle Housing Element Update; and

**WHEREAS**, Program 1.M of the Housing Element Update requires the City of Los Altos to implement SB9; and

**WHEREAS**, the Planning Commission held a duly noticed public hearing on April 18, 2024 and provided a recommendation to the City Council; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 14, 2024; and

**WHEREAS**, this Ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.



**NOW THEREFORE**, the City Council of the City of Los Altos does hereby ordain as follows:

**SECTION 1. AMENDMENT OF TITLE 14 OF THE MUNICIPAL CODE:** Chapter 14.64 is hereby added to Title 14 (Zoning) of the Los Altos Municipal Code as set forth in Appendix A to this Ordinance.

**SECTION 2. CONSTITUTIONALITY; AMBIGUITIES.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions hereof. Any ambiguities in the Los Altos Municipal Code created by this Ordinance shall be resolved by the Development Services Director, in their reasonable discretion, after consulting the City Attorney.

**SECTION 3. PUBLICATION.** This ordinance shall be published as provided in Government Code section 36933.

**SECTION 4. EFFECTIVE DATE.** This Ordinance shall be effective upon the commencement of the thirty-first day following the adoption date.

The foregoing Ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on May 14, 2024, and was thereafter, at a regular meeting held on May 28, 2024, passed and adopted by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Jonathan D. Weinberg, MAYOR

Attest:

\_\_\_\_\_  
Melissa Thurman, MMC, CITY CLERK

**APPENDIX A**  
**ADDITION OF CHAPTER 14.64 TO TITLE 14**

**Chapter 14.64 – DUAL OPPORTUNITY DEVELOPMENTS (SB9)**

**14.64.010 - Purpose**

Senate Bill (SB) 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 enables the creation of up to four housing units in the lot area typically used for one single-family home. This chapter allows residential housing developments to implement Government Code Section 65852.21 for developing two (2) primary residential units on single-family (R1) zoned lots and Section 66411.7 for urban lot splits.

**14.64.020 - Eligibility**

A proposed housing development or urban lot split shall comply with the following eligibility requirements:

- A. Property is zoned R1 (Single-Family Residential). Lots located in multi-family residential, commercial, mixed-use zones, etc. are not subject to these regulations even if single-family residential uses are a permitted use.
- B. Property is not located in a historic district, listed on the State Historic Resources Inventory, or designated a city landmark or historic resource.
- C. Shall not result in the demolition or structural modification of any portion of an existing residential unit that:
  - 1. Is protected by a recorded covenant, ordinance or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.
  - 2. Housing that is subject to any form of rent or price control.
  - 3. Has been occupied by a tenant within the three (3) years prior to the submittal of an application to the city.
- D. Property does not contain a dwelling unit that was withdrawn from rental or lease under the Ellis Act at any time within fifteen (15) years before the date of application to the city.
- E. The lot to be subdivided shall not be a lot that was established through a prior urban lot split.
- F. The lot to be subdivided shall not abut any lot that was previously subdivided through an urban lot split by the owner of the lot proposed to be subdivided or any party acting in concert with the owner. For the purpose of this section, any party acting in concert with the owner shall include any individual with a familial relation to the property owner (including, but not limited to, parents, children, siblings and spouses) or any business entity in which the property owner has more than ten (10) percent ownership.
- G. Property does not contain any of the site conditions listed in Government Code Section 65913.4, subdivision (a)(6)(B-K), as may be amended from time to time, summarized as follows:

1. Prime farmland, farmland of statewide importance or land that is zoned or designated for agricultural protection or preservation by the voters.
2. A wetland.
3. Within a very high fire hazard severity zone, unless the site complies with all fire-hazard mitigation measures required by existing building standards.
4. A hazardous waste site that has not been cleared for residential use.
5. Within a delineated earthquake fault zone, unless all development on the site complies with applicable seismic protection building code standards.
6. Within a one hundred (100) year flood hazard area, unless the site has either been subject to a letter of map revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction or meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program.
7. Within a regulatory floodway, unless all development on the site has received a no-rise certification.
8. Land identified for conservation in an adopted natural community conservation plan, habitat conservation plan or other adopted natural resource protection plan.
9. Habitat for protected species.
10. Land under conservation easement.

**14.64.030 - Number of Lots and Minimum Site Area**

An existing lot shall not be subdivided into more than two lots. Each newly subdivided lot shall not be smaller than 40 percent of the original lot size and shall not be less than 1,200 square feet.

**14.64.040- Lot Frontage Width and Design**

Each lot shall adjoin a public or private street with a minimum frontage of 20 feet in width. The layout of proposed lots shall be designed to minimize site disturbance in terms of cut and fill and the removal of trees. Lot lines shall be organized to be parallel and perpendicular to the street on straight streets and approximately radial on curved streets, to the extent possible.

**14.64.050 - Owner Occupancy**

Upon submittal of an application for an urban lot split, the property owner shall sign an affidavit stating they intend to occupy one of the units as their primary residence for at least three years, unless the owner is a community land trust, as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue

and Taxation Code, or is a qualified nonprofit corporation as described in Section 214.15 of the Revenue and Taxation Code.

**14.64.060 - Map Act Compliance**

The urban lot split shall conform to all applicable objective requirements of the Subdivision Map Act (Gov. Code § 66410, et. seq.), including implementing requirements in this chapter.

**14.64.070 - Rental Term**

No unit created pursuant to this chapter may be rented for a period less than 30 days.

**14.64.080 - Maximum Number of Units**

- A. No more than two (2) primary dwelling units are permitted on a single existing lot or newly created lot through an urban lot split.
  
- B. For existing lots not established through an urban lot split, in addition to a primary dwelling unit(s) an accessory dwelling unit(s) and/or a junior accessory dwelling unit(s) may also be allowed for a maximum of four (4) total units (inclusive of primary units, accessory dwelling units and junior accessory dwelling units).
  
- C. For lots established through an urban lot split, in addition to a primary dwelling unit, a second primary unit or an accessory dwelling unit or junior accessory dwelling unit may also be allowed for a maximum of two (2) units per resulting lot (inclusive of primary units, accessory dwelling units and junior accessory dwelling units).

**14.64.090 - Objective Development Standards**

<u>Coverage</u>	<u>One-story structures with a maximum height of 20 feet shall have a maximum lot coverage of 35 percent of the total site area. One-story structures exceeding 20 feet in height or two-story structures shall have a maximum lot coverage of 30 percent of the total site area.</u>
<u>Floor Area Ratio</u>	<u>Lots not exceeding 10,000 square feet shall have a maximum floor area of 40% of the net lot area. For lots exceeding 10,000 square feet, the maximum floor area shall be 3,500 square feet plus 10 percent times the net lot area minus 10,000 square feet.</u>
<u>Setbacks</u>	<u>Front: 25 feet for the first story; and 30 feet for the second story.</u> <u>Side: 4 feet</u> <u>Rear: 4 feet</u>
<u>Height</u>	<u>Maximum building height is two stories and 27 feet. Flag lots shall be limited to one story and 20 feet in height.</u> <u>Maximum first floor plate height: 10 feet</u> <u>Maximum second floor plate height: 9 feet</u> <u>Maximum entry porch plate height: 12 feet</u>
<u>Basements</u>	<u>Basements shall not extend beyond the floor area of the first floor.</u> <u>Light wells, ingress and egress wells, patio wells, and other similar elements shall not be permitted within a required setback.</u> <u>Light wells, ingress and egress wells, patio wells, and other similar elements shall utilize vertical retaining walls. Contour graded slopes, which expose the basement as a story, are prohibited.</u> <u>Light wells, ingress and egress wells, patio wells, and other similar elements shall be at least 75 percent open in area to light and air above.</u>
<u>Second Story Decks or Balconies</u>	<u>Second-story decks and balconies are allowed only on the front elevation facing a public or private street and shall meet the side setbacks. The maximum size of any one deck or balcony shall be 25 square feet and have a maximum depth of four feet. A deck on the roof of a two-story structure is prohibited.</u>
<u>Landscaping</u>	<u>A minimum of 50 percent of the required front yard setback area shall be landscaping.</u>
<u>Parking</u>	<u>A minimum of one covered space per unit within a garage or carport with a minimum interior dimension of nine feet in width by 18 feet in length.</u>

	<u>Parking for accessory dwelling units shall be provided separately as required under Chapter 14.14.</u>
<u>Fences</u>	<u>Fences shall be subject to the zoning standards of the underlying zoning district.</u>
<u>Outdoor Kitchen, Barbeques, Fireplaces, and Swimming Pools</u>	<u>Outdoor kitchen, barbeques, fireplaces, and swimming pools shall be subject to the zoning standards of the underlying zoning district.</u>
<u>Accessory Structures</u>	<u>Accessory structures shall be subject to the zoning standards of the underlying zoning district.</u>
<u>Signs</u>	<u>Signs shall be subject to the zoning standards of the underlying zoning district.</u>

1. All development standards shall be modified as necessary if they preclude two single-family units with a minimum size of 800 square feet and four-foot side and rear yard setbacks.
2. Development of an ADU shall be subject to the separate development standards and requirements pursuant to Chapter 14.14.
3. No architectural features (i.e. cantilevers, bay windows, and/or other architectural projection) shall be allowed within the required side and rear setbacks except for 12-inch maximum eaves with four-inch maximum gutters.
4. No parking is required if the property is located within one half mile walking distance of either a high-quality transit corridor or major transit stop; or a car share vehicle program is located within one block of the property.

**14.64.100 - Objective Design Standards**

**A. Site and Building Design**

1. Attached garages shall be recessed a minimum of one foot from the front elevation wall plane of the residence.
2. When a three-car attached garage is proposed, visual impact shall be reduced by, (i) using a tandem parking layout inside a two-car-wide garage; (ii) using three single-car-wide garage doors instead of a double and a single garage door; or (iii) setting back one of the doors from the others.
3. Each property is prohibited from more than one curb cut or driveway accessing a street unless the subject site is fronting a city’s arterial or collector street.
4. A curb cut or driveway width connecting to a public or private street shall be no greater than 20 feet in width.
5. No more than two types of roof forms and two roof pitches shall be used.
6. Building entrances shall be oriented towards the street.
7. Facade articulation shall be provided with at least six corners on the first floor.
8. Building entrances shall have a roofed projection (such as a porch) or recess with a minimum depth of at least five feet and a minimum horizontal area of thirty (30) square feet. Any corners within the building entrances shall not count as part of the corners as required above.

9. Windows and doors shall either be trimmed or recessed. When trimmed, the trim material shall not be less than 3.5" in width by 1" in depth when protruding from the wall. When recessed, the building primary siding material shall cover the recessed edge faces and wrap toward the interior face of the window glazing or door face by not less than 2 inches in depth.
10. On elevations that are facing interior side property lines, a minimum sill height of 5' is required for all second-floor windows.
11. Provide an inset/offset or plane change on long walls of greater than 25 feet in length.
12. First floor finished elevation shall be no more than twenty-two (22) inches above existing natural grade on a non-hillside lot.
13. For a hillside property, a stepped foundation is required where the average slope beneath the proposed structure is 10% or greater.
14. No exterior staircases above grade shall be allowed.
15. Except for pathway lighting, outdoor lighting fixtures shall be downward facing and fully shielded or recessed.

B. Construction Materials and Colors

1. Foam trim with a painted stucco finish is prohibited.
2. Mixing roof materials and colors are not allowed except for curved dormers and shed roof structures.
3. Exterior finish including wainscoting used for one structure shall be no greater than three different materials. Each material may be a different color, but every part of exterior finish comprised of a single material shall be a single color.
4. Architectural detailing shall be incorporated such as window and door trim, belly bands, cornices, shutters, column accents to the entry porch, and railings in an integrated composition.

C. Landscaping and Screening Vegetation

1. For lots five thousand (5,000) square feet in size or greater, a minimum of two medium to large canopy size trees shall be planted with at least one tree planted in the front yard. For each additional five thousand (5,000) square-foot lot size, an additional medium to large canopy size tree shall be planted onsite.
2. For lots with less than five thousand (5,000) square feet in size, a minimum of one, medium to large canopy size tree shall be planted onsite.
3. Screening vegetation shall be required within lines of sight from each jamb of any second-floor windows with a sill height of less than 5' to the side or rear property lines and within lines of sight to any side property line for any proposed second story deck or balcony.
4. Any required screening vegetation shall be evergreen species reaching at least fifteen feet through twenty feet in height at maturity with permanent irrigation.



- 5. All projects shall comply with the City’s Water Efficiency Landscape Ordinance (WELO).

**14.64.110 - Nonconforming Conditions**

Corrections of nonconforming zoning conditions shall not be required for the ministerial approval of a housing development or urban lot split.

There shall be no required setbacks for an existing structure or for a structure constructed in the same location and to the same dimensions as an existing structure (i.e., a building reconstructed on the same footprint), subject to compliance with all applicable building and fire codes.

**14.64.120 - Administration**

Applications for a housing development or parcel map for an urban lot split pursuant to this chapter shall be processed ministerially without discretionary review, processes, or provisions. Review and submittal of an application for a housing development and/or parcel map for an urban lot split shall require submittal of all items listed on the City’s application submittal checklist.

The city may deny an application for a housing development or parcel map for an urban lot split if the building official makes a written finding, based on a preponderance of the evidence, that the project would have a "specific, adverse impact" on either public health and safety or on the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

SB 9 allows for ministerial approval of certain "new" residential dwelling units. The term "new unit" as used in SB 9 shall be construed to mean any of the following:

- A. A new residential dwelling unit (other than an accessory dwelling unit) proposed to be constructed on a vacant lot.
- B. A new residential dwelling unit (other than an accessory dwelling unit) is constructed in place of a demolished residential dwelling unit.
- C. A residential dwelling unit (other than an accessory dwelling unit) is reconstructed to the substantial equivalence of new.

As used above, a residential dwelling unit is reconstructed to the "substantial equivalence of new" if any of the following sets of criteria apply:

- A. The residential dwelling unit is stripped to the studs and/or foundation and reconstructed.
- B. A substantial remodel is proposed in connection with a substantial addition so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
  - 1. An addition is proposed to an existing residential dwelling unit equal to or greater in size than 50% of the floor area of the existing residential dwelling unit (excluding garages, accessory dwelling units, other accessory structures, crawl spaces, unfinished attics, and basement floor areas).

- 2. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing roof will be demolished, repaired, or replaced, and the entire roof covering will be replaced.
- 3. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing facade will be demolished, repaired, or replaced, the entire facade will be repainted or otherwise resurfaced, and the entire facade for the residential dwelling unit in its completed condition is designed to match.
- 4. All existing floor coverings and plumbing fixtures will be removed and, as applicable, replaced.
- 5. Sprinklers will be installed if not already provided.
- 6. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of existing drywall or other wall coverings will be demolished, repaired, or replaced, and all retained wall covering will be repainted or otherwise resurfaced.
- 7. All exterior doors and windows will be replaced.

Applications to remodel and/or build single-family residences not subject to this chapter in their entirety shall continue to be subject to the requirements of the underlying zoning district and Chapter 14.76. Future additions or modifications to “new units” that were built under this chapter pursuant to SB9 shall utilize the standards and process pursuant to this chapter.

**RESOLUTION NO. 2024-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
RESCINDING RESOLUTION 2021-57 ESTABLISHING OBJECTIVE STANDARDS  
FOR SINGLE FAMILY RESIDENCES TO IMPLEMENT SENATE BILL 9**

**WHEREAS**, on September 16, 2021, the State of California enacted legislation known as Senate Bill 9 (“SB 9”), which added Sections 65852.21 and 66411.7 to the California Government Code, to require local public agencies, beginning January 1, 2022, to ministerially approve lot splits and the construction of two (2) primary dwelling units on single-family zoned lots meeting certain conditions; and

**WHEREAS**, on December 14, 2021, the City adopted Resolution 2021-57 establishing objective standards for single family residences to implement Senate Bill 9; and

**WHEREAS**, on January 24, 2023, the City Council approved the City’s Sixth Cycle Housing Element Update; and

**WHEREAS**, Program 1.M of the Housing Element Update requires the City of Los Altos to implement SB9; and

**WHEREAS**, the Planning Commission held a duly noticed public hearing on April 18, 2024 and provided a recommendation to the City Council to add Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 14, 2024 introducing an Ordinance adding Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations; and

**WHEREAS**, rescission of Resolution 2021-57 and the existing SB9 regulations is necessary to allow the implementation of new amended SB9 regulations.

**WHEREAS**, this Resolution is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby rescinds Resolution 2021-57.

**BE IT FURTHER RESOLVED**, that the effective date shall be upon the commencement of the thirty-first day following the adoption date of the Ordinance implementing Chapter 14.64 to Title 14 (Zoning) of the Los Altos Municipal Code with amended SB9 regulations.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on May 14, 2024 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Jonathan D. Weinberg, MAYOR

Attest:

\_\_\_\_\_  
Melissa Thurman, MMC, CITY CLERK

**RESOLUTION NO. 2021-57**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ESTABLISHING OBJECTIVE STANDARDS FOR SINGLE FAMILY  
RESIDENCES TO IMPLEMENT SENATE BILL 9**

**WHEREAS**, on September 16, 2021, the Governor signed Senate Bill 9 (Stats. 2021, Ch. 162) (“SB 9”); and

**WHEREAS**, SB 9 allows for streamlined ministerial approval for certain residential dwelling units in single-family residential zones; and

**WHEREAS**, SB 9 requires the City to apply objective design standards to residential dwelling units approved pursuant to the legislation and prohibits discretionary design review for such units; and

**WHEREAS**, the City of Los Altos has adopted Single-Family Residential Design Guidelines (the “SFRDG”) pursuant to Section 14.76.020 of the Los Altos Municipal Code; and

**WHEREAS**, to implement SB 9, it is necessary or convenient that the City Council amend the SFRDG to specify objective design criteria applicable to new single-family homes; and

**WHEREAS**, SB 9 allows cities to impose certain standards for projects approved under that legislation, which the City Council desires to adopt; and

**WHEREAS**, certain ambiguities in SB 9 require resolution pending guidance from the judiciary and the Department of Housing and Community Development.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Los Altos, as follows:

1. Effective January 1, 2022, the SFRDG are hereby amended to include as APPENDIX D-1 thereof the objective single-family design guidelines (the “Objective Standards”) attached to this Resolution as **Appendix 1**. After January 1, 2022, applications to remodel existing single-family residences and applications to construct new single-family residences not subject to approval under SB 9 shall continue to be subject to the SFRDG. Applications to construct new dwelling units subject to approval under SB 9 shall comply with the Objective Standards. Applicants for projects subject to approval under SB 9 are strongly encouraged to comply with all provisions of the SFRDG to ensure high quality design and neighborhood compatibility.
2. Nothing in this Resolution or its appendices is intended to preclude the application to SB 9 projects of: building codes, state and local rules with respect to accessory

dwelling units and junior accessory dwelling units, or other laws generally applicable to housing development projects of one to four units.

3. As soon as practicable, Staff is directed to hold one or more study sessions with the Planning Commission and with the Design Review Commission to obtain feedback concerning the Objective Standards from both commissions and from the public. Relying on such feedback and the experience of Staff in implementing SB 9, Staff is hereby directed to return to the City Council no later than May 2022 to report on the implementation of SB 9 and to recommend any amendments to the Objective Standards.
4. SB 9 authorizes local agencies to impose certain standards and requirements outlined in **Appendix 2** to this Resolution. Those standards and requirements are hereby adopted, and the SFRDG is hereby amended to incorporate the standards as APPENDIX D-2 thereof.
5. SB 9 contains certain ambiguities that require interpretation. Pending further guidance from the Department of Housing and Community Development and the judiciary, Staff are hereby directed to follow the guidance included in the interpretive guidance document attached as **Appendix 3** to this Resolution. If guidance from HCD or the judiciary conflicts with anything in **Appendix 3**, then that guidance shall control.
6. The City Council hereby finds that the adoption of this Resolution is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15061(b)(3) (Common Sense Exemption) and 15308 (Actions by Regulatory Agencies for the Protection of the Environment), in that the regulations hereby imposed are intended to preserve scenic quality for the City of Los Altos by establishing design guidelines to protect the existing community character, and because it can be seen with certainty that the adoption of the regulations hereby imposed will not have a significant effect on the environment (or that any such effect is wholly speculative), and none of the circumstances in CEQA Guidelines Section 15300.2 applies.
7. In adopting this Resolution, the City Council intends that it be construed to be consistent with the state and federal constitutions and with applicable state housing laws, including SB 9. If any section, sentence, clause, or phrase of this Resolution (including its appendices), is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions hereof.
8. Any person wishing to challenge the validity of any provision of this Resolution (including its appendices), whether facially or as applied, shall, if aggrieved by such provision, appeal to the City Council pursuant to Chapter 1.12 of the Los Altos Municipal Code. As used herein, a person is “aggrieved” if, (a) a provision of this Resolution would prevent the individual from seeking approval of a housing development project for which the individual would like to apply, and (b) in the opinion of the individual, the challenged provision is invalid or unconstitutional. If the City

Council grants an appeal a facial challenge, then it shall direct staff to propose appropriate amendments to this Resolution, consistent with the City Council’s decision on the appeal. If the City Council grants an as-applied challenge, then it may allow an exception to standards to the limited extent necessary to avoid the invalidity or unconstitutionality.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 14<sup>th</sup> day of December, 2021 by the following vote:

- AYES: Council Members Fligor, Lee Eng, Weinberg, Vice Mayor Meadows and Mayor Enander
- NOES: None
- ABSENT: None
- ABSTAIN: None



Anita Enander, MAYOR

Attest:



Andrea Chelemengos, MMC, CITY CLERK

**APPENDIX 1  
OBJECTIVE STANDARDS ADOPTED AS**

**APPENDIX D-1 TO THE SFRDG**

**Objective Standards for Single-Family Residential Zone**

It is intent that the following standards shall not be applied to preclude a housing development project allowed under SB 9. As used here, a residential dwelling unit includes living space only and not parking or accessory structures.

**1. Definition – any term not defined in this section has the meaning given in the City Municipal Code unless otherwise specified.**

“Secondary front lot line” means a lot line abutting a street which is not a front lot line.

“Plate height” means the vertical distance measured from the top of the finished floor to the top of the plates.

“Exterior finish” refers to the exterior façade of a house, excluding the roofs, trim, windows, doors, and shutters.

“Exterior trim” refers to the finish materials on the exterior of a building, such as moldings applied around openings (window trim, door trim), siding, windows, exterior doors, attic vents, and crawl space vents.

“Lines of sight” means with a 60-degree angle beginning at the starting point, 30 degrees to the left and 30 degrees to the right in horizontal perspective.

“High-quality transit corridor” means corridor with fixed route bus service with service intervals no longer than fifteen minutes during the morning and afternoon peak commute hours.

“Major transit stop” means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

**2. SB 9 – Development Standards**

**A. Lot Split and Minimum Site Area.**

An existing parcel shall not be subdivided into more than two parcels. The smallest subdivided parcel shall not be less than forty percent (40%) of the original parcel, and both newly subdivided parcels each shall be no smaller than one thousand two hundred (1,200) square feet.

**B. All development standards under Government Code Section 66411.7 are hereby adopted.**



**C. Site Frontage and Site Width.**

- a. The minimum width of the access corridor for each flag lot shall be twenty (20) feet, and shall provide direct access to a public or private street.
- b. Easements for the provision of public services and facilities and egress and ingress are required.

**D. Coverage.** The following coverage standards apply unless two single-family units with four-foot rear and side-yard setbacks and 800 square feet each in floor area are precluded.

- a. The maximum coverage for all structures in excess of six feet in height shall be thirty-five (35) percent of the total area of the site where the height of one-story development does not exceed twenty (20) feet.
- b. A minimum of fifty (50) percent of the required front yard area shall be a combination of pervious landscape material and landscaping.
- c. On sites where the lot coverage exceeds thirty (30) percent, two-story structures shall not be allowed.

**E. Floor Area Ratio.** The following coverage standards apply unless two single-family units with four-foot rear and side-yard setbacks and 800 square feet each in floor area are precluded.

- a. For lots with a net site area not exceeding eleven thousand (11,000) square feet, the maximum floor area shall be thirty-five (35) percent of the net site area.
- b. For lots with a net site area exceeding eleven thousand (11,000) square feet, the maximum floor area shall be three thousand eight hundred fifty (3,850) square feet plus ten (10) percent times the net site area minus eleven thousand (11,000) square feet.

**F. Setbacks.**

- a. Except as noted below, the minimum setbacks shall be as follows:

<b>Front*</b>	
<b>First Story</b>	25 feet
<b>Second Story</b>	30 feet
<b>Secondary Front*</b>	
<b>First Story</b>	10 feet
<b>Second Story</b>	13 feet

<b>Side</b>	
<b>First Story</b>	No less than 4 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the setbacks to be at least 10 feet from the side property lines.
<b>Second Story*</b>	No less than 11.5 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the second story setback to be at least 17.5 feet from the side property lines.
<b>Rear</b>	
	No less than 4 feet. However, to reduce the privacy impacts to abutting property owners, applicants are encouraged to voluntarily increase the rear setback to be at least 10 feet from the rear property line.

- b. No architectural features (i.e. cantilevers, bay windows, and/or any other architectural projections) shall be allowed within the side and rear required setback areas except for 12-inch maximum eaves with four-inch maximum gutters.
- c. Notwithstanding these rules, the applicant shall be allowed to construct within the dimensions of an existing legal building.

\*Unless two single-family units with four-foot rear- and side-yard setbacks and 800 square are precluded.

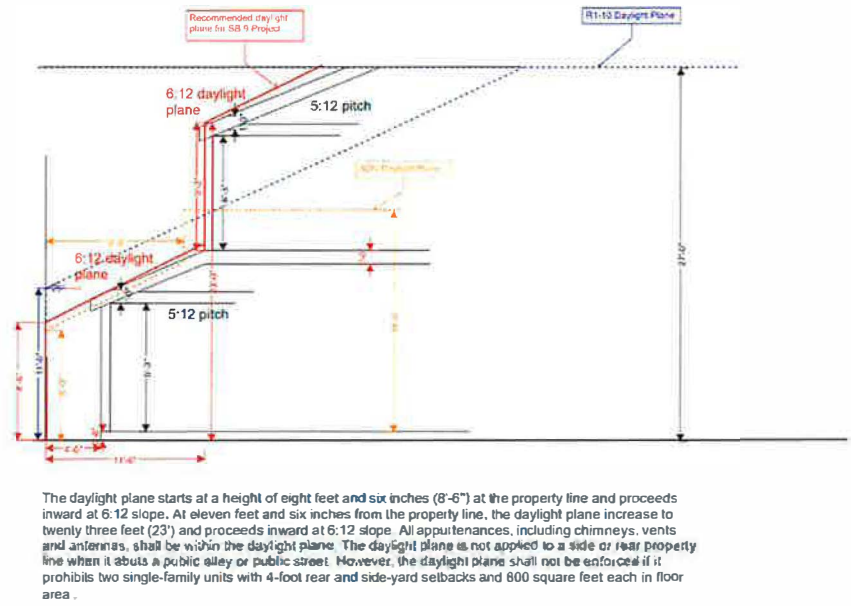
**G. Height of Structures.**

No structure shall exceed two stories or twenty-seven (27) feet in height from the natural grade. On flag lots the height of structures shall be limited to one story and twenty (20) feet in height. Basements shall not be considered a story. When the lot coverage exceeds or is proposed to exceed thirty (30) percent, the maximum height of structures shall be twenty (20) feet.

**H. Daylight Plane.**

- a. No portion of any residential units shall extend above or beyond a daylight plane unless two single-family units with four-foot rear- and side-yard setbacks and 800 square feet each in floor area are precluded.

- b. The daylight plane starts at a height of eight feet and six inches (8'-6") at the property line and proceeds inward at 6:12 slope. At eleven feet and six inches from the property line, the daylight plane increases to twenty-three feet (23') and proceeds inward at 6:12 slope. All appurtenances, including chimneys, vents and antennas, shall be within the daylight plane. The daylight plane is not applied to a side or rear property line when it abuts a public alley or public street. However, the daylight plane shall not be enforced if it prohibits two single-family units with 4-foot rear and side-yard setbacks and 800 square feet each in floor area. Notwithstanding this requirement, the maximum required rear and side yard setback shall be no less than four feet.



**I. Basements.**

Basements shall be regulated as follows:

- a. Basements shall not extend beyond the floor area of the first floor of the main or accessory structure above;
- b. Light wells, ingress and egress wells, patio wells, and other similar elements shall not be permitted within a required setback yards.
- c. Light wells, ingress and egress wells, patio wells, and other similar elements shall utilize vertical retaining walls. Contour graded slopes, which expose the basement as a story, are prohibited.
- d. Light wells, ingress and egress wells, patio wells, and other similar elements shall be at least seventy-five (75) percent open in area to light and air above.

**J. Outdoor Kitchen, Barbeques, Fireplaces, and Swimming Pools.**

Outdoor kitchen barbeques, fireplaces, and swimming pools shall be subject to zoning standards of the underlying zoning district.

**K. Parking.**

- a. One covered parking space for each unit with minimum dimensions of nine (9) feet in width and eighteen (18) feet in depth is required. Uncovered parking shall be allowed only to the extent necessary to facilitate the construction of two units that each is 800 square feet in size.
- b. No parking is required in either of the following instances:
  - 1) The subject parcel is located within one-half mile walking distance of either a high-quality transit corridor or a major transit stop.
  - 2) A car share vehicle program is located within one block of the parcel.

**L. Signs.**

Signs shall be subject to zoning standards of the underlying zoning district.

**M. Fences.**

Fences shall be subject to zoning standards of the underlying zoning district.

**N. Nonconforming Use Regulations.**

Corrections on nonconforming zoning conditions shall not be required for the ministerial approval of a parcel map application for the creation of a lot split pursuant to SB 9.

**O. Accessory Structures.**

Accessory structures shall be subject to zoning standards of the underlying zoning district.

**3. SB 9 – Objective Design Standards**

**A. Plate Heights.**

- a. Plate height is limited to 9’-3” for the first floor except that an entry porch may have a maximum plate height of 12’ and a garage may have a maximum plate height of 10’.
- b. Plate height is limited to 8’-3” for the second floor.

**B. Second Floor Windows.**

Second floor windows shall be regulated as follows:

- a. On elevations that are facing interior side property lines, a minimum sill height of 4’-6” is required for all second-floor windows.

- b. On elevations that are facing rear property lines adjacent to a neighboring property, a minimum sill height of the California Building Code (CBC) minimum required sill height for egress or light and ventilation shall be provided.
- c. For any windows within ten feet of rear or interior side property lines adjacent to a neighboring property, the maximum second story window size shall be no larger than the CBC minimum required size.

**C. Balcony and Rooftop Deck.**

Balconies and rooftop decks shall be regulated as follows:

- a. Balconies and/or roof decks are prohibited when facing interior side yards and rear yard adjacent to a neighboring property.
- b. A balcony or a roof deck is allowed only on front elevations facing public and private streets; and a minimum of twenty-five (25) feet side setback shall be provided from the side property lines to the edge of the balcony or roof deck.
- c. The maximum depth for any balconies and rooftop decks shall be four (4) feet.
- d. The maximum size for any balconies and rooftop decks shall be 25 square feet.
- e. Screening devices shall include solid railing walls instead of open railings, and latticework above the required railing height to obscure sight lines from a balcony or a roof deck.

**D. Screening Vegetation.**

Screening vegetation shall be regulated as follows:

- a. Screening vegetation is required in either of the following situations:
  - 1) Within lines of sight for any proposed balcony and roof deck projected to any side property line, screening vegetation shall be planted.
  - 2) Within lines of sight from each jamb of any windows with a sill height of less than 4'-6" at second floor, screening vegetations shall be planted.
- b. Any required screening vegetation shall be evergreen species reaching to at least fifteen feet through twenty feet in height at their mature age with permanent irrigation and shall be maintained for the life of the project.
- c. At least twenty-four-inch (24-inch) box screening vegetation shall be planted prior to occupancy of the residence.

**E. Landscaping.**

Onsite landscaping shall be regulated as follows:

- a. Trees selected from the Street Tree Planting List are required to be planted on site following the standards below:
  - 1) For lots five thousand (5,000) square feet in size or greater, at least two, Category II trees shall be planted with at least one, Category II tree planted in the front yard. For each additional five thousand (5,000) square-foot lot size, one more Category II tree shall be planted onsite.
  - 2) For lots with less than five thousand (5,000) square feet in size, at least one, Category II tree or two Category III trees shall be planted onsite.
  - 3) If there are existing trees onsite, an arborist report, prepared by an ISA certified arborist, may be required to determine the equivalent value of existing trees compared to the Street Tree Planting List.
- b. Water Efficiency Landscape Ordinance (WELO) and its submittal requirements apply to the following projects:
  - 1) New construction projects with new or rebuilt landscape areas that exceed five hundred (500) square feet.
  - 2) Remodels and/or additions to existing single-family houses with new or rebuilt landscape areas that exceed two thousand five hundred (2,500) square feet.

**F. Construction Materials and Colors.**

All construction materials shall be long-term (30 years) durability and appearance, as per manufacture’s specifications. Specifically, the construction materials shall be subject to the following:

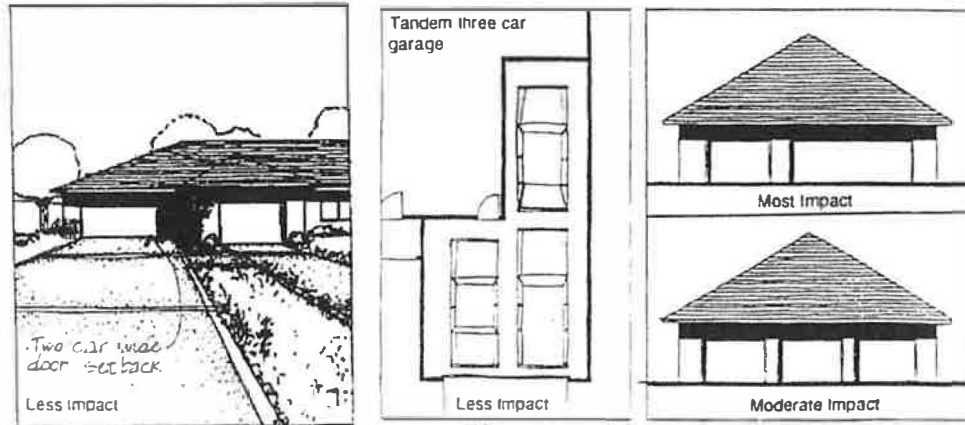
- a. Foam trim with a painted stucco finish is prohibited throughout the structure(s).
- b. Mixing roof materials and colors are not allowed except for curved dormers and shed roof structures.
- c. Exterior finish including wainscoting used for one structure shall be no greater than three different materials. Each material may be a different color, but every part of exterior finish comprised of a single material shall be a single color.
- d. Window and door trims shall be limited to one material and one color. The material and color shall be the same for both windows and door trims.

- e. Architectural detailing shall be incorporated such as window and door trim, belly bands, cornices, shutters, column accents to the entry porch, and railings in an integrated composition.

**G. Site and Building Design.**

The site and building design shall be subject to the following standards to create visual variety and avoid a large-scale appearance:

- a. Driveway shall be designed per the following standards:
  - 1) Each property is prohibited from more than one curb cut or driveway accessing a street unless the subject site is fronting a City’s Arterial or Collector road.
  - 2) A curb cut or driveway width connecting to a public or private street shall be no greater than twenty-two (22) feet.
  - 3) For corner lots, driveway connections shall be at least thirty (30) feet from the intersecting corner property lines at the street intersection.
  - 4) If the project impacts a street shoulder, then it shall be improved accordingly per City’s Street Shoulder Improvement Policy.
- b. Façade articulation shall be provided with at least six corners on the first floor.
- c. Building entrances shall have a roofed projection (such as a porch) or recess with a minimum depth of at least five feet and a minimum horizontal area of thirty (30) square feet. Any corners within the building entrances shall not count as part of the corners as required above.
- d. Downspout shall be painted to match or accent the exterior finish color.
- e. Attached garage shall be subject to the following standards:
  - 1) Attached garage shall be recessed at least one foot from the front elevation wall plane of the residence.
  - 2) When a three-car attached garage is proposed, visual impact shall be reduced by, (i) using a tandem parking layout inside a two-car-wide garage; (ii) using three single-car-wide garage doors instead of a double and a single garage door; or (iii) setting back one of the doors from the others.



- f. Windows and doors shall either be trimmed or recessed.
  - 1) When trimmed, the trim material shall not be less than 3.5” in width by 3/4” in depth when protruding from the wall.
  - 2) When recessed, the building primary siding material shall cover the recessed edge faces and wrap toward the interior face of the window glazing or door face by not less than 2 inches in depth.
- g. The design of roof shall be regulated as follows:
  - 1) No more than two types of roof forms shall be used.
  - 2) No more than two roof pitches shall be used.
- h. First floor finished elevation shall be no more than twenty-two (22) inches above existing natural grade on a non-hillside lot. In a flood zone or flood way, the first-floor level may be set at the minimum allowed above grade to meet code requirements.
- i. For a hillside property, a stepped foundation is required where the average slope beneath the proposed structure is 10% or greater.
- j. No permanent noise generating mechanical equipment shall be located in any required side and rear yards. The placement and operation of any such equipment must be consistent with the City’s Noise Ordinance.
- k. No exterior staircases above grade shall be allowed.
- l. Except for pathway lighting, outdoor lighting fixtures shall be downward facing and fully shielded or recessed.
- m. All new utility services and relocated existing utility services are placed underground pursuant to Chapter 12.68 of Municipal Code.



**APPENDIX 2  
STANDARDS ADOPTED PURSUANT TO SB 9 AS  
APPENDIX D-2 TO THE SFRDG**

1) **Objective Zoning/Subdivision/Design Standards.** SB 9 authorizes the City to impose objective zoning standards, objective subdivision standards, and objective design review standards applicable to structures and parcels created by an urban lot split that do not conflict with SB 9 or preclude the construction of two 800 square foot minimum primary dwelling units. Accordingly, all such existing objective City standards shall apply to SB 9 projects, in addition to any additional objective standards that the City may adopt.

2) **Maximum Units and Lots.** The City shall not approve more residential dwelling units or lots for any SB 9 project than required under state law, as set forth in Appendix 3 of City Council Resolution No. 2021-57.

3) **Parking.** SB 9 allows the City to choose to require parking consistent with the terms thereof. Accordingly, the City shall require off-street parking of one space per unit, unless the lot is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code, or unless there is a car share vehicle located within one block of the parcel.

4) **Setbacks.** SB 9 allows the City to choose to require setbacks consistent with the terms thereof. Accordingly, the City shall require setbacks of not less than four feet from the side and rear lot lines in all SB 9 projects, except as otherwise specified in SB 9.

5) **Applicant Residency; Short-Term Rental.** SB 9 requires every applicant for a ministerial lot split to provide an affidavit confirming that the applicant intends to reside in one of the SB 9 units for three years. The City shall enforce this requirement. All units created under SB 9 shall be subject to the City’s short-term rental ordinance, codified at Chapter 14.30 of the Los Altos Municipal Code.

6) **Impact/Development Fees.** Applicants for SB 9 projects shall pay all applicable development impact fees imposed by the City.

7) **Historic Properties.** An SB 9 project may not be located at a property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or at a site that is designated by the City as a historic landmark or listed in the City’s historic resource inventory, pursuant to Los Altos Municipal Code Chapter 12.44.

8) **Unavoidable Adverse Impacts.** SB 9 authorizes the Building Official to deny a project upon written findings, based on a preponderance of evidence, that the project will have a specific, adverse impact upon public health and safety or the physical environment for which there is no

feasible method to mitigate or avoid. The Building Official shall assess every SB 9 application for such unavoidable adverse impacts and shall, in consultation with the City Attorney, deny a project if an unavoidable adverse impact is identified. The Building Official's determination shall be final. For greater clarity, a project would have a specific, adverse impact on the physical environment if it would have an unavoidable impact on historic resources, as defined in CEQA Guidelines Section 15064.5.

**APPENDIX 3  
INTERPRETIVE GUIDANCE DOCUMENT**

SB 9 applies in “single-family residential zones.” The term “single-family residential zone” as used in Government Code Sections 65852.21(a) and 66411.7(a)(3)(A) is not defined. Within the City of Los Altos, the term “single-family residential zone” shall be construed to mean an R1 zoning designation.

The City’s application checklist for single-family homes would require applicants to indicate in writing whether the application is being brought pursuant to SB 9.

SB 9 allows for ministerial approval of certain “new” residential dwelling units. The term “new unit” as used in Government Code Section 65852.21(i)(1) is not defined, but provisions of SB 9 appear to assume that a new residential dwelling unit could include a reconstructed residential dwelling unit. Therefore, the term “new unit,” as used in SB 9, shall be construed to mean any of the following:

- (1) A new residential dwelling unit (other than an accessory dwelling unit)<sup>1</sup> proposed to be constructed on previously vacant ground;
- (2) A new residential dwelling unit (other than an accessory dwelling unit) constructed in place of a demolished residential dwelling unit;<sup>2</sup>
- (3) A residential dwelling unit (other than an accessory dwelling unit) reconstructed to the substantial equivalence of new.

As used above, a residential dwelling unit is reconstructed to the “substantial equivalence of new” if any of the following three sets of criteria apply:

- (1) The residential dwelling unit is stripped to the studs and/or foundation and reconstructed;
- (2) A substantial remodel is proposed in connection with a substantial addition so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
  - a. An addition is proposed to an existing residential dwelling unit equal to or greater in size than 50% of the floor area of the existing residential dwelling unit (excluding

<sup>1</sup> Reference to accessory dwelling units here is not meant to exclude construction of such units as allowed under Government Code Sections 65852.2 and 65852.22. Rather, the intent here is merely to define the term “new unit” for purposes of Section 65852.21(i)(1).

<sup>2</sup> Nothing herein is intended to exempt an applicant from the requirements of Government Code Section 65852.21(a)(3)-(5).

- garages, accessory dwelling units, other accessory structures, crawl spaces, unfinished attics, and basement floor areas);
  - b. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing roof will be demolished, repaired, or replaced, and the entire roof covering will be replaced;
  - c. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of the existing façade will be demolished, repaired, or replaced, the entire façade will be repainted or otherwise resurfaced, and the entire façade for the residential dwelling unit in its completed condition is designed to match;
  - d. All existing floor coverings and plumbing fixtures will be removed and, as applicable, replaced;
  - e. Sprinklers will be installed if not already provided;
  - f. At least 25% (or more, if necessary to bring the structure into compliance with applicable building codes) of existing drywall or other wall coverings will be demolished, repaired, or replaced, and all retained wall covering will be repainted or otherwise resurfaced; and
  - g. All exterior doors and windows will be replaced.
- (3) All the major systems of the home are repaired or replaced so that the home will have the appearance of a new home and a remaining physical and economic life comparable to that of a new home. These criteria shall be deemed to be met if all the following apply:
- a. All existing plumbing, electrical, and HVAC systems will be replaced or rehabilitated consistent with modern building standards to ensure an estimated remaining physical life of at least 50 years for plumbing and electrical systems and 20 years for HVAC systems; and
  - b. The circumstances described in Item Nos. 2(b) to 2(g) apply.

For greater clarity, a lot developed under SB 9 may contain no more than four total residential dwelling units. These shall be limited to the following:

- (1) On a lot that is not split pursuant to Government Code Section 66411.7 and for which an existing primary residential dwelling unit is retained: one existing primary residential dwelling unit, one new primary residential dwelling unit, one accessory dwelling unit, and one junior accessory dwelling unit, for four units in total.
- (2) On a lot that is not split pursuant to Government Code Section 66411.7 and for which an existing primary dwelling unit does not exist or is demolished or reconstructed: two new primary residential dwelling units, one accessory dwelling unit, and one junior accessory dwelling unit, for four units in total.
- (3) On a lot that is split pursuant to Government Code section 66411.7: not more than two existing primary and/or accessory residential dwelling units (including junior accessory

dwelling units) per newly created lot and not more than two new primary residential dwelling units per newly created lot, for an ultimate total of not more than two residential dwelling units per newly created lot and four residential dwelling units total. In lieu of two new primary residential dwelling units on each newly created lot, an applicant may propose one new primary residential dwelling unit together with either a new accessory dwelling unit or a new junior accessory dwelling unit, provided that the applicant submits a written statement with the application for the housing development project indicating the applicant's understanding that providing the accessory dwelling unit or junior accessory dwelling unit will prevent the applicant from constructing a second primary residential dwelling unit. It is the intent of this provision that not more than four units may be constructed per original lot.

California Department of Housing and Community Development

# SB 9 Fact Sheet

On the Implementation of Senate Bill 9 (Chapter 162, Statutes of 2021)



Housing Policy Development Division  
March 2022

*This Fact Sheet is for informational purposes only and is not intended to implement or interpret SB 9. HCD does not have authority to enforce SB 9, although violations of SB 9 may concurrently violate other housing laws where HCD does have enforcement authority, including but not limited to the laws addressed in this document. As local jurisdictions implement SB 9, including adopting local ordinances, it is important to keep these and other housing laws in mind. The Attorney General may also take independent action to enforce SB 9. For a full list of statutes over which HCD has enforcement authority, visit HCD’s [Accountability and Enforcement webpage](#).*

## **Executive Summary of SB 9**

Senate Bill (SB) 9 (Chapter 162, Statutes of 2021) requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. SB 9 contains eligibility criteria addressing environmental site constraints (e.g., wetlands, wildfire risk, etc.), anti-displacement measures for renters and low-income households, and the protection of historic structures and districts. Key provisions of the law require a local agency to modify or eliminate objective development standards on a project-by-project basis if they would prevent an otherwise eligible lot from being split or prevent the construction of up to two units at least 800 square feet in size. For the purposes of this document, the terms “unit,” “housing unit,” “residential unit,” and “housing development” mean primary unit(s) unless specifically identified as an accessory dwelling unit (ADU) or junior ADU or otherwise defined.

## **Single-Family Residential Zones Only**

(Reference: Gov. Code, §§ 65852.21, subd. (a); 66411.7 subd. (a)(3)(A))

The parcel that will contain the proposed housing development or that will be subject to the lot split must be located in a single-family residential zone. Parcels located in multi-family residential, commercial, agricultural, mixed-use zones, etc., are not subject to SB 9 mandates even if they allow single-family residential uses as a permitted use. While some zones are readily identifiable as single-family residential zones (e.g., R-1 “Single-Family Residential”), others may not be so obvious. Some local agencies have multiple single-family zones with subtle distinctions between them relating to minimum lot sizes or allowable uses. In communities where there may be more than one single-family residential zone, the local agency should carefully review the zone district descriptions in the zoning code and the land use designation descriptions in the Land Use Element of the General Plan. This review will enable the local agency to identify zones whose primary purpose is single-family residential uses and which are therefore subject to SB 9. Considerations such as minimum lot sizes, natural features such as hillsides, or the permissibility of keeping horses should not factor into the determination.

## Residential Uses Only

(Reference: Gov. Code, §§ 65852.21, subd. (a))

SB 9 concerns only proposed housing developments containing no more than two residential units (i.e., one or two). The law does not otherwise change the allowable land uses in the local agency’s single-family residential zone(s). For example, if the local agency’s single-family zone(s) does not currently allow commercial uses such as hotels or restaurants, SB 9 would not allow such uses.

## Ministerial Review

(Reference: Gov. Code, §§ 65852.21, subd. (a); 66411.7, subds. (a), (b)(1))

An application made under SB 9 must be considered ministerially, without discretionary review or a hearing. Ministerial review means a process for development approval involving no personal judgment by the public official as to the wisdom of carrying out the project. The public official merely ensures that the proposed development meets all the applicable objective standards for the proposed action but uses no special discretion or judgment in reaching a decision. A ministerial review is nearly always a “staff-level review.” This means that a staff person at the local agency reviews the application, often using a checklist, and compares the application materials (e.g., site plan, project description, etc.) with the objective development standards, objective subdivision standards, and objective design standards.

## Objective Standards

(Reference: Gov. Code, §§ 65852.21, subd. (b); 66411.7, subd. (c))

The local agency may apply objective development standards (e.g., front setbacks and heights), objective subdivision standards (e.g., minimum lot depths), and objective design standards (e.g., roof pitch, eave projections, façade materials, etc.) as long as they would not physically preclude either of the following:

**Up to Two Primary Units.** The local agency must allow up to two primary units (i.e., one or two) on the subject parcel or, in the case of a lot split, up to two primary units on each of the resulting parcels.

**Units at least 800 square feet in size.** The local agency must allow each primary unit to be at least 800 square feet in size.

The terms “objective zoning standards,” “objective subdivision standards,” and “objective design review standards” mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. Any objective standard that would physically preclude either or both of the two objectives noted above must be modified or



waived by the local agency in order to facilitate the development of the project, with the following two exceptions:

**Setbacks for Existing Structures.** The local agency may not require a setback for an existing structure or for a structure constructed in the same location and to the same dimensions as an existing structure (i.e., a building reconstructed on the same footprint).

**Four-Foot Side and Rear Setbacks.** SB 9 establishes an across-the-board maximum four-foot side and rear setbacks. The local agency may choose to apply a lesser setback (e.g., 0-4 feet), but it cannot apply a setback greater than four feet. The local agency cannot apply existing side and rear setbacks applicable in the single-family residential zone(s). Additionally, the four-foot side and rear setback standards are not subject to modification. (Gov. Code, §§ 65852.21, subd. (b)(2)(B); 66411.7, subdivision (c)(3).)

### One-Unit Development

(Reference: Gov. Code, §§ 65852.21, subd. (a); 65852.21, subd. (b)(2)(A))

SB 9 requires the ministerial approval of either one or two residential units. Government Code section 65852.21 indicates that the development of just one single-family home was indeed contemplated and expected. For example, the terms “no more than two residential units” and “up to two units” appear in the first line of the housing development-related portion of SB 9 (Gov. Code, § 65852.21, subd. (a)) and in the line obligating local agencies to modify development standards to facilitate a housing development. (Gov. Code, § 65852.21, subd. (b)(2)(A).)

### Findings of Denial

(Reference: Gov. Code, §§ 65852.21, subd. (d); 66411.7, subd. (d))

SB 9 establishes a high threshold for the denial of a proposed housing development or lot split. Specifically, a local agency’s building official must make a written finding, based upon a preponderance of the evidence, that the proposed housing development would have a specific, adverse impact, as defined in Government Code section 65589.5, subdivision (d)(2), upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. “Specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. (Gov. Code, § 65589.5, subd. (d)(2).)

## Environmental Site Constraints

(Reference: Gov. Code, §§ 65852.21, subd. (a)(2) and (a)(6); 66411.7, subd. (a)(3)(C) and (a)(3)(E))

A proposed housing development or lot split is not eligible under SB 9 if the parcel contains any of the site conditions listed in Government Code section 65913.4, subdivision (a)(6)(B-K). Examples of conditions that may disqualify a project from using SB 9 include the presence of farmland, wetlands, fire hazard areas, earthquake hazard areas, flood risk areas, conservation areas, wildlife habitat areas, or conservation easements. SB 9 incorporates by reference these environmental site constraint categories that were established with the passing of the Streamlined Ministerial Approval Process (SB 35, Chapter 366, Statutes of 2017). Local agencies may consult HCD’s [Streamlined Ministerial Approval Process Guidelines](#) for additional detail on how to interpret these environmental site constraints.

Additionally, a project is not eligible under SB 9 if it is located in a historic district or property included on the State Historic Resources Inventory or within a site that is designated or listed as a city or county landmark or as a historic property or district pursuant to a city or county ordinance.

## California Environmental Quality Act (CEQA)

Reference: Gov. Code, §§ 65852.21, subd. (j); 66411.7, subd. (n))

Because the approval of a qualifying project under SB 9 is deemed a ministerial action, CEQA does not apply to the decision to grant an application for a housing development or a lot split, or both. (Pub. Resources Code, § 21080, subd. (b)(1) [CEQA does not apply to ministerial actions]; CEQA Guidelines, § 15268.) For this reason, a local agency must not require an applicant to perform environmental impact analysis under CEQA for applications made under SB 9. Additionally, if a local agency chooses to adopt a local ordinance to implement SB 9 (instead of implementing the law directly from statute), the preparation and adoption of the ordinance is not considered a project under CEQA. In other words, the preparation and adoption of the ordinance is statutorily exempt from CEQA.

## Anti-Displacement Measures

(Reference: Gov. Code, §§ 65852.21, subd. (a)(3); 66411.7, subd. (a)(3)(D))

A site is not eligible for a proposed housing development or lot split if the project would require demolition or alteration of any of the following types of housing: (1) housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income; (2) housing that is subject to any form of rent or price control through a public entity’s valid exercise of its police power; or (3) housing that has been occupied by a tenant in the last three years.

## Lot Split Requirements

(Reference: Gov. Code, § 66411.7)

SB 9 does not require a local agency to approve a parcel map that would result in the creation of more than two lots and more than two units on a lot resulting from a lot split under Government Code section 66411.7. A local agency may choose to allow more than two units, but it is not required to under the law. A parcel may only be subdivided once under Government Code section 66411.7. This provision prevents an applicant from pursuing multiple lot splits over time for the purpose of creating more than two lots. SB 9 also does not require a local agency to approve a lot split if an adjacent lot has been subject to a lot split in the past by the same property owner or a person working in concert with that same property owner.

## Accessory Dwelling Units

(Reference: Gov. Code, §§ 65852.21, subd. (j); 66411.7, subd. (f))

SB 9 and ADU Law (Gov. Code, §§ 65852.2 and 65858.22) are complementary. The requirements of each can be implemented in ways that result in developments with both “SB 9 Units” and ADUs. However, specific provisions of SB 9 typically overlap with State ADU Law only to a limited extent on a relatively small number of topics. Treating the provisions of these two laws as identical or substantially similar may lead a local agency to implement the laws in an overly restrictive or otherwise inaccurate way.

**“Units” Defined.** The three types of housing units that are described in SB 9 and related ADU Law are presented below to clarify which development scenarios are (and are not) made possible by SB 9. The definitions provided are intended to be read within the context of this document and for the narrow purpose of implementing SB 9.

*Primary Unit.* A primary unit (also called a residential dwelling unit or residential unit) is typically a single-family residence or a residential unit within a multi-family residential development. A primary unit is distinct from an ADU or a Junior ADU. Examples of primary units include a single-family residence (i.e., one primary unit), a duplex (i.e., two primary units), a four-plex (i.e., four primary units), etc.

*Accessory Dwelling Unit.* An ADU is an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It includes permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel on which the single-family or multifamily dwelling is or will be situated.

*Junior Accessory Dwelling Unit.* A Junior ADU is a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A Junior ADU may include separate sanitation facilities or may share sanitation facilities with the existing structure.

The terms “unit,” “housing unit,” “residential unit,” and “housing development” mean primary unit(s) unless specifically identified as an ADU or Junior ADU or otherwise defined. This distinction is critical to successfully implementing SB 9 because state law applies different requirements (and provides certain benefits) to ADUs and Junior ADUs that do not apply to primary units.

**Number of ADUs Allowed.** ADUs can be combined with primary units in a variety of ways to achieve the maximum unit counts provided for under SB 9. SB 9 allows for up to four units to be built in the same lot area typically used for a single-family home. The calculation varies slightly depending on whether a lot split is involved, but the outcomes regarding total maximum unit counts are identical.

*Lot Split.* When a lot split occurs, the local agency must allow up to two units on each lot resulting from the lot split. In this situation, all three unit types (i.e., primary unit, ADU, and Junior ADU) count toward this two-unit limit. For example, the limit could be reached on each lot by creating two primary units, or a primary unit and an ADU, or a primary unit and a Junior ADU. By building two units on each lot, the overall maximum of four units required under SB 9 is achieved. (Gov. Code, § 66411.7, subd. (j).) Note that the local agency may choose to allow more than two units per lot if desired.

*No Lot Split.* When a lot split has not occurred, the lot is eligible to receive ADUs and/or Junior ADUs as it ordinarily would under ADU law. Unlike when a project is proposed following a lot split, the local agency must allow, in addition to one or two primary units under SB 9, ADUs and/or JADUs under ADU Law. It is beyond the scope of this document to identify every combination of primary units, ADUs, and Junior ADUs possible under SB 9 and ADU Law. However, in no case does SB 9 require a local agency to allow more than four units on a single lot, in any combination of primary units, ADUs, and Junior ADUs.

See HCD’s [ADU and JADU webpage](#) for more information and resources.

## Relationship to Other State Housing Laws

SB 9 is one housing law among many that have been adopted to encourage the production of homes across California. The following represent some, but not necessarily all, of the housing laws that intersect with SB 9 and that may be impacted as SB 9 is implemented locally.

**Housing Element Law.** To utilize projections based on SB 9 toward a jurisdiction’s regional housing need allocation, the housing element must: 1) include a site-specific inventory of sites where SB 9 projections are being applied, 2) include a nonvacant sites analysis demonstrating the likelihood of redevelopment and that the existing use will not constitute an impediment for additional residential use, 3) identify any governmental constraints to the use of SB 9 in the creation of units (including land use controls, fees,

and other exactions, as well as locally adopted ordinances that impact the cost and supply of residential development), and 4) include programs and policies that establish zoning and development standards early in the planning period and implement incentives to encourage and facilitate development. The element should support this analysis with local information such as local developer or owner interest to utilize zoning and incentives established through SB 9. Learn more on HCD's [Housing Elements webpage](#).

**Housing Crisis Act of 2019.** An affected city or county is limited in its ability to amend its general plan, specific plans, or zoning code in a way that would improperly reduce the intensity of residential uses. (Gov. Code, § 66300, subd. (b)(1)(A).) This limitation applies to residential uses in all zones, including single-family residential zones. “Reducing the intensity of land use” includes, but is not limited to, reductions to height, density, or floor area ratio, new or increased open space or lot size requirements, new or increased setback requirements, minimum frontage requirements, or maximum lot coverage limitations, or any other action that would individually or cumulatively reduce the site’s residential development capacity. (Gov. Code, § 66300, subd. (b)(1)(A).)

A local agency should proceed with caution when adopting a local ordinance that would impose unique development standards on units proposed under SB 9 (but that would not apply to other developments). Any proposed modification to an existing development standard applicable in the single-family residential zone must demonstrate that it would not result in a reduction in the intensity of the use. HCD recommends that local agencies rely on the existing objective development, subdivision, and design standards of its single-family residential zone(s) to the extent possible. Learn more about [Designated Jurisdictions Prohibited from Certain Zoning-Related Actions](#) on HCD’s website.

**Housing Accountability Act.** Protections contained in the Housing Accountability Act (HAA) and the Permit Streaming Act (PSA) apply to housing developments pursued under SB 9. (Gov. Code, §§ 65589.5; 65905.5; 65913.10; 65940 et seq.) The definition of “housing development project” includes projects that involve no discretionary approvals and projects that include a proposal to construct a single dwelling unit. (Gov. Code, § 65905.5, subd. (b)(3).) For additional information about the HAA and PSA, see HCD’s [Housing Accountability Act Technical Assistance Advisory](#).

**Rental Inclusionary Housing.** Government Code section 65850, subdivision (g), authorizes local agencies to adopt an inclusionary housing ordinance that includes residential rental units affordable to lower- and moderate-income households. In certain circumstances, HCD may request the submittal of an economic feasibility study to ensure the ordinance does not unduly constrain housing production. For additional information, see HCD’s [Rental Inclusionary Housing Memorandum](#).



## City Council Agenda Report

Meeting Date: May 28, 2024

Prepared By: Nick Zornes

Approved By: Gabe Engeland

### Subject: Adoption of Nexus Study for Development Impact Fees (DIF)

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#### COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

#### RECOMMENDATION

Adopt a Resolution of the City Council of the City of Los Altos Adopting a Nexus Study for Development Impact Fees in Compliance with Assembly Bill 602 (AB 602) and find that this action is exempt from environmental review pursuant to Section 15273 of the State Guidelines implementing the California Environmental Quality Act of 1970.

#### FISCAL IMPACT

On June 27, 2023, the Los Altos City Council authorized Professional Services Agreement with Matrix Consulting Group in an amount not-to-exceed \$198,885.00 and up to 10% contingency funds not-to-exceed \$19,888.50 for a total of \$218,773.50. The current funds expended for this study are within the original contract amount.

#### ENVIRONMENTAL REVIEW

Pursuant to CEQA Guidelines Section 15273 this item is exempt from environmental review. CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies.

#### BACKGROUND

Development Impact Fees in California are governed by the Mitigation Fee Act, which includes AB1600 and AB602.

AB1600 specifies that there needs to be reasonable relationship or “nexus” between the fees collected and the services provided. To establish nexus the following must be analyzed:

- Purpose of Fee
- Impact Relationship

- Proportionality
- Benefit Relationship
- Use of Fee Revenue

On January 1, 2022, AB602 went into effect. The bill is applicable to all impact fees adopted or implemented after the effective date. The following are the main criteria of AB602:

- Prior to adoption of any new impact fee, the Nexus Study needs to be adopted (independently) at a Public Hearing with a 30-day notice.
- Nexus Study shall demonstrate and explain the service level accomplished by the fee.
- Impact Fees shall be proportionate and calculated on a square footage basis.

Additional key provisions and changes apart of AB602:

- Impact Fee schedule and Adopted Nexus Study shall be posted online.
- Impact Fees must be collected by the time of final inspection or certificate of occupancy.
- Members of the public or developer can contest the impact fee compliance with AB602 and AB1600.
- Impact Fee Nexus Studies are **only valid for 8 years maximum.**

**Program 3.D: Evaluate and adjust impact fees.**

The City will evaluate applying the park in-lieu and traffic impact fees on a per square foot basis rather than per unit to encourage the development of higher densities and smaller, more affordable housing units. Based on this evaluation, the City will modify impact fees in accordance with Assembly Bill 602 (AB 602) with completion of the comprehensive fee evaluation.

**Responsible Body:** Development Services Department, City Council

**Funding Source:** General Fund

**Time Frame:** Initiate comprehensive fee evaluation August 2023; complete comprehensive fee evaluation and modify fees December 2024

Maximum Justifiable Fee

It is important to note that the Nexus Study, dated May 2024 establishes the *Maximum Justifiable Fee* allowed to be collected by the City of Los Altos.

The Nexus Study calculates the maximum justifiable Development Impact Fees that can be charged on new development, and therefore, the City Council may adopt reduced Development Impact Fees below the maximum justifiable amount identified within the Nexus Study if doing so effectuates a policy of the City. Additionally, although the City of Los Altos could reduce one (or more) Development Impact Fee the City cannot then in turn raise another Development Impact Fee as each Fee is independently calculated based on the associated impact. All Development Impact Fees contained within the Final Report establish the Maximum Fees allowed.

**ANALYSIS**

Through the course of this analysis, the project team evaluated impact fees based upon the current projected population impacts between 2024 and 2040. Based on the results, the maximum justifiable impact fees were calculated for Parks and Recreation, Police, General Government, Fire, Library, Transportation, and Commercial Linkage. As outlined in the Mitigation Fee Act, proportional costs associated with future infrastructure impacts, along with administrative overhead, were used to calculate the full cost of the impact fees presented.

It is important to note that AB602 states that residential (single-family and multi-family) should be calculated based upon proportional square footage, rather than per dwelling unit. For compliance with this regulation, all residential fees have been converted to a per square footage calculation.

The following subsections show the results of the updated impact fees calculated for the City.

**Parks and Recreation Impact Fee**

The City of Los Altos currently assesses the Parks and Recreation Impact as an in-lieu fee. This means that the developer has the option to either mitigate the parks impacts or pay the City a fee. Through this study the City is considering converting it from an in-lieu fee to a development impact fee based upon the proportional impact of new development. This fee would cover capital costs as well as the acquisition of land. The following table compares the city’s current fees to the full cost fee calculated through this study.

Category	Full Cost
Single-Family	\$12.12/sqft.
Multi-Family	\$44.15/sqft.

**Public Art Development Fee**

The City implemented a Public Art Development Fee in 2018. Unlike other impact fees, in lieu fees are only applicable if an applicant is unable to meet the public art installation requirements outlined within the City’s General Plan and Municipal Code. Through this analysis, the project team calculated the full cost as a percentage of new construction valuation as the concept is the larger the project, proportionately the greater the public art impact, which is consistent with the City’s current in-lieu fee calculation. The full calculation is shown as follows:

Category	Full Cost
All Development	1% of Construction Cost

**Public Safety Impact Fee**

The City is interested in establishing a Public Safety impact fee to help recover costs of Police and Fire facility and equipment within the city, which benefits both existing and future population. Through this analysis, the project team calculated the full cost to be as follows.

Category	Full Cost
Single-Family	\$0.09/sqft.



Multi-Family	\$0.34/sqft.
Commercial/Retail	\$1.22/sqft.
Office	\$1.62/sqft.

**General Government Impact Fee**

The City is interested in establishing a General Government impact fee to help recover costs of City Hall, Library, and other General City Facilities, which benefits both existing and future population. Through this analysis, the project team calculated the full cost to be as follows.

Category	Full Cost
Single-Family	\$0.13/sqft.
Multi-Family	\$0.48/sqft.
Commercial/Retail	\$2.14/sqft.
Office	\$2.86/sqft.

**Transportation Impact Fee**

The City currently charges a Transportation Impact Fee (TIF). However, this fee hasn't been updated since 2014. An updated TIF schedule has been calculated based on the historical level of investment in the citywide circulation network or existing facilities standard. The following table compares the city's current fees to the full cost fee calculated through this study.

Category	Full Cost
Single-Family	\$1.55/sqft.
Multi-Family	\$6.29/sqft.
Commercial/Retail	\$10.71/sqft.
Office	\$9.45/sqft.

**Commercial Linkage Fee**

The City is interested in establishing a Commercial Linkage fee to help recover costs related to funding the need for affordable housing due to new commercial development. Through this analysis, the project team calculated the full cost to be as follows.

Category	Full Cost
Commercial/Retail	\$702/sqft.
Office	\$245/sqft.

According to the analysis provided above and as enclosed in the comprehensive report provided by Matrix Consulting Group, the previously noted fees are the Full Cost Development Impact Fees allowable within the City of Los Altos. The above noted Development Impact Fees are provided after following rigorous requirements to establish essential nexus.

**DEVELOPMENT IMPACT FEE SCENARIOS**

Contained within the Agenda Item, Attachment #3 is a Development Impact Fee Scenario, which was requested at the April 30, 2024, City Council meeting.

The Development Impact Fee Scenarios have been structured in such a manner to simulate the actual DIF collection in future years for projects similar to completed development within the City. It is important to note that the DIF collected in future years will depend on the actual construction that is proposed, and the unit sizes created. A foundational principle of AB 602 is to allow for the construction of smaller units without the same associated price tag that is triggered by the per unit formula previously applied. Additionally, although some projects may see a reduction in the DIF collected on one line item, such as Park Impact Fee, it will see an increase in all other line items.

Lastly, the sixth and final scenario that is provided accounts for the DIF collection of Single-Family Developments on a non-vacant parcel, with an existing habitable structure and square footage. Previously the city has never collected DIF on this type of redevelopment within the city, however it is the single largest development application the city sees. What this means is that when a Single-Family parcel is purchased with an existing structure that is approximately 2,000 square feet, and the new property owner proposes to scrap and build a new 4,000 square foot residence, the project will be required to pay for the NEW and ADDITIONAL square footage that is created. As noted above, the City has never previously collected development impact fees for a project such as this because historically the city has only charged an collected fees on a per unit basis which does not create a mechanism to collect such fees.

**RECOMMENDATION**

Based on the Comprehensive Nexus Study conducted by Matrix Consulting Group, City staff proposes establishing all Development Impact Fees at the Full Cost identified for each impact fee except for the Commercial Linkage Fee. Full implementation of this recommendation does necessitate subsequent action to modify existing Municipal Code chapters, which will be amended and brought back to the City Council to ensure the implementing Ordinance is consistent with the Development Impact Fee schedule.

<b>Parks and Recreation Impact Fee</b>	
<b>Category</b>	<b>Full Cost</b>
Single-Family	\$12.12/sqft.
Multi-Family	\$44.15/sqft.
<b>Public Art Development Fee</b>	
All Development	1% of Construction Cost
<b>Public Safety Impact Fee</b>	
Single-Family	\$0.09/sqft.
Multi-Family	\$0.34/sqft.
Commercial/Retail	\$1.22/sqft.
Office	\$1.62/sqft.
<b>General Government Impact Fee</b>	
Single-Family	\$0.13/sqft.
Multi-Family	\$0.48/sqft.
Commercial/Retail	\$2.14/sqft.
Office	\$2.86/sqft.
<b>Transportation Impact Fee</b>	
Single-Family	\$1.55/sqft.
Multi-Family	\$6.29/sqft.

Commercial/Retail	\$10.71/sqft.
Office	\$9.45/sqft.
<b>Commercial Linkage Fee</b>	
Commercial/Retail	\$35.10/sqft.
Office	\$12.25/sqft.
*Commercial Linkage Fee is set at 5% of the Full Cost allowed.	

**ATTACHMENTS**

- 1. Draft Resolution**
- 2. Exhibit A – Nexus Study, dated May 2024**
- 3. Development Impact Fee Scenarios**

**RESOLUTION NO. 2024-XX**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS**  
**ADOPTING A NEXUS STUDY FOR DEVELOPMENT IMPACT FEES IN**  
**COMPLIANCE WITH ASSEMBLY BILL 602 (AB 602)**

**WHEREAS**, on January 24, 2023, the City Council approved the City’s Sixth Cycle Housing Element; and

**WHEREAS**, Program 3.D of the Housing Element calls for the City of Los Altos to Evaluate and Adjust Impact Fees; and

**WHEREAS**, Program 3.D of the Housing Element expressly requires the modification of Development Impact Fees to be charged on a per square foot basis rather than per unit to encourage the development of higher densities and smaller, more affordable housing units; and

**WHEREAS**, Program 3.D of the Housing Element expressly requires the modification of Development Impact Fees to be completed no later than December 2024; and

**WHEREAS**, the City of Los Altos has existing Development Impact Fees; and

**WHEREAS**, new development projects attract new residents and employees to the City, generating an increased demand for park, transportation, public safety and general government facilities; and

**WHEREAS**, the City of Los Altos has determined that City parks, transportation, public safety and general government facilities are reaching capacity, and that the city requires a cost-effective and efficient way of serving future residents and employees while maintain existing levels of service; and

**WHEREAS**, the City of Los Altos wishes to update existing Development Impact fees, and establish new Development Impact Fees in direct relationship to associated development within the City; and

**WHEREAS**, Government Code Section 66016 requires the City of Los Altos adopt a Nexus Study to support modifications to existing Development Impact Fees, and the establishment of new Development Impact Fees; and

**WHEREAS**, consultant Matrix Consulting Group, and subconsultants DKS Associates, and Strategic Economics on behalf of the City of Los Altos have prepared the Development Impact Fee Nexus Study dated May 2024 (the “Nexus Study”); and

**WHEREAS**, the Nexus Study substantiates a methodology that will charge each new development project only for the costs necessary to mitigate the impacts expected to be caused by that development project; and

**WHEREAS**, there is a reasonable relationship between the Development Impact Fees and the development projects on which the Fees will be imposed because the Fees will only fund costs necessitated by each new development; and

**WHEREAS**, the Development Impact Fees will not exceed the estimated reasonable cost of providing the land and facilities for which the Fees are imposed; and

**WHEREAS**, the Development Impact Fees will not be levied, collected, or imposed for general revenue purposes, but are levied specifically to fund facilities of the types set forth in the Nexus Study; and

**WHEREAS**, the Nexus Study establishes proposed amounts and provides an evaluation of the need for new Development Impact Fees and establishes the nexus between the imposition of the new Fees and the estimated reasonable costs of providing the services for which the Fees are charged; and

**WHEREAS**, the Nexus Study identifies the City’s existing level of parks, transportation, public safety and general government services, identifies the level of service, and includes an explanation of why the level of service is appropriate; and

**WHEREAS**, the Nexus Study includes information that supports the City’s actions, as required by Government Code Section 66001(a); and

**WHEREAS**, the Nexus Study calculates the maximum justifiable Development Impact Fees that can be charged on new development, and therefore, the City Council may adopt reduced Development Impact Fees below the maximum justifiable amount identified within the Nexus Study if doing so effectuates a policy of the City; and

**WHEREAS**, pursuant Assembly Bill 602 (AB 602) the Nexus Study, notice of the time and place of the meeting, including general explanation of the matters to be considered and a statement that required data is available for public inspection was published in a newspaper of general circulation at least thirty (30) days prior to consideration of the adoption of the final Nexus Study at a Public Hearing of the Los Altos City Council; and

**WHEREAS**, the City Council held a duly noticed public hearing on May 28, 2024; and

**WHEREAS**, the adoption of the Nexus Study is exempt from environmental review pursuant to Section 15273 of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended; and

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos does hereby ordain as follows:

**SECTION 1. ADOPTION OF NEXUS STUDY.** The City Council hereby approves the Nexus Study dated May 2024 for all existing and proposed Development Impact Fees, attached as Exhibit A to this Resolution. The City Council further adopts the methodology set forth in the Nexus Study for calculating and collecting the impact fees. A copy of the Nexus Study shall be on file with the City Clerk and Development Services Department and available during regular City business hours for public inspection.

**SECTION 2. CONSTITUTIONALITY; AMBIGUITIES.** If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions hereof.

**SECTION 3. EFFECTIVE DATE.** This Resolution will become effective upon adoption.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 28<sup>th</sup> day of May, 2024 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Jonathan D. Weinberg, MAYOR

Attest:

\_\_\_\_\_  
Melissa Thurman, CITY CLERK

# Report on Development Impact Fee (DIF) Study

CITY OF LOS ALTOS, CALIFORNIA

FINAL REPORT

May 2024



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# 1. Introduction and Executive Summary

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The report, which follows, presents the results of the Development Impact Fee Study conducted by the Matrix Consulting Group for the City of Los Altos.

## Project Background and Scope of Work

The Matrix Consulting Group was retained by the City of Los Altos (City) to update existing impact fees and develop a nexus for proposed impact fees. Within the state of California, impact fees are governed by the Mitigation Fee Act (AB1600) (Gov. Code §66000 et seq.) and AB602 which requires demonstrating the reasonable relationship that exists between the development activity and the proposed benefit. The City has never conducted a comprehensive review of its impact fees. The results of this study will allow the City to ensure that there is a nexus between future development and its proportionate impact on City infrastructure, as well as update the fees to be more reflective of those impact.

## General Project Approach and Methodology

There are two typical methodologies utilized to calculate impact fees – service level standards and specific facility projections. For the purposes of this analysis the project team has utilized the more commonly accepted and recognized service level standards approach.

The service level standard approach is based on the creation and recognition of existing service level standards provided by the jurisdiction to the users of its services (residents, employees, students, etc.). As there is new development and growth in the community, there is the potential for the service level standard to decline if appropriate measures are not taken to retain that service level standard. Therefore, the service level standard calculates the impact of each individual on the City's infrastructure and applies it to future individuals and growth. If there is an increase in the service population, there would be a corresponding impact on infrastructure, and thereby a nexus for collection of impact fees. However, if there is no increased population or use of those services, impact fees would not be justifiable or applicable.

For the purposes of calculating impact fees, the project team reviewed a variety of data elements from the state, regional organizations, county, and City staff. The following points highlight the data reviewed through the course of this analysis:

- **Ordinances:** The project team reviewed the City's ordinances to ensure that there was the legal authority to assess and increase current impact fees.

- **General Plan, Facilities Assessment, Department Master Plans, and CIP Plans:** Data was reviewed from a variety of City specific documents regarding the potential growth in the community, the goals for the City and the departments, as well as future capital projects.
- **Growth and Projection Data:** Population, household, dwelling units, and employment information for current and future years was obtained from the California Department of Finance, Long Range Planning documents, and the Association of Bay Area Governments (ABAG).
- **Service Level Standards:** Information such as police facilities, fire facilities, and park needs were collected, reviewed, and applied for calculation regarding future impacts.
- **Revenues and Expenses:** Revenue collected for impact fees was reviewed to ensure compliance with reporting practices as well as to calculate an administrative overhead percentage. Expense information was reviewed for cost estimates for infrastructure as well as overhead allocation to the impact fees.

These components were utilized to develop and update impact fees for the City regarding Parks and Recreation, Police, General Government, Fire, Library, Transportation, and Commercial Linkage.

## Summary of Results

Through the course of this analysis, the project team evaluated impact fees based upon the current projected population impacts between 2024 and 2040. Based on the results, the maximum justifiable impact fees were calculated for Parks and Recreation, Police, General Government, Fire, Library, Transportation, and Commercial Linkage. As outlined in the Mitigation Fee Act, proportional costs associated with future infrastructure impacts, along with administrative overhead, were used to calculate the full cost of the impact fees presented.

It is important to note that AB602 states that residential (single-family and multi-family) impact fees should be calculated based upon proportional square footage, rather than per dwelling unit. For compliance with this regulation, all residential fees have been converted to a per square footage calculation.

The following subsections highlight the results of the updated impact fees calculated for the City.

## Parks and Recreation Impact Fee

The City of Los Altos currently assesses the Parks and Recreation Impact Fee as an in-lieu fee. This means that the developer has the option to either mitigate the parks impacts or pay the City a fee. Through this study the City is considering converting it from an in-lieu fee to a development impact fee based upon the proportional impact of new development. This fee would cover capital costs as well as the acquisition of land. The following table compares the city's current fees to the full cost fee calculated through this study.

**Table 1: Current vs. Full Cost – Parks and Recreation Impact Fee**

Category	Current Fee	Full Cost	Difference	% Cost Recovery
Single-Family (per square foot)	Modified <sup>1</sup>	\$12.12	N/A	N/A
Multi-Family (per square foot)	Modified <sup>2</sup>	\$44.15	N/A	N/A

Due to the change in regulations and the City's current method of charging per unit for Single-Family and Multi-Family projects, a true comparison cannot be conducted.

## Public Art Development Fee

The City implemented a Public Art Development Fee in 2018. As an in-lieu fee, applicants are only required to pay the fee if they are unable to meet the public art installation requirements outlined within the City's General Plan and Municipal Code. Through this analysis, the project team calculated the full cost as a percentage of new construction valuation as the concept is the larger the project, proportionately the greater the public art impact, which is consistent with the City's current in-lieu fee calculation. The full calculation is shown as follows:

**Table 2: Current vs. Full Cost – Cultural Arts in-Lieu Fee**

Category	Current Fee	Full Cost	Difference	Cost Recovery %
Public Art Development - % of Valuation	1.00%	1.00%	0%	100%

The nexus analysis conducted justifies the City retaining its current practice of charging 1% of the project valuation as the in-lieu fee.

## Public Safety Impact Fee

The establishment of a Public Safety impact fee would help recover proportional infrastructure costs of Police and Fire facility and equipment within the city, which

<sup>1</sup> Current single-family residential fees are charged \$77,500 per unit.

<sup>2</sup> Current multi-family residential fees are charged \$48,800 per unit.

benefits both existing and future populations. Through this analysis, the project team calculated the full cost to be as follows.

**Table 3: Proposed Public Safety Impact Fee**

Category	Full Cost
<b>Residential (per square foot)</b>	
Single-Family	\$0.09
Multi-Family	\$0.34
<b>Commercial (per square foot)</b>	
Commercial / Retail	\$1.22
Office	\$1.62

Like other impact fees the full cost fee calculated through this study represents the maximum fee that the City can charge, inclusive of all allowable administrative costs outlined in the Mitigation Fee Act.

### General Government Impact Fee

The establishment of a General Government impact fee would help recover proportional infrastructure costs associated with City Hall, Library, and other General City Facilities, which benefits both existing and future populations. Through this analysis, the project team calculated the full cost to be as follows.

**Table 4: Proposed General Government Impact Fee**

Category	Full Cost
<b>Residential (per square foot)</b>	
Single-Family	\$0.13
Multi-Family	\$0.48
<b>Commercial (per square foot)</b>	
Commercial / Retail	\$2.14
Office	\$2.86

Like other impact fees the full cost fee calculated through this study represents the maximum fee that the City can charge, inclusive of all allowable administrative costs outlined in the Mitigation Fee Act.

### Transportation Impact Fee

The City currently charges a Transportation Impact Fee (TIF), which hasn't been updated since 2014. An updated TIF schedule has been calculated based on the historical level of investment in the citywide circulation network or existing facilities standard. The following table compares the city's current fees to the full cost fee calculated through this study.

Table 5: Current vs. Full Cost – Transportation Impact Fee

Category	Current Fee	Full Cost Fee	Difference	Cost Recovery %
<b>Residential (per square foot)</b>				
Single-Family	Modified <sup>3</sup>	\$1.55	N / A	N / A
Multi-Family	Modified <sup>4</sup>	\$6.29	N / A	N / A
<b>Commercial / Non-Residential (per square foot)</b>				
Commercial / Retail	\$12.05	\$10.71	\$0.79	107%
Office	\$9.99	\$9.45	\$0.10	101%

Based upon the fees that can be compared, the City would need to reduce its non-residential transportation impact fees slightly to be in alignment with the maximum fee that the City can charge, inclusive of all allowable administrative costs outlined in the Mitigation Fee Act.

**Commercial Linkage Fee**

The City is interested in establishing a Commercial Linkage fee to help recover costs related to funding the need for affordable housing due to new commercial development. Through this analysis, the project team calculated the full cost to be as follows.

Table 6: Proposed Commercial Linkage Fee

Category	Full Cost (per sq. ft.)
Commercial / Retail	\$702
Office	\$245

Like other impact fees, the full cost fee calculated through this study represents the maximum justifiable fee that the City can charge. It is important to note that this is the one fee category in which jurisdictions do not typically charge the maximum justifiable fee.

**Summary**

The City only currently assesses impact fees related to Parks and Recreation and Transportation. Through this nexus analysis, a nexus has been established for the City to consider implementing additional impact fees.

**Implementation**

The updated and proposed impact fees calculated through this study represent the maximum justifiable costs associated with the proportionate share and impact of new development within Los Altos. It is up to City staff, management, and Council to utilize

<sup>3</sup> Current single-family residential fees are charged \$6,774.20 per unit.  
<sup>4</sup> Current multi-family residential fees are charged \$4,159 per unit.

the information in this report as a mechanism to determine if new development should bear the full cost or subsidized cost. The following subsections discuss the key aspects for impact fee implementation and updates, including: collection of fees, annual reporting requirements, refunds / credits / appeals, and annual updates.

### **Collection of Impact Fees**

Section 66007 of the California Government Code outlines when impact fees should be paid for residential and multi-family projects. Impact fees for Residential projects should generally be assessed and paid upon the date of final inspection or issuance of certificate of occupancy, whichever occurs first. For Multi-family projects, fees can be paid in phases based upon the dwelling units, at the completion of each unit's final inspections, as long as it is at the final inspection or certificate of occupancy, whichever occurs last. There is no specific provision in the section regarding commercial, office, or industrial uses.

The section also allows for collection of fees sooner if there is already an account established for impact fees and can be designated for public improvements.

### **Annual Impact Fee Reporting Requirements**

Section 66006 of the California Government Code dictates that once per year, within 180 days of the close of the fiscal year, the City must make available to the public detailed information regarding impact fees. This detailed information, should at a minimum include:

- Impact Fee Description and Fund Number
- Impact Fee Amount
- Beginning and Ending balance of the account or fund.
- Amount of fees collected in the fiscal year and the total interest earned.
- Identification of project(s) on which the funds are being earmarked for.
- Identification of the approximate date on which the projects would commence.
- Identification of any interfund loans or transfers related to capital projects, and the amount of the transfer.
- Amount of any refunds or allocations made on behalf of the impact fee funds.

The above reports must be submitted and reviewed by City Council within 15 days of being posted publicly. Additionally, AB602 Section 65940.1(a) requires that the nexus analysis and corresponding impact fee amounts charged be made available publicly. Compliance with this part of the bill can be achieved by posting a written version of the analysis and fee schedule or providing a link to both on the City's website.

## **Refunds / Credits / Appeals / Waivers**

Section 66001 of the California Government Code requires that the City must make findings regarding the utilization of the impact fee revenue and / or proposed utilization of it within five years of collection. If such findings are not made within five years of impact fee collection, the City must refund the monies to the current record owner or owner of the lots or units.

As part of the adoption of the impact fee resolution, the City may choose to also identify circumstances or instances in which a developer could obtain credits, exemptions, or appeal fees. Fee credits are typically obtained in the case of redevelopment, for example, if a developer was to redevelop an existing 10 multi-unit complex into a 15 multi-unit complex, the developer retains credit for the 10 existing units and only pays impact fees on the 5 new units being added. This credit is only provided if the existing facility had already paid into impact fees. If the existing development had not paid any impact fees, there would be no credit applicable.

Impact fee resolutions may also include a discussion regarding fee exemptions. If a development project is determined to have no documented impact on the facilities for which the impact fees are being imposed, then the project may be exempt from impact fees. The exemptions must not be granted by right and should be reviewed by City staff and Council to ensure that they are warranted and appropriate.

Any reductions in impact fees, or waivers or appeals regarding impact fees would have to be determined by City staff and Council and would be granted depending upon the nature and proportion of the impact of the future / proposed development on future infrastructure needs. Depending upon the nature of the project and its documented impacts, there might be a more in-depth process necessary to ensure that all impact fees collected are fair, proportionate, and in compliance with the Mitigation Fee Act.

## **Annual Increases**

The City's current ordinances governing impact fees provide the City with the ability to increase impact fees annually based upon the Construction Cost Index (CCI). This is considered a best practice and ensures that increases in construction costs are included in the impact fees and proportionate share is passed onto new development.

The annual increase is not meant to be an infinite increase in fees. Per the Mitigation Fee Act and Assembly Bill 602 the nexus for the impact fees should be reevaluated every eight years to ensure that there is still an appropriate correlation between the current fee being charged and proposed development within the City.

## 2. Legal Framework

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Impact Fees are a mechanism for new development to pay for their proportionate share of impact upon City owned facilities and infrastructure. The following subsections discuss the State's requirements for impact fees and the City's legal authority for assessing these fees.

### State Legal Authority – AB1600

Development Impact Fees in California are governed by the Mitigation Fee Act<sup>5</sup>, which includes AB1600 and AB602. At a high level, AB1600 specifies that there needs to be a reasonable relationship, or “nexus”, between the collection of fees and the new residential and non-residential development within a City's service area. It states that revenue can only be used to expand current facilities or purchase new facilities, infrastructure, and equipment. It also states that the revenue generated cannot be used to fund staffing, maintenance, or other operational costs.

To establish a nexus between new development and the need for new facilities or infrastructure, the legislation requires that certain criteria be met. The following points highlight each of the required criteria:

- **Purpose of Fee:** Outline specific types of facilities, infrastructure, equipment, and projects for which the impact fee will be utilized.
- **Impact Relationship:** In order to establish an impact relationship there needs to be a clear and reasonable relationship between the need for the public facility or infrastructure and the type of development project upon which the fee is imposed.
- **Proportionality:** The proportionality requirement states that the impact fee established must be directly related to the proportionate impact of the type of development project.
- **Benefit Relationship:** The benefit relationship requires that the use of the impact fee revenue and the type of development project upon which it is imposed is reasonable.
- **Use of Fee Revenue:** Revenue collected from impact fees can only be used to fund the identified facility expansions, infrastructure improvements, or to purchase new equipment.

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<sup>5</sup> CA Govt Code § 66001



For each of the impact fees evaluated through this study, the individual chapter will discuss if and how the fee is able to meet the nexus criteria identified.

## State Legal Authority – AB602

In January of 2022, Assembly Bill 602 (AB602) went into effect. This Bill is applicable to all impact fees adopted / implemented January 1, 2022, or later. The bill has three main criteria:

1. Prior to the adoption of new impact fees, a nexus study needs be adopted.
2. The nexus study needs to highlight existing service levels, the new service level, and an explanation of why the new service level is appropriate.
3. A fee levied on housing development must be proportionate to the square footage of proposed units unless findings are established on why square footage is not the appropriate metric. This ensures larger residential projects pay a higher portion of fees than smaller residential (i.e., ADU) projects.

Along with these three criteria, some other key provisions of the bill include:

- Impact fees must be posted online – along with the nexus analysis.
- All impact fees must be collected by the time of final inspection or certificate of occupancy issuance, whichever occurs later<sup>6</sup>.
- A member of the public and / or developer can submit evidence citing the inability of the impact fee to comply with AB602 and AB1600 (Mitigation Fee Act)<sup>7</sup>.
- Impact fee nexus studies must be updated every eight years.

Under directive from AB602, the State's Department of Housing and Community Development created templates for a nexus study and residential feasibility analysis. These resources establish a litmus test for cities to gauge their compliance.

This report will serve as the City's nexus analysis for its existing impact fees and will ensure that all criteria per AB602 are met and clearly outlined for proposed impact fees. For commercial linkage fees, a separate more detailed nexus analysis occurs based upon the proposed fees to be implemented, rather than the maximum fees calculated through the analysis.

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<sup>6</sup> Section 65940.1.(3)

<sup>7</sup> Section 66019(d)(1).

## City Legal Authority for Impact Fees

The City of Los Altos has the legal authority to charge for current impact fees identified as these fees are referenced in the municipal code or were adopted via resolution. The following table summarizes for each impact fee evaluated the relevant municipal code and key factors:

**Table 7: Municipal Code Information on Impact Fees**

Impact Fee	Muni Code Chapter	Resolution / Ordinance	Notes / Key Factors
Parks and Recreation	Chapter 13.24	2019-04	Fee amount determined by council resolution.
Public Art Development Fee	Chapter 3.52	2018-446	Contribution fee should be 1% of the valuation with a maximum fee of \$200,000.
Public Safety	New	New	This is a new impact fee and at a minimum a resolution would be needed to establish authority to impose the fee.
General Government	New	New	This is a new impact fee and at a minimum a resolution would be needed to establish authority to impose the fee.
Transportation	Chapter 3.48	05-286	Fee amount determined by council resolution.
Commercial Linkage	New	New	This is a new impact fee and at a minimum a resolution would be needed to establish authority to impose the fee.

The City's current impact fees are governed by Municipal Code and an ordinance / resolution. As many of the impact fees being proposed are new fees, the City will need to adopt them through resolution and potentially update their municipal code.

### 3. Projected Growth and Development

The primary criteria for determining the projected impact of new development for impact fees is the amount of projected increase in the City's population (residential and commercial). These projections then form the basis of impact fee calculations. In order to calculate the projected growth and development, as well as density requirements, the project team reviewed the following sources of data:

- **State of California Department of Finance:** Data from California's Department of Finance was utilized for 2023 estimates regarding total number of residential populations within the City.
- **Regional Projections:** Projection information based upon City and Association of Bay Area Governments (ABAG) documents was utilized for cost calculation and assumptions. General Plan and facilities master plan information was used to estimate future dwelling units, square footage growth, employment information, as well as facility needs.

The information from these sources was utilized to calculate the projected increase in population as well as resulting population densities. The following subsections discuss the population projections calculated and the population densities used to calculate the impact fees.

#### Population Projections

The basis for impact fees is predicated on sufficient population growth that results in a meaningful impact on City Infrastructure. The following table shows by category, the 2023 estimates, the 2040 estimates, and the overall projected increase:

**Table 8: Population Growth Projection through 2040**

Category	2023 Estimates	2040 Estimates <sup>8</sup>	Total Projected Increase
Residential	31,021 <sup>9</sup>	32,960	1,939
Commercial	15,160 <sup>10</sup>	15,315	155

Overall, the residential population is projected to grow by 1,900 residents over the next 16 years and the commercial population is expected to grow by 155 employees.

<sup>8</sup> 2040 estimates come from the ABAG.

<sup>9</sup> Residential estimate comes from the California Department of Finance 2023 population estimate.

<sup>10</sup> 2030 estimates are based on 2020 ABAG estimates.

The numbers noted in these tables were used as the basis for all of the proportionate impact calculations through this study, with employment information utilized for calculations associated with non-residential projected growth.

## Population Densities

In addition to population projection information, the other set of data that is consistently utilized in the calculations is the density associated with residential and non-residential categories. The following subsections discuss the population density assumptions utilized in the calculation of all impact fees in this report.

### Residential Population Density

Currently, Los Altos categorizes residential populations into two types: Single Family homes and Multi-Family homes. Due to changes in the regulations, residential density per unit can no longer be used as the basis of impact fee calculation. Therefore, the project team worked to utilize existing information collected to generate the density based upon square footage per resident (similar to non-residential densities).

The project team utilized data from the American Census Bureau report to calculate the new density factor. The report estimates the number of units and the number of individuals residing in the unit. The following table shows the calculation for single-family and multi-family housing:

**Table 9: Residential Density Calculation**

Category	# of Ppl in Units <sup>11</sup>	# of Units <sup>12</sup>	Avg Persons / Unit
Single-Family	28,177	9,508	2.96
Multi-Family	2,637	1,379	1.91

As the table indicates, the average density for a single-family residence is almost 3 individuals compared to 2 individuals for multi-family. To convert the people per unit to a square footage per resident calculation, the average square footage for a residential unit (single and multi-family was needed). The following table shows this calculation:

**Table 10: Residential Sq. Ft. Per Person Density Calculation**

Category	Avg Sq. Ft.	Avg Persons / Unit	Sq. Ft. Per person
Single-Family Residential	4,934 <sup>13</sup>	2.96	1,665
Multi-Family	873 <sup>14</sup>	1.91	457

<sup>11</sup> Table B25033 showing 5 year average US Census Data.

<sup>12</sup> Table B25032 showing 5 year average US Census Data.

<sup>13</sup> The average single-family residential square footage is based on the average for the last five years for the City of Los Altos based upon permitting data.

<sup>14</sup> The average square footage is based on the total sq. ft. of multi-family projects over the last five years, and the number of units. The overall average square footage per unit was 1,746. 50% of that was used, to reduce the extra sq. ft. associated with hallways, storage, elevators, lobby space, etc.

The average square footage per resident, or household density factor for single family is 1,665 and multi-family is 457. The density factor is then divided by the cost per capita calculation to derive the base impact fee.

### **Non-Residential / Commercial Density<sup>15</sup>**

Similar to the residential density calculation, a calculation was performed for non-residential development within the City. The City utilizes two main commercial categories – Commercial / Retail<sup>16</sup> and Office. The following table shows the density associated with each non-residential category type:

**Table 11: Residential Population Density**

<b>Category</b>	<b>Sq. Ft. Per<sup>17</sup> Employee</b>
Commercial / Retail	400
Office	300

The density (square footage per employee) is multiplied by the cost per capita calculation to derive the base impact fee.

The following chapters utilize the assumptions included in this chapter to help project the proportionate impact of new development on the City's existing and proposed infrastructure.

<sup>15</sup> The commercial linkage fee does also utilize a non-residential category of Hotels, but that is not applicable for the typical land use for Los Altos, so it was not utilized for any of the other impact fees. The linkage fee utilizes 1,000 sq. ft. per employee.

<sup>16</sup> Commercial / Retail is also meant to be an all-encompassing category that includes all types of non-office, non-hotel, and non-industrial projects and could include grocery stores, retail shops, strip malls, services (i.e., hair, nail, fitness), etc. The City has the ability to more clearly define this in its resolution associated with impact fees.

<sup>17</sup> The employment density of was utilized to be consistent with the commercial linkage fee analysis.

## 4. Administrative Fee

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In accordance with regulations outlined in the Mitigation Fee Act, a citywide administrative fee was calculated for use in this analysis.

The project team took the three-year average of actual revenue for each impact fee fund and divided it by the citywide overhead cost calculated in the City's most recent cost allocation plan. The resulting values were then averaged, producing a citywide administrative fee. The following table shows the calculation:

**Table 12: Administrative Fee Calculation**

<b>Fund</b>	<b>3 Yr. Avg</b>	<b>CAP OH</b>	<b>Admin %</b>
Park In-Lieu	\$1,873,533	\$13,792	
Transportation impact	\$131,340	\$56,312	
<b>Total</b>	<b>\$2,004,873</b>	<b>\$70,104</b>	<b>3.50%</b>

The calculated citywide administrative fee of 3.50% accounts for the support provided by City staff in the monitoring and reporting of impact fee funds. This percentage can then be added to individual calculated impact fees, resulting in a full cost impact fee.

## 5. Parks and Recreation Impact Fee

The City of Los Altos currently assesses a Park In-Lieu fee. An in-lieu fee is similar to an impact fee but is optional, meaning the developer has the option to mitigate the impact or pay a fee to offset that impact. Through this study, the City is proposing converting it to an impact fee to ensure proportional recovery for the cost of future needs for community centers, upgrades, as well as land acquisition. The following subsections discuss the growth assumptions and standards utilized, cost assumptions and components, impact fee calculation, ability to meet the nexus criteria, and a comparative survey of parks and recreation impact fees.

### Growth Assumptions

Parks and Recreation primarily serves the residential population within the City of Los Altos. While non-residents may utilize park facilities, for the strongest nexus, only residential population growth has been factored into this analysis. Future increased development would result in the need for expanded facilities, newer equipment, and new parks. The current recreation facilities benefit both existing and future development and to determine the proportionate share of existing and future development, the project team calculated the future service population for the City. The following table shows the current population, the future population, and the projected increase:

**Table 13: Future Population Increase**

Category	Existing Population	2040 Population	Population Increase
Residential	31,021	32,960	1,939

As the table indicates, the projected increase in the residential population is approximately 1,939, which reflects approximately a 6% increase compared to the existing population. Therefore, future development should bear approximately 6% of the costs.

The City's adopted standard per the Parks and Recreation Master Plan is 1.57 acres per 1,000 residents. In order for the City to retain this standard as the residential population increases, the City will need to acquire additional park acreage. The following table shows the proportionate number of acres needed to account for new residential growth:

**Table 14: Proposed New Acres Needed Based Upon Acreage Standard**

Category	Amount
Current Acreage Standard – per resident	0.00157 acres
Projected Residential Growth	1,939 residents

**Total New Acres Required 3.04 acres**

Based upon the standard of 0.00157 acres per resident and growth of 1,935 residents, the City will need to acquire an additional 3.04 acres to retain this standard.

### Cost Components and Assumptions

Due to the projected increase in residential population, there will be an impact on the department’s infrastructure, including the need to replace existing facilities, as well as capital projects. Additionally, there is the proposed cost of acquisition of land. The planning horizon for the impact fee is 16 years (2024 through 2040) and the department will need to replace existing facilities and upgrade its facilities during that span. A proportionate share of those upgrades should be borne by future development as future development will benefit from those facilities. The project team reviewed the City’s documentation and calculated the annual cost of facility replacements, total cost for capital programs and anticipated cost for land acquisition. Detailed information is included in Appendix A and it is summarized in the following table:

**Table 15: Parks Identified Costs**

Item	Total Cost
Replacement of Facilities	\$7,087,772
P&R Capital Projects	\$7,411,000
Acquisition of New Land	\$36,935,597 <sup>18</sup>
<b>TOTAL COST</b>	<b>\$51,434,369</b>

Overall, Parks and Recreation will require approximately \$51.4 million to meet the needs of existing and future populations of the City.

### Impact Fee Calculations

As outlined in the cost component section, the \$51.4 million is not fully allocable to new development. Therefore, the project team utilized the growth projections in this chapter to determine the proportional amount associated with new development. The following table breaks down these same costs and shows the proportional amount to be borne by new development:

**Table 16: Parks and Recreation Impact Costs to be Borne by New Development**

Category	Amount	Proportion	Total Cost
Parks and Recreation Facility Costs	\$7,087,772	6%	\$425,266
Parks & Recreation Capital Projects	\$7,411,000	6%	\$444,660

<sup>18</sup> The cost of land is based on the 3.04 acres need on a fair market value of \$12.1 million per acre of land. This was estimated based upon the city’s most recent estimation in 2020 with an annual inflationary factor applied.



Acreage Cost	\$36,935,597	100%	\$36,935,597
<b>TOTAL</b>	<b>\$51,434,369</b>		<b>\$37,805,523</b>

The total proposed parks and recreation infrastructure and land improvements to be borne by new development is approximately \$37.8 million. This \$37.8 million is divided by the total projected population increase, to calculate the cost per capita, as shown in the following table:

**Table 17: Projected Cost for New Development – Per Capita**

Category	Infrastructure Costs	Projected Population Increase	Cost / Capita
Residential	\$37,805,523	1,935	\$19,497

The \$19,497 per capita cost was converted into a cost per square foot based upon the density factors discussed in the projected growth and development chapter. The following table shows this calculation:

**Table 18: Parks and Recreation Impact Fee Calculation**

Category	Cost Per Capita	Density	Impact Fee
Single-Family	\$19,497	1,665	<b>\$11.71 per sq. ft.</b>
Multi-Family	\$19,497	457	<b>\$42.66 per sq. ft.</b>

As the table indicates, the cost per square foot varies from \$11.71 for single-family homes (as they are typically larger) to \$42.66 per sq. ft. for multi-family units. To calculate the full allowable fee, the 3.5% administrative fee is applied to the impact fee. The following table shows this calculation:

**Table 19: Parks and Recreation Impact Fee Calculation Including Administrative Fee**

Category	Impact Fee	Admin Fee	Total Impact Fee
Single-Family	\$11.71	\$0.41	<b>\$12.12 per sq. ft.</b>
Multi-Family	\$42.66	\$1.49	<b>\$44.15 per sq. ft.</b>

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development. The City currently charges its in-lieu fees for Parks and Recreation on a per dwelling unit basis. Therefore, it is difficult to accurately compare.

Under the updated impact fee, if the City had a new Single-Family home of 5,000 sq. ft. the fee would be \$60,600 compared to the City's current fee of \$77,500. While the City sees a decrease in the fee amount, the proposed impact fee provides the City with more flexibility in terms of application of the fee and the potential to recover those fees.

## Nexus Criteria

As discussed in the legal framework section, in order for an impact fee to be implemented it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point, and how the proposed Parks and Recreation Impact fee meets the criteria.

**Table 20: Impact Fees Nexus Criteria - Childcare**

Criteria	Meet	Don't Meet
<b>Purpose of Fee</b>	The purpose of the fee would be to fund the development of new parks and recreation facilities and improving existing playground areas.	
<b>Use of Fee Revenue</b>	The City has capital improvement plans that outline the utilization of this fee revenue for current and future years to help ensure that there is appropriate expansion and development of parks and recreation facilities and areas to meet current and future resident needs.	
<b>Benefit Relationship</b>	The use of the impact fee revenue would be to develop new facilities or expand or improve existing facilities, which would be directly proportional to the increased wear and tear and use of parks and recreation facilities as there is new residential growth in the City. The increase in residential population is related proportionally to the square footage of residential development as larger properties result in more residents utilizing services.	
<b>Impact Relationship</b>	Based upon the current and proposed parks and recreation facility needs in the City, the addition of new residents would require the need for new and expanded facilities.	
<b>Proportionality</b>	The proposed impact fee would be per square foot depending upon the density of the housing units to capture the residential impacts as the primary mechanism for addition of residential population to the City is through increased dwelling units and the size of those units.	

As the table demonstrates, the City is able to meet all five of the criteria necessary to continue to charge a Parks and Recreation Development Impact Fee.

## Comparative Survey

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Parks and Recreation Impact Fee. The following

table compares the City's current fee and full cost to other surveyed jurisdictions in the region:

**Table 21: Comparative Survey – Parks and Recreation**

Jurisdiction	Single-Family	Multi-Family
Los Altos – Current	\$77,500 per unit	\$48,800 per unit
Los Altos – Full Cost	\$12.12 per sq. ft.	\$44.15 per sq. ft.
Mountain View	\$150-\$190 per sq. ft.	\$200 - \$310 per sq. ft.
Palo Alto	\$81,245 per unit	\$56,185 per unit
Campbell	\$30,340 per unit	\$21,460 per unit
Saratoga	\$32,433 per unit	\$21,562 per unit
Morgan Hill	\$5,369 - \$7,348 per unit	\$5,178 - \$7,114 per unit

Mountain View is the only other jurisdiction that charges per square foot, and the City's full cost are significantly below Mountain View's rates. For the other jurisdiction's the City's current fee structure is more comparable and based on that the City is on the higher end with only Palo Alto charging higher fees. It is important to remember, per new legal regulation changes, the City must charge residential fees based on square footage, hence the conversion from per unit to per square foot.

## 6. Public Art Development Fee

The Public Art Development fee functions as an in-lieu fee, as private development has the option to either place public art on private property or contribute to the public art fund. Although in-Lieu fees differ from impact fees, they are typically regulated by similar principles and must adhere to the requirements of the Mitigation Fee Act. Distinct from other impact fees, in-lieu fees come into play only when an applicant cannot fulfill requirements specified in the City's General Plan and Municipal Code. In 2018, Los Altos introduced a Public Art Development Fee, with an in-lieu fee for applicants who do not meet the public art installation requirements. The subsequent sections explore the growth assumptions made, the cost components considered, the process for calculating in-lieu fees, the evaluation of compliance with nexus criteria, and a comparative analysis of Public Art Development Fees

### Cost Components and Assumptions

In order to determine the annual cost associated with public art, the project team used information associated with the Public Art Fund's balance of costs available. The City has approximately \$889,900 fund balance available for Public Art for future projects. This fund balance serves as an indication of the expected contribution or monies available for public art projects.

### In-Lieu Fee Calculations

The Public Art Development fee is calculated as a percentage of project valuation for new development. The project team used the City's actual FY23 valuation, as the base for calculating the in-lieu fee. The total expected public art contribution was divided by the valuation, resulting in the in-lieu percentage, the following table shows this:

**Table 22: In-Lieu Fee Calculation – Non-Residential Commercial Projects**

<b>Cost Components</b>	<b>Amount</b>
Expected Public Art Contribution	\$889,900
Total Valuation	\$92,274,751
<b>% of Valuation</b>	<b>1%</b>

The 1% represents the maximum justifiable in-lieu fee the City can charge.

## Nexus Criteria

In-lieu fees are not subject to the same stringent nexus criteria as impact fees. However, there must be a proportionality and basis for the calculation of the in-lieu fee. In 2018, Los Altos adopted the Public Art Development Fee ordinance, which outlines public art requirements for specific non-residential development projects. If the applicant cannot meet these requirements, they can opt to make a fiscal contribution to the public art fund “in an amount not less than one percent (1%) of construction costs”. The updated calculation would be similarly set up in which the developer has the option to install their own public art or pay towards the City’s public arts fund.

## Comparative Survey

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions who charge a Public Art In-Lieu Fee. The following table compares the City’s current fee and full cost to other surveyed jurisdictions in the region:

**Table 23: Comparative Survey – Cultural Art In-Lieu Fee**

Jurisdiction	Fee Amount
Los Altos – Current	1% of valuation
Los Altos – Full Cost	1% of valuation
	1% of valuation for first \$128.06 million
Palo Alto	0.9% of valuation above \$128.06 million

Of the surveyed jurisdictions only Palo Alto charges a Public Art fee and its fee at 1% for projects less than \$128 million is similar to the City’s current and full cost fee calculated.

## 7. Public Safety Impact Fee

As part of the impact fee analysis, the City is proposing the creation of a consolidated Public Safety fee to cover the infrastructure costs related to Police and Fire. The City has one police station and two fire stations that it owns. The City operates its own Police department but contracts for Fire services. The following subsections discuss the growth assumptions utilized, cost components included, resulting impact fee calculation, ability to meet the nexus criteria, and a comparative analysis of the Fire portion of the Public Safety Impact Fee.

### Growth Assumptions

The Police and Fire Departments serve both residential and commercial populations (employees). Future increased development would result in the need for expanded or relocated Fire stations, Police Stations, and additional equipment and vehicles. Since the primary goal of Police and Fire is to provide community protection and fire suppression services within the City, their services benefit both existing and future development. To determine the proportionate share of existing and future development, the project team calculated the future service population for the City. In addition, since an employee working within the city does not have the same tendency to use police and fire services as a resident, their impact was weighted less. The following table shows the current population for each category, the proportionate weight, and the equivalent population:

**Table 24: Future Weighted Service Population Calculation**

Category	Existing Population	Projected Increase	Weight Factor	Weighted Population Increase
Residents	31,021	1,930	100%	1,939
Employees	15,160	155	20% <sup>19</sup>	31
<b>Total</b>	<b>\$46,181</b>	<b>2,094</b>		<b>1,970</b>

The projected increase in the service population is roughly 1,970, which represents a 4% increase compared to the existing population. This means future development should bear 4% of the police and fire related impact costs.

### Cost Components and Assumptions

Due to the projected increase in residential and non-residential population there will be an impact on the department's infrastructure. The planning horizon for the impact fee is

<sup>19</sup> To calculate the employee weight factor, the project team utilized the proportion of police calls for service that are commercial relative to residential calls for service. A three-year average of calls from FY21, FY22, and F23 were used for the calculation.

16 years (2024 through 2040) and while the department intends to purchase some additional equipment and relocate facilities, it will also need to replace existing equipment and upgrade its facilities during that span. A proportionate share of those upgrades should be borne by future development as future development will benefit from that equipment and the facilities. The following table shows by cost category, the average annual cost, the number of planning years, and the resulting cost:

**Table 25: Total Projected Infrastructure Cost for 16 Years**

Category	Avg Annual Cost	Planning Horizon (Yr.)	Total Cost
Fire Stations	\$77,850	16	\$1,245,600
Police Stations	\$86,931	16	\$1,390,900
Police Equipment	\$257,452	16	\$4,119,238
<b>Total</b>	<b>\$422,233</b>		<b>\$6,755,738</b>

A detailed accounting of the average annual cost for Police and Fire has been included in Appendix A of this report. Additionally, the City conducted a Facilities Conditions Assessment, which identified additional improvements. The following table shows the improvement costs identified, as well as any capital expenditures for Police:

**Table 26: Total Public Safety Capital-Related Expenditures**

Category	Capital Cost
Fire Facility Conditions Assessment	\$1,080,030
Police Facility Conditions Assessment	\$1,040,308
Police Capital Projects	\$195,000
<b>Total</b>	<b>\$2,315,338</b>

Therefore, in regard to Police and Fire, the City needs approximately \$9.1 million (\$6.8 million in facility and equipment and \$2.3 million in capital-related expenditures) to meet the needs of existing and future development.

In addition to the \$9.1 million in infrastructure costs, the other cost component to be considered is the administrative fee. As outlined in the prior section, a citywide administrative fee of 3.5% was calculated to account for support provided by City staff in the monitoring and reporting of impact fee funds.

### Impact Fee Calculations

As the previous section calculated, the total infrastructure needs for the Police and Fire Department are approximately \$9.1 million. However, not all of this cost should be borne by the future population. Based upon the growth assumptions analysis, only 4% of these

costs should be borne by the future population as that is the anticipated future growth. The following table shows the calculation for costs to be borne by current and future residential populations:

**Table 27: Projected Cost Calculation Between Existing and Future Populations**

Category	Infrastructure Costs	Proportion	Total Cost to Be Borne
Current Population	\$9,071,076	96%	\$8,708,233
Future Population	\$9,071,076	4%	\$362,843

Of the \$9.1 million, only \$362,000 should be borne by the future population. This \$362,000 is proportionately split into residential and commercial growth based upon the calls for service, as shown in the following table:

**Table 28: Projected Cost for New Development – Residential and Commercial**

Category	Total Cost to Be Borne	Proportion	Future Cost
Residential Growth	\$362,843	80%	\$289,615
Commercial Growth	\$362,843	20%	\$73,228

The future cost of \$362,843 is split between residential and commercial growth based upon the proportion of calls for service with approximately \$290,000 relating to residential and \$73,000 relating to commercial. These costs were then converted into a cost per capita based upon the projected population:

**Table 29: Projected Cost for New Development – Per Capita**

Category	Future Cost	Population	Cost / Capital
Residential	\$289,615	1,939	\$149
Commercial	\$73,228	155	\$472

The cost per capita of \$149 or \$472 was converted into cost per sq. ft. based upon the density factors discussed in the projected growth and development chapter. The following table shows this calculation:

**Table 30: Public Safety Impact Fee Calculation**

Category	Cost Per Capita	Density	Impact Fee
<b>Residential (per sq. ft.)</b>			
Single-Family	\$149	1,665	\$0.09
Multi-Family	\$149	457	\$0.33
<b>Commercial (per sq. ft.)</b>			
Commercial / Retail	\$472	400	\$1.18
Office	\$472	300	\$1.57



The cost per square foot for single-family projects is \$0.09. The fees for commercial vary from \$1.18 per square foot for commercial / retail properties to \$1.57 per square foot for office properties. To calculate the full allowable fee, the 3.50% administrative fee is applied to the impact fee. The following table shows this calculation:

**Table 31: Public Safety Impact Fee Calculation Including Administrative Fee**

Category	Impact Fee	Admin Fee	Full Cost Fee
<b>Residential (per sq. ft.)</b>			
Single-Family	\$0.09	\$0.003	<b>\$0.09</b>
Multi-Family	\$0.33	\$0.01	<b>\$0.34</b>
<b>Commercial (per sq. ft.)</b>			
Commercial / Retail	\$1.18	\$0.04	<b>\$1.22</b>
Office	\$1.57	\$0.05	<b>\$1.62</b>

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development.

The City does not currently charge a Public Safety impact fee. This is a new fee that would be proposed to be added to help new development pay for their proportionate impact.

## Nexus Criteria

As discussed in the legal framework section, in order for an impact fee to be implemented it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point, and how the proposed Public Safety Impact fee meets the criteria.

**Table 32: Impact Fees Nexus Criteria – Public Safety**

Criteria	Meet	Don't Meet
<b>Purpose of Fee</b>	The purpose of the fee would be to upgrade existing Police and Fire stations, relocate, and reconstruct existing stations, as well as replace outdated public safety equipment.	
<b>Use of Fee Revenue</b>	Public Safety has detailed capital improvement plans that outline the utilization of this fee revenue for current and future years to help ensure that there is appropriate expansion of fire facilities and equipment to meet the public safety goals of the City.	
<b>Benefit Relationship</b>	The use of the impact fee revenue would be to rehabilitate existing police and fire stations, as well as ensure that stations are located in appropriate locations to allow for the most efficient response for service. New residents and employees receive benefits from increased equipment and more efficient response times.	

Criteria	Meet	Don't Meet
<b>Impact Relationship</b>	The addition of new residents and employees would have an impact on the ability of police and fire stations to respond adequately, including in an efficient manner. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for responses would be borne by new residents or employees.	
<b>Proportionality</b>	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per square foot basis for residential and commercial properties as the impact is proportional to the space being occupied.	

As the table demonstrates, the City is able to meet all five of the criteria necessary to implement a Public Safety Impact Fee.

## Comparative Survey

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Public Safety Impact Fee. The following table compares the City’s full cost to other surveyed jurisdictions in the region:

**Table 33: Comparative Survey – Public Safety**

Jurisdiction	Single-Family	Multi-Family	Commercial	Office
Los Altos – Full Cost	\$0.09 per sq. ft.	\$0.34 per sq. ft.	\$1.22 per sq. ft.	\$1.62 per sq. ft.
Palo Alto	\$1,336 per unit	\$1,070 per unit	\$0.75 per sq. ft.	\$0.75 per sq. ft.
Morgan Hill	\$2,648 per unit	\$1,634-\$2,182 per unit	\$0.32 per sq. ft.	\$0.38 per sq. ft.

Only two of the other surveyed jurisdictions charge a Public Safety Impact fee. None of those jurisdictions charge residential projects based on square footage. The City’s full cost for commercial fees is higher than both surveyed jurisdictions.

# 8. General Government Impact Fee

General Government refers to City Hall and other governmental infrastructure that is not covered through other impact fees (i.e. Police, Fire, Parks, Traffic, Storm Drain, etc.). The following subsections discuss the growth assumptions utilized, cost components included, resulting impact fee calculation, ability to meet the nexus criteria, and a comparative analysis of General Government fees.

## Growth Assumptions

General Government consists of City Hall, Public Works facilities, and the Library. Staff located within these facilities and using that equipment provide services to current and future residents and employees. These services benefit both existing and future development. To determine the proportionate share of existing and future development, the project team calculated the future service population for the City. An employee working within the City does not have the same tendency to use City services as a resident, as such their impact and weight should be proportionately less. The following table shows the current population for each category, the proportionate weight, and the equivalent population increase:

**Table 34: Future Weighted Service Population Calculation**

Category	Existing Population	Projected Increase	Weight Factor	Weighted Population Increase
Residents	31,021	1,939	100%	1,939
Employees	15,160	155	24% <sup>20</sup>	37
<b>Total</b>	<b>46,181</b>	<b>2,094</b>		<b>1,976</b>

The projected increase in the service population is roughly 1,976, which represents a 4% increase compared to the existing population, similar to the public safety. This means future development should bear 4% of general-government related impact costs.

## Cost Components and Assumptions

Due to the projected increase in residential and non-residential population there will be an impact on general government infrastructures. The planning horizon for the impact fee is 16 years (2024 through 2040), and the City will need to replace or upgrade existing facilities during that span. A proportionate share of those upgrades should be borne by

<sup>20</sup> To calculate the employee weight factor, the study assumes that employees are only in the City 40 hours per week out of 168 possible hours in a week, resulting in 24%.

future development as future development will benefit from those facilities. The following table shows by cost category, the average annual cost, the number of planning years, and the resulting cost for 16 years:

**Table 35: Total Projected Infrastructure Cost for 16 Years**

Category	Avg Annual Cost	Planning Horizon (Yr.)	Total Cost
City Hall	\$58,990	16	\$943,841
Public Works Facilities	\$55,275	16	\$884,394
Library Branches	\$213,918	16	\$3,422,688
<b>Total</b>	<b>\$328,183</b>		<b>\$5,250,923</b>

Overall, in the next 16 years the City will require approximately \$5.3 million to meet the needs of the existing and future population of the City. A detailed accounting of the average annual cost has been included in Appendix B of this report.

Beyond the \$5.25 million in infrastructure costs, the City has also identified \$8.1 million in capital projects, related to expansions of City Hall and creation of the Emergency Operations Center. Therefore, a total of \$13.35 million is needed to meet existing and future needs.

In addition to the \$13.35 million in infrastructure costs, the other cost component to be considered is the administrative fee. As outlined in the prior section, a citywide administrative fee of 3.5% was calculated to account for support provided by City staff in the monitoring and reporting of impact fee funds.

### Impact Fee Calculations

As the previous section calculated, the total infrastructure needs for the City are approximately \$13.35 million. However, not all of this cost should be borne by the future population. Based upon the growth assumptions analysis, only 4% of these costs should be borne by the future population. The following table shows the calculation for costs to be borne by current and future residential populations:

**Table 36: Projected Cost Calculation Between Existing and Future Populations**

Category	Infrastructure Costs	Proportion	Total Cost to Be Borne
Current Population	\$13,350,922	96%	\$12,816,885
Future Population	\$13,350,922	4%	\$534,037

Of the \$13.35 million, only \$534,000 should be borne by future populations. This \$534,000 is proportionately split into residential and commercial growth based on the weighted support identified, as shown in the following table:

**Table 37: Projected Cost for New Development – Residential Vs. Commercial**

Category	Total Cost to Be Borne	Proportion	Future Cost
Residential Growth	\$534,037	76%	\$405,869
Commercial Growth	\$534,037	24%	\$128,169

The future cost of \$534,037 is split between residential (\$405,869) and commercial (\$128,169) growth. These costs were then converted into a cost per capita based upon the projected population:

**Table 38: Projected Cost for New Development – Per Capita**

Category	Future Cost	Population	Cost / Capita
Residential	\$405,869	1,939	\$209
Commercial	\$128,169	155	\$827

The cost per capita of \$209 or \$872 was converted into cost per sq. ft. based upon the density factors discussed in the projected growth and development chapter. The following table shows this calculation:

**Table 39: General Government Impact Fee Calculation**

Category	Cost Per Capita	Density / Unit	Impact Fee
<b>Residential (per sq. ft.)</b>			
Single-Family	\$209	1,665	\$0.13
Multi-Family	\$209	457	\$0.46
<b>Commercial (per sq. ft.)</b>			
Commercial / Retail	\$827	400	\$2.07
Office	\$827	300	\$2.76

The cost per square foot for single-family residential developments is \$0.13 and for multi-family it is \$0.46. It is important to note for multi-family it would only be applicable to the square footage of the units, not the entire project. The fees for commercial vary from \$2.07 per square foot for commercial to \$2.76 per square foot for office properties.

To calculate the full allowable fee, the 3.5% administrative fee is applied to the impact fee. The following table shows this calculation:

**Table 40: General Government Impact Fee Calculation Including Administrative Fee**

Category	Impact Fee	Admin Fee	Full Cost Fee
<b>Residential (per sq. ft.)</b>			
Single-Family	\$0.13	\$0.005	<b>\$0.13</b>
Multi-Family	\$0.46	\$0.02	<b>\$0.48</b>
<b>Commercial (per sq. ft.)</b>			
Commercial / Retail	\$2.07	\$0.07	<b>\$2.14</b>
Office	\$2.76	\$0.10	<b>\$2.86</b>

The addition of the administrative fee captures the full cost associated with the proportionate impact of future development.

The City does not currently charge a General Government Impact Fee. Through this nexus analysis, this new fee is being proposed to be added to the City’s schedule.

## Nexus Criteria

As discussed in the legal framework section, in order for an impact fee to be implemented it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point, and how the proposed General Government Impact fee meets the criteria.

**Table 41: Impact Fees Nexus Criteria – General Government Impact Fee**

Criteria	Meet	Don't Meet
<b>Purpose of Fee</b>	The purpose of the fee would be to upgrade existing City Hall, Public Works Facilities, Library Branches and City equipment.	
<b>Use of Fee Revenue</b>	The Public Works Department has detailed capital improvement plans that outline the utilization of this fee revenue for current and future years to help ensure that there is appropriate expansion of City facilities and equipment to meet the needs of the City.	
<b>Benefit Relationship</b>	The use of the impact fee revenue would be to rehabilitate existing facilities and equipment due to new development. New residents and employees receive benefits from improved access to infrastructure.	
<b>Impact Relationship</b>	The addition of new residents and employees would have an impact on the ability of the City to meet all the needs. Therefore, the cost associated with adding additional equipment or expanding facilities to accommodate additional staff to allow for appropriate handling of the new growth would be borne by new residents or employees.	

Criteria	Meet	Don't Meet
<b>Proportionality</b>	The proposed impact fee is calculated based upon proportionality of projected growth with the greatest impact by residential areas, followed by commercial areas. The fees are calculated on a per sq. ft. basis as the impact is proportionately based on space.	

As the table demonstrates, the City is able to meet all five of the criteria necessary to implement a General Government Impact Fee.

## Comparative Survey

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions who charge a General Government Impact Fee. The following table compares the City’s current fee and full cost to other surveyed jurisdictions in the region:

**Table 42: Comparative Survey – General Government Impact Fee**

Jurisdiction	Single-Family	Multi-Family	Commercial	Office
Los Altos – Full Cost	\$0.13 per sq. ft.	\$0.48 per sq. ft.	\$2.14 per sq. ft.	\$2.86 per sq. ft.
Palo Alto	\$1,684 per unit	\$1,346 per unit	\$0.94 per sq. ft.	\$0.31 per sq. ft.
Morgan Hill	\$703 per unit	\$677 per unit	\$0.04 per sq. ft.	\$0.04 per sq. ft.

Only two of the surveyed jurisdictions charge General Government Impact Fees. None of the other surveyed jurisdictions charge residential fees based upon square footage. For commercial fees, the City’s full cost is higher than both of the other jurisdictions.

# 9. Transportation Impact Fee

The City of Los Altos currently charges a Transportation Impact Fee. The Matrix Consulting Group contracted with DKS Associates (DKS) to conduct the calculations associated with the Transportation Impact Fee. As this impact fee analysis was undertaken concurrently with the other impact fees, it was determined that a singular report could be developed, in which the analysis developed by DKS would be incorporated. The detailed technical report produced by DKS has been attached as Appendix D to this report. The subsequent sections explore the growth assumptions made, the cost components considered, the process for calculating impact fees, the evaluation of compliance with nexus criteria, and a comparative analysis of Transportation Impact Fees.

## Growth Assumptions

The purpose of the Transportation Impact Fee is to maintain the existing level of investment in the citywide transportation network as growth occurs. The primary source of growth projections for transportation demand are dependent upon existing and future land use. The calculations for the existing and future land use quantities were based upon Santa Clara County Assessor data, the 6<sup>th</sup> Cycle Housing Element, and the currently adopted General Plan. The projection horizon for the analysis was 2022 through 2040. The following table shows the existing and projected forecast by land use type:

Table 43: Existing and Forecasted Land Use

Category	Existing 2024 <sup>21</sup>	Growth 2023-2040	Total 2040
<b>Residential (Dwelling Units)</b>			
Single-Family	10,096	438	10,534
Multi-Family	983	1,420	2,403
<b>Non-Residential (Building Square Feet)<sup>22</sup></b>			
Commercial / Retail	1,728,071	1,515,500	3,243,571
Private School	20,751		20,751
Public & Institutional	488,320		488,320

As the previous table indicates, a projected 1,858 additional dwelling units are expected to be added between 2024 and 2040, and approximately 1.5 million square feet in non-residential uses.

<sup>21</sup> Existing Dwelling units and non-residential growth based upon Santa Clara County Assessor’s data as of November 2023 and same for the non-residential land use.

<sup>22</sup> Non-residential land uses- Census Bureau Longitudinal Employer-Household Dynamics Job Counts by NAICS Industry Sector 2017. Nonresidential building square feet based on employment estimates and density factors of 400, 450, 1000, and 1500 square feet per employee for commercial, office, industrial, and hotel respectively.



The land use projection information is utilized in conjunction with trip generation rates to determine the overall transportation demand. The methodology for Los Altos incorporates standard trip generation rates, which measure the desire for mobility by residents or workers to access homes, jobs, shopping, and other city services. The trip generation rates vary by the land use category and help justify the nexus between the type of development that would pay the fee and the cost of the transportation infrastructure associated with that development.

The standard trip generation rates, when multiplied by average trip lengths associated with each category of land use and the vehicle miles traveled (VMT), calculate an equivalent dwelling unit (EDU) factor. The EDU factor creates a common unit with which the transportation impact fee can be calculated. The following table shows the calculation of the EDU factor for each land use based upon the trip generation, unit type (dwelling unit – du or 1,000 square feet – KSF), trip length, percent new trips, and vehicle miles traveled:

**Table 44: EDU Calculation by Land Use**

Category	ITE Land Use Code <sup>23</sup>	Daily Trip Rate	Unit	Trip Length	Percent New Trips	VMT per Unit	EDU
<b>Residential (Dwelling Units)</b>							
Single-Family	210	9.43	du	7.90	100	74.50	1.00
Multi-Family	221	6.74	du	7.90	100	53.25	0.71
<b>Non-Residential (Building Square Feet)</b>							
Commercial	820	37.01	KSF	3.60	78	103.92	1.40
Office	710	10.84	KSF	8.8	96	91.25	1.23
Private School		15.00	KSF	4.8	94	67.68	0.91
Institutional	590	72.05	KSF	3.9	88	247.28	3.32

The EDU factor calculated for single-family homes is 1.00, and 0.71 for multi-family homes. Alternatively, for non-residential projects, the calculation is based upon multiples of thousand square feet, so the EDU factor is 1.40 per KSF for Commercial and 1.23 for Office.

The EDU factors based on the traffic generation rates are applied to the existing and projected growth to calculate the projected growth EDUs associated with future development. The following table shows this calculation:

<sup>23</sup> Institute for Transportation Engineers (ITE) Trip Generation, 10th edition; ITE Trip Generation Handbook, 3rd Edition, Table E.9: Pass-By and Non-Pass-By Trips, Weekday PM Peak Period; SANDAG, Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region (2002); Jan de Roos, Planning and Programming a Hotel (The Scholarly Commons: Cornell University School of Hotel Administration, 2011).

**Table 45: Conversion of EDU to Projected Units**

Category	EDU Factor	Existing	EDU Existing	Growth	EDU Growth	EDU Total 2040
<b>Residential (Per du)</b>						
Single-Family	1.00	10,096	10,096	483	483	10,534
Multi-Family	0.715	983	698	1,420	1,015	1,718
<b>Non-Residential (per KSF)</b>						
Commercial	1.395	1,728.017	2,419	1,515.5	2,114	4,525
Private School	0.91	20.751	19			19
Public & Institutional	3.32	488.32	1,621			1,621
<b>TOTAL</b>			<b>14,850</b>		<b>3,567</b>	<b>18,417</b>

As outlined in the table, the existing demand for transportation based upon EDU is approximately 14,850 compared to the projected overall demand of 18,417 in 2040. The existing demand represents 81% of the overall projected needs in 2040, and thereby the remaining 19% is associated with projected future development.

## Cost Components and Assumptions

Similar to the other impact fees evaluated in this report, the Citywide Transportation Impact fee was based upon the existing inventory of different transportation related items within the City. The infrastructure inventory was then converted into an existing facility standard (unit per EDU) based upon the 57,772 existing total units within the City. The following table shows the conversion of the total citywide transportation infrastructure by infrastructure type, unit, total quantity, and the resulting existing facility standard per unit as calculated by DKS:

**Table 46: Infrastructure Inventory and Existing Facility Standard**

Infrastructure Category	Unit	Total Quantity	EDU	Existing Facility Standard
Roadway	Square Feet	6,330,729	14,850	426.3
Sidewalk	Square Feet	607,530	14,850	40.9
Curb & Gutter	Linear Feet	112,918	14,850	7.6
Median	Square Feet	203,451	14,850	13.7
Bicycle Path	Square Feet	112,563	14,850	7.6
Bicycle Lane	Linear Feet	109,360	14,850	7.4
Traffic Signal	Intersections	13	14,850	0.001

The primary source of traffic related infrastructure in the city is related to square footage or roadways and sidewalks. In order to calculate the current cost standard associated with residential and non-residential units, the cost per unit was calculated for each of the infrastructure categories. The cost calculated per unit was based upon the following three factors:

1. **Construction Cost:** This is reflective of the actual construction costs associated with the capital project for the specific infrastructure but does not include temporary traffic control; and for roadways does not include the cost associated with street lighting, water pollution prevention, street furniture and drainage.
2. **Design and Management Cost:** This is calculated at 40% and is comprised of 20% for project design, 15% for construction engineering, and 5% for project management.
3. **Contingency:** A 20% contingency factor is incorporated into the calculation to account for any unexpected expenses or hurdles associated with the inventory construction projects.

The design & management and contingency factors are applied to the base construction cost per unit to calculate the total cost per unit. The following table shows the total cost per unit calculated by infrastructure type based as calculated by DKS:

**Table 47: Infrastructure Cost Per Unit**

Infrastructure Category	Unit	Construction Cost	Design & Management	Contingency	Replacement Cost Per Unit
Roadway	Square Feet	\$53	40%	20%	\$89
Sidewalk	Square Feet	\$36	40%	20%	\$60
Curb & Gutter	Linear Feet	\$124	40%	20%	\$209
Median	Square Feet	\$48	40%	20%	\$81
Bicycle Path	Square Feet	\$36	40%	20%	\$61
Bicycle Lane	Linear Feet	\$9	40%	20%	\$15
Traffic Signal	Intersections	\$611,600	40%	20%	\$1,027,488

The replacement cost per unit varies depending on the type of infrastructure category and the existing facility standard (units per EDU). The facility standard is multiplied by the replacement cost per unit to calculate the existing level of investment per EDU. The following table shows this calculation:

**Table 48: Level of Investment by Infrastructure Type**

Infrastructure Category	Existing Facility Standard	Replacement Cost	Existing Level of Investment per EDU <sup>24</sup>
Roadway	426.3	\$89	\$37,961
Sidewalk	40.9	\$60	\$2,474
Curb & Gutter	7.6	\$209	\$1,588
Median	13.7	\$81	\$1,114
Bicycle Path	7.6	\$61	\$462
Bicycle Lane	7.4	\$15	\$109
Traffic Signal	0.001	\$1,027,488	\$900
<b>TOTAL EXISTING INVESTMENT</b>			<b>\$44,608</b>

<sup>24</sup> The existing level of investment per EDU is calculated based on exact values. For brevity, this values in the table are only shown to the tenth decimal or less.

The \$44,608 represents the total existing investment per EDU made by the City. If the City were to maintain its existing standards of investment the \$44,608 would be the maximum justified level of investment from new development.

While \$44,608 is the current standard, the Transportation Impact Fee (TIF) may not be higher than what is necessary to fund the proposed project list. The following table shows the unfunded capital costs that could be potentially funded through the Transportation Impact Fee.

**Table 49: Transportation Improvements Cost Summary**

<b>Category</b>	<b>Estimated Costs</b>
Bicycle and Pedestrian Safety	\$16,105,000
Intersection Capacity Improvement	\$476,890
New Bike Facilities	\$5,540,022
New Pedestrian Facilities	\$4,350,465
<b>TOTAL</b>	<b>\$26,472,377</b>

The projected estimated costs for transportation improvements for the City are \$26.5 million. The City assumes that approximately 100% of these projects will be completed through the 16 year planning horizon (by 2040).

In addition to the \$33.7 million in infrastructure costs, similar to all of the other impact fees, an administrative fee was calculated for the Transportation Impact Fee. We assumed an administrative fee at a rate of 3.5%, similar to other impact fees.

## Impact Fee Calculations

As the previous section calculated, the total infrastructure needs to be funded through the citywide Transportation Impact Fee is \$26.5 million. The infrastructure costs are divided by the projected growth of EDUs between 2023 through 2040 to derive the base cost per EDU. The following table shows the calculation for the impact fee per EDU:

**Table 50: Impact Fee Calculation Per EDU**

<b>Category</b>	<b>Amount</b>
Transportation Impact Fee Funding Required	\$26,472,377
Growth EDU	3,567
<b>Impact Fee per EDU</b>	<b>\$7,422<sup>25</sup></b>

<sup>25</sup> Calculation is based on exact values, even though rounded values are shown.

As the table shows, the transportation impact fee per EDU is \$7,422. This impact fee per EDU is converted into the transportation impact fee based upon the EDU factor calculated in the growth assumptions of this section. The following table shows this calculation:

**Table 51: Citywide Transportation Impact Fee Calculation**

Category	Impact Fee Per EDU	EDU Factor	Transportation impact Fee
<b>Residential</b>			
Single-Family	\$7,422	1.00 per du	<b>\$7,422 per du</b>
Multi-Family	\$7,422	0.71 per du	<b>\$5,305 per du</b>
<b>Non-Residential</b>			
Commercial	\$7,422	1.40 per KSF	<b>\$10.35 per sq. ft.</b>
Office	\$7,422	1.23 per KSF	<b>\$9.13 per sq. ft.</b>

As the table indicates, the full cost transportation impact fee varies from a low of \$9.13 per square feet for office to a high of \$7,422 for single-family properties. Per AB602, the residential fees must be converted to a per square foot basis. The following table shows this calculation based upon the average size of the projects:

**Table 52: Citywide Transportation Impact Fee Residential Conversion to Square Footage**

Category	Impact Fee Per Dwelling Unit	Avg Size (Sq. Ft.)	Cost Per Sq. Ft.
Single-Family	\$7,422	4,934	\$1.50
Multi-Family	\$5,305	873	\$6.08

The administrative fee of 3.50% was added to the calculations to determine the full cost associated with Transportation impacts. The following table shows the transportation impact fee, the administrative fee, and the resulting full cost fee:

**Table 53: Citywide Transportation Impact Fee – Full Cost**

Category	TIF	Admin Fee	Full Cost TIF
<b>Residential (per square foot)</b>			
Single-Family	\$1.50	\$0.05	\$1.55
Multi-Family	\$6.08	\$0.21	\$6.29
<b>Commercial / Non-Residential (per square foot)</b>			
Commercial / Retail	\$10.35	\$0.36	\$10.71
Office	\$9.13	\$0.32	\$9.45

The following table compares the City's current fee to the full cost fee calculated through the analysis and the resulting difference per unit:

**Table 54: Citywide Transportation Impact Fee – Current vs. Full Cost**

Category	Current Fee	Full Cost Fee	Difference
<b>Residential (per square foot)</b>			
Single-Family	\$6,774	\$1.55	N / A
Multi-Family	\$4,159	\$6.29	N / A

Category	Current Fee	Full Cost Fee	Difference
<b>Commercial / Non-Residential (per square foot)</b>			
Commercial / Retail	\$12.05	\$10.71	\$1.34
Office	\$9.99	\$9.45	\$0.54

Due to the change in the fee structure for residential the current and full cost are not truly comparable, but they have been listed to show the current fee and the calculated full cost fee. The City is over-recovering based on the updated nexus analysis for commercial fees.

## Nexus Criteria

As discussed in the legal framework section, in order for an impact fee to be implemented it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point, and how the Transportation Impact Fees meets the criteria.

**Table 55: Impact Fees Nexus Criteria - Parks & Recreation Impact Fees**

Criteria	Meet	Don't Meet
<b>Purpose of Fee</b>	The purpose of the fee is to expand the citywide multimodal transportation network to accommodate increased demand from new development.	
<b>Use of Fee Revenue</b>	The City has a list of detailed projects upon which the projected Transportation Impact Fee could be utilized. The City has the right to modify the project list, adding or replacing projects as long as they are consistent with the nexus analysis and are capital projects, part of the citywide transportation network and are related to enhancement, upgrades, and expansion of existing and future transportation infrastructure.	
<b>Benefit Relationship</b>	The use of the impact fee revenue would be to for expansions to the multimodal transportation network that supports citywide circulation. New residents and employees receive benefit from these transportation project improvements.	
<b>Impact Relationship</b>	The addition of new residents and employees would have an impact on the ability of the city's existing transportation system to meet all of their needs. Therefore, the cost associated with adding additional transportation infrastructure or improving existing transportation infrastructure would be proportionately borne by new residents or employees.	

Criteria	Meet	Don't Meet
<b>Proportionality</b>	<p>The impact fee is calculated based upon proportionality of vehicle miles traveled based upon the type of land use category and converted to an equivalent dwelling unit (EDU) factor. It takes into account the existing level of investment and that the impact fee does not exceed that existing level of investment. The fees are calculated on a per sq. ft. basis for all properties to ensure that there is a proportional impact.</p>	

As the table demonstrates, the City is able to meet all five of the criteria necessary to continue to charge a Transportation Impact Fee.

## Comparative Survey

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Transportation Impact Fee. The following table compares the City’s current fee and full cost to other surveyed jurisdictions in the region:

**Table 56: Comparative Survey – Transportation Impact Fee**

Jurisdiction	Single-Family	Multi-Family	Commercial	Office
Los Altos – Current Fee	\$6,774 per unit	\$4,159 per unit	\$12.05 per sq. ft.	\$9.99 per sq. ft.
Los Altos – Full Cost	\$1.55 per sq. ft.	\$6.29 per sq. ft.	\$10.71 per sq. ft.	\$9.45 per sq. ft.
Mountain View	\$6,120 per unit	\$3,428 per unit	\$6.53 per sq. ft.	\$6.53 per sq. ft.
Palo Alto	\$9,754.23 per Net New PM Peak Hour Trip			
Menlo Park	\$18,864 per unit	\$6,358 per unit	\$12.77 per sq. ft.	\$21.91 per sq. ft.
Los Gatos	\$6.10 per sq. ft.	\$6.96 per sq. ft.	\$22.39 per sq. ft.	\$19.73 per sq. ft.
Morgan Hill	\$4,289 per unit	\$1,673-\$2,658 per unit	\$4,829 per Peak Hour Trip	\$4,829 per Peak Hour Trip

Jurisdictions charge the transportation impact fee in a variety of ways. The City’s current and full cost fees seem to be in alignment with Menlo Park’s commercial fees, but Mountain View’s office fees. For the residential fees Los Gatos is the only other jurisdiction that charges per square foot, and its single-family residential is much higher than the City’s full cost, but its multi-family fee is in alignment with the City’s full cost fee.

# 10. Commercial Linkage Fee

The City of Los Altos is proposing the creation of a Commercial Linkage Fee for affordable housing. The Matrix Consulting Group contracted with Strategic Economics to conduct the calculations associated with the Commercial Linkage Impact Fee. As this impact fee analysis was undertaken concurrently with the other impact fees, it was determined that a singular report could be developed, in which the analysis developed by Strategic Economics would be incorporated. The detailed technical memorandum produced by Strategic Economics has been attached as Appendix E to this report. The subsequent sections explore the process for calculating impact fees, the evaluation of compliance with nexus criteria, and a comparative analysis of Commercial Linkage Fees.

## Cost Components and Assumptions

The purpose of the commercial linkage fee is to impose a fee on new development for its impact on creating the need for affordable housing in the community. The commercial linkage fee nexus analysis calculates the linkage between new jobs and affordable housing needed, as well as the gap between what employees can afford and the cost to build new housing. The first component of this analysis is to estimate the number of households that would be eligible for affordable housing, and then determine the housing affordability gap.

There were three main prototypes of development utilized – office, retail, and hotel. For each prototype, the square footage of development assumed was 100,000 sq. ft., and an average employment density by prototype was used to calculate the estimated number of workers in each prototype. The number of workers in each prototype was converted into new households based on the average number of workers per household. The following table shows this calculation:

**Table 57: Estimated Average # of New Households Required**

Commercial Prototype	Sq Ft. / Worker	Prototype Sq. Ft.	# of Workers in Prototype	Workers per Household <sup>26</sup>	New Households Required
Hotel	1,000	100,000	100	1.7	59
Office	300	100,000	333	1.7	196
Retail	400	100,000	250	1.7	147

The next step in the assumptions is estimating the weighted average wage for each commercial prototype based on the distribution of occupations and their associated wage levels. Detailed information was gathered from the Bureau of Labor Statistics for

<sup>26</sup> The 1.7 is based on a 5 year average of US Census American Community Survey information for Santa Clara County.



the San Jose-Sunnyvale-Santa Clara region for the different occupancy types and the proportion of employees in each category. This was multiplied by the average workers per household to generate the average annual wage per household. The following table shows the weighted average annual wage by prototype:

**Table 58: Weighted Average Annual Wage by Prototype**

Commercial Prototype	Weighted Avg. Annual Wage	Workers per Household <sup>27</sup>	Avg Annual Wage Per Household
Hotel	\$54,581	1.7	\$92,788
Office	\$128,940	1.7	\$219,198
Retail	\$48,728	1.7	\$82,838

Retail has the lowest average annual wage due to the mix of industries and occupations in that category and their associated salaries, followed by Hotel and then Office. The number of new households were then sorted into extremely low income, very low income, low income, moderate, and above moderate income. Affordable housing is needed for extremely low to moderate income categories. While the results of this analysis did not identify demand from extremely low income worker households associated with new commercial development, it is understood that there are worker households in Santa Clara County that require extremely low income housing. The following table shows by prototype the number of households requiring affordable housing:

**Table 59: Affordable Housing Needs by Prototype**

Commercial Prototype	Total # of Households <sup>28</sup>	Households Requiring Affordable Housing
Hotel	56	54
Office	193	72
Retail	147	143

The majority of new employee households associated with Hotel and Retail uses will require affordable housing compared to less than 50% of employees associated with Office uses. The next step in the process is determining the housing affordability gap by income group. Households with incomes in the very low range were assumed to live in rental housing. Households in the low and moderate ranges were assumed to live in a mix of rental and ownership housing. Strategic Economics evaluated the cost of development, average affordable rent, average supportable debt, and sale prices of homes. The following table summarizes the average gap by income level that exists.

<sup>27</sup> The 1.7 is based on a 5 year average of US Census American Community Survey information for Santa Clara County.  
<sup>28</sup> This value is different as it only includes households for which wage data was available.

**Table 60: Average Affordability Gaps**

Income Level	Rental Gap	Ownership Gap – Townhome	Ownership Gap – Condo	Average Gap <sup>29</sup>
Very Low Income	\$516,945	N / A	N / A	\$516,945
Low-Income	\$392,301	\$412,606	\$502,402	\$424,903
Moderate Income	\$182,973	\$139,528	\$300,187	\$201,415

As the table indicates, the largest gap is for the very low income, followed by low income, and then for the moderate income. This information was converted into the total affordability gap by prototype based on the proportion of households in each income category within the prototype. The total affordability gap was calculated by multiplying the average gap per income category by the percentage of applicable households and the relevant worker density. The following table shows this calculation:

**Table 61: Total Affordability Gap by Prototype<sup>30</sup>**

Prototype / Income Level	# of Households	Average Gap	Total Affordability Gap
<b>Hotel</b>			<b>\$24,999,218</b>
Very Low Income	27	\$516,945	\$14,359,055
Low	21	\$424,903	\$9,475,878
Moderate	6	\$201,415	\$1,164,285
<b>Office</b>			<b>\$24,489,446</b>
Very Low Income	7	\$516,945	\$3,699,742
Low	33	\$424,903	\$14,301,896
Moderate	32	\$201,415	\$6,487,808
<b>Retail</b>			<b>\$70,195,031</b>
Very Low Income	114	\$516,945	\$58,906,734
Low	24	\$424,903	\$10,291,560
Moderate	5	\$201,415	\$996,737

Due to the highest proportion of very low income housing related to retail, it has the largest affordability gap compared to Office and Hotel. This total affordability gap was used to calculate the maximum impact fee calculations.

## Impact Fee Calculations

The impact fee is calculated as a per square foot fee. The average affordability gap per household is multiplied by the number of households needed to determine the overall affordability gap per prototype. The following table shows the maximum calculated fees:

<sup>29</sup> The average gap is calculated based 50% on the rental gap, 25% on Townhome and 25% on Condo.

<sup>30</sup> Due to showing values as rounded, the numbers do not exactly match, but the calculations are based on exact values.

**Table 62: Maximum Commercial Linkage Fee**

Commercial Prototype	Number of Worker Households	Total Affordability Gap	Prototype Sq. Ft.	Max Fee Per Sq. Ft.
Hotel	56	\$24,999,218	100,000	\$250
Office	193	\$24,489,446	100,000	\$245
Retail	147	\$70,195,031	100,000	\$702

The commercial linkage fee ranges from a low of \$245 per sq. ft. for office to a high of \$702 per square foot for retail. This represents the maximum justifiable fee that can be assessed.

## Nexus Criteria

As discussed in the legal framework section, in order for an impact fee to be implemented it must meet all five of the nexus criteria as established per the Mitigation Fee Act. The following table outlines each criterion point, and how the proposed Commercial Linkage Impact Fees meets the criteria.

**Table 63: Impact Fees Nexus Criteria – Commercial Linkage Fees**

Criteria	Meet	Don't Meet
<b>Purpose of Fee</b>	The purpose of the fee would be for new development to offset the need for affordable housing in the City.	
<b>Use of Fee Revenue</b>	The City can utilize the revenue to help fund affordable housing projects within the City to meet the needs generated by new development.	
<b>Benefit Relationship</b>	The use of the impact fee revenue would be to for affordable housing that is directly needed as a result of new commercial development.	
<b>Impact Relationship</b>	The addition of new commercial development adds new jobs to the region and creates additional demand for housing. Therefore, the cost associated with the new households and their affordable needs would be proportionately borne by new development.	
<b>Proportionality</b>	The proposed impact fee is calculated based on per a per sq. ft. basis for commercial properties, as the larger the development the greater the need for affordable housing for new employees.	

As the table demonstrates, the City is able to meet all five of the criteria necessary to propose to charge a Commercial Linkage Impact Fee.

## Comparative Survey

As part of this impact fee analysis, the project team conducted a comparative survey of surrounding jurisdictions that charge a Commercial Linkage Fee. The following table compares the City's maximum justifiable fee for Los Altos to other surveyed jurisdictions in the region:

**Table 64: Comparative Survey – Commercial Linkage Fee Maximum Justifiable Fee (Per Sq. Ft.)**

Jurisdiction	Hotel	Retail	Office
Los Altos – Full Cost	\$250	\$702	\$245
San Jose	\$62	\$178	\$138
Milpitas	\$62	\$177	\$138
Sunnyvale	\$76	\$295	\$114
Santa Clara	\$129	\$268	\$143
Palo Alto	\$177	\$295	\$264
Menlo Park	\$154	\$264	\$255

Due to the unique nature of these fees, alternative comparable jurisdictions were utilized. Overall, the City's maximum justifiable fees for Office are in alignment with other jurisdictions. It's retail fee is on the higher end, due to the proportionality of income, as well as the methodology to choose to fund the gap generated by new development entirely through new development.

It is important to note that most jurisdictions do not set these fees at the maximum justifiable rate. For example, San Jose's adopted fees range from \$3 per sq. ft. to \$5 per sq. ft. Mountain View and Palo Alto have the highest fees, which range from \$26 to \$77 per sq. ft. or \$16 to \$33 per sq. ft. for offices.

## Appendix A – Parks and Recreation Costs

The following table provide information regarding Parks and Recreation Facility costs. All quantity, cost per unit calculations, and lifecycle information was provided and confirmed by the City of Los Altos' staff.

**Table 65: Parks and Recreation Facility Costs**

Facility Name	Sq. Ft.	Real Property Value	Lifecycle (yrs.)	Annual Cost	# of Years	Projected Cost
Youth Center	5940	\$1,121,129	50	\$22,423	16	\$358,761
Gilbert Smith House	2427	\$516,434	50	\$10,329	16	\$165,259
Concessions / Restrooms	600	\$104,166	50	\$2,083	16	\$33,333
Concessions / Restrooms	600	\$154,298	50	\$3,086	16	\$49,375
Hillview Community Center	3920	\$817,000	50	\$16,340	16	\$261,440
School Restroom Building	330	\$140,554	50	\$2,811	16	\$44,977
Daycare Center	1668	\$464,620	50	\$9,292	16	\$148,678
McKenzie Restroom	132	\$58,181	50	\$1,164	16	\$18,618
Shoup Park	11100	\$3,467,869	50	\$69,357	16	\$1,109,718
Restroom Shoup Park	312	\$103,276	50	\$2,066	16	\$33,048
History Museum	9163	\$3,467,453	50	\$69,349	16	\$1,109,585
Egan Gymnasium	10000	\$3,842,453	50	\$76,849	16	\$1,229,585
Blach Gymnasium	10000	\$3,842,453	50	\$76,849	16	\$1,229,585
Restroom Park	376	\$81,135	50	\$1,623	16	\$25,963
Nature HSE	3077	\$753,025	50	\$15,061	16	\$240,968
Restroom	341	\$252,048	50	\$5,041	16	\$80,655
Grant Park Center	4280	\$1,303,545	50	\$26,071	16	\$417,134
Classroom Building	4796	\$1,080,121	50	\$21,602	16	\$345,639
Concessions / Restrooms	390	\$332,963	50	\$6,659	16	\$106,548
Concessions / Restrooms	447	\$246,565	50	\$4,931	16	\$78,901
<b>TOTAL</b>						<b>\$7,087,772</b>

In addition to Facility Costs, the project team also collected information on the CIP projects. The following table shows by project, the total costs:

**Table 66: Parks and Recreation CIP Costs**

Project Name	Total Value
Annual Pathway Rehab	\$1,050,000
Designated Picnic Area	\$70,000
Drainage & Drinking Fountains	\$180,000
Hillview Dog Park	\$1,075,000
Grant Park Facility (Electrical, Hot Water, & HVAC)	\$1,000,000
Rebuild Grant Park Basketball Court	\$200,000
McKenzie Dog Park	\$550,000
Shoup Park Playground	\$1,070,000
Marymead Playground	\$550,000
McKenzie Playground	\$725,000
Hillview Fitness Equipment	\$145,000
Hetch Hetchy Trail Vegetation & Tree Removal	\$275,000
Historic Apricot Orchard Irrigation Installation	\$75,000
Community Garden - LACC	\$28,000
Halsey House Rehabilitation	\$50,000
Garden House	\$285,000
Caretaker House Demolition	\$60,000
LACC Laundry Hookup	\$23,000
<b>TOTAL</b>	<b>\$7,411,00</b>

## Appendix B – Public Safety Infrastructure Costs

The following table provide information regarding Public Safety Facility and Equipment costs. All quantity, cost per unit calculations, and lifecycle information was provided and confirmed by the City of Los Altos' staff.

**Table 67: Public Safety Equipment & Facility Costs**

Facilities	Quantity	Price	Lifecycle	Annual Cost	# of Years	Total
Vehicles	21.00	\$60,500	7	\$8,642.86	16	\$2,904,000
Handheld Radios		\$471,000	7	\$67,285.71	16	\$1,076,571
Emergency Generator	1.00	\$100,000	15	\$6,666.67	16	\$106,667
Speed Awareness Portable / Trailer Monitor	2.00	\$10,000	10	\$1,000.00	16	\$32,000
Police Dept	1.00	\$4,346,563	50	\$86,931	16	\$1,390,900
Fire Station - 10 almond ave.	1.00	\$2,950,625	50	\$59,013	16	\$944,200
Fire Station - 765 fremont ave.	1.00	\$941,875	50	\$18,838	16	\$301,400
<b>TOTAL</b>						<b>\$6,755,738</b>

In addition to Facility Costs, the project team also collected information on the CIP projects as well as Facilities Conditions Assessment (FCA). The following table shows by project, the total costs:

**Table 68: Public Safety CIP and FCA Costs**

Project Name	Total Value
999 Fremont (Police Substation)	\$110,000
Police Station Redevelopment	\$50,000
Police Dept AC Units	\$15,000
Police Dept Security Upgrades	\$20,000
Police Station FCA	\$1,040,308
Fire Station - 10 almond ave. (FCA)	\$883,044
Fire Station - 765 fremont ave. (FCA)	\$196,986
<b>TOTAL</b>	<b>\$2,315,338</b>

## Appendix C – General Government Infrastructure Costs

The following table provide information regarding General Government costs. All quantity, cost per unit calculations, and lifecycle information was provided and confirmed by the City of Los Altos’ staff.

**Table 69: Public Safety Equipment & Facility Costs**

Facilities	Price	Lifecycle	Annual Cost	# of Years	Total
Municipal Service Center - Admin Warehouse	\$1,097,844	50	\$21,957	16	\$351,310
Garage	\$995,114	50	\$19,902	16	\$318,436
Equipment Shed	\$520,244	50	\$10,405	16	\$166,478
City Hall	\$150,528	50	\$3,011	16	\$48,169
Woodland Library	\$2,949,502	50	\$58,990	16	\$943,841
Civic Center - Los Altos Library	\$1,520,456	50	\$30,409	16	\$486,546
<b>TOTAL</b>	\$9,175,443	50	\$183,509	16	<b>\$2,936,142</b>

In addition to Facility Costs, the project team also collected information on the CIP projects. The following table shows by project, the total costs:

**Table 70: Public Safety CIP and FCA Costs**

Project Name	Total Value
City Hall Emergency Operations Center	\$2,950,000
MSC Fuel - Dispensing Station OH Canopy	\$100,000
City Hall Expansion into Los Altos Youth Center	\$5,050,000
<b>TOTAL</b>	<b>\$8,100,000</b>



## **Appendix D & E – Transportation Impact Fee Technical Report & Commercial Linkage Impact Fee Memo**

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The following pages include the DKS Technical Report provided for the Transportation Impact Fee and the Strategic Economics Memo provided for the Commercial Linkage fee.

# TRANSPORTATION IMPACT FEE NEXUS REPORT

## APRIL 2024

PREPARED FOR:

**CITY OF LOS ALTOS**



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**PREPARED FOR CITY OF LOS ALTOS**



**PREPARED BY DKS ASSOCIATES**



**IN COORDINATION WITH MATRIX CONSULTING**

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## INTRODUCTION AND BACKGROUND

This report documents the update of the Transportation Impact Fee (TIF) for the City of Los Altos, California. The updated fee program will fund all eligible transportation improvements based on a reasonable relationship to transportation demand impacts from new development. Eligible projects represent an expansion of the citywide multimodal transportation infrastructure. This report presents the results of the fee calculations along with supporting documentation for the nexus study prepared by DKS Associates.

### SUMMARY OF FINDINGS

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California local agencies may adopt impact fees under authority granted by the Mitigation Fee Act (the Act), contained in Sections 66000 to 66025 of the California Government Code. This report presents the key findings required by the act for adopting or increasing a development fee with respect to the following reasonable relationships<sup>1</sup>:

**Project effects**– There must be a reasonable relationship established between new development and the need for public facilities.

- This finding is based on the need to supply adequate transportation network improvements to offset transportation demand associated with new development.

**Benefit** – There must be a reasonable relationship between new development and the use of fee revenue for public facilities to accommodate that development.

- This finding is based on the use of fee revenue for expansions to the multimodal transportation network that supports citywide circulation.

**Proportionality** – There must be a reasonable relationship between the amount of the fee and the portion of public facilities cost associated with new development.

- This finding is based on the cost of planned improvements to citywide multimodal transportation infrastructure per unit of new development and ensuring that this cost per unit is not greater than the level of investment in existing infrastructure for existing development.

In addition to the above findings, the Act also requires findings regarding the purpose of the fee and a description of the public facilities to be funded by the fee:

- The purpose of the fee is to expand the citywide multimodal transportation network to accommodate increased demand from new development. The multimodal improvements to be funded by the fee are described under “Transportation Improvements”.

---

<sup>1</sup> California Government Code, section 66001(a)(3), 66001(a)(4), and 66001(b)

The proposed TIF also meets newer statutory requirements, including preparation of a nexus study and calculation of residential fees by square footage. The following additional findings are made:

- a) The existing level of service is the historical level of investment made per unit of development to fund the City’s multimodal transportation network. This level of investment will not be exceeded by the proposed fee.
- b) The purpose of the fee is to expand the City-wide multimodal transportation network to accommodate increased demand from new development.
- c) The funds collected by the proposed fee will be used to deliver the projects described under “Transportation Improvements”.
- d) The reasonable relationship between the fee’s use and the type of development project is derived from the relative levels of transportation demand associated with each land use category.
- e) The need for public facilities to be funded by the proposed fee has been documented by the adopted planning documents that serve as the source for the transportation improvements list.

**EXISTING AND FUTURE LAND USE QUANTITIES**

The proposed fee program is based on the demand for transportation infrastructure associated with new development. This section documents the additional transportation demand from new development in terms of “dwelling unit equivalents” (DUEs), a measure of transportation demand across both residential and nonresidential land use categories that is based on trip characteristics.

Existing land use by category has been quantified by summarizing spatial data on zoning and information such as square footage by parcel from the Santa Clara County Assessor. A detailed description of the methods used to quantify existing land use may be found in the Appendix, Section 1.

The quantity of future residential land use has been derived from the City’s adopted 6<sup>th</sup> Cycle Housing Element, projected to the horizon year of 2040. Note that Accessory Dwelling Units (ADUs) have not been included in the residential growth as these will be exempt from the TIF per City policy.

Non-residential growth has been derived from the City’s currently adopted general plan buildout quantities for commercial land use. Although the general plan assumes some capacity for land use intensification on private school sites and public and institutional lands, the potential for redevelopment of these parcels is not certain. Therefore, the non-residential growth projection has been based on the capacity of commercial parcels only. Moreover, the quantity of expected commercial growth is conservatively assumed to be half the hypothetical maximum buildout

quantity. More detail on the derivation of future land use quantities can be found in the Appendix, Section 2.

Table 1 summarizes the existing and forecasted growth by type of land use. Note that due to the uncertainty surrounding potential redevelopment of existing private school and institutional sites, the quantity of future land use that would be subject to the TIF has been limited to expected commercial growth.

**TABLE 1: EXISTING AND FORECASTED DEVELOPMENT**

LAND USE	EXISTING (2021) <sup>a</sup>	GROWTH (2022-2040) <sup>b</sup>	TOTAL 2040
<b>RESIDENTIAL (DWELLING UNITS)</b>			
SINGLE FAMILY <sup>c</sup>	10,096	438	10,534
MULTI-FAMILY <sup>d</sup>	<u>983</u>	<u>1,420</u>	<u>2,403</u>
<b>TOTAL</b>	11,079	1,857	12,936
<b>NONRESIDENTIAL (BUILDING SQUARE FEET)</b>			
RETAIL/COMMERCIAL	1,728,071	1,515,500	3,243,571
PRIVATE SCHOOL	20,751		20,751
PUBLIC & INSTITUTIONAL	488,320		488,320
<b>TOTAL</b>	1,728,071	1,515,500	3,243,571

<sup>a</sup> Existing residential based on Santa Clara County Assessor's parcel data as of November 2023. Existing nonresidential land use derived from current zoning and Santa Clara County Assessor's parcel data as of November 2023.

<sup>b</sup> Residential growth based on site inventory and net new rezone sites from the Los Altos Housing Element (estimated ADUs not included). Residential growth quantities have been extrapolated to 2040. Non-residential growth based on buildout quantities of commercial development in current general plan land use element.

Sources: City of Los Altos, General Plan land use and zoning spatial data file with Santa Clara County Assessor's parcel data, December 1, 2023; City of Los Altos, 6th Cycle Housing Element 2023-2031, August 2023, Table III-1, p. 16; City of Los Altos, General Plan 2002-2020, Table LU-4, p.20.

**TRANSPORTATION DEMAND FACTORS**

Scaling factors based on relative levels of transportation demand are applied to the different types of land use to create a common land use unit. These common units or Dwelling Unit Equivalents (DUEs) are equivalent to the transportation demand generated by one single family residential unit. The DUE rates are used to proportionately scale the fee across different land use categories after basic fee levels are calculated.



**TABLE 2: DWELLING UNIT EQUIVALENT (DUE) RATES**  
 PER DWELLING UNIT OR THOUSAND SQUARE FEET OF NON-RESIDENTIAL LAND USE

LAND USE	ITE LAND USE (CODE)	AVG. WEEKDAY TRIP RATE	PERCENT NEW TRIPS <sup>a</sup>	TRIP LENGTH FACTOR <sup>b</sup>	DEMAND FACTOR <sup>b</sup>	DWELLING UNIT EQUIVALENT RATE
<b>SINGLE-FAMILY</b>	Single Family Homes (210)	9.43	100	7.9	74.50	1.00
<b>MULTI-FAMILY</b>	Multifamily Mid-rise (221)	6.74	100	7.9	53.25	0.71
<b>COMMERCIAL/RETAIL</b>	Shopping Center (820)	37.01	78	3.6	103.92	1.40
<b>PRIVATE SCHOOL <sup>d</sup></b>	High School <sup>c</sup>	15.00	94	4.8	67.68	0.91
<b>INSTITUTIONAL <sup>d</sup></b>	Library (590)	72.05	88	3.9	247.28	3.32
<b>OFFICE <sup>d</sup></b>	General Office (710)	10.84	96	8.8	91.58	1.23
<b>INDUSTRIAL <sup>d</sup></b>	General Light Industrial (110)	4.87	98	9.0	42.95	0.58

<sup>a</sup> Includes diverted trips.

<sup>b</sup> Trip length and VMT factors provide a relative measure of transportation demand among land uses, and a reasonable method for allocating improvement costs across land use categories to calculate the impact fee. Based on factors commonly used in planning studies. Absolute values for Los Altos may differ.

<sup>c</sup> Trip generation rate per square foot from SANDAG (2002).

<sup>d</sup> Rates for private school, institutional, office, and industrial uses are given for informational purposes only (growth DUEs in Table 3 derived from commercial uses only).

Sources: Institute for Transportation Engineers (ITE), *Trip Generation, 11th Edition*; San Diego Association of Governments (SANDAG), *Brief Guide of Vehicular Trip Generation Rates, April 2002*.

**TABLE 3: TRANSPORTATION DEMAND BY DWELLING UNIT EQUIVALENTS (DUEs)**

LAND USE	EXISTING DUEs (2021)	GROWTH DUEs (2023-2040)	TOTAL DUEs (2040)
<b>RESIDENTIAL</b>			
SINGLE FAMILY	10,096	438	10,534
MULTI-FAMILY	<u>703</u>	<u>1,015</u>	<u>1,717</u>
<b>SUBTOTAL</b>	10,799	1,452	12,251
<b>NONRESIDENTIAL</b>			
RETAIL/COMMERCIAL	<u>2,411</u>	<u>2,114</u>	<u>4,525</u>
PRIVATE SCHOOL	19	-	19
PUBLIC & INSTITUTIONAL	<u>1,621</u>	=	<u>1,621</u>
<b>SUBTOTAL</b>	4,050	2,114	6,165
<b>TOTAL</b>	<b>14,849</b>	<b>3,567</b>	<b>18,415</b>
<b>SHARE</b>	81%	19%	100%

Sources: Table 1 and Table 2.

The DUE rates and travel demand factors are calculated using the daily trip rates from the 11<sup>th</sup> Edition of the *Trip Generation Manual*, published by the Institute of Transportation Engineers (ITE). The details of this calculation are shown in Table 2. The DUE rates are applied to the quantities of land use growth shown in Table 1 to arrive at growth in DUEs as shown in Table 3.

## TRANSPORTATION IMPROVEMENTS

This section summarizes the projects needed to expand the transportation network to accommodate growth. Table 4 summarizes the improvements identified to expand the citywide circulation network to maintain the City’s historical level of investment. Most of the projects are derived from the *Los Altos Complete Streets Master Plan*, which the city adopted in 2022.

A map and detailed list of projects may be found in the Appendix, Section 3. Note that project cost estimates have been escalated to 2024 dollars.

### COMPLETE STREETS MASTER PLAN PROJECTS

Although over 260 individual projects were identified in the Complete Streets Master Plan (CSMP), only those projects that added new capacity or functionality to the citywide circulation network would be funded by the proposed TIF update. Projects that were not specifically located or defined and those that lacked cost estimates were not included.

### REVIEW OF PROJECTS FROM THE 2014 TRAFFIC IMPACT FEE PROGRAM

Projects from the *2014 Traffic Impact Fee Program* that have not been completed to date were reviewed as candidates for TIF funding. The 2014 nexus study identified five corridor traffic calming projects and three intersection or roadway capacity improvements. Improvements for the traffic calming corridors were not specifically identified in the 2014 nexus study and a generic cost per mile was assumed. Since specific bicycle and pedestrian improvements along these same corridors have been proposed in the Complete Streets Master Plan, the 2014 traffic calming corridor projects are assumed to be superseded by the more recent proposals and have not been carried forward. Of the three intersection and roadway capacity improvements listed in the 2014 TIF, two have been completed. Costs to complete the remaining project, signalization of the intersection of North San Antonio Road and Loucks Avenue, have been carried forward.

### SUPPLEMENTAL FUNDING SOURCES

Although TIF funding may be supplemented with funding from other sources to deliver the project list, none of this supplemental funding has been secured at this time. A review of the City’s five-year Capital Improvement Program (CIP) shows that the general fund and TIF revenues are assumed to provide the largest share of funding for bicycle and pedestrian infrastructure projects. The most prominent supplemental funding source in the most recent CIP was expected to be from Transportation Development Act Article III grants, which are expected to provide for about half a percent of the five-year expenditure plan for bicycle and pedestrian projects. Therefore, the fee calculation does not assume any supplemental funding sources. Also note that the current TIF fund balance is effectively zero and thus is not available to offset the cost of the project list.

**TABLE 4: TRANSPORTATION IMPROVEMENT PROJECTS**

CATEGORY	UNFUNDED CAPITAL COSTS (\$2024)
BICYCLE AND PEDESTRIAN SAFETY	\$16,105,000
INTERSECTION CAPACITY IMPROVEMENT	\$476,890
NEW BIKE FACILITIES	\$5,540,022
NEW PEDESTRIAN FACILITIES	\$4,350,465
<b>SUBTOTAL</b>	<b>\$26,472,377</b>
CURRENT TIF FUND BALANCE <sup>a</sup>	\$0
<b>ALLOCATED COST FOR FEE CALCULATION</b>	<b>\$26,472,377</b>

<sup>a</sup> Fund balance as of June 30, 2023.

Source: City of Los Altos, Complete Streets Master Plan: An Active Transportation Framework (2022), Tables 16-18, pp. 180-193; City of Los Altos, Annual Report on the Traffic Impact Fee and the Park in-Lieu Fee for Fiscal Year Ended June 30, 2023; TJKM Transportation Consultants, City of Los Altos Traffic Impact Fee Program, 2014.

## EXISTING CITYWIDE MULTIMODAL TRANSPORTATION INFRASTRUCTURE

This section presents the City’s standard for multimodal transportation infrastructure based on the existing level of investment in that infrastructure. This standard is used to set the maximum justifiable TIF.

### INVENTORY OF CITYWIDE TRANSPORTATION INFRASTRUCTURE

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An inventory was taken of the multimodal transportation network in Los Altos that connects residential neighborhoods, retail and employment centers, and other destinations across the city. Streets and other transportation infrastructure that only provide access to individual residential properties and do not provide connectivity between neighborhoods are not included in this inventory. The inventory was used to quantify the investment the city has made to date in its citywide transportation network.

The citywide multimodal transportation infrastructure was quantified using street centerline Geographic Information System (GIS) data, the map of streets by classification published in the City’s general plan circulation element, and online aerial photographs. The transportation network is defined as arterials and collectors that provide connectivity among different neighborhoods in Los Altos and to regional destinations. This network includes the arterial and connector roadways from curb-to-curb (vehicle travel lanes, bicycle lanes, and on street parking), as well as adjacent sidewalks, medians, traffic signals, and off-street paths.

As mentioned above, the network excludes local streets used primarily for access to individual properties within residential neighborhoods. In addition, infrastructure on El Camino Real (State Route 82) and Foothill Expressway were also excluded as these facilities are maintained by Caltrans and Santa Clara County, respectively. Figure 1 shows a map of the City’s existing citywide transportation network that is eligible for improvement or expansion projects funded by the proposed fee.

### EXISTING LEVEL OF INVESTMENT AND MAXIMUM JUSTIFIABLE FEE FOR THE TRANSPORTATION IMPACT FEE

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Total unit costs for transportation infrastructure are provided in Table 5. Additional details on the unit costs may be found in the Appendix, Section 3. Quantities for each component of the inventory and estimated historical level of investment per DUE are summarized in Table 6. The proposed TIF may not be higher than this existing facilities standard.

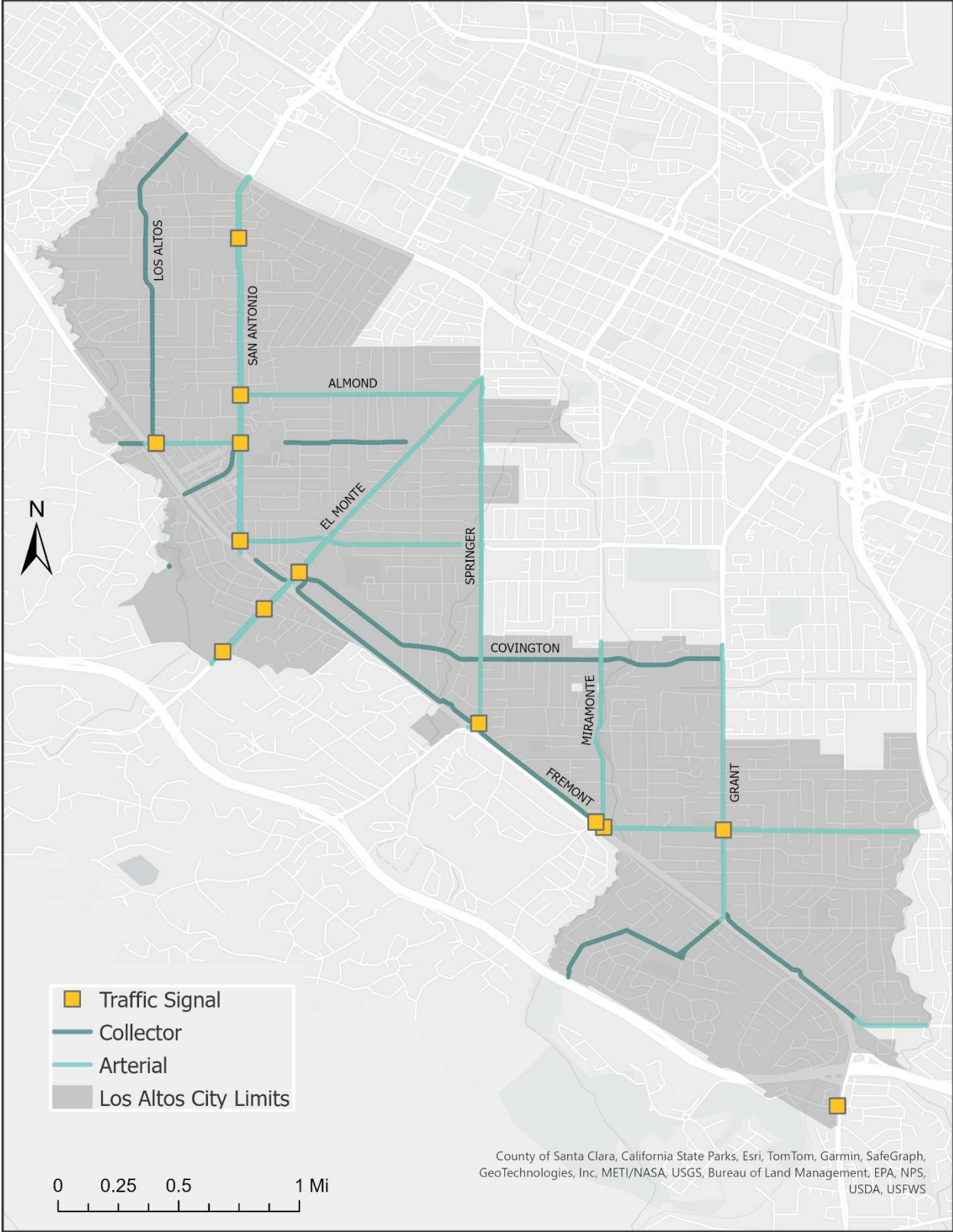


FIGURE 1: CITYWIDE TRANSPORTATION NETWORK

**TABLE 5: TRANSPORTATION INFRASTRUCTURE UNIT COSTS (\$2024)**

INFRASTRUCTURE TYPE	UNIT	CONSTRUCTION COST	DESIGN & MANAGEMENT COST <sup>a</sup>	CONTINGENCY	TOTAL UNIT COST <sup>b, d</sup>
<b>ROADWAY</b>	Square Foot	\$53	40%	20%	\$89
<b>SIDEWALK</b>	Square Foot	\$36	40%	20%	\$60
<b>CURB &amp; GUTTER</b>	Linear Foot	\$124	40%	20%	\$209
<b>MEDIAN</b>	Square Foot	\$48	40%	20%	\$81
<b>BICYCLE PATH</b>	Square Foot	\$36	40%	20%	\$61
<b>BICYCLE LANE</b>	Linear Foot	\$9	40%	20%	\$15
<b>TRAFFIC SIGNAL</b>	Intersection	\$611,600	40%	20%	\$1,027,488

a) Percent of total before contingency. Includes 20% for project design, 15% for construction engineering, and 5% for project management.

b)  $Construction\ Cost * (1 + Design\ Management\%) * (1 + Contingency\%)$ .

c) Cost of street lighting, water pollution prevention, street furniture and drainage not included in unit cost

Source: DKS Associates

**TABLE 6: EXISTING FACILITY STANDARD & LEVEL OF INVESTMENT**

INFRA-STRUCTURE TYPE	QUANTITY	UNITS	EXISTING DWELLING UNIT EQUIVALENTS (DUES)	EXISTING FACILITY STANDARD (UNITS PER DUE)	REPLACE-MENT COSTS PER UNIT	EXISTING LEVEL OF INVESTMENT (\$ PER DUE)
ROADWAY	6,330,729	square feet	14,849	426.3	\$89	\$37,961
SIDEWALK	607,530	square feet	14,849	40.9	\$60	\$2,474
CURB & GUTTER	112,918	linear feet	14,849	7.6	\$398	\$1,588
MEDIAN	203,451	square feet	14,849	13.7	\$81	\$1,114
BICYCLE PATH	112,563	square feet	14,849	7.6	\$61	\$462
BICYCLE LANE	109,360	linear feet	14,849	7.4	\$15	\$109
TRAFFIC SIGNAL	13	Intersect-ions	14,849	0.001	\$1,027,488	\$900
Total						<b>\$44,608</b>

Note: All dollars in 2024 \$.

Sources: Table 3 and Table 5.

**TRANSPORTATION IMPROVEMENTS AND COST PER DUE**

The required projects identified to maintain the existing level of investment to accommodate future growth are summarized in Table 4. A detailed listing of transportation improvements or projects is provided in the Appendix, Section 2. Dividing the cost of the transportation improvements by the expected growth in DUEs results in the cost per DUE or recommended fee level as shown in Table 7.



**TABLE 7: TRANSPORTATION IMPROVEMENT COST PER DWELLING UNIT EQUIVALENT**

<b>ALLOCATED TRANSPORTATION IMPROVEMENT COSTS</b>	\$26,472,377
<b>GROWTH (2024-2040) IN DWELLING UNIT EQUIVALENTS (DUES)</b>	3,567
<b>COST PER DUE (TRANSPORTATION IMPROVEMENT FEE PER DUE)</b>	\$7,422

Sources: Table 3 and Table 4.

**FEE SCHEDULE**

This section summarizes the planned transportation improvements along with associated costs to demonstrate a reasonable relationship between new development and the use of fee revenues to accommodate that development.

The City may adopt any fee level below the maximum justified fees, considering economic development policy, other policy considerations, and fee levels charged by comparable jurisdictions (see Table 10). The City may also adopt fees with varying levels of discount by land use category based on reasonable policy considerations. For example, the city might more deeply discount industrial fees to encourage industrial development as part of an economic development policy or might exempt affordable housing projects to support housing goals.

The allocated cost of the transportation capital improvements list totals \$26,472,377. The full list of projects and estimated costs is provided in the Appendix, Section 3. The estimated cost to build out the capital improvement program is summarized in Table 4. Only capital projects eligible for funding through the TIF program are included. The included projects would improve, enhance, and/or expand the city’s existing transportation system.

The basic fee per DUE described in the preceding section can be scaled according to relative transportation demand rates to arrive at fee schedules by type of land use. The factors scaling the fee by transportation demand (DUE rates) have been calculated using daily trip generation rates, as explained under the section titled, “Transportation Demand Factors”.

Also note that the City may impose an administrative charge on the adopted fee schedule and that the fee schedule may be annually adjusted for inflation.

**RECOMMENDED FEE SCHEDULE**

The recommended fee schedule shown in Table 8 is the cost per DUE to deliver the planned transportation improvement projects and is below the maximum justifiable fee (i.e., the historical level of investment).

**TABLE 8: RECOMMENDED FEE SCHEDULE BY LAND USE**

LAND USE	IMPROVEMENT COST PER DWELLING UNIT EQUIVALENT	DWELLING UNIT EQUIVALENT PER UNIT	FEE	UNIT
<b>SINGLE-FAMILY RESIDENTIAL</b>	\$7,422	1.00	\$7,422	per dwelling unit
<b>MULTI-FAMILY RESIDENTIAL</b>	\$7,422	0.71	\$5,305	per dwelling unit
<b>COMMERCIAL/RETAIL</b>	\$7,422	1.40	\$10,354	per 1,000 square feet
<b>OFFICE</b>	\$7,422	1.23	\$9,130	per 1,000 square feet

Sources: Table 3 and Table 7

**RESIDENTIAL FEES PER SQUARE FOOT**

Per AB 602 (2021), residential fees adopted after July 1, 2022, must be charged proportionally to the size of the dwelling unit. Fees per DUE are divided by the average size of single family and multifamily units to arrive at a fee per residential square foot. The average size of single family and multi family dwelling units is derived from the five years of building permit data in Los Altos. Note that the square footage should be based on the physical coverage of the living quarters of the residential unit (i.e., does not reflect yard, garage, or public areas in multifamily units). The resulting residential fees per square foot are summarized in Table 9.

**TABLE 9: CALCULATION OF RESIDENTIAL FEES PER SQUARE FOOT**

	TOTAL TIF PROGRAM FEES	AVERAGE SIZE (SQUARE FEET)	TIF PROGRAM FEES PER SQUARE FOOT
<b>SINGLE FAMILY DWELLING UNITS</b>	\$7,422	4,934	\$1.50
<b>MULTI FAMILY DWELLING UNITS</b>	\$5,305	873	\$6.08

Source: City of Los Altos Residential Permit Data, 2019-2023.

**CALCULATION OF FEES FOR SPECIALIZED LAND USES**

Fees for development projects that do not correspond to one of the given generic land use categories may be determined by multiplying the fee per single family dwelling unit by the appropriate DUE rate and the quantity of specialized land use. The DUE rate is calculated with the applicable average weekday trip generation rate using the following formula:

$$\text{DUE Rate} = \frac{\text{Average weekday trips per unit of specialized land use}}{\text{Average weekday trips per single family dwelling unit}}$$

The transportation impact fees are given by:

$$\text{Fee per single family dwelling unit} * \text{DUE rate} * \text{specialized land use quantity}$$

**Example: Fees for self-storage project**

Average daily trip generation rates:

Single family dwelling unit = 9.43 trips per dwelling unit (DUE)

Mini warehouse or self-storage = 1.45 trips per thousand square feet (KSF)

$$\text{DUE Rate} = 1.45/9.43 = 0.15 \text{ DUE/KSF}$$

$$\text{Fee per KSF of mini warehouse} = 0.15 \text{ DUE/KSF} * \$7,422/\text{DUE} = \$1,113 \text{ per KSF}$$

**COMPARABLE FEE RATES**

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When adopting an updated fee schedule, the City may wish to consider the level of fees charged by nearby jurisdictions as well as the current transportation impact fees being collected in Los Altos. Table 10 shows the fees charged by several peer jurisdictions as well as the current fee level for Los Altos.

**TABLE 10: TRANSPORTATION IMPACT FEES IN COMPARABLE JURISDICTIONS**

JURISDICTION (UPDATE YEAR)	PER PEAK PM HOUR TRIP	SINGLE FAMILY RESIDENTIAL PER UNIT <sup>a</sup>	MULTIFAMILY RESIDENTIAL PER UNIT <sup>a</sup>	OFFICE (PER KSF)	COMMERCIAL/ RETAIL (PER KSF)
CUPERTINO	\$6,862	\$6,797	\$4,215	\$19,150	10,940
MENLO PARK	\$19,054.98	\$18,864.43	\$6,358.18	\$21,910	\$12,770 <sup>b</sup>
MOUNTAIN VIEW	\$3,537 <sup>c</sup>	\$6,120	\$3,428	\$6,530	\$6,530
PALO ALTO	\$9,754.23	N/A	N/A	N/A	N/A
SANTA CLARA	N/A	\$1,507.60	\$670.05	\$1,740	\$5,800
CURRENT LOS ALTOS FEES <sup>a</sup>	N/A	\$6,774	\$4,159	\$9,994	\$12,409
PROPOSED LOS ALTOS FEES	N/A	\$7,422	\$5,305	\$10,354	\$9,130

<sup>a)</sup> For average sized dwelling unit.  
<sup>b)</sup> The City of Menlo Park has only adjusted Retail fees for 2023.  
<sup>c)</sup> The City of Mountain View charges other low-trip generating uses for am and pm peak hour trips.

Sources:  
**Cupertino:** *City of Cupertino Engineering Fee Schedule 2022.* **Menlo Park:** *City of Menlo Park Transportation Impact Fees 2023.* **Mountain View:** *Mountain View Development Fee Schedule 2023-2024.* **Palo Alto:** *FY24 Municipal Fee Schedule, Charleston/Arastradero special zone discounted fees not shown.* **Santa Clara:** *City of Santa Clara Municipal Fee Schedule 2023, specific plan area fees for East Tasman are not shown.* **Los Altos:** *City of Los Altos Proposed 2023-2024 Fees.*

**PROJECTS SUBJECT TO THE FEE PROGRAM**

Any development project that would generate net new daily travel demand would be subject to the TIF. As a matter of policy the city has exempted all Accessory Dwelling Units (ADUs) from the TIF. The City Council may also choose to exempt specific affordable housing projects from all or a portion of the fee. Any such exemptions will reduce the amount of revenue expected to be collected and require additional supplemental funding sources to fully deliver the project list.

In addition, the TIF program will be subject to the requirements of California Government [Code Section 66005.1](#), which requires a discounted fee rate reflecting lower automobile trip generation rates for qualifying housing developments. To qualify a development must be located within a half mile of a transit station (as defined in California Government Code Section 65460.1), include convenience retail uses a half mile of the housing, and limit parking spaces. Although there is not currently a transit station meeting the statutory requirement in Los Altos, this statute may become applicable at some point in the future.

**REVENUE PROJECTIONS AND USE**

The amount of revenue that can be collected under the new TIF program will depend on the fee levels ultimately adopted by the City as well as the growth that occurs over the planning horizon. Table 11 summarizes the estimated maximum revenue to that could be collected by the updated TIF program if the recommended fee levels are adopted.

**TABLE 11: MAXIMUM REVENUE PROJECTION**

LAND USE	TIF FEES		EXPECTED GROWTH		REVENUE ESTIMATE
<b>SINGLE FAMILY RESIDENTIAL</b>	\$7,422	per dwelling unit	438	units	\$3,248,261
<b>MULTI-FAMILY RESIDENTIAL</b>	\$5,305	per dwelling unit	1,420	units	\$7,531,976
<b>COMMERCIAL/ RETAIL</b>	\$10,354	per 1,000 square feet	1,516	KSF	\$15,692,140
Total					\$26,472,377

Sources: Table 1 and Table 8.

# APPENDIX



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SECTION 2. FUTURE LAND USE

SECTION 3. TRANSPORTATION IMPROVEMENTS

SECTION 3. INFRASTRUCTURE UNIT COSTS AND INVENTORY

# SECTION 1. EXISTING LAND USE

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## EXISTING LAND USE QUANTITIES

### INTRODUCTION

This memorandum documents the steps used to calculate quantities of existing land use in Los Altos, CA. The existing land use quantities will be used as an input to the update of the city's transportation impact fee.

### DATA SOURCES

Spatial and tabular data received from the City of Los Altos included the following:

- CityOfLosAltos\_AssessorDataNov2023.xlsx – tabular data including APN, total square footage, and number of situses among other data fields (30,075 records)
- FY2024q1\_sccparcels.gdb – geodatabase of all parcels in Santa Clara County (501,360 records) including APN among other attributes.
- FY2024q1\_SCCAirParcels.gdb – geodatabase of all legal parcels in Santa Clara County that may occupy the same physical parcel boundaries (38,355 records)
- LandUseCurrent.shp – includes APN, current land use code, and current land use description for each physical parcel within Los Gatos (12,236 records)

### CALCULATION STEPS

1. Select features from FY2024q1\_SCCAirParcels that fall within Los Altos and export to a new feature class FY2024Q1\_SCCAirParcels\_LosAltos (699 records).
2. Join LandUseCurrent feature class to AssessorData on APN, resulting in joined table for all physical parcels that do not have air parcels. Export attribute table to spreadsheet for further processing.
3. Spatially join Los Altos air parcel feature class to the current land use feature class.
4. Join the spatial join created in Step 3 to the Assessor's data. Export the resulting attribute table to spreadsheet for further processing.
5. Summarize data in spreadsheet:
  - a. Summarize data from physical parcels and air parcels separately and then add together to get total quantities
  - b. Non-residential land use is summarized by total square footage by land use type
  - c. Residential land use is summarized by count of APNs for single family residential and by the sum of situses for multifamily residential and planned communities (should planned communities be counted as single family units?).

## RESULTS

**TABLE 1: QUANTITIES OF EXISTING NON-RESIDENTIAL LAND USE (SQUARE FEET)**

LAND USE	PHYSICAL APNS	AIR PARCELS	TOTAL
COMMERCIAL/RETAIL	1,335,605	392,466	1,728,071
PRIVATE SCHOOL	20,751	0	20,751
PUBLIC & INSTITUTIONAL	488,320	0	488,320

*Source: Santa Clara County Assessor's parcel data (November 2023) and existing land use by parcel from City of Los Altos.*

**TABLE 2: QUANTITIES OF EXISTING RESIDENTIAL LAND USE (SQUARE FEET)**

UNIT TYPE	PHYSICAL APNS	AIR PARCELS	TOTAL
SINGLE FAMILY UNITS	10,096	-	10,096
MULTI FAMILY UNITS	422	243	665
PLANNED COMMUNITY	267	51	318

*Source: Santa Clara County Assessor's parcel data (November 2023) and existing land use by parcel from City of Los Altos.*

## SECTION 2. FUTURE LAND USE

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## LAND USE FORECASTS

### INTRODUCTION

The amount of land use growth is a key input to transportation impact fee calculations. Since Los Altos is currently working on updating its general plan elements, reliable projections of future growth are not readily available. The following data sources were reviewed to determine if they provide a reasonable alternative source for this purpose.

- Socioeconomic inputs used in travel demand modeling for Plan Bay Area 2050 (PBA 2050), the Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS).
- 6th Cycle Housing Element Update: 2023-2031 for the City of Los Altos (adopted January 2023)
- Los Altos 2002 General Plan Land Use Element

In general, the PBA 2050 inputs were not found to be suitable for use in calculating an impact fee. These socioeconomic forecasts were prepared for regional travel demand forecasts, and often are not granular enough to reflect local planning policy and existing conditions at a neighborhood geographic level. In contrast, the Housing Element Update and general plan land use element reflect current local policy and were therefore selected as the source for residential and non-residential growth.

### RESIDENTIAL LAND USE

The PBA 2050 housing unit forecasts show fewer single-family dwelling units (SFDUs) than currently exist and a large increase in MFDUs, implying significant redevelopment (see Table 1). Even assuming additional housing growth beyond the housing element buildout numbers for 2031, the regional forecast seems out of alignment with local policy and land inventory. Therefore, the housing element buildout numbers were selected as the source for residential growth.

**TABLE 1: EXISTING AND FORECAST RESIDENTIAL LAND USE**

DWELLING UNITS	EXISTING 2023 <sup>a</sup>	HOUSING ELEMENT BUILDOUT NUMBERS <sup>b</sup>	HOUSING ELEMENT GROWTH EXTRAPOLATED TO 2040	2040 TOTAL IMPLIED BY HOUSING ELEMENT	PBA 2050 (ESTIMATED FOR 2040) <sup>c</sup>
SFDU	10,414	389	438	11,241	8,535
MFDU	665	1,262	1,420	3,347	11,483
<b>TOTAL</b>	<b>11,079</b>	<b>1,651</b>	<b>1,857<sup>a</sup></b>	<b>14,587</b>	<b>20,018</b>

<sup>a</sup> Total for extrapolated residential units does not add due to rounding.

Sources: <sup>a</sup> Santa Clara County Assessor’s parcel data on square footage and current zoning land use designations as of November 2023. <sup>b</sup> City of Los Altos. 6th Cycle Housing Element 2023-2031, Table III, -1, p. 16. Numbers represent buildout totals for extremely low, very low, low, moderate, and above moderate-income levels and exclude ADUs. Above moderate units are classified as SFDUs, and all other income categories are classified as MFDUs. <sup>c</sup> Metropolitan Transportation Commission land use inputs (interpolation of 2035 and 2050 forecasts for Los Altos TAZs by DKS Associates).

**NON-RESIDENTIAL LAND USE**

The PBA 2050 inputs were reviewed for suitability as a source of non-residential growth. This data source provides a base year (2015) and forecast year estimates for employment by NAICs category for each Transportation Analysis Zone (TAZ) for forecast years 2035 and 2050. The PBA 2050 employment forecasts include significant numbers of industrial and even some agricultural employment where none currently exists or is zoned for. Interpolating between 2035 and 2050 results in total employment of 29,988, representing an 188% increase from the 10,482 jobs in Los Altos reported for 2021 in the Census LEHD.

Given the unexpected employment categories and uncertainty in converting jobs to square footage of non-residential use, the existing general plan land use element is preferred as the currently applicable local policy document. General plan buildout quantities can be compared to existing quantities to arrive at an estimate of remaining non-residential growth potential, as shown in Table 2.

**TABLE 2: NON-RESIDENTIAL LAND USE (THOUSAND SQUARE FEET)**

LAND USE	EXISTING 2023 <sup>A</sup>	GENERAL PLAN BUILDOUT <sup>B</sup>	REMAINING GROWTH
COMMERCIAL/RETAIL	1,728	4,759	3,031
PRIVATE SCHOOL	21	449	428
PUBLIC AND INSTITUTIONAL	488	1,717	1,229

Sources: a) DKS Associates. Existing Land Use Technical Memorandum (January 2024); b) Los Altos. General Plan 2002 Land Use Element. Table LU-4, p. 20.

## SECTION 3. TRANSPORTATION IMPROVEMENTS

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Project_Name	Roadway	From	To	Description	Category	Source	Cost_2024	Net_TIF
N San Antonio Road at Loucks Avenue	N San Antonio Road at Loucks Avenue			Install traffic signal	Intersection capacity improvement	2014 TIF	\$ 476,890	\$ 476,890
North San Antonio Road	North San Antonio	Almond	El Camino Real	Install Class IV bike lanes	New bike facilities	CSMP	\$ 360,750	\$ 360,750
Foothill/Edith	Foothill Expressway	Edith	Sant Joseph	Install Class IV bike lanes	New bike facilities	CSMP	\$ 1,096,558	\$ 1,096,558
Covington/El Monte	Covington	El Monte	Grant	Class IIB	New bike facilities	CSMP	\$ 334,180	\$ 334,180
El/Jardin	El Monte	Jardin	Foothill	Class IV	New bike facilities	CSMP	\$ 593,756	\$ 593,756
Miramonte/Portland	Miramonte	Portland	Fremont	Class IIB	New bike facilities	CSMP	\$ 192,128	\$ 192,128
San/Edith	San Antonio	Edith	Almond	Class I	New bike facilities	CSMP	\$ 39,856	\$ 39,856
A/Miramonte	A	Miramonte	Fremont	Class II	New bike facilities	CSMP	\$ 5,110	\$ 5,110
Edith/Cielito	Edith	Cielito	End - Edith	Class III	New bike facilities	CSMP	\$ 204,391	\$ 204,391
Loucks/Los Altos	Loucks	Los Altos	San Antonio	Class III	New bike facilities	CSMP	\$ 118,547	\$ 118,547
Grant/Covington	Grant	Covington	El Sereno	Class IV	New bike facilities	CSMP	\$ 23,505	\$ 23,505
Jordan/Los Altos	Jordan	Los Altos	El Camino Real	Class III	New bike facilities	CSMP	\$ 39,856	\$ 39,856
Main/San Antonio	Main	San Antonio	State	Class II	New bike facilities	CSMP	\$ 19,417	\$ 19,417
Hillview/Eleanor	Hillview	Eleanor	Gordon	Class III	New bike facilities	CSMP	\$ 102,196	\$ 102,196
Almond/Gordon	Almond	Gordon	El Monte	Class IV	New bike facilities	CSMP	\$ 77,669	\$ 77,669
Fremont/Foothill	Fremont	Foothill	Lisa	Class IIB	New bike facilities	CSMP	\$ 386,299	\$ 386,299
Miramonte/Eastwood	Miramonte	Eastwood	Portland	Class I	New bike facilities	CSMP	\$ 59,273	\$ 59,273
Fremont/Springer	Fremont	Springer	Altos Oaks	Class IIB	New bike facilities	CSMP	\$ 32,703	\$ 32,703
Lyell/San Antonio	Lyell	San Antonio	End of Road	Class III	New bike facilities	CSMP	\$ 626,459	\$ 626,459
Main/State	Main	State	1st	Class III	New bike facilities	CSMP	\$ 102,196	\$ 102,196
Pepper/San Antonio	Pepper	San Antonio	Eleanor	Class III	New bike facilities	CSMP	\$ 78,691	\$ 78,691
Hawthorne/San Antonio	Hawthorne	San Antonio	Eleanor	Class III	New bike facilities	CSMP	\$ 72,559	\$ 72,559
Portola/Jordan	Portola	Jordan	Dixon	Class III	New bike facilities	CSMP	\$ 41,900	\$ 41,900
Hawthorne/Eleanor	Hawthorne	Eleanor	Clark	Class III	New bike facilities	CSMP	\$ 38,834	\$ 38,834
Portola/Jordan	Portola	Jordan	Delphi	Class III	New bike facilities	CSMP	\$ 225,852	\$ 225,852
Saint/Foothill	Saint Joseph	Foothill	Noel	Class IV	New bike facilities	CSMP	\$ 53,142	\$ 53,142
University/Quinnhill	University	Quinnhill	Anita	Class III	New bike facilities	CSMP	\$ 31,681	\$ 31,681
Jordan/250' from El Camino	Jordan	250' from El Camino	115' from El Camino	property frontage	New pedestrian facilities	CSMP	\$ 173,732	\$ 173,732
San Antonio/Sherwood	San Antonio	Sherwood	El Camino Real	sidewalk, angled parking	New pedestrian facilities	CSMP	\$ 188,040	\$ 188,040
Sherwood/San Antonio	Sherwood	San Antonio	El Camino Real	non-compliant sidewalk	New pedestrian facilities	CSMP	\$ 26,571	\$ 26,571
Fremont/Permanente Creek	Fremont	Permanente Creek	Lisa	vegetation clearance	New pedestrian facilities	CSMP	\$ 386,299	\$ 386,299
Springer/Berry	Springer	Berry	Los Altos city limit (N of C	sidewalk gap closure	New pedestrian facilities	CSMP	\$ 288,192	\$ 288,192
Campbell/Rosita	Campbell	Rosita	Covington	sidewalk gap closure	New pedestrian facilities	CSMP	\$ 326,004	\$ 326,004
Alicia/Almond	Alicia	Almond	Jardin	sidewalk gap closure	New pedestrian facilities	CSMP	\$ 244,247	\$ 244,247
N/Edith	N. Gordon Way	Edith	Almond	school routes	New pedestrian facilities	CSMP	\$ 329,070	\$ 329,070
Truman/Oak	Truman	Oak	Fremont	sidewalk gap closure	New pedestrian facilities	CSMP	\$ 253,445	\$ 253,445
Grant/Preston	Grant	Preston	Foothill Expy	east side sidewalk, include bus stop and ADA upgrade	New pedestrian facilities	CSMP	\$ 161,469	\$ 161,469
Springer/Todd	Springer	Todd	Cuesta	coordination with City of MV	New pedestrian facilities	CSMP	\$ 834,938	\$ 834,938
Altamead/School	Altamead	School	Grant	school connections	New pedestrian facilities	CSMP	\$ 173,732	\$ 173,732
Oak/Grant	Oak	Grant	50' W of Marinovich	tree preservation,traffic calming project	New pedestrian facilities	CSMP	\$ 90,954	\$ 90,954
Saint/Robles Ranch	Saint Joseph	Robles Ranch	Granger	sidewalk gap closure	New pedestrian facilities	CSMP	\$ 94,020	\$ 94,020
Jordan/Marich	Jordan	Marich	Portola	310' sidewalk gap	New pedestrian facilities	CSMP	\$ 309,653	\$ 309,653
Los/Mariposa	Los Altos Ave	Mariposa	Yerba Santa	school route	New pedestrian facilities	CSMP	\$ 188,040	\$ 188,040



Project_Name	Roadway	From	To	Description	Category	Source	Cost_2024	Net_TIF
Cristo/Foothill	Cristo Rey	Foothill	City Limit	sidewalk gap closure	New pedestrian facilities	CSMP	\$ 282,060	\$ 282,060
St Joseph Avenue/ Foothill Expressway/Grant Rd	St Joseph Avenue/ Foothill Expressway/Grant Rd			Intersection modifications including curb extensions, bike skip boxes, removal of right turn slip lane, curb ramps, pedestrian refuge island, high visibility crosswalks, and addition of LPI to signal timings.	Bicycle and pedestrian safety	CSMP	\$ 640,766	\$ 640,766
St Joseph Avenue/ Eva Avenue	St Joseph Avenue	St Joseph Avenue	Eva Avenue	High visibility crosswalk markings and curb ramps, unsignalized	Bicycle and pedestrian safety	CSMP	\$ 143,074	\$ 143,074
Foothill Expressway/El Monte Avenue	Foothill Expressway	Foothill Expressway	El Monte Avenue	Bike skip boxes, bike boxes, green bike lane approach, removal of right-turn slip lane, high visibility crosswalks, advance yield/stop lines, LPI to signal timings	Bicycle and pedestrian safety	CSMP	\$ 431,265	\$ 431,265
Fremont Avenue/Truman Avenue	Fremont Avenue	Fremont Avenue	Truman Avenue	curb extensions, bike skip boxes, advance yield/stop lines, raised crossing, pedestrian scale lighting, RRFB, unsig.	Bicycle and pedestrian safety	CSMP	\$ 291,257	\$ 291,257
Covington Road/ Miramonte Avenue				removal of right turn lane, advance yield/stop,	Bicycle and pedestrian safety	CSMP	\$ 59,273	\$ 59,273
State Street/Main Street				curb extension, high visibility crosswalk, advance yield/stop, stop signal analysis, unsignalized	Bicycle and pedestrian safety	CSMP	\$ 26,571	\$ 26,571
1st Street/San Antonio Road/Cuesta Drive				curb extension, bike bxes, remove right turn slip lane, high visibility crosswalk, advance yield/stop, curb ramp,	Bicycle and pedestrian safety	CSMP	\$ 271,840	\$ 271,840
Alto Oaks Drive/Fremont Avenue				curb extension, high visibility crosswalk, advance yield/stop,	Bicycle and pedestrian safety	CSMP	\$ 180,886	\$ 180,886
Covington Road/Riverside Avenue				curb extension, advance yield/stop,	Bicycle and pedestrian safety	CSMP	\$ 155,337	\$ 155,337
Covington Road/Campbell Avenue				null	Bicycle and pedestrian safety	CSMP	\$ 51,098	\$ 51,098
Cuesta Drive/Gabilan Street				curb ramp, raised crossing, RRFB,	Bicycle and pedestrian safety	CSMP	\$ 182,930	\$ 182,930

Project_Name	Roadway	From	To	Description	Category	Source	Cost_2024	Net_TIF
Edith Avenue/Gordon Way				curb extension, advance yield/stop, standard crosswalk,	Bicycle and pedestrian safety	CSMP	\$ 263,665	\$ 263,665
El Monte Avenue/Almond Avenue				curb extension, traffic calming	Bicycle and pedestrian safety	CSMP	\$ 204,391	\$ 204,391
El Monte Avenue/Cuesta Drive				curb extension, sidewalk or pedway, bike skip boxes, high visibility crosswalk, advance yield/stop, curb ramp, LPI	Bicycle and pedestrian safety	CSMP	\$ 414,914	\$ 414,914
El Monte Monte Avenue/Clark Avenue				curb extension, modify intersection, bike skip boxes, high visibility crosswalk, advance yield/stop, curb ramp, refuge island, RRFB	Bicycle and pedestrian safety	CSMP	\$ 1,082,251	\$ 1,082,251
El Monte Avenue/Springer Road				modify skewed intersection, bike skip boxes, traffic calming, removal right turn slip,	Bicycle and pedestrian safety	CSMP	\$ 1,430,738	\$ 1,430,738
El Monte Avenue/University Avenue				curb extension, bike skip boxes, bike boxes/green lane approach, traffic calming, high visibility crosswalk, advance yield/stop, curb ramp, refuge island, HAWK	Bicycle and pedestrian safety	CSMP	\$ 656,096	\$ 656,096
Fremont Avenue/Miramonte Avenue				bike skip, bike boxes, right slip removal, high visibility, yield/stop, LPI	Bicycle and pedestrian safety	CSMP	\$ 238,116	\$ 238,116
Hawthorne Avenue/El Monte Avenue				curb radius reduction, modify skewed intersection, bike skip, high vis, curb ramp	Bicycle and pedestrian safety	CSMP	\$ 890,123	\$ 890,123
Fremont Avenue/A Street				bike slip, bike boxes, high vis, yield/stop, LPI	Bicycle and pedestrian safety	CSMP	\$ 181,908	\$ 181,908
N San Antonio Drive/Sherwood Avenue				bike skip, high vis, yield/stop, refuge island	Bicycle and pedestrian safety	CSMP	\$ 142,052	\$ 142,052
Springer Road/Fremont Avenue				modify skewed intersection, bike skip, curb radius reduction, high vis, yield/stop	Bicycle and pedestrian safety	CSMP	\$ 915,672	\$ 915,672
Springer Road/Cuesta Drive				curb extension, bike skip boxes, traffic calming, remove right turn slip, high visibility, advance yield/stop, curb ramp, lighting,	Bicycle and pedestrian safety	CSMP	\$ 416,958	\$ 416,958

Project_Name	Roadway	From	To	Description	Category	Source	Cost_2024	Net_TIF
W Edith Avenue/4th Street				modify intersection, bike skip boxes, high visibility crosswalk, advance yield/stop, curb ramp, RRFB	Bicycle and pedestrian safety	CSMP	\$ 1,050,570	\$ 1,050,570
Fremont Avenue/Fallen Leaf Lane				curb extension, high visibility, advance yield/stop, lighting, RRFB, yield to peds sign	Bicycle and pedestrian safety	CSMP	\$ 693,908	\$ 693,908
1st Street/Main Street				LPI	Bicycle and pedestrian safety	CSMP	\$ 55,186	\$ 55,186
Almond Avenue/Fornway Court				curb radius reduction, bike skip, high vis, yield/stop, curb ramp, RRFB	Bicycle and pedestrian safety	CSMP	\$ 226,874	\$ 226,874
Altos Oaks Drive/Miramonte Avenue				traffic calming, high vis	Bicycle and pedestrian safety	CSMP	\$ 76,647	\$ 76,647
Grant Road/Bryant Avenue				curb radius reduction, bike skip, bike boxes, high vis, yield/stop, curb ramp, refuge island, lighting, LPI	Bicycle and pedestrian safety	CSMP	\$ 223,808	\$ 223,808
Grant Road/Altamead Drive				curb extension, bike skip, high vis, yield/stop,	Bicycle and pedestrian safety	CSMP	\$ 220,742	\$ 220,742
Homestead Road/Fallen Leaf Lane				bike skip, traffic calming, high vis, refuge island, lighting	Bicycle and pedestrian safety	CSMP	\$ 195,194	\$ 195,194
Miramonte Avenue/A Street				curb extension, sidewalk or pedway, bike skip, right slip removal, yield/stop	Bicycle and pedestrian safety	CSMP	\$ 281,038	\$ 281,038
Portland Avenue/Miramonte Avenue				traffic calming, high vis, curb ramp	Bicycle and pedestrian safety	CSMP	\$ 153,293	\$ 153,293
Fremont Avenue and Grant road				Remove right turn slip	Bicycle and pedestrian safety	CSMP	\$ 102,196	\$ 102,196
Jordan Low Priority Bikeway	Jordan	San Antonio	Marich	Class III	New bike facilities	CSMP	\$ 57,230	\$ 57,230
Saint Joseph Low Priority Bikeway	Saint Joseph	Noel	Scott/Laver	Class IIB	New bike facilities	CSMP	\$ 95,042	\$ 95,042
Saint Joseph Low Priority Bikeway	Saint Joseph	Scott/Laver	City Limit	Class III	New bike facilities	CSMP	\$ 154,315	\$ 154,315
Fremont Low Priority Bikeway	Fremont	Lisa	To City Limit	Class IV	New bike facilities	CSMP	\$ 126,723	\$ 126,723
Miramonte Low Priority Bikeway	Miramonte	City Limit	Eastwood	Class IIB	New bike facilities	CSMP	\$ 105,261	\$ 105,261
University Low Priority Bikeway	University	El Monte	Quinnhill	Class III	New bike facilities	CSMP	\$ 43,944	\$ 43,944
San Antonio Avenue/ Loucks Avenue					Bicycle and pedestrian safety	CSMP	\$ 312,718	\$ 312,718
San Antonio Road/ Main Street					Bicycle and pedestrian safety	CSMP	\$ 700,040	\$ 700,040
Miramonte Avenue/ Berry Avenue					Bicycle and pedestrian safety	CSMP	\$ 223,808	\$ 223,808
Main Street/ Foothill Expressway					Bicycle and pedestrian safety	CSMP	\$ 500,758	\$ 500,758
San Antonio Road/ Hillview Ave					Bicycle and pedestrian safety	CSMP	\$ 619,305	\$ 619,305
Foothill Expressway/ Springer Rd					Bicycle and pedestrian safety	CSMP	\$ 1,197,732	\$ 1,197,732

## **SECTION 3. INFRASTRUCTURE UNIT COSTS AND INVENTORY**

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<b>Transportation Infrastructure Costs (2024)</b>					
<b>City of Los Altos Impact Fee</b>					
<b>#</b>	<b>Infrastructure Type</b>	<b>Unit</b>	<b>Total Unit Cost<sup>1</sup></b>	<b>Total Quantity</b>	<b>Total Cost</b>
1	Roadway	Square Foot	\$ 89	6,330,729	\$ 563,688,088
2	Sidewalk	Square Foot	\$ 60	607,530	\$ 36,743,400
3	Curb & Gutter	Linear Foot	\$ 209	112,918	\$ 23,580,032
4	Median	Square Foot	\$ 81	203,451	\$ 16,543,018
5	Bicycle Path	Square Foot	\$ 61	112,563	\$ 6,864,542
6	Bicycle Lane*	Linear Foot	\$ 15	109,360	\$ 1,616,778
7	Traffic Signal	Intersection	\$ 1,027,488	13	\$ 13,357,344
<b>Sum</b>					<b>\$ 662,393,203</b>

<sup>1</sup> See Unit Cost Tables for detailed information

<b>Transportation Infrastructure Unit Costs (2024)</b> <b>Town of Los Altos Impact Fee</b>						
#	Infrastructure Type	Unit	Construction Cost (\$)	Design & Management Cost <sup>1</sup>	Contingency	Total Unit Cost <sup>2</sup>
1	Roadway <sup>3</sup>	Square Foot	\$ 53	40%	20%	\$ 89
2	Sidewalk	Square Foot	\$ 36	40%	20%	\$ 60
3	Curb & Gutter	Linear Foot	\$ 124	40%	20%	\$ 209
4	Median	Square Foot	\$ 48	40%	20%	\$ 81
5	Bicycle Path	Square Foot	\$ 36	40%	20%	\$ 61
6	Bicycle Lane	Linear Foot	\$ 9	40%	20%	\$ 15
7	Traffic Signal	Intersection	\$ 611,600	40%	20%	\$ 1,027,488

<sup>1</sup> Percent of total before contingency. Includes 20% for project design, 15% for construction engineering, and 5% for project management

<sup>2</sup> Construction Cost\*(1+Design Management%)\*(1+ Contingency%)

<sup>3</sup> Cost of street lighting, water pollution prevention, street furniture and drainage not included in unit cost

**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click here if
- Click here if this project is a surface treatment or overlay project.

Infrastru                      Roadway

Date of Estimate Jul. 9, 2022

Revision No.	1
Revision Date	3/1/2024
Revised by	DKS

Prepared by DKS

No.	Description	Quantity	Units	Unit Cost	Total
1	Clearing and Grubbing	1.00	SF	\$0.61	\$ 0.61
2	Remove Existing Pavement (Obliteration)	1.00	SF	\$10.30	\$ 10.30
3	Roadway Excavation (2' depth)	0.07	CY	\$190.00	\$ 14.07
4	Finish Grading within Right of Way	1.00	SF	\$0.41	\$ 0.41
5	Class 2 Aggregate Base (18")	0.06	CY	\$196.00	\$ 11.76
6	Asphalt Concrete (6")(Type A, assume 150 lbs/CF)	0.04	Ton	\$280.00	\$ 10.50
7	Mobilization	1	LS	\$ 4.80	\$ 4.80

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000)                      \$                      48.00

Total Contract Items                      \$                      53.00

**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click here if
- Click here if this project is a surface treatment or overlay project.

Infrastru Sidewalk

Date of E Jul. 9, 2022

Revision No.	1
Revision Date	3/2/2024
Revised by	DKS

Prepared DKS

No.	Description	Quantity	Units	Unit Cost	Total
1	Clearing and Grubbing	1.00	SF	\$0.67	\$ 0.67
2	Finish Grading within Right of Way	1.00	SF	\$0.41	\$ 0.41
3	Concrete Sidewalk	1.00	SF	\$30.37	\$ 30.37
5	Curb Ramp	0.0002	EA	\$5,000.00	\$ 1.00
6	Mobilization	1	LS	\$ 3.20	\$ 3.20

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) 32

Total Contract Items \$ 36



**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click here if
- Click here if this project is a surface treatment or overlay project.

**Infrastru**                      Curb and Gutter

**Date of E** Jul. 9, 2022

Revision No.	1
Revision Date	3/2/2024
Revised by	DKS

Prepared DKS

No.	Description	Quantity	Units	Unit Cost	Total
1	Curb and Gutter	1	LF	\$112.90	\$ 113
2	Sawcut Gutter	1	LF		\$ -
3	Mobilization	1	LS	\$11.30	\$ 11

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000)    \$                      113

Total Contract Items                      \$                      124

**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click here if
- Click here if this project is a surface treatment or overlay project.

Infrastru Median

Date of E Jul. 9, 2022

Revision No.	1
Revision Date	3/2/2024
Revised by	DKS

Prepared DKS

No.	Description	Quantity	Units	Unit Cost	Total
1	Median (Island) Paving	1.00	SF	\$17.00	\$ 17
2	Class 2 Aggregate Base (6")	1.00	SF	\$4.00	\$ 4
3	Curb	0.20	LF	\$112.90	\$ 23
4	Mobilization	1	LS	\$ 4.40	\$ 4

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000) \$ 44

Total Contract Items \$ 48

**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click here if
- Click here if this project is a surface treatment or overlay project.

**Infrastru**                      Bicycle Path (Shared Use Path)

**Date of E** Jul. 9, 2022

Revision No.	1
Revision Date	3/2/2024
Revised by	DKS

Prepared DKS

No.	Description	Quantity	Units	Unit Cost	Total
1	Clearing and Grubbing	1.00	SF	\$0.61	\$ 0.61
2	Remove Existing Pavement (Obliteration)	1.00	SF	\$10.30	\$ 10.30
3	Roadway Excavation (1.5')	0.06	CY	\$190.00	\$ 11.40
3	Finish Grading within Right of Way	1.00	SF	\$0.41	\$ 0.41
4	Class 2 Aggregate Base (4")	0.02	CY	\$196.00	\$ 2.94
5	Hot Mix Asphalt (Type A) (4")(assume 150 lbs./CF)	0.03	Ton	\$280.00	\$ 7.00
6	Mobilization	1	LS	\$ 3.30	\$ 3.30

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000)      \$                      33

Total Contract Items      \$                      36

**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click here if
- Click here if this project is a surface treatment or overlay project.

**Infrastru**                      Bicycle Lane (Class II)

**Date of E** Jul. 9, 2022

Revision No.	1
Revision Date	3/1/2024
Revised by	DKS

Prepared DKS

No.	Description	Quantity	Units	Unit Cost	Total
1	Remove existing striping	1.00	LF	\$2.30	\$ 2.30
2	Striping	1.00	LF	\$4.78	\$ 4.78
3	Signage	0.0008	EA	\$562.75	\$ 0.43
4	Mobilization	1	LS	\$ 0.80	\$ 0.80

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL (TO NEAREST 1,000)      \$                      8

Contract Items      \$                      9

**DKS Associates**

**Planning Cost Estimate**

1970 Broadway Ste 740, Oakland CA 94612

**Project Number**

- Click here if the project schedule for this project is to be 50 days or more; also click
- Click here if this project is a surface treatment or overlay project.

**Infrastru** Traffic Signal for One Intersection

**Date of E** Jul. 9, 2022

Revision No.	1
Revision Date	3/1/2024
Revised by	DKS

Prepared DKS

No.	Description	Quantity	Units	Unit Cost*	Total
1	Furnish & Install Cabinet and Controller on New Foundation	1	EA	\$50,000.00	\$ 50,000
2	Furnish and Install Fiber Switch In Controller	1	EA	\$2,500.00	\$ 2,500
3	Terminate fiber optic cable in cabinet	1	EA	\$2,500.00	\$ 2,500
4	Splice 12 Strand SMFO Cable to trunk cable	1	EA	\$1,000.00	\$ 1,000
5	Furnish & Install Opticom EVP system in	1	EA	\$7,500.00	\$ 7,500
6	Furnish & Install Opticom Card Rack	1	EA	\$1,000.00	\$ 1,000
7	Furnish & Install Opticom Detector	4	EA	\$1,200.00	\$ 4,800
8	Furnish & Install VIVDS System, incl. cameras, comms manager, and SDLC hub	1	EA	\$35,000.00	\$ 35,000
9	Furnish & Install CCTV Camera	1	EA	\$5,000.00	\$ 5,000
10	Furnish & Install Detector Handhole	4	EA	\$500.00	\$ 2,000
11	Furnish & Install Detector Loops (6'x6')	8	EA	\$2,000.00	\$ 16,000
12	Furnish & Install LED Countdown Pedestrian	8	EA	\$1,000.00	\$ 8,000
13	Furnish & Install Polara Navigator Pedestrian	8	EA	\$1,500.00	\$ 12,000
14	Furnish & Install Polara CCU in Cabinet	1	EA	\$4,500.00	\$ 4,500
15	Furnish & Install SNS on Mast Arm	4	EA	\$2,000.00	\$ 8,000
16	Furnish & Install LED Luminaire	4	EA	\$1,500.00	\$ 6,000
17	Furnish & Install Photoelectric Control Unit	1	EA	\$500.00	\$ 500
18	Furnish & Install Pull Box #5	4	EA	\$1,000.00	\$ 4,000
19	Furnish & Install Pull Box #6	2	EA	\$1,200.00	\$ 2,400
20	Furnish & Install Fiber Optic Splice Vault	1	EA	\$1,250.00	\$ 1,250
21	Furnish and install 2" conduit with backfill	100	LF	\$120.00	\$ 12,000
22	Furnish and install 3" conduit with backfill	1000	LF	\$125.00	\$ 125,000
23	Furnish and install 4" conduit with backfill	100	LF	\$130.00	\$ 13,000
24	Furnish & Install Type 1-B 4' Pole and	4	EA	\$3,500.00	\$ 14,000
25	Furnish & Install Type 1-B 10' Pole and	4	EA	\$6,500.00	\$ 26,000
26	Furnish & Install Type 28-5-100 Pole and	4	EA	\$26,000.00	\$ 104,000
27	Furnish & Install Signal Head Mount Type SV-	4	EA	\$800.00	\$ 3,200
28	Furnish & Install Pedestrian Signal Head	4	EA	\$1,000.00	\$ 4,000
29	Furnish & Install #14 Conductors	7000	LF	\$2.00	\$ 14,000
30	Furnish & Install #10 Conductors	1500	LF	\$2.50	\$ 3,750
31	Furnish & Install #8 Conductors	600	LF	\$3.00	\$ 1,800
32	Furnish & Install #6 Conductors	50	LF	\$4.00	\$ 200
33	Furnish & Install #2 Conductors	1000	LF	\$5.00	\$ 5,000
34	Furnish & Install Detector Lead-in Cables	250	LF	\$3.00	\$ 750
35	Furnish & Install EVP Cable (Opticom Model	500	LF	\$3.00	\$ 1,500
36	Furnish & Install CCTV Cable (CAT6)	100	LF	\$3.00	\$ 300
37	Furnish & Install VIVDS Cable (3-wire)	500	LF	\$3.00	\$ 1,500
38	Furnish & Install 12-strand Fiber Optic Cable	300	LF	\$5.00	\$ 1,500
39	Furnish & Install Trace Cable (#10)	300	LF	\$2.50	\$ 750
40	Mobilization	1	LS	\$ 55,600.00	\$ 55,600

\*N 12th Street unit costs are from 2020, Oak Ave/Crystal Springs Rd unit costs are from 2023

CONTRACT ITEMS LESS MOBILIZATION AND TEMP TRAFFIC CONTROL, ESC TO 2024 AT 3% (TO NEAREST 1,000)	\$	556,000
Total Contract Items	\$	611,600



# MEMORANDUM

To: Nick Zornes, Development Services Director, City of Los Altos  
Khushboo Ingle, Vice President, Matrix Consulting Group

From: Derek W. Braun, Principal  
Madeleine Galvin, Associate

Date: April 11, 2024

Project: Los Altos Development Impact Fee Study and Cost Allocation Plan

Subject: Commercial Linkage Fee Nexus Analysis

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## I. INTRODUCTION AND METHODOLOGY

The City of Los Altos is conducting a comprehensive fee study, development impact fee study, and cost allocation plan. As part of this effort, Strategic Economics led analysis of the maximum justifiable commercial linkage fee that could be charged to new development projects. This memo documents the methodology, results, and maximum justifiable linkage fee.

A commercial linkage fee is a type of impact fee that charges new commercial development for its role in creating new demand for affordable housing. The maximum justifiable fee is based on the finding of a “rational nexus” between the new employment associated with commercial development, and the accompanying need for affordable housing for new worker households. There are two main parts to the analysis:

1. The nexus analysis establishes the linkage between new jobs and the needed affordable housing.
2. The production cost affordability gap (production cost) analysis quantifies the shortfall between what employee households can afford and the costs to build new housing.

The results of the nexus findings and the production cost analysis establish the maximum fees that can be charged on new commercial development projects.

### The Nexus Concept

Many commercial developments are associated with jobs that pay wages that are insufficient to afford local housing costs. A nexus study determines the justifiable commercial linkage fee that might be charged on development based on the need for affordable housing that new development projects create. To establish this relationship, a nexus analysis quantifies any increase in demand for affordable housing that accompanies new commercial development, and the additional funding required to address the uptick in demand. The increase in demand is a result of the net gain in employment directly attributable to the new commercial space that is built.

The magnitude of the nexus, and hence the maximum justifiable fee, depends on the number and types of jobs created and the prevailing cost of providing housing for the new worker households. The ability of the new workers to pay for housing costs is linked to their occupations (and hence salaries). Some of the new workers will have household incomes below the market prices for new homes and would qualify for income-restricted affordable housing. This study quantifies the demand for housing created at several household income levels and estimates the production cost affordability gap between what worker households can afford to pay (to rent or to buy) and the actual costs of building new housing.

## Methodology and Report Organization

To perform the nexus analysis, Strategic Economics used an established methodology described below to calculate the relationship between new commercial development and household incomes of employees, which then determines the employees' need for affordable housing. These steps provide the rationale for calculating the maximum justified commercial linkage fee that could be levied on future commercial development. An overview of the methodology and contents of this memo is provided below. There are ten steps to calculate the maximum nexus fees, which are covered in Section II, Section III, and Section IV of this memo. However, most jurisdictions do not implement the maximum fee levels. To determine the ultimate fee level, there are multiple policy considerations to consider, including market factors, the commercial linkage fees enacted in similar communities, and the cumulative burden of impact fees on new development. These policy issues are presented in Section V.

### STEPS 1-6: COMMERCIAL LINKAGE FEE NEXUS ANALYSIS (SEE SECTION II)

#### **Step 1. Define commercial “land use prototypes” that represent broad categories of new commercial development in Los Altos.**

The purpose of defining prototypes is to estimate future employment linked to various categories of commercial space. The land use prototypes are used to estimate the amount of employment associated with commercial development. At the direction of the City of Los Altos, three land use prototypes were selected for the nexus analysis, based on common categories of commercial real estate in the city: Office, Retail, and Hotel. These categories also represent future potential development land use types for the city.

Each land use prototype was assumed to be 100,000 square feet in floor area. This number was chosen not because it is necessarily typical of new commercial development, but rather as a means of simplifying the calculations in the steps below. The prototype size plays no role in impacting the conclusions of the analysis.

#### **Step 2. Estimate the number of workers that will work in the new commercial space.**

Strategic Economics estimated the employment density for each prototype based on national survey data on employment density for commercial land uses, along with other sources. The employment density was expressed as the number of square feet of building area per worker.<sup>1</sup> For example, a

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<sup>1</sup> The analysis takes into account the effects of physical distancing and remote work on employment density by estimating slightly higher assumptions of square feet per employee in office buildings than were typical before the COVID-19 pandemic and by incorporating recently published data, when available, on current employee densities by commercial use type.



building prototype of 100,000 square feet and employing 100 workers would have an employment density of  $100,000 / 100 = 1,000$  square feet per worker.

**Step 3. Estimate the number of new households represented by these new workers.**

Since there are multiple wage earners in a household, the number of new workers must be translated into a number of households. This adjustment was based on the average number of wage-earners per worker household for Santa Clara County (1.70), estimated from the U.S. Census Bureau American Community Survey 5-Year Estimates, 2018-2022.

**Step 4. Estimate wages of new workers.**

The first step in calculating employee wages is to identify industries that are typically associated with each prototype. Using industry data from the U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW), industries that are associated with each land use category were identified. The next step was to identify all the occupations that are associated with each industry based on data provided by the U.S. Bureau of Labor Statistics (BLS). The national BLS occupational matrix was then calibrated to match the county's employment mix by weighting the national employment distribution to reflect the distribution of employment by industry within Santa Clara County. Finally, the average wage by worker was calculated using data on average annual wages by occupation in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area from the Bureau of Labor Statistics.

**Step 5. Estimate household income of worker households.**

Worker wage estimates from the previous step were then converted to household incomes. This step assumed that the income of the second wage-earner is similar to the wage of the first wage-earner. According to the U.S. Census Bureau American Community Survey 5-Year Estimates, 2018-2022, there are 1.70 wage-earners per worker household in Santa Clara County. Individual worker wages were therefore multiplied by 1.70 to represent household incomes.

**Step 6. Calculate the number of households that would be eligible for affordable housing, divided into relevant income categories.**

The average household size in Santa Clara County is 3.0 persons, based on the US Census, American Community Survey 5-Year Estimates, 2018-2022. Thus, the income groups were defined for a household size of three persons and based on standard household income categories used in California. The income categories analyzed include very low-, low-, and moderate-income households.<sup>2</sup>

**STEPS 7-9: CALCULATION OF THE HOUSING AFFORDABILITY GAP (SEE SECTION III)**

The production cost affordability gap represents the difference between what households can afford to pay for housing and the development cost of new housing, as both for sale and rental. The production cost analysis identified the gap for one rental prototype (midrise multifamily) for very low-, low-, and moderate-income households, and two for-sale housing prototypes (multifamily condos and townhomes) for low-, and moderate-income households.

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<sup>2</sup> The occupation and wage analysis found no extremely low-income households. These households are defined as earning less than 30 percent of area median income.

**Step 7. Estimate affordable rents and housing prices for households in the targeted income groups.**

The affordable rent levels and for-sale housing prices were estimated for each of the worker household income categories described above. Households with incomes in the very low-income range were assumed to occupy rental housing. Households in the low- and moderate-income ranges were assumed to require a combination of rental and for-sale housing. The respective rents and sales prices that are affordable to these households were based on the income limits used by the California Department of Housing and Community Development for Santa Clara County.

**Step 8. Estimate the development cost of new housing.**

Strategic Economics estimated the typical development costs of new units in rental apartment, condo apartment, and townhome developments using construction cost information documented in Tax Credit Allocation Committee applications for projects in Santa Clara County and development cost assumptions collected for recent studies in other Bay Area cities.

**Step 9. Calculate the production cost affordability gap.**

The production cost affordability gap was calculated for each of the three income categories. Very low-income households were assumed to be renters, so the gap was the difference between the cost of developing new rental housing and what those households can afford to pay, based on the income limits at this affordability level. Since low-income and moderate-income households are expected to include a mix of renters and homeowners, the overall gap per household for these income categories was calculated as the average of the rental gap and the average ownership gap for townhomes and condominiums.

To estimate the total affordability gap for each commercial land use prototype, the total number of very low-, low-, and moderate-income new worker households for each prototype was multiplied by the corresponding affordable housing gap figure.

**STEP 10: CALCULATION OF MAXIMUM LINKAGE FEES (SEE SECTION IV)****Step 10. Calculate maximum justifiable commercial linkage fees for each prototype.**

For each category of land use, the maximum fee per square foot is the total affordability gap calculated in Step 9 divided by the floor area of the land use prototype (100,000 square feet for each).

**POLICY CONSIDERATIONS FOR ESTABLISHING A COMMERCIAL LINKAGE FEE (SECTION V)**

Section V of this report contains a brief presentation of policy considerations jurisdictions should scrutinize before enacting a commercial linkage fee. Typically, a commercial linkage fee is set at a level significantly below the maximum justifiable fee determined in the nexus study since new development may not be capable of supporting the fee while remaining financially feasible. Thus, considerations for setting appropriate fee levels include the impact of fees on the total development costs of typical commercial projects. Since Los Altos must compete against other communities for development activity, the City should also be cognizant of similar linkage fees charged in nearby or comparable cities as well as the amount the commercial linkage fee will increase overall existing municipal fees.

## II. COMMERCIAL LINKAGE FEE NEXUS ANALYSIS

This section describes each step of the nexus analysis in detail, including Steps 1 through 6 outlined in the previous section.

### Step 1: Commercial Prototypes

This study examined the jobs-housing linkage for three commercial land use prototypes, which are described below. These prototypes were selected because they are the most common categories of commercial real estate in Los Altos, based on a review of recently built, planned, and proposed projects.<sup>3</sup>

1. **Office:** Includes professional and business services offices, medical/dental office, and limited office-based research and development.
2. **Retail:** Includes retail stores, eating and drinking places (cafes, restaurants, bars, etc.), and personal and financial services such as salons, dry cleaners, and retail banks.
3. **Hotel:** Includes full-service hotels, limited-service hotels, motels, and other lodging.

The nexus analysis was calculated based on a 100,000 square foot building, but the actual development projects that are likely to occur in Los Altos will vary in size. Since the fee is calculated on a per-square-foot basis, the fee would be proportional to the size of the development project.

### Step 2: Number of Workers

For each building prototype, an average employment density was applied based on a combination of national survey data for existing commercial buildings, a review of other recently completed linkage fee nexus studies, consideration of recent trends in employment densities, and consideration of the likely mix of industries, activities, and jobs in commercial spaces in Los Altos. Figure 1 summarizes the available research on employment density by building type that formed the basis for establishing average employment density assumptions for the nexus model.

Figure 2 shows the worker density assumptions for each commercial land use prototype, measured by the average number of square feet per worker. A lower number of square feet per worker implies a higher worker density, which leads to a higher estimate of worker households. For each prototype, Strategic Economics selected an employee density number in the middle of the range; this is a more conservative approach to avoid overestimating the maximum linkage fee amount. The density factors represent the average density for the prototypes; individual projects and buildings may have a greater or lower worker density than the average.

The employee density factor was multiplied by the prototype's floor area (100,000 square feet) to calculate the total number of workers in each commercial prototype. The density assumption was then used to generate the total number of direct workers occupying the commercial space in each prototype.

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<sup>3</sup> Some commercial developments will lie outside the three major categories of land use analyzed in this study. Examples of such land uses include industrial projects, assisted living facilities, and child care centers. Jurisdictions may still charge a commercial linkage fee on these land uses provided that the applicant for the development supplies estimates of jobs and wages that accompany the new development.

- **Hotel:** The average employment density assumption for visitor accommodations is 1.0 workers per room (or 1,000 square feet per worker). This density represents a hotel development that is higher quality than average, but not considered “luxury” and with limited on-site services and amenities.
- **Office:** The average density assumption for office is 300 square feet per worker. This assumption accounts for declines in employee densities since the COVID-19 pandemic.
- **Retail:** Worker density varies widely for this category depending on the specific use (food service, grocery stores, dry goods retail, and services all have different average densities). Worker densities are typically higher for independent retailers and tenants in smaller-scale neighborhood centers and urban locations than in large-scale big box retail (around 600 square feet per worker). For this reason, Strategic Economics used a slightly higher density number of 400 square feet per worker.

**FIGURE 1. EXAMPLES OF EMPLOYMENT DENSITY DATA AND SOURCES**

Employment Density by Commercial Prototype	Source
<b>Hotel</b>	
0.7 to 0.96 workers per 1,000 square feet	Energystar Portfolio Manager, 2015
1.5 workers per full-service hotel room	Vallen and Vallen, "Chapter 1: The Traditional Hotel Industry," Check-In, Check-Out, 2012
<b>Office*</b>	
289 square feet per worker	"Regional Office Insights", CBRE, 2023
392 square feet per worker	"How will employee workspace needs change post-Coronavirus?", JLL, 2020
350 square feet per worker	"Jobs Housing Fit Report", City of San Francisco Planning, 2020
194 square feet per worker	"Space Matters", Cushman & Wakefield, 2017
<b>Retail:</b>	
350 square feet per worker	"Jobs Housing Fit Report", City of San Francisco Planning, 2020
605 square feet per worker	A.C. Nelson, "Reshaping Metropolitan America," 2013

Note:

\*Office densities shifted dramatically during the COVID-19 pandemic when many workers started working from home. Recent office data reflect a shift back to higher worker densities, however these figures are still in flux as companies individually determine their remote work policies and new real estate needs.

Source: Strategic Economics, 2024.

**FIGURE 2. EMPLOYMENT DENSITY BY PROTOTYPE**

Commercial Prototype	Square Feet Per Worker	Prototype Square Footage	Number of Workers in Prototype
Hotel	1,000	100,000	100
Office	300	100,000	333
Retail	400	100,000	250

Source: Strategic Economics, 2024.

### Step 3: Number of Worker Households

Based on the total number of workers directly employed in the prototypes, Strategic Economics estimated the total number of worker households. The number of worker households was calculated by dividing the number of workers by the average number of wage-earners per household in Santa Clara County. Based on data from the U.S. Census American Community Survey 5-Year Estimates, 2018-2022, there is an average of 1.70 workers per household in Santa Clara. The calculation of total new worker households is shown in Figure 3 below, ranging from 59 for hotel to 196 for office.

FIGURE 3. NUMBER OF WORKER HOUSEHOLDS BY PROTOTYPE

Commercial Prototype	Number of Workers in Prototype	Workers per Household	New Households Required
Hotel	100	1.7	59
Office	333	1.7	196
Retail	250	1.7	147

Source: American Community Survey, 2022; Strategic Economics, 2024.

### Step 4: Worker Wages

The first step in calculating employee wages is to establish a list of the industries associated with each prototype (as defined by the North American Industry Classification System, or “NAICS”). Using industry data from Quarterly Census of Employment and Wages (QCEW), industries were associated with each land use prototype. Figures 4 through 6 below list the industries associated with each prototype.

FIGURE 4. DEFINITION OF INDUSTRIES FOR OFFICE PROTOTYPE

NAICS Code	Description	Percent of Total Workers in Prototype
5415	Computer Systems Design and Rel Services	28.7%
5417	Scientific Research and Development Svc	8.6%
5613	Employment Services	7.9%
3345	Electronic Instrument Manufacturing	6.7%
5413	Architectural and Engineering Services	6.1%
5511	Management of Companies and Enterprises	4.7%
5310	Real Estate	4.2%
5416	Management & Technical Consulting Svc	3.8%
5220	Credit Intermediation and Related Activities	3.8%
5182	Data Processing and Related Services	3.8%
6211	Offices of Physicians	3.3%
5412	Accounting and Bookkeeping Services	3.2%
6212	Offices of Dentists	3.2%
5411	Legal Services	2.4%
6213	Offices of Other Health Practitioners	1.9%
5170	Telecommunications	1.4%
5312	Offices of Real Estate Agents & Brokers	1.2%
5239	Other Financial Investment Activities	1.1%
5230	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	1.0%
5611	Office Administrative Services	0.7%
5418	Advertising and Related Services	0.5%
5614	Business Support Services	0.4%
5241	Insurance Carriers	0.4%
5121	Motion Picture and Video Industries	0.4%
5414	Specialized Design Services	0.4%
5222	Nondepository Credit Intermediation	0.3%
5331	Lessors, Nonfinancial Intangible Assets	0.1%
5251	Insurance and Employee Benefit Funds	0.0%
5122	Sound Recording Industries	0.0%
Total		100.0%

Source: United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022; Strategic Economics, 2024.

**FIGURE 5. DEFINITION OF INDUSTRIES FOR RETAIL PROTOTYPE**

NAICS Code	Description	Percent of Workers in Prototype
7225	Restaurants and Other Eating Places	55.8%
4450	Food and Beverage Retailers	14.2%
7223	Special Food Services	7.7%
4441	Building Material and Supplies Dealers	4.9%
8121	Personal Care Services	4.8%
4411	Automobile Dealers	4.6%
4413	Auto Parts, Accessories, and Tire Stores	1.5%
8129	Other Personal Services	1.4%
7224	Drinking Places (Alcoholic Beverages)	1.3%
8123	Drycleaning and Laundry Services	0.9%
5321	Automotive Equipment Rental and Leasing	0.7%
4453	Beer, Wine, and Liquor Stores	0.6%
5322	Consumer Goods Rental	0.4%
8122	Death Care Services	0.4%
4442	Lawn & Garden Equipment/Supplies Stores	0.4%
4412	Other Motor Vehicle Dealers	0.4%
<b>Total</b>		<b>100.0%</b>

Source: United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022; Strategic Economics, 2024.

**FIGURE 6. DEFINITION OF INDUSTRIES FOR HOTEL PROTOTYPE**

NAICS Code	Description	Percent of Total Workers in Prototype
7211	Traveler Accommodation	100.0%
<b>Total</b>		<b>100.0%</b>

Source: United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022; Strategic Economics, 2024.

The next step was to identify all the occupations that are associated with each industry based on data provided by the U.S. Bureau of Labor Statistics (BLS). The best available data is at the national level; state level industry-occupation data exist but do not include all relevant industries. The national BLS occupational matrix is calibrated to match the county’s employment mix by weighting the national employment distribution to reflect the distribution of employment by industry within Santa Clara County. Finally, the average wage by worker was calculated using data on average annual wages by occupation in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (the smallest geographic level at which wage data are available) from the Bureau of Labor Statistics.

Figure 7 below summarizes the results of these calculations, computing the average weighted wages<sup>4</sup> for each prototype. As shown, office employees have the highest average wage of the three prototypes,

<sup>4</sup> The weighted average wage accounts for the proportion of jobs in each occupational category.

reflecting a greater mix of higher salary occupations in that use. The lowest average annual wages are in the retail category. Due to the level of detail associated with the data on occupational wages, the full occupation mix in each land use prototype is shown in Appendix A at the end of the memo.

**FIGURE 7. AVERAGE ANNUAL WAGE BY PROTOTYPE**

Commercial Prototype	Weighted Average Annual Wage*
Hotel	\$54,581
Office	\$128,940
Retail	\$48,782

Note: \*Average wages are weighted to account for the proportion of jobs in each occupational wage category.  
 Source: United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2022; United States Bureau of Labor Statistics, Occupational Employment and Wage Estimates, 2022; Strategic Economics, 2024.

## Step 5: Household Incomes

Based on the employee wage calculations discussed above, household incomes were estimated for each land use prototype. As a standard assumption for nexus studies, the average worker wage was multiplied by the number of wage-earners per household to calculate annual household income. According to the U.S. Census Bureau American Community Survey 5-Year Estimates, 2018-2022, the average number of wage-earners per household in Santa Clara County is 1.7. The average annual wage per employee within each occupation was multiplied by 1.7 to determine annual average household income.

## Step 6: Household Income Categories

Employee households were then categorized as very low-, low-, moderate-, or above moderate-income based on standard income definitions based on their percentage of the Area Median Income (AMI).

According to the U.S. Census Bureau American Community Survey 5-Year Estimates, 2018-2022, the average household size in Santa Clara County is 2.9. To reference the available income tables, this was rounded to 3, the nearest whole number. The income categories for very low-, low-, and moderate-income households were therefore based on the household size of three persons, using the income thresholds shown in Figure 8. Note that this analysis uses 2024 income thresholds to match up with the production cost calculations which were also based on 2024 income figures.

**FIGURE 8. AMI LEVELS FOR 3-PERSON HOUSEHOLDS IN SANTA CLARA COUNTY, 2024**

Income Category	Annual Income Limit
Extremely Low (30% AMI)	\$48,150
Very Low (50% AMI)	\$80,300
Low (80% AMI)	\$123,400
Moderate (120% AMI)	\$195,800

Source: California Department of Housing and Community Development, 2024; Strategic Economics, 2024.

Using the income categories described above, the new worker households were sorted into income groups. As shown in Figure 9 below, the distribution of workers within each income group varies markedly between the prototypes. The majority of employment in the retail land use is in the very low-income group, while the majority of hotel workers are split between the very low- and the low-income



groups. Employment in the office land use tends to be distributed more in the higher-income groups, with the majority falling into the above moderate-income group. According to the results of this analysis, the primary affordable housing need associated with these prototypes is at the very low-income, low-income, and moderate-income levels. While the results of this analysis did not identify demand from extremely low-income worker households associated with new commercial development, it is understood that there are worker households in Santa Clara County that require extremely low-income housing.

**FIGURE 9. NUMBER OF WORKER HOUSEHOLDS BY INCOME CATEGORY**

Commercial Prototype	Number of Households (a) (b)	Percentage of Households
<b>Hotel</b>		
Extremely Low (30% AMI)	0	0%
Very Low (50% AMI)	27	47%
Low (80% AMI)	21	38%
Moderate (120% AMI)	6	10%
Above Moderate (c)	3	5%
<b>Households Requiring Affordable Housing</b>	<b>54</b>	<b>95%</b>
<b>Total Households</b>	<b>56</b>	<b>100%</b>
<b>Office</b>		
Extremely Low (30% AMI)	0	0%
Very Low (50% AMI)	7	4%
Low (80% AMI)	33	17%
Moderate (120% AMI)	32	16%
Above Moderate (c)	121	63%
<b>Households Requiring Affordable Housing</b>	<b>72</b>	<b>37%</b>
<b>Total Households</b>	<b>193</b>	<b>100%</b>
<b>Retail</b>		
Extremely Low (30% AMI)	0	0%
Very Low (50% AMI)	114	77%
Low (80% AMI)	24	16%
Moderate (120% AMI)	5	3%
Above Moderate (c)	4	3%
<b>Households Requiring Affordable Housing</b>	<b>143</b>	<b>97%</b>
<b>Total Households</b>	<b>147</b>	<b>100%</b>

Note:

- (a) The methodology used to estimate worker household incomes relies on identifying the weighted averages of a large number of occupations present in each land use prototype. According to the results of this analysis, the primary affordable housing need associated with these prototypes is at the very low-income, low-income, and moderate-income levels. While this methodology does not estimate demand from extremely low-income worker households associated with new commercial development, it is understood that there are worker households in Santa Clara County that require extremely low-income housing.
- (b) The number of households identified in this analysis reflects those for which wage data is available through the Occupational Employment and Wage Statistics dataset for the metropolitan region, accessed through the Bureau of Labor Statistics.
- (c) Worker households earning above 120% AMI are expected to be able to afford market-rate rental or ownership housing, and therefore they are not incorporated in the affordability gap calculation.

Source: Strategic Economics, 2024.

### III. PRODUCTION COST AFFORDABILITY GAP

This section summarizes the approach to calculating the production cost affordability gap and the results of the analysis (steps 7, 8 and 9).

#### Methodology

The method used to calculate the difference between what very low-, low-, and moderate-income households can afford to pay for housing and the development cost of building new housing units is the production cost affordability gap. From the nexus methodology section at the beginning of this report, calculating the housing affordability gap involves the following steps 7 through 9:

7. Estimating affordable rents and housing prices for households in the targeted income groups.
8. Estimating development costs of building new housing units, based on current cost and market data.
9. Calculating the difference between what renters and owners can afford to pay for housing and the cost of development of rental and ownership units to arrive at the “affordability gap” based on the production cost of new housing.

#### Step 7: Estimating Affordable Rents and Sales Prices

The first step in calculating the production cost affordability gap is to determine the amount that households at the targeted income levels can afford to pay for housing. As introduced in Step 6, for eligibility purposes, most affordable housing programs define very low-income households as those earning 31 to 50 percent of area median income (AMI), low-income households as those earning between 51 and 80 percent of AMI, and moderate-income households as those earning between 81 and 120 percent of AMI.<sup>5</sup>

Households with incomes in the very low range were assumed to live in rental housing. Households in the low and moderate ranges were assumed to live in a mix of rental and ownership housing. While the nexus analysis identified some new worker households that would fall above the moderate-income range (above 120 percent of AMI), Strategic Economics did not calculate an affordability gap for this group because it is expected they would find housing at market rates.

Figure 10 shows the maximum monthly rents and supportable debt for rental housing based on the annual income limits for each income categorization determined by the California Department of Housing and Community Development. Renters were assumed to pay a maximum of 30 percent of their gross monthly income on total housing costs for the housing to be considered “affordable.” The maximum rent was then identified after deducting utility costs from monthly income. It was assumed that one-to-three person households occupy these units, which range from studios to two-bedroom apartments. In order to calculate the production cost gap, the affordable rents were converted to supportable debt. The supportable debt represents the one-time value of the rental revenue stream,

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<sup>5</sup> Very low-income households were assumed to be at 50% AMI; Low-income households were assumed to be at 80% AMI. Moderate-income households were assumed to be at 120% AMI.

incorporating assumptions about operating expenses, reserves, vacancy and collection loss, and mortgage terms.

**FIGURE 10. AFFORDABLE RENTS AND SUPPORTABLE DEBT BY UNIT TYPE**

	Studio	1-BR	2-BR	Weighted Average
<b>Maximum Affordable Rents</b>				
Very Low Income (50%)	\$1,429	\$1,635	\$1,810	<b>\$1,623</b>
Low-Income (80%)	\$2,268	\$2,593	\$2,887	<b>\$2,579</b>
Moderate-Income (120%)	\$3,676	\$4,201	\$4,697	<b>\$4,186</b>
<b>Supportable Debt</b>				
Very Low Income (50%)	\$88,661	\$115,466	\$138,201	<b>\$113,855</b>
Low-Income (80%)	\$197,935	\$240,211	\$278,579	<b>\$238,499</b>
Moderate-Income (120%)	\$381,306	\$449,802	\$514,389	<b>\$447,827</b>

Source: California Department of Housing and Community Development, 2024; Strategic Economics, 2024.  
 Note: The weighted average assumes a unit mix of 34% studios, 33% 1-bedrooms, and 33% 2-bedrooms.

Figure 11 shows the maximum sales prices for homeowners based on the annual income limits for each income categorization determined by the California Department of Housing and Community Development. Homeowners were assumed to pay a maximum of 30 percent of gross monthly income on total housing costs. The maximum affordable price for for-sale housing was then calculated based on the total monthly mortgage payment that a homeowner could afford, using typical mortgage loan assumptions for income-restricted ownership housing, as well as other housing cost assumptions such as homeowner’s association (HOA) fees. It was assumed that one to four person households occupy these units. Due to varying HOA costs, the maximum sales price varies slightly between the two ownership prototypes, townhomes and condo units.

**FIGURE 11. AFFORDABLE SALES PRICES BY PROTOTYPE AND UNIT TYPE**

	Townhome			Condo			
	2-BR	3-BR	Weighted Average	Studio	1-BR	2-BR	Weighted Average
Low-Income (80%)	\$256,439	\$283,349	\$269,894	\$226,883	\$252,961	\$262,235	\$257,598
Moderate-Income (120%)	\$513,549	\$572,395	\$542,972	\$393,386	\$443,272	\$476,354	\$459,813

Source: Strategic Economics, 2024.

Note: The weighted average for both the condo and townhome ownership prototypes assumes an even split between unit types.

## Step 8: Estimating Housing Development Costs

The next step in calculating the housing affordability gap is to estimate the cost of developing new housing units to address the housing need. Strategic Economics estimated development costs for three prototypes: for-sale townhomes and condos, and a rental apartment development. Development costs were estimated using construction costs from California Tax Credit Allocation Committee (CTCAC) applications from the past three years in neighboring jurisdictions in Santa Clara County (see Figure 12).

FIGURE 12. CTCAC PROJECT APPLICATION DEVELOPMENT COSTS

Application Number	Cost per Unit	Units	Total Residential Sq Ft	Average Unit Sq Ft	Cost per Sq Ft
21-056	\$752,547	47	30,404	647	\$1,163
21-453	\$861,731	89	71,345	802	\$1,075
23-550	\$943,032	174	122,590	705	\$1,339
23-430	\$742,843	198	139,670	705	\$1,053
22-462	\$467,298	150	74,828	499	\$937
21-629	\$996,527	58	53,386	920	\$1,083
<b>Average</b>	<b>\$793,996</b>	<b>119</b>	<b>82,037</b>	<b>713</b>	<b>\$1,108</b>

Source: California Tax Credit Allocation Committee, 2024; Strategic Economics, 2024.

These estimates were also informed by development cost assumptions used in recent pro forma analyses in nearby cities. The estimates were adjusted to reflect the different costs of developing each prototype represented in this study, as townhomes tend to have significantly lower construction costs per square foot of residential area compared to higher density housing types. The estimated development costs for each of the tested prototypes are shown below in Figure 13.

FIGURE 13. DEVELOPMENT COST ASSUMPTIONS BY PROTOTYPE AND UNIT TYPE

Unit Type	Cost per Unit	Cost per Square Foot
Multifamily Rental		
Studio	\$380,000	\$950
1-BR	\$570,000	\$950
2-BR	\$950,000	\$950
Townhome		
2-BR	\$650,000	\$650
3-BR	\$715,000	\$650
Condo		
Studio	\$380,000	\$950
1-BR	\$570,000	\$950
2-BR	\$950,000	\$950

Source: Strategic Economics, 2024.

## Step 9: Calculating the Housing Affordability Gap

The final step is to calculate the production cost affordability gap, or the difference between what renters and owners can afford to pay and the total cost of developing new units. The purpose of this calculation is to help determine the fee amount that would be necessary to cover the cost of developing housing for very low-, low-, and moderate-income households. The calculation does not assume the availability of any other source of housing subsidy because not all housing is built with public subsidies, and tax credits and tax-exempt bond financing are highly competitive programs that will not always be available to developers of modest housing units.

Figures 14 and 15 show the production cost affordability gap calculation for the rental prototype and the two ownership prototypes respectively.

- For the rental prototype, the gap was defined as the difference between the per-unit cost of development and the supportable debt per unit. The supportable debt was calculated based on the net operating income generated by an affordable monthly rent, incorporating assumptions about operating expenses (including property taxes, insurance, etc.), reserves, vacancy and collection loss, and mortgage terms.
- For the ownership housing prototypes, the gap was calculated as the difference between the per-unit cost of development and the affordable sales price for each income level. The methodology to calculate the maximum affordable sales price was informed by the requirements of the Alta Housing Below Market Rate Purchase program, which administers the sale of affordable homes for the City of Los Altos. To calculate the maximum affordable sales price, Strategic Economics assumed the mortgage to be 30-year fixed rate, with an interest rate of 6.7 percent, which is a typical rate at the time of research (February 2024). The owner was assumed to make a three percent down payment, as required by the purchase program. Other monthly housing costs include homeowners’ association dues, property taxes, homeowners’ insurance, interior property insurance, and premiums for private mortgage insurance.

Note that for each prototype, the gaps shown for each income level are the weighted average of the specific gaps for each unit type in the prototype.

**FIGURE 14. AFFORDABILITY GAP CALCULATION FOR RENTAL HOUSING BY INCOME GROUP**

	Supportable Debt	Development Costs	Affordability Gap
Very Low Income (50%)	\$113,855	\$630,800	\$516,945
Low-Income (80%)	\$238,499	\$630,800	\$392,301
Moderate-Income (120%)	\$447,827	\$630,800	\$182,973

Source: Strategic Economics, 2024.

**FIGURE 15. AFFORDABILITY GAP CALCULATION FOR OWNERSHIP HOUSING BY INCOME GROUP**

	Affordable Sales Price	Development Cost	Affordability Gap
<b>Townhome</b>			
Low-Income (80%)	\$269,894	\$682,500	\$412,606
Moderate-Income (120%)	\$542,972	\$682,500	\$139,528
<b>Condo</b>			
Low-Income (80%)	\$257,598	\$760,000	\$502,402
Moderate-Income (120%)	\$459,813	\$760,000	\$300,187

Source: Strategic Economics, 2024.

The average affordability gap for each income group was then calculated by averaging the rental gap and the average ownership gap for townhomes and condominiums, shown in Figure 16. Since it was assumed that all households in the very low-income group are renters, the average affordability gap for that income category is simply the rental gap.

FIGURE 16. AVERAGE AFFORDABILITY GAP FOR VERY LOW-, LOW-, AND MODERATE-INCOME HOUSEHOLDS

Income Level	Rental Gap	Ownership Gap - Townhome	Ownership Gap - Condo	Average Gap
Very Low Income (50%)	\$516,945	N/A	N/A	<b>\$516,945</b>
Low-Income (80%)	\$392,301	\$412,606	\$502,402	<b>\$424,903</b>
Moderate-Income (120%)	\$182,973	\$139,528	\$300,187	<b>\$201,415</b>

Note: The "average gap" for the low-income and moderate-income categories is the average of the rental gap and an average of the ownership gaps, such that the resulting average gap is a 50/50 blend of the rental and ownership gaps.

Source: Strategic Economics, 2024.

## IV. MAXIMUM LINKAGE FEES

This section builds on the findings of the previous analytical steps to calculate the maximum justified linkage fees for each commercial prototype.

### Step 10: Maximum Fee Calculation

To derive the maximum nexus-based fee for each land use prototype, the housing affordability gap amounts (see previous section) were applied to the number of worker households in each respective income category (Figure 9). The number of very low-, low-, and moderate-income households associated with each land use prototype was used to calculate the total affordability gap (Figure 17). The above moderate-income households were included in the number of worker households shown in Figure 17, but there is no affordability gap for this group and the group does not contribute to the total affordability gap. Finally, the total gap for each land use prototype was divided by 100,000 square feet to calculate a maximum fee per square foot of commercial building area.

As shown in Figure 17, the maximum fee results (rounded to the nearest dollar) are \$250 per square foot for hotel, \$245 per square foot for office, and \$702 per square foot for retail.

The calculated linkage fees are driven by the high cost of housing development, leading to large affordability gaps particularly for very low- and low-income households. The maximum fee calculation is highest for retail because of the relatively low worker wage levels in the industries associate with that development type, combined with a moderate employee density. Hotel uses also employ a large share of lower wage workers, but have a much lower employee density, resulting in a much lower maximum fee. Finally, office uses have a lower number of lower wage workers, but have the highest employment density, resulting in a maximum fee that is lower than retail/restaurants/services but higher than hotel.

**The maximum fees shown in Figure 16 are not the recommended fees for adoption.** They are the preliminary nexus-justified fees that represent the maximum that Los Altos could charge to mitigate affordable housing demand related to commercial development.

FIGURE 17. MAXIMUM COMMERCIAL LINKAGE FEE

Commercial Prototype	Number of Worker Households*	Average Gap (per Household)	Total Affordability Gap	Prototype Square Feet	Max Fee per Sq Ft
Hotel	56	\$443,454	\$24,999,217	100,000	\$250
Office	193	\$126,571	\$24,489,446	100,000	\$245
Retail	147	\$478,963	\$70,195,031	100,000	\$702

Note: The number of worker households includes above moderate-income households. However, these households are assumed to have an affordability gap of zero and, therefore, do not affect the calculations of the total affordability gap and the maximum fee.

Source: Strategic Economics, 2024.

## V. COMMERCIAL LINKAGE FEES IN PEER CITIES AND OTHER POLICY CONSIDERATIONS

The previous section presented the maximum commercial linkage fees for each land use based on the nexus study. These fees are the maximum justifiable fee that Los Altos can charge to mitigate the affordable housing need created by new commercial development. However, for most jurisdictions, other factors are considered when enacting the commercial linkage fees, and, as a result, the fees are almost always set at a level significantly below the maximum amount that is justified by the nexus study.

One consideration is the impact of the fee on the financial feasibility of future development projects. This can be tested using a pro forma model to understand the financial impacts of the fee on different types of development commonly built in the city. Oftentimes this model examines the cumulative burden of impact fees on the financial feasibility of new development, as many cities impose multiple types of fees that can become a significant portion of project costs when considered together.

Another consideration in determining the appropriate fee level is the fee level set by peer cities. This is important because impact fees can play a role in determining where a developer decides to build. Thus, a higher commercial linkage fee or cumulative impact fee burden can deter developers from pursuing projects in a municipality. Figure 18 shows the maximum justifiable and adopted fee levels in other cities in Santa Clara County, with comparison to Los Altos.

Given that the purpose of the fee is to generate revenue for future affordable housing development, it is important to establish the fee at a level that will enable new commercial development to proceed in Los Altos.

**FIGURE 18. PEER CITIES’ MAXIMUM JUSTIFIABLE AND ADOPTED FEE LEVELS**

City	Year Nexus Study Completed	Maximum Fee Per Square Foot			Current Adopted Fee per Square Foot		
		Hotel	Retail	Office	Hotel	Retail	Office
San Jose	2020	\$61.60	\$176.70	\$137.70	\$5.00	\$0.00	\$3.00
Milpitas	2020	\$61.60	\$176.70	\$137.70	\$8.00	\$4.00	\$8.00
Sunnyvale	2014	\$76.22	\$295.23	\$113.99	\$6.00	\$6.00	\$12.00
Santa Clara	2017	\$128.70	\$268.00	\$142.70	\$5.56	\$5.56	\$22.22
Mountain View (a)	Unknown	Unknown	Unknown	Unknown	\$2.00 to \$3.50	\$2.00 to \$3.50	\$16.00 to \$33.00
Palo Alto	2015	\$177.00	\$295.00	\$264.00	\$26.00	\$26.00	\$77.00
Menlo Park	2016	\$154.00	\$265.00	\$255.00	\$11.75	\$11.75	\$21.65
Los Altos (b)	2024	\$250	\$702	\$245	TBD	TBD	TBD

Notes:

- (a) The applicable fee in Mountain View varies depending on project size.
- (b) Maximum justifiable fee levels are relatively high in Los Altos for three primary reasons: 1) housing construction costs significantly increased in recent years, resulting in a larger gap between below market rate rents/prices (and associated supportable debt) versus the cost of building new housing units, 2) increased mortgage rates reduced the amount a lower income household can pay for new below market rate housing, further widening the gap, and 3) the Los Altos analysis accounts for the entirety of the production cost affordability gap that must be filled from all sources of subsidy, while some studies instead use a methodology focused solely on the portion of the gap typically funded by local sources.

Source: Strategic Economics, 2024.



## APPENDIX: DISTRIBUTION OF JOBS AND WAGES BY OCCUPATION CATEGORY FOR EACH LAND USE, AS INCORPORATED IN THE NEXUS ANALYSIS

FIGURE 19. DISTRIBUTION OF JOBS AND WAGES BY OCCUPATION CATEGORY, HOTEL

Code	Occupation Category	Percent of Employment	Average Occupation Wage
11	Management Occupations	6%	\$158,358
13	Business and Financial Operations Occupations	2%	\$112,327
15	Computer and Mathematical Occupations	0%	\$145,069
17	Architecture and Engineering Occupations	0%	\$136,102
19	Life, Physical, and Social Science Occupations	0%	\$112,136
21	Community and Social Service Occupations	0%	\$61,237
23	Legal Occupations	0%	\$166,712
25	Educational Instruction and Library Occupations	0%	\$63,227
27	Arts, Design, Entertainment, Sports, and Media Occupations	0%	\$70,662
29	Healthcare Practitioners and Technical Occupations	0%	\$79,787
31	Healthcare Support Occupations	0%	\$65,744
33	Protective Service Occupations	3%	\$59,825
35	Food Preparation and Serving Related Occupations	22%	\$45,974
37	Building and Grounds Cleaning and Maintenance Occupations	27%	\$54,797
39	Personal Care and Service Occupations	7%	\$28,541
41	Sales and Related Occupations	3%	\$68,108
43	Office and Administrative Support Occupations	19%	\$51,974
45	Farming, Fishing, and Forestry Occupations	0%	\$49,886
47	Construction and Extraction Occupations	0%	\$76,193
49	Installation, Maintenance, and Repair Occupations	6%	\$62,297
51	Production Occupations	3%	\$47,903
53	Transportation and Material Moving Occupations	1%	\$40,217
	<b>All Occupations</b>	<b>100%</b>	<b>\$79,867</b>

Source: Strategic Economics, 2024.

FIGURE 20. DISTRIBUTION OF JOBS AND WAGES BY OCCUPATION CATEGORY, OFFICE

Code	Occupation Category	Percent of Employment	Average Occupation Wage
11	Management Occupations	15%	\$148,401
13	Business and Financial Operations Occupations	14%	\$100,620
15	Computer and Mathematical Occupations	32%	\$131,435
17	Architecture and Engineering Occupations	5%	\$96,357
19	Life, Physical, and Social Science Occupations	2%	\$72,577
21	Community and Social Service Occupations	0%	\$80,279
23	Legal Occupations	2%	\$124,201
25	Educational Instruction and Library Occupations	0%	\$51,322
27	Arts, Design, Entertainment, Sports, and Media Occupations	1%	\$66,324
29	Healthcare Practitioners and Technical Occupations	4%	\$91,649
31	Healthcare Support Occupations	0%	\$46,450
33	Protective Service Occupations	0%	\$72,657
35	Food Preparation and Serving Related Occupations	0%	\$45,974
37	Building and Grounds Cleaning and Maintenance Occupations	1%	\$56,353
39	Personal Care and Service Occupations	0%	\$33,218
41	Sales and Related Occupations	5%	\$75,678
43	Office and Administrative Support Occupations	16%	\$54,932
45	Farming, Fishing, and Forestry Occupations	0%	\$21,486
47	Construction and Extraction Occupations	1%	\$45,952
49	Installation, Maintenance, and Repair Occupations	2%	\$59,715
51	Production Occupations	1%	\$34,046
53	Transportation and Material Moving Occupations	0%	\$41,008
	<b>All Occupations</b>	<b>100%</b>	<b>\$70,483</b>

Source: Strategic Economics, 2024.

FIGURE 21. DISTRIBUTION OF JOBS AND WAGES BY OCCUPATION CATEGORY, RETAIL

Code	Occupation Category	Percent of Employment	Average Occupation Wage
11	Management Occupations	4%	\$144,520
13	Business and Financial Operations Occupations	1%	\$102,732
15	Computer and Mathematical Occupations	0%	\$144,160
17	Architecture and Engineering Occupations	0%	\$108,607
19	Life, Physical, and Social Science Occupations	0%	\$62,504
21	Community and Social Service Occupations	0%	\$77,156
23	Legal Occupations	0%	\$136,102
25	Educational Instruction and Library Occupations	0%	\$63,227
27	Arts, Design, Entertainment, Sports, and Media Occupations	0%	\$74,707
29	Healthcare Practitioners and Technical Occupations	1%	\$105,678
31	Healthcare Support Occupations	0%	\$53,093
33	Protective Service Occupations	0%	\$67,717
35	Food Preparation and Serving Related Occupations	62%	\$43,269
37	Building and Grounds Cleaning and Maintenance Occupations	1%	\$54,795
39	Personal Care and Service Occupations	3%	\$33,922
41	Sales and Related Occupations	16%	\$76,112
43	Office and Administrative Support Occupations	4%	\$50,727
45	Farming, Fishing, and Forestry Occupations	0%	\$18,707
47	Construction and Extraction Occupations	0%	\$60,200
49	Installation, Maintenance, and Repair Occupations	1%	\$52,851
51	Production Occupations	2%	\$40,815
53	Transportation and Material Moving Occupations	6%	\$46,919
	<b>All Occupations</b>	<b>100%</b>	<b>\$73,569</b>

Source: Strategic Economics, 2024.

DEVELOPMENT IMPACT FEE SCHEDULE	
CATEGORY	FULL COST
<b>PARK &amp; RECREATION IMPACT FEE</b>	
SINGLE-FAMILY	\$12.12/SQFT
MULTI-FAMILY	\$44.15/SQFT
<b>PUBLIC ART DEVELOPMENT FEE</b>	
ALL DEVELOPMENT	1% OF CONSTRUCTION COST
<b>PUBLIC SAFETY IMPACT FEE</b>	
SINGLE-FAMILY	\$0.09/SQFT
MULTI-FAMILY	\$0.34/SQFT
COMMERCIAL/RETAIL	\$1.22/SQFT
OFFICE	\$1.62/SQFT
<b>GENERAL GOVERNMENT IMPACT FEE</b>	
SINGLE-FAMILY	\$0.13/SQFT
MULTI-FAMILY	\$0.48/SQFT
COMMERCIAL/RETAIL	\$2.14/SQFT
OFFICE	\$2.86/SQFT
<b>TRANSPORTATION IMPACT FEE</b>	
SINGLE-FAMILY	\$1.55/SQFT
MULTI-FAMILY	\$6.29/SQFT
COMMERCIAL/RETAIL	\$10.71/SQFT
OFFICE	\$9.45/SQFT
<b>COMMERCIAL LINKAGE FEE</b>	
COMMERCIAL/RETAIL	\$35.10/SQFT
OFFICE	\$12.25/SQFT

<b>SCENARIO:</b> 25 Unit, Multi-Family Housing Development, with no Commercial Square Footage.		
<b>PROJECT VALUATION:</b> \$19,667,500.00		
		<b>TOTAL</b>
<b>SQUARE FOOTAGE: (HABITABLE SQUARE FOOTAGE ONLY)</b>		38979

<b>PARK &amp; RECREATION IMPACT FEE</b>	44.15	\$1,720,922.85
<b>PUBLIC ART DEVELOPMENT FEE</b>	1%	\$196,675.00
<b>PUBLIC SAFETY IMPACT FEE</b>	0.34	\$13,252.86
<b>GENERAL GOVERNMENT IMPACT FEE</b>	0.48	\$18,709.92
<b>TRANSPORTATION IMPACT FEE</b>	6.29	\$245,177.91

<b>TOTAL (DIF)</b>	<b>\$2,194,738.54</b>
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<b>SCENARIO:</b> 50 Unit, Multi-Family Housing Development, with no Commercial Square Footage.		
<b>PROJECT VALUATION:</b> \$46,502,727.00		
		<b>TOTAL</b>
<b>SQUARE FOOTAGE: (HABITABLE SQUARE FOOTAGE ONLY)</b>		79011

<b>PARK &amp; RECREATION IMPACT FEE</b>	44.15	\$3,488,335.65
<b>PUBLIC ART DEVELOPMENT FEE</b>	1%	\$200,000.00
<b>PUBLIC SAFETY IMPACT FEE</b>	0.34	\$26,863.74
<b>GENERAL GOVERNMENT IMPACT FEE</b>	0.48	\$37,925.28
<b>TRANSPORTATION IMPACT FEE</b>	6.29	\$496,979.19

<b>TOTAL (DIF)</b>	<b>\$4,250,103.86</b>
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DEVELOPMENT IMPACT FEE SCHEDULE	
CATEGORY	FULL COST
<b>PARK &amp; RECREATION IMPACT FEE</b>	
SINGLE-FAMILY	\$12.12/SQFT
MULTI-FAMILY	\$44.15/SQFT
<b>PUBLIC ART DEVELOPMENT FEE</b>	
ALL DEVELOPMENT	1% OF CONSTRUCTION COST
<b>PUBLIC SAFETY IMPACT FEE</b>	
SINGLE-FAMILY	\$0.09/SQFT
MULTI-FAMILY	\$0.34/SQFT
COMMERCIAL/RETAIL	\$1.22/SQFT
OFFICE	\$1.62/SQFT
<b>GENERAL GOVERNMENT IMPACT FEE</b>	
SINGLE-FAMILY	\$0.13/SQFT
MULTI-FAMILY	\$0.48/SQFT
COMMERCIAL/RETAIL	\$2.14/SQFT
OFFICE	\$2.86/SQFT
<b>TRANSPORTATION IMPACT FEE</b>	
SINGLE-FAMILY	\$1.55/SQFT
MULTI-FAMILY	\$6.29/SQFT
COMMERCIAL/RETAIL	\$10.71/SQFT
OFFICE	\$9.45/SQFT
<b>COMMERCIAL LINKAGE FEE</b>	
COMMERCIAL/RETAIL	\$35.10/SQFT
OFFICE	\$12.25/SQFT

<b>SCENARIO: 13 Unit, Multi-Family Housing Development, with Commercial Square Footage.</b>		
<b>PROJECT VALUATION: \$11,113,206.00</b>		
		<b>TOTAL</b>
<b>SQUARE FOOTAGE: (HABITABLE SQUARE FOOTAGE ONLY)</b>		19227
<b>SQUARE FOOTAGE: (COMMERCIAL SQUARE FOOTAGE ONLY)</b>		2754
<b>RESIDENTIAL</b>		
<b>PARK &amp; RECREATION IMPACT FEE</b>	44.15	\$848,872.05
<b>PUBLIC ART DEVELOPMENT FEE</b>	1%	\$111,132.06
<b>PUBLIC SAFETY IMPACT FEE</b>	0.34	\$6,537.18
<b>GENERAL GOVERNMENT IMPACT FEE</b>	0.48	\$9,228.96
<b>TRANSPORTATION IMPACT FEE</b>	6.29	\$120,937.83
<b>COMMERCIAL</b>		
<b>PUBLIC SAFETY IMPACT FEE</b>	1.22	\$3,359.88
<b>GENERAL GOVERNMENT IMPACT FEE</b>	2.14	\$5,893.56
<b>TRANSPORTATION IMPACT FEE</b>	10.71	\$29,495.34
<b>COMMERCIAL LINKAGE FEE</b>	35.10	\$96,665.40

<b>TOTAL (DIF)</b>	<b>\$1,232,122.26</b>
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<b>SCENARIO: 90 Unit, Multi-Family Housing Development, with no Commercial Square Footage.</b>		
<b>PROJECT VALUATION: \$53,172,986.00</b>		
		<b>TOTAL</b>
<b>SQUARE FOOTAGE: (HABITABLE SQUARE FOOTAGE ONLY)</b>		90151
<b>PARK &amp; RECREATION IMPACT FEE</b>	44.15	\$3,980,166.65
<b>PUBLIC ART DEVELOPMENT FEE</b>	1%	\$200,000.00
<b>PUBLIC SAFETY IMPACT FEE</b>	0.34	\$30,651.34
<b>GENERAL GOVERNMENT IMPACT FEE</b>	0.48	\$43,272.48
<b>TRANSPORTATION IMPACT FEE</b>	6.29	\$567,049.79

<b>TOTAL (DIF)</b>	<b>\$4,821,140.26</b>
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DEVELOPMENT IMPACT FEE SCHEDULE	
CATEGORY	FULL COST
<b>PARK &amp; RECREATION IMPACT FEE</b>	
SINGLE-FAMILY	\$12.12/SQFT
MULTI-FAMILY	\$44.15/SQFT
<b>PUBLIC ART DEVELOPMENT FEE</b>	
ALL DEVELOPMENT	1% OF CONSTRUCTION COST
<b>PUBLIC SAFETY IMPACT FEE</b>	
SINGLE-FAMILY	\$0.09/SQFT
MULTI-FAMILY	\$0.34/SQFT
COMMERCIAL/RETAIL	\$1.22/SQFT
OFFICE	\$1.62/SQFT
<b>GENERAL GOVERNMENT IMPACT FEE</b>	
SINGLE-FAMILY	\$0.13/SQFT
MULTI-FAMILY	\$0.48/SQFT
COMMERCIAL/RETAIL	\$2.14/SQFT
OFFICE	\$2.86/SQFT
<b>TRANSPORTATION IMPACT FEE</b>	
SINGLE-FAMILY	\$1.55/SQFT
MULTI-FAMILY	\$6.29/SQFT
COMMERCIAL/RETAIL	\$10.71/SQFT
OFFICE	\$9.45/SQFT
<b>COMMERCIAL LINKAGE FEE</b>	
COMMERCIAL/RETAIL	\$35.10/SQFT
OFFICE	\$12.25/SQFT

<b>SCENARIO:</b> Single Family Development, VACANT LOT		
<b>PROJECT VALUATION:</b> \$4,025,480.00		
		<b>TOTAL</b>
<b>SQUARE FOOTAGE: (HABITABLE SQUARE FOOTAGE ONLY)</b>		5128

<b>PARK &amp; RECREATION IMPACT FEE</b>	12.12	\$62,151.36
<b>PUBLIC SAFETY IMPACT FEE</b>	0.09	\$461.52
<b>GENERAL GOVERNMENT IMPACT FEE</b>	0.13	\$666.64
<b>TRANSPORTATION IMPACT FEE</b>	1.55	\$7,948.40

<b>TOTAL (DIF)</b>	<b>\$71,227.92</b>
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<b>SCENARIO:</b> Single Family Development, DEVELOPED LOT, Scrap and Build Construction		
<b>PROJECT VALUATION:</b> \$4,025,480.00		
<b>EXISTING SQUARE FOOTAGE (2,012)</b>		<b>TOTAL</b>
<b>NEW SQUARE FOOTAGE: (HABITABLE SQUARE FOOTAGE ONLY)</b>		2,801

<b>PARK &amp; RECREATION IMPACT FEE</b>	12.12	\$33,948.12
<b>PUBLIC SAFETY IMPACT FEE</b>	0.09	\$252.09
<b>GENERAL GOVERNMENT IMPACT FEE</b>	0.13	\$364.13
<b>TRANSPORTATION IMPACT FEE</b>	1.55	\$4,341.55

<b>TOTAL (DIF)</b>	<b>\$38,905.89</b>
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**\*Important to note that under existing Development Impact Fee structure (per new unit basis) any major additions, and scrap and build construction within the City does not pay ANY Development Impact Fee.**



## City Council Agenda Report

**Meeting Date: May 28, 2024**

**Initiated By: City Council**

**Prepared By: Anthony Carnesecca**

**Approved By: Gabriel Engeland**

### **Subject:**

**Review non-profit and civic organization contribution applications and direct staff to incorporate funding into the budget for FY24-25.**

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### **COUNCIL PRIORITY AREA**

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

### **RECOMMENDATION**

Review non-profit and civic organization contribution applications and direct staff to incorporate funding into the budget for FY24-25.

### **POLICY QUESTION(S) FOR COUNCIL CONSIDERATION**

- Would the City Council wish to approve the attached funding requests from applicants through the Non-Profit and Civic Organization Policy?

### **FISCAL IMPACT**

If City Council approves this item, the \$135,000 will be added to the FY24-25 General Fund Budget under account code 1110-5400.

### **ENVIRONMENTAL REVIEW**

These resolutions are exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.

### **PREVIOUS COUNCIL CONSIDERATION**

October 11, 2022 & May 23, 2023

### **SUMMARY**

- City Council approved the Non-Profit and Civic Organization Contribution Policy on October 11, 2022 and conducted their round of funding last year in 2023.
- City staff received six applications for funding for FY24-25.

**BACKGROUND**

The City of Los Altos has historically allocated funds to organizations. The City also allocates funds annually as legally required through contracts or participation in Joint Powers Authority (JPA) agreements.

The City Council approved the Non-Profit and Civic Organization Contributions Policy on October 11, 2022. This policy creates a formal process for discretionary requests and contributions that could be implemented during the next regular budget cycle.

As part of the FY23-24 Budget process, City Council reviewed six applications, of which City Council approved one application for funding and directed City staff to create or amend contracts with three other applicants.

**DISCUSSION/ANALYSIS**

The City received discretionary funding requests for FY 24-25 under the Non-Profit and Civic Organization Contributions Policy from the following organizations with applications that are attached to this staff report for consideration and review:

<b>Organization</b>	<b>Request</b>
Arts Los Altos	\$15,000.00
Compassion Week	\$10,000.00
Jasper Ridge Farm	\$5,000.00
Los Altos Mountain View Community Foundation	\$25,000.00
Resilient Los Altos	\$50,000.00
WomenSV	\$30,000.00
<b>Total</b>	<b>\$135,000.00</b>

City Council did not award funding to Arts Los Altos and did award single year funding to WomenSV as part of the process last year. Both of these organizations are applying again this year. The four other applications are new to this process. The Non-Profit and Civic Organization Contributions Policy requests total \$135,000 and this amount can change depending upon the direction of City Council.

Two applications are seeking multiple years of funding. Jasper Ridge Farm requests two years of funding that totals \$10,000 with \$5,000 per year, which City staff can include for this year and next year if directed. WomenSV requests two years of funding that totals \$60,000 with \$30,000 per year, which City staff can include for this year and next year if directed.

**ATTACHMENTS**

1. Arts Los Altos Non-Profit and Civic Organization Application
2. Compassion Week Non-Profit and Civic Organization Application
3. Jasper Ridge Farm Non-Profit and Civic Organization Application
4. Los Altos Mountain View Community Foundation Non-Profit and Civic Organization Application
5. Resilient Los Altos Non-Profit and Civic Organization Application
6. WomenSV Non-Profit and Civic Organization Application





**City of Los Altos**  
**Non-Profit and Civic Organization Contributions Application**

**Organization Information**

Name: Arts Los Altos

Address: P.O. Box 1281, Los Altos, CA 94023

Website: https://www.artslosalto.org/

Tax Identification Number: EIN94-1593216

Non-profit? Y/N **Yes**

Civic organization? Y/N **Yes**

Benefit Los Altos community? Y/N **Yes**

Description of organizational activities: Arts Los Altos is an all-volunteer nonprofit dedicated to elevating the cultural identity of Los Altos by implementing 2-3 public art projects each year. We have the unique ability to work directly with artists, the downtown business community and property owners to achieve vibrant curated public art on private property. Since our inception in June of 2020, we have implemented 12 public art projects. Our projects have a defined concept and are site specific. We maintain a curated artists list and hold "Calls for Art" where we invite those most appropriate for a particular project to respond to a prompt with a concept proposal. We work with selected artists to ensure the best possible outcome for them and for our community to elevate the cultural identity of Los Altos. Our goals include collaborating with local businesses and organizations, including publishing an inclusive Downtown Public Art Map.

Description of organizational impact on Los Altos community: The entire community benefits from the improved aesthetics, increased activity and commerce -- including residents of all ages, local merchants, restaurants, property owners and visitors to downtown Los Altos. All are served by local artists transforming blank walls into public art that delights, educates, informs, evokes emotion or simply starts a conversation. Local artists benefit from local employment. Let's support young artists to live among us and diversify our community. Downtown merchants and restaurant owners benefit from increased foot traffic as Los Altos develops its reputation for cultural vibrancy and becomes a destination for viewing public art.

**Contact Information**

Contact name: Karen Zucker

Contact role: Co-Director

Email: karen@artslosalto.org

Phone: 650-823-0630

**Contribution Information**

Annual contribution amount requested: \$15,000

Length of contribution request? supports activities for one year

Total contribution amount requested: \$15,000

Repeat request from a previous budget cycle? Y / N Y

Use of funds:

<b>Expense</b>	<b>Amount</b>	<b>Provide a detailed explanation of the use of requested funds</b>	<b>Explain how this expense will benefit the City</b>
Artist, Materials, Marketing	\$10K	Public Art	Increase economic vitality and community experience
Community Outreach	\$5K	Events, Education, Community Experience	Brings community together, accessible to all
<b>Total</b>	\$15K		

**Agreement**

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature: Karen Zucker

Date: 4-16-24



**City of Los Altos**  
**Non-Profit and Civic Organization Contributions Application**

**Organization Information**

Name: Compassion Week

Address: 655 Magdalena Ave, Los Altos, CA 94024

Website: www.compassionweeklosaltos.org

Tax Identification Number: Fiscally sponsored by Los Altos Mountain View Community Foundation

Non-profit? Y/N

Civic organization? Y/N

Benefit Los Altos community? Y/N

Description of organizational activities: Compassion Week (CW) brings people of all ages and abilities together for a week in October to build a strong, compassionate, and empathetic community. Through volunteer opportunities, participants expand their understanding of local and global needs. Operated in partnership with multiple local faith communities, the Los Altos Mountain View Community Foundation, Fremont Bank, and local government officials, CW encourages individuals, groups, and families to engage in acts of service. Since its inception in 2012, over 21,000 volunteers have participated in CW activities, supporting over 85 nonprofits. CW is more than just a series of volunteer opportunities—it's a transformative experience. CW has become a cornerstone of community engagement, uniting individuals, groups, and families in acts of service that make a tangible difference in the lives of others.

Description of organizational impact on Los Altos community: CW is a testament to the power of collaboration and collective action. This diverse network of stakeholders underscores the shared values of compassion, generosity, and service that define the Los Altos community.

From packing activity kits for house-bound seniors to assembling science kits for under-resourced schools in the Castro school district, Compassion Week projects address a wide range of needs within the community, touching the lives of individuals across generations and backgrounds. Last year, 600 students from local schools volunteered their time, embodying the spirit of compassion and service from a young age. Senior citizens contributed their wisdom and experience by packing activity kits, which were then distributed to fellow seniors in need. Meanwhile, elementary-aged children learned the importance of giving back as they packed science kits for their peers in underprivileged schools.

CW not only provides invaluable support to nonprofits serving the Los Altos community but also serves as a platform for individuals to recognize their privilege and channel their desire to give back into meaningful action. By engaging in acts of service alongside their families and peers, residents of Los Altos impart essential values of empathy, compassion, and civic responsibility to the next generation, ensuring a brighter future for all.

**Contact Information**

Contact name: Yvonne Murray

Contact role: Co-Chair (volunteer)

Email: yvonne@compassionweeklosaltos.com

Phone: 408-930-3733

**Contribution Information**

Annual contribution amount requested: \$10,000

Length of contribution request? 1 year

Total contribution amount requested: \$10,000

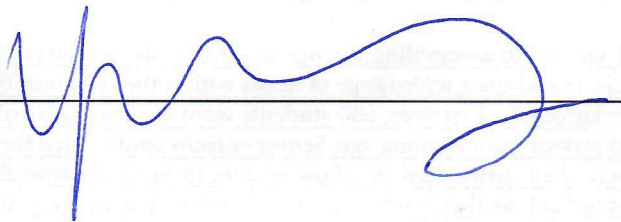
Repeat request from a previous budget cycle? Y / N

Use of funds:

Expense	Amount	Provide a detailed explanation of the use of requested funds	Explain how this expense will benefit the City
SEE ATTACHED			
<b>Total</b>			

**Agreement**

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature: 

Date: 4/24/24

Use of funds:

<b>Expense</b>	<b>Amount</b>	<b>Detailed explanation</b>	<b>Benefit to City</b>
Supplies for hygiene kits	\$2,000	500 hygiene kits for homeless, packed by volunteers in Los Altos	City residents want to help the homeless and often don't know what to do. This project gives them the opportunity to help in a meaningful way, while finding out more about the agency working with the homeless – building a more empathetic community.
Playhouse Build for Gold Star Family	\$2,500	Volunteers will build a playhouse with Habitat for Humanity. The playhouse will be given to a Gold Star Family.	City residents get to build a playhouse for a Gold Star family – supporting Habitat for Humanity and a military family, while learning about the housing crisis and having fun with paint and power tools.
Supplies for science kits	2,000	200 Science kits for elementary classes	City residents care about education and realize not everyone has the same opportunities. They pack science kits for Castro school while learning about issues in under resourced schools.
Fleece Blankets	2,000	200 Fleece blankets	City residents will make fleece blankets for foster

			youth to receive something warm and comforting when they enter the foster care system. This gives city residents an opportunity to care for people in need.
Senior Activity Kits	1,500	150 Senior Activity Kits	City residents of all ages pack activity kits that are given to seniors living alone and seniors in residential care. With the aging population, helping seniors feel cared for and appreciated is increasingly important.
<b>Total</b>	<b>\$10,000</b>		



**City of Los Altos**  
**Non-Profit and Civic Organization Contributions Application**

**Organization Information**

Name: Jasper Ridge Farm

Address: PO Box 620924, Woodside, CA 94062

Website: https://JasperRidgeFarm.org

Tax Identification Number: 27-2304675

Non-profit? Y/N **Yes**

Civic organization? Y/N **Yes**

Benefit Los Altos community? Y/N **Yes**

Description of organizational activities: Inspired by the comforting power of animals, Jasper Ridge Farm provides a special experience for people in need. Our therapeutic animal-assisted programs improve the mental, physical and social well-being of children and adults in our community, including children living with special needs, children dealing with family challenges such as homelessness, domestic violence or grief, children facing life-threatening illness, newcomer children, at-risk, low-income, underserved and undervalued children in our community. We partner and collaborate with other organizations including Community Health Awareness Council, Childrens Health Council, One Life Counseling Center, Los Altos/Mountain View High School District, San Mateo County Office of Education, Ronald McDonald House, LifeMoves and more. Our transformational programs are offered free of charge, at our farm as well as at schools or medical facilities for those unable to travel.

Description of organizational impact on Los Altos community: High stress seems to be the norm for Bay Area students. UCLA Health Systems reports that suicide is the second leading cause of death among youth aged 15 to 24 in the United States. Nearly 20% of high school students report serious thought of suicide, and 9% have made an attempt to take their lives, according to the National Alliance on Mental Illness. Minority youth are disproportionately impacted with a suicide rate twice that of their caucasian peers. Focusing on improving mental and emotional health of our youth is absolutely critical! Mental health organizations, clinicians and school-based therapists frequently need support in helping these youth through alternative approaches, and have found animal-assisted therapy to be extremely beneficial. Twice a year, Jasper Ridge Farm transports therapy animals to visit up to 200 students at Los Altos High School during times of extreme stress - midterms, finals and SAT tests. Students report significant decrease in stress, anxiety and deperession following interaction with our therapy animals, and state that they are calmer and better able to manage what they are going through.

**Contact Information**

Contact name: Wendy Mattes

Contact role: Founder, Board Member & Grant Writer

Email: wendy@jasperridgefarm.org

Phone: 650-452-0170

Contribution Information

Annual contribution amount requested: 5,000

Length of contribution request? 2 years

Total contribution amount requested: 10,000

Repeat request from a previous budget cycle? Y / N **Yes**

Use of funds:

Expense	Amount	Provide a detailed explanation of the use of requested funds	Explain how this expense will benefit the City
Therapy animal feed & bedding	3,000	hay, bedding, equipment, vet	Improve the mental
Program supplies	500	program supplies	and emotional
Transportation	1,500	gas, registration, maintenance	well-being of 200
Staff Salary & Insurance	0	from other funding sources	high school students
<b>Total</b>	5000	annual cost	in Los Altos

Agreement

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature: Wendy E. Matthews

Date: April 26, 2024





City of Los Altos  
Non-Profit and Civic Organization Contributions Application

**Organization Information**

Name: Reve Warfield

Address: 183 Hillview Avenue Los Altos, CA

Website: www.lamvcf.org

Tax Identification Number: 77-0273721

Non-profit? Y/N Y

Civic organization? Y/N Y

Benefit Los Altos community? Y/N Y

Description of organizational activities: Los Altos Mountain View Community Foundation cre philanthropy locally by uplifting pressing community needs and by investing in solutions and leaders together with grantmaking, philanthropic advising and policy advocacy. We right stakeholders to build power and advance equity. We take an active role in building via our youth and professional programming and fiscally sponsoring local direct service allowing these groups to fully invest in their program by not having to deal with administr

Description of organizational impact on Los Altos community: Los Altos Mountain View Com (LAMVCF) was founded to serve Los Altos, Los Altos Hills, and Mountain View. Since 1 prioritized supporting the vulnerable individuals who reside within some of these affluen We continue to raise the need to address the issues of these neighbors beyond charity a more inclusive society. It is part of our mission to shine a light on "hidden" poverty with ensure that everyone, regardless of their neighborhood, has access to fundamental nee and economic opportunities. We work to foster social cohesion, and contribute to a mor while also promoting economic growth, education, and overall well-being. It is not only a investment in the long-term sustainability and progress of our communities and the well-

**Contact Information**

Contact name: Reve Warfield

Contact role: Director of Development

Email: reve@lamvcf.org

Phone: 650-949-5908

**Contribution Information**

Annual contribution amount requested: \$25,000

Length of contribution request? one year

Total contribution amount requested: \$25,000

Repeat request from a previous budget cycle? Y / N Y

Use of funds:

<b>Expense</b>	<b>Amount</b>	<b>Provide a detailed explanation of the use of requested funds</b>	<b>Explain how this expense will benefit the City</b>
Branding and Website	\$5000	design and launch	Reach new and lapse
Production/preparatio	\$3000	color grading, visual e	For social media, ema
Staff and admin	\$12000		Being intentional abo
Programs and Conve	\$5000	In Person and virtual t	Building out programs
<b>Total</b>	<b>\$25,000</b>		

**Agreement**

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature: \_\_\_\_\_

Date: 4/29/2024

**Contribution Information**

Annual contribution amount requested: \$25,000

Length of contribution request? one year

Total contribution amount requested: \$25,000

Repeat request from a previous budget cycle? Y / N **N**

Use of funds:

Expense	Amount	Provide a detailed explanation of the use of requested funds	Explain how this expense will benefit the City
Branding and Website	\$5000	design and launch	Reach new and lapsed audiences in Los Altos
Production/preparation of vignettes	\$3000	color grading, visual effects, final edits	For social media, email and website reach
Staff and admin	\$12000		Being intentional about how we deploy small staff
Programs and Convenings	\$5000	In Person and virtual through the year	Building out programs and conducting events for the city
<b>Total</b>	<b>\$25,000</b>		

**Agreement**

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature: *Rene Wanjia*

Date: 4/29/2024

**Description of organizational activities:** Los Altos Mountain View Community Foundation creates a culture of philanthropy locally by uplifting pressing community needs and by investing in solutions by bringing decision makers and leaders together with grantmaking, philanthropic advising and policy advocacy. We convene and connect the right stakeholders to build power and advance equity.

**Description of organizational impact on Los Altos community:** LAMVCF was founded to serve Los Altos, Los Altos Hills, and Mountain View. Since then we have prioritized supporting the vulnerable individuals who reside within some of these wealthy communities. We continue to raise the need to address the issues of these neighbors beyond charity and with a critical step toward creating a more inclusive society. It is part of our mission to shine a light on “hidden poverty” within affluent areas to ensure that everyone, regardless of their neighborhood, has access to fundamental needs, education, healthcare, and economic opportunities. We work to foster social cohesion, and contribute to a more resilient and harmonious community, while also promoting economic growth, education, and overall well-being. It is not only a moral imperative but a strategic investment in the long-term sustainability and progress of our communities and the well-being of all its residents.

**Contribution Information Annual contribution amount requested:** \$25,000

**Length of contribution request?** One year

**Total contribution amount requested:** \$25,000

**Repeat request from a previous budget cycle?** Y / N

**Use of funds:**

**Expense Amount Provide a detailed explanation of the use of requested funds**

BUDGET ITEM	EXPENSES	NARRATIVE
Branding and Website	\$5,000	design and launch
Post-production + preparation of specific vignettes for social media	\$3,000	color grading, visual effects, final edits
Staff	\$10,000	Communications Director, CEO, Program Manager
Convenings	\$5,000	In person and virtual throughout the year
Admin	\$2,000	
<b>Total</b>	<b>\$25,000</b>	

**Explain how this expense will benefit the City**

During the Community Foundation's current period of growth we want to continue being intentional about our small staff's capacity and our ability to serve the community. Funding from this grant would allow us to use our other resources to continue the projects we have in place and be able to stretch into some new areas. For instance, our Communications team is modernizing our branding and website and the Program team is building out new and improved versions of leadership and learning programs.

As we embark on an exciting new phase within the Foundation, we recognize the critical need to effectively introduce ourselves and convey our mission to various stakeholders. Through new branding and a new website, we hope to reach new audiences in Los Altos as well as reintroduce ourselves to those we may have lost connection with since the pandemic. We are more focused on in person opportunities for engagement and education and

# City of Los Altos Non-Profit and Civic Organization Contributions Application

## Organization Information

Name: Resilient Los Altos, a sponsored project of the Los Altos Mountain View Community Foundation

Address: 183 Hillview Ave, Los Altos, CA 94022

Website: resilientlosaltos.org; lamvcf.org

Tax ID Number for LAMVCF: 77-0273721

Non-profit? Yes

Civic organization? Yes

Benefit Los Altos community? Yes

## Description of Organizational Activities

Resilient Los Altos (RLA) is a sponsored project of the Los Altos Mountain View Community Foundation (“Foundation”) dedicated to the improvement of emergency preparedness for the residents of the City of Los Altos and surrounding communities. In 2013, the Foundation started the Block Action Team (BAT) program to help neighbors help each other in a time of need. About a year later, the Foundation re-started Community Emergency Response Team (“CERT”) classes. CERT is a program developed by the Federal Emergency Management Agency (“FEMA”) to prepare citizens to be able to perform damage assessment, disaster medicine, light search and rescue, hazard identification and other tasks that will be needed after any significant emergency. A third organization, the Los Altos Amateur Radio Emergency Service (LAARES, aka hams), with more than 50 years of communication support for Los Altos, joined together with the BATs and the CERTs to form RLA.

RLA has two important roles in emergency preparedness. The first is to engage and train residents to be resilient in any situation that may arise. We accomplish this by:

1. Offering quarterly Zoom classes to residents that cover a variety of topics including how to: prepare themselves and their families for emergencies; organize their neighborhoods into Block Action Teams; survey their neighborhood for damage after a major event and send that information to the City’s EOC personnel
2. Offering quarterly classes through the City’s Parks and Recreation Department on various emergency preparedness topics such as how to survive a power outage and how to get reliable, trustworthy information after a major event
3. Holding quarterly information sessions that discuss a variety of topics such as the local earthquake faults and how they could change our lives

Our other primary task is to coordinate with other community groups (stakeholders) that will be active in an emergency. These include City government, the Santa Clara County Fire Department, the Los Altos School District, the Mountain View Los Altos High School District, faith-based organizations, allied health organizations, the local business community and county-wide organizations including CADRE and SCC Office of Emergency Management We have also started to serve certain at-risk residents including senior citizens and citizens with access and functional needs through the Compassion Week and other activities supported by several Los Altos congregations.

According to the Los Altos Emergency Operations Plan (EOP), in an emergency, the limited City resources will focus on City employees, City assets and continuity of government. The planning

assumptions for the EOP indicate that citizens of Los Altos should not expect to be supported by the City for a week or longer after a significant situation.

In summary, RLA is the “civilian side” of community resilience – empowering neighborhoods to be prepared for emergencies.

**Description of organizational impact on Los Altos community**

Other than recent storms that demonstrated the fragility of our power and communication infrastructure, Los Altos has not experienced a significant emergency for more than a generation, the 1989 Loma Prieta earthquake. We are one of the very few voices to the residents of Los Altos urging mental and physical preparedness. We train people to be ready to react properly in an emergency and to recover from it. We are improving the resilience of Los Altos through that training and the procurement of supplies and equipment that will be needed when disaster strikes.

For many years, Los Altos has had a Community Emergency Preparedness Grant (CEPG) program. Recently that money has been awarded to RLA and has been spent to purchase equipment and supplies that are likely to be needed in a significant emergency. That grant was typically \$30,000 per year. However, the 2024 FY budget for the CEPG grant program is zero.

While RLA and its core volunteer groups (BAT leaders, CERTs, and hams) have made good progress in working with Los Altos residents to prepare for emergencies, only 25% of the neighborhoods in Los Altos are part of an established Block Action Team. The majority of residents are not aware that they could be expected to be on their own for a week or more. RLA wants to do more, and we need the support of the City to do that. We are asking for City funding of \$50,000 for the 2025 fiscal year. RLA could easily utilize two or three times that with projects that have been discussed but are not being pursued in this funding round.

**Contact Information**

Contact name: Art Whipple  
 Contact role: Resilient Los Altos Director  
 Email: awhipple@whipples.us  
 Phone: 650-823-9433

**Contribution Information**

Annual contribution amount requested: \$50,000.00  
 Length of contribution request? FY 2025  
 Total contribution amount requested: \$50,000.00  
 Repeat request from a previous budget cycle? N

**Use of funds**

Expense	Amount	Detailed explanation of use of funds	Explanation of benefit to the City
Comfort stations located at a BAT in each of the 11 Los Altos emergency zones	\$16,000	Purchase and locate 11 comfort stations consisting of two canopies, 4 folding tables, 8 chairs, 4 portable fans, 1 small refrigerator for medicines, neighborhood medical pack, portable power (1 ea.100Ah LiFePO4 battery with inverter and 200W solar charging system,	Increasing numbers of high heat events are expected in the future. Los Altos has a significant population of vulnerable seniors and AFN citizens that could be effectively served near their own neighborhoods with people they know. This proposed model has already

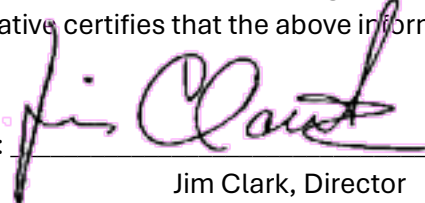
		and 1 ea. ~4kW propane-powered inverter generator, 4 power cords and adapters)	been successfully deployed by at least one Los Altos BAT and is a recognized adjunct to cooling centers which operate on limited hours and with restrictions for pets.
Emergency supplies container at Grant Park	\$22,000	A 20' steel storage container identical to the two currently located on the MSC property, with emergency supplies and solar power for 24/7 lighting and ability to charge batteries	This addition has been discussed and recommended for a few years now. The Grant Park location would place emergency supplies in the south part of the city, with better accessibility to the RLA BATs, CERTs and hams who live in this part of the city.
Technology improvement	\$20,000	Contractor or intern to set up the RLA Environmental Systems Research Institute (ESRI) feeds and screens that are important to provide situational awareness in a disaster; intern to modernize RLA website (with BAT, CERT and Ham websites) and set them up for easier maintenance	These websites are the primary public-facing sources of information for Los Altos residents to learn about the importance of preparedness, training and practice to improve family and community resilience. We need to significantly increase connecting with all our stakeholders.
Preparing and publishing more professional RLA brochures, flyers, posters, banners and other citizen educational materials	\$9,000	Intern project to design/re-design emergency preparedness and resilience materials, and get a supply printed for use by volunteers	All the materials we have used to date have been designed by volunteers with limited design skills and using limited software selections like PowerPoint and Word. The effectiveness of these materials in communicating the educational and promotional messages can be changed to achieve a better impact.
Compassion week materials	\$5,000	Preparation and distribution of emergency preparedness information and supplies that will assist vulnerable populations in our community	RLA started assisting with this important initiative last year, and provided kits to vulnerable individuals. We want to build on this successful program to help additional community members in need.
Neighborhood events with a social and/or training component	\$1,000	Community resilience in a disaster depends on neighbors knowing and trusting each other. Building	Supplies to support community building activities such as social events,



		community through neighborhood events that combine social interactions with information sharing is essential. Examples include National Night Out and other neighborhood gatherings.	trainings and other gatherings.
<b>Total:</b>			

**Agreement**

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature:  \_\_\_\_\_  
 Jim Clark, Director

Date: 4/27/2024



**City of Los Altos**  
**Non-Profit and Civic Organization Contributions Application**

**Organization Information**

Name: WomenSV

Address: PO Box 3982 Los Altos, CA 94024

Website: [www.WomenSV.org](http://www.WomenSV.org)

Tax Identification Number: 81-5015102

Non-Profit: Yes

Civic organization: No

Benefit Los Altos community: Yes

**Description of organizational activities:**

WomenSV’s mission is to empower survivors, train providers and educate the community to break the cycle of covert abuse and coercive control in intimate partner relationships. Our vision is a world in which every woman and child can exercise their fundamental human right to live in peace, safety and freedom in their own home.

WomenSV was founded in 2011 by current Executive Director Ruth Darlene in order to fill a gap in services for victims of domestic abuse. She knew there were specific challenges involved in leaving an abuser who uses money, power, technology, and social status to coerce and control his intimate partner.

Over the past 13 years, WomenSV has offered support to more than 1,500 survivors of domestic abuse. Today, WomenSV has entered a new phase of evolution that holds the promise of even greater impact and community transformation. While our commitment to empowering survivors remains steadfast, our expanded focus on education and prevention is a natural progression, driven by a desire to create a safer world for all. To that end, WomenSV’s primary focus is on educating not only survivors, but providers across all fields, as well as the general public through educational campaigns, interviews and professional trainings.

WomenSV’s Domestic Abuse Education & Empowerment Program includes the following components:

1. Provider Training (primary focus) – Survivors often encounter a labyrinth of services, and inadvertent re-victimization can occur during this journey. Ensuring that court staff, law enforcement officers, therapists, physicians, religious leaders and educators can identify and address more subtle, yet still potentially lethal, forms of abuse is a pressing concern. Otherwise,

survivors of covert abuse and coercive control risk being revictimized by the very systems meant to serve and protect them. This approach amplifies our impact, safeguarding not only the survivors but also those who stand alongside them. WomenSV offers customized courses for professionals, tailored to each particular service provider. Trainings include use of the Danger Assessment by Johns Hopkins University clinical researcher Dr. Jacquelyn Campbell and the Women’s Experience of Battering (WEB) Scale assessment endorsed by Dr. Evan Stark, retired Rutgers University professor and author of *Coercive Control; how men entrap women in personal life*.

WomenSV has done several trainings for Kaiser physicians and Valley Medical Center physicians. Other providers we have done trainings for include: Strangulation Prevention Institute, SCC Probation Department, Los Altos and Mountain View Police Departments, Foothill De Anza College Police, Community Services Agency (CSA) in Mountain View, therapists in San Jose’s Christian Counseling Center, Mountain View-Los Altos Challenge Team, St Francis High School in Mountain View, and Harker Academy in Saratoga, Google’s global security teams (partial list). We have an upcoming training for Marriage and Family Therapist program graduate students at the University of San Francisco. We are in the process of scheduling trainings for the El Camino Hospital District and Mountain View High School. See attached list for more examples.

2. Public Education - Education is empowerment, and this philosophy fuels our approach. We are creating comprehensive educational resources to empower survivors, raise public awareness and train providers to recognize and address covert abuse and coercive control.

This includes:

- A widespread educational campaign with content distributed online through WomenSV’s website and social media channels
- A presentation for Sunnyvale’s City Council meeting to proclaim October as Domestic Violence Awareness Month.
- Educating youth to recognize early signs of controlling behavior in relationships

**Description of organizational impact on Los Altos community:**

In addition to serving 105 survivors so far this fiscal year, in line with transitioning to a full-time educational center on covert abuse and coercive control, we have conducted 11 presentations / trainings for over 1717 attendees (providers and DV agencies / staff). 74 attendees were from the Los Altos service area.

Last year (fiscal year 2022-23), WomenSV served a total of 171 women. Of those, 22 women (12.86%) were from the Los Altos community. A total of 75 (43.86%) of all women served were from Santa Clara County.

While our headquarters remain in Los Altos, WomenSV has achieved national recognition for expertise in covert abuse and coercive control. In partnering with the Strangulation Prevention Training Institute, WomenSV is in the process of expanding its educational programs across the country.

Domestic Violence and Intimate Partner Violence is a public health epidemic in the United States:

- About 1 in 4 women have experienced sexual violence, physical violence, and/or stalking by an intimate partner during their lifetime.  
<https://www.cdc.gov/violenceprevention/intimatepartnerviolence/fastfact.html>
- In homes where violence between partners occurs, there is a 45% to 60% chance of co-occurring child abuse, a rate 15 times higher than the average.  
<https://www.psychologytoday.com/us/blog/progress-notes/201902/alarming-effects-childrens-exposure-domestic-violence>
- Children witness 68% to 80% of domestic assaults. Exposure to domestic violence has been classified as one of several adverse childhood experiences (ACES), which contribute to poor quality of life, premature death, and risk factors for many of the most common causes of death in the United States. <https://www.psychologytoday.com/us/blog/progress-notes/201902/alarming-effects-childrens-exposure-domestic-violence>
- Women exposed to intimate partner/domestic violence are twice as likely to experience depression; 15 more likely to acquire HIV and 1.5 times more likely to contract other sexually transmitted diseases; and are almost twice as likely to have alcohol use disorders.  
<https://vawnet.org/sc/impact-domestic-violence-health>

Highlights of WomenSV’s achievements last year (2022-23) include:

- Provided Direct Client Support services (including helpline support, intake session, follow-up meetings and support groups) to 171 unduplicated women
- Facilitated 88 weekly survivor support groups
- Provided 17 presentations and trainings to court staff, law enforcement, physicians, schools, and Google, reaching over 1200 individuals within our community and globally. Our audiences included (partial list):
  - Statewide Judicial Officer Conference
  - Google – London/Europe Security Team
  - Google – India/Asia Security Team
  - Google – United States of America Security Team
  - 29th Annual Santa Clara County Domestic Violence Conference
  - St. Francis High School

WomenSV focuses on education and prevention in the realm of subtle domestic abuse. The program trains providers to be more trauma-informed in their interactions with victims of domestic abuse, educates the public in recognizing and addressing covert abuse and coercive control, and supports victims in addressing these more subtle forms of abuse safely and effectively.

The success of WomenSV’s program is illustrated in the results from our annual Survivor survey:

- 100% of survivors surveyed reported that they have a better understanding of covert abuse and coercive control.
- 100% of survivors reported that they have learned to identify and feel better equipped to address more subtle forms of abuse such as emotional, financial, legal, and technological.

- 92% of survivors reported that they can make more informed choices and decisions regarding their safety and the safety of their children.
- 92% of survivors reported that they have been connected with resources and providers to help them deal more effectively with the abuse they experienced.
- 92% of survivors reported feeling more empowered.

Contact name: Ruth Darlene

Contact role: Founder & Executive Director

Email: [Ruth@womensv.org](mailto:Ruth@womensv.org)

Phone: (650)996-2200

**Contribution Information**

Annual contribution amount requested: \$30,000

Length of contribution request? 2 years

Total contribution amount requested: \$60,000

Repeat request from a previous budget cycle? Yes

**Use of funds:**

Expense	Amount	Provide a detailed explanation of the use of requested funds	Explain how this expense will benefit the City?
Domestic Abuse Advocate & Trainer	\$60,000 (\$30,000/year over 2 years)	Partial salary of staff Covers partial salary of Advocate Trainer to prepare and deliver presentations on covert abuse and coercive control to survivors, a wide range of providers, and the general public. Presentations range from 30 minutes to 2 hours in length and are customized for providers (ex: law enforcement officers, court staff, therapists, physicians, attorneys,	WomenSV’s program trains providers in Los Altos to be more trauma-informed in their interactions with victims of domestic abuse, educates the public in recognizing and addressing covert abuse and coercive control, and supports victims in addressing these more subtle forms of abuse safely and effectively.

		teachers, corporate security) plus general audience and students from high school to college age.	
<b>Total</b>	<b>\$60,000</b>		

**Agreement**

As the official representative for the above organization, I agree to comply with all requirements listed or otherwise enforced through the City of Los Altos Non-Profit and Civic Organization Contribution Policy. The City reserves the right to revoke this application at any time for any purpose. The organization shall provide all documents and organizational information as required by the City of Los Altos necessary to comply with Non-Profit and Civic Organization Contribution Policy application. The official representative certifies that the above information is true and accurate to the best of my knowledge.

Signature:  Date: 4/19/24



## City Council Agenda Report

**Meeting Date:** May 28, 2024

**Prepared By:** Melissa Thurman, City Clerk  
Kimon Manolius, Outside Legal Counsel, Hanson Bridgett

**Approved By:** Gabriel Engeland, City Manager

**Subject:** Adopt a Resolution Declaring Intent to Transition from an At-Large Election System to a District-Based Election System Pursuant to California Elections Code Section 10010, with the Transition Taking Effect at the November 2026 and 2028 Elections

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### COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

### RECOMMENDATION

Adopt a Resolution Declaring Intent to Transition from an At-Large Election System to a By-District Elections System Pursuant to California Elections Code Section 10010, Government Code 34886, and the California Voting Rights Act (CVRA) with the Transition Taking Effect at the November 2026 and 2028 Elections.

### BACKGROUND

The City of Los Altos (" City") currently has an at-large election system, where each of the City's five Councilmembers are elected by voters throughout the City. Councilmembers are elected for a four-year term and the Mayoral seat is rotated annually among the Councilmembers.

On April 18, 2024, the City received a Notice of Violation of the CVRA from attorney Kevin Shenkman and his law firm, Shenkman & Hughes, PC of Malibu, CA. The letter asserts that the City's elections are characterized by racially polarized voting. Racially polarized voting" means voting in which there is a difference in the choice of candidates or other electoral choices that are preferred by voters of a protected class based on their ethnicity, rather than in the electoral choices that may be preferred by the voters in the rest of the electorate. The notice demands that the City immediately transition from an at-large elections system to a district-based one.

Should the City decline to voluntary transition to a district-based system, Mr. Shenkman stated his intention would be to take legal action against the City to compel district-based elections. Cities throughout the State of California with at-large election systems have faced similar legal challenges under the CVRA by Mr. Shenkman and other CVRA plaintiffs' attorneys. Mr.

Shenkman has filed a number of lawsuits against public agencies related to alleged CVRA violations which have resulted in adverse judgments and millions of dollars of attorneys' fees. The City does not believe it is in violation of the CVRA, and is confident that its minority populations have been well-represented by the current at-large system. However, as discussed in more detail below, City staff is recommending that the City Council approve the Resolution and then make the transition to by-district elections.

As noted above, the City currently has an at-large election system, where each of the City's five Councilmembers are elected by voters throughout the City. A district-based election system is one in which the City is divided into separate districts, each with one councilmember who resides in that district and who is elected only by voters residing in that particular district.

The CVRA is violated when there is racially polarized voting and dissolution of minority voting power due in an at-large election system jurisdiction. If the City were to adopt a by-district method of election, the City would be immune from challenge. The City Council would have the option to retain an at-large mayor under a by-district method of election (with four Councilmembers elected by district under a district-based election system), or have five Councilmembers elected by district, with a rotating mayor.

**FISCAL IMPACT**

The City of Los Altos will be required to retain the services of a demographer in order to successfully transition to district elections. The cost of such services is approximately \$50,000. The City also must retain outside legal counsel to oversee the project in its entirety. The cost of outside legal services is approximately \$35,000. Lastly, it is contemplated that Shenkman & Hughes, the author of the letter received on April 18, 2024, will send an invoice to the City at the end of the transition process as allowed under the CVRA for costs associated with the investigation that gave rise to the letter received on April 18, 2024 – usually for the services of a demographer and also attorneys' fees. The amount of that invoice is capped by the statute at \$30,000 (plus an annual adjustments for inflation since passage of the statute) if the City meets the CVRA time limits. The City has sufficient costs to cover these anticipated costs, but may need to request special allocations for final payments.

**ENVIRONMENTAL REVIEW**

None.

**PREVIOUS COUNCIL CONSIDERATION**

The City Council held Closed Session meetings to discuss this topic before the regular meetings of April 30 and May 14, 2024.

**DISCUSSION/ANALYSIS**

The California Voting Rights Act

The CVRA was signed into law in 2002, and only applies to jurisdictions, like the City, that utilize an at-large election method where voters of the entire jurisdiction elect each of the members of the City Council. The CVRA prohibits an at-large method of election that impairs the ability of a protected class to elect candidates of its choice or its ability to influence the outcome of an election.



The law’s intent is to significantly expand protections against vote dilution over those provided by the Federal Voting Rights Act of 1965 ("FVRA"). Compared with the FVRA, it is easier for plaintiffs to prove a violation of the CVRA against public entities. Under the CVRA, proof of intent on the part of voters or elected officials to discriminate against a protected class is not required. As a result, cities, school districts, and numerous other special districts throughout the State of California have faced legal challenges to their at-large electoral systems. Most jurisdictions that have faced such a legal challenge have taken advantage of the CVRA's safe-harbor process of transition for at-large elections to those based in five districts. Those jurisdictions that have opposed CVRA transition in court have lost and had the district-based electoral system imposed upon them – and been ordered to pay many millions of dollars in attorneys' fees in addition to paying their own attorneys.

As referenced above, a prevailing plaintiff in a CVRA case can recover their reasonable attorneys' fees and expert witness costs. The cases are both complex and expensive. Jurisdictions that litigate CVRA cases lose, and thus must pay sizeable awards or settle with the prevailing plaintiff. Seven figure amounts are not uncommon:<sup>1</sup> both the Cities of Santa Clara and Palmdale paid a \$4.5 million dollar settlements; the City of Modesto paid a \$3 million settlement; and, the City of Anaheim paid a \$1.1 million dollar settlement. These amounts do not include these jurisdictions costs for their own lawyers. Further, all of these jurisdictions lost control over the districting process, and had district maps imposed on them by the plaintiffs and/ or the courts. Here, a voluntarily transition to districts allows the City and its own citizens to retain control of the future district boundaries.

In response to the substantial costs imposed upon cities and other public agencies in the defense of CVRA suits, in 2016, the California Legislature amended the Elections Code (AB 350) to simplify the process of converting to by-district elections and to provide a "safe harbor" process to protect agencies and allow them to change voluntarily their electoral systems in exchange for a capping of fees and costs for the plaintiff demanding the change.

A plaintiff and their lawyer – in this case the Southwest Voter Education Fund and Mr. Shenkman – wishing to challenge an at-large electoral system must send a "demand letter" to the public agency before filing any action in court. The City received Mr. Shenkman's letter on April 18, 2024. Under the CVRA, the City has 45 days to pass a resolution proclaiming its intent to transition for at-large elections to district-based elections, outlining the steps it will take to fully facilitate the entire transition, and the estimated time-frame to complete the transition. If the City fails to pass such a resolution, the plaintiff can file suit to compel the City to make the change to district elections, which commences expensive and unnecessary litigation. Should the City pass such a resolution within the requisite time period, then the CVRA plaintiff may not file any action with the court for 90 days after the adoption of the resolution (Elec. Code § 10010, subd. (3)), which gives the City the time to make the transition from at-large to district-based elections.

The City and the CVRA plaintiffs may enter into a written agreement to extend that 90 day time period to provide additional time to conduct public outreach, encourage public participation, and receive public input, as well as to take account of time periods when the City Council will not meet

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<sup>1</sup> The City of Santa Monica fought a CVRA case in trial court, in the Court of Appeal, all the way to the California Supreme Court, and lost. At the end of the day, it is likely that the amount that Santa Monica will pay in attorneys' fees dwarfs the amounts paid by Santa Clara, Palmdale, and Modesto.

– here, the Council will not meet from July 8 to August 24, 2024. Here, the City has negotiated such an extension with Mr. Shenkman, and must complete the transition by October 31, 2024.

Ultimately, the City will adopt an ordinance transitioning to district-based elections, pursuant to Government Code Section 34886. However, prior to adopting the ordinance, the City must first hold a number of noticed Public Hearings to take public input for help in identifying communities of interest within the City, and to hear from the public about how the districts should be drawn. Determine district boundaries for the City. Elections Code Section 10010 sets forth the steps the City must take in the effort to assess and transition to a district-based election system, which is laid out in further detail below. Finally, the City’s liability is capped at \$30,000 (plus annual inflation adjustments) if it follows this safe harbor process after receiving the demand letter; plaintiff of course must show documentation that these costs were actually incurred by the plaintiff and their lawyer.

The Public Hearing Process for the Transition from At-Large to By-District Elections Pursuant to Elections Code Section 10010

Staff will utilize the assistance of outside legal counsel, as well as a demographer to assist in this process. Under Elections Code section 10010, the City is required to hold at least four public hearings within the allotted 90 day "safe harbor" period – here that period is extended by approximately 60 days to October 31, 2024. The first two public hearings will include presentations about the districting process by the demographer. The public is invited to learn about the process and to provide input on what and where the various "communities of interest" are in the City of Los Altos, and upon the composition of the districts before any maps are drawn.

subsequently, draft district maps will be drawn and two additional public hearings (hearings three and four) will be held for the public to provide input on the content of the draft maps and proposed sequence of elections. The maps must be published at least seven (7) days before the public hearings. At the fifth and final public hearing, the City Council will consider an ordinance that selects the City's electoral map for district-based elections. This final map will be published for at least seven (7) days before the final map is adopted. At this final public hearing, the City Council will also consider the order of those elections in 2026 and 2028 as Councilmembers' terms are staggered. The districting process will have no impact on the length of any current Councilmember's term.

Should the City adopt a Resolution of Intention to proceed to a district-based elections system, the first district elections for the City of Los Altos would be in 2026. Given the time required to complete the process, the City will not have it districts drawn and adopted by the ballot deadline for the November 2024 election, and thus cannot transition to districts in time for this year's elections.

In moving to district-based elections, the City Council must also the threshold question as to the number of districts:<sup>2</sup>

- Four district-based Council seats with a Mayor elected at-large; or,
- Five districts-based Council seats with a rotating Mayor chosen from among the five Councilmembers.

The entire creation and eventual approval of voting district maps is a transparent public process, where public input is sought, encouraged and welcomed. Although five hearings are the minimum required under Elections Code Section 10010, City may have as many hearings in as many locations as it desires to increase public engagement as much as possible, time permitting. In terms of the type of outreach and notice that is required for the hearings, with the exception of publishing a draft map at least seven (7) days before consideration at a hearing, there are no additional requirements regarding the noticing or scheduling of those meetings than for ordinary meetings/hearings under the Brown Act.

However, the City has the option of engaging in a more robust public process before it draws and adopts new maps. The FAIR MAPS Act codifies best practices as it relates to districting/redistricting and provides that in to allow the public to provide maximum input regarding their City's new districts, of the four hearings, at least two must be held on a Saturday, Sunday, or after 6 pm on a weekday. (Elec. Code § 21150.1.) The FAIR MAPS Act also requires online notice of hearings at least five (5) days in advance, though other public agencies provide additional time so interested residents have enough time to plan to attend each hearing. This is also not required here, but is another option the City might consider.

District maps must be prepared in compliance with state and federal requirements, including the consideration of communities of interest, natural geographical boundaries, and the “one person, one vote” standard, which requires that all voting districts be as nearly equal in population as possible. (Elec. Code § 21150; 21130.)

During the districting process, the City will host a webpage dedicated to the transition to district-based elections, and all information gathered in the process will be posted to that webpage. This will include any and all staff reports, resolutions, ordinances, draft maps, public feedback and eventually, the final ordinance and adopted map, and detail on the final sequencing of district elections for Los Altos.

**ATTACHMENTS**

1. Resolution of Intention

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<sup>2</sup> As a General Law City, the City currently elects five Councilmembers, who then make an internal selection for the seat of Mayor annually in December of each year.

**RESOLUTION NO. 2024-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
DECLARING ITS INTENTION TO TRANSITION FROM AN AT-LARGE  
ELECTIONS SYSTEM TO A BY-DISTRICT-ELECTIONS SYSTEM PURSUANT TO  
CALIFORNIA ELECTIONS CODE 10010**

**WHEREAS**, the City of Los Altos, California ("City") is a general law city, duly organized under the constitution and laws of the State of California; and

**WHEREAS**, the City is currently, and has historically, conducted at-large elections, in which each of the five (5) Councilmembers are elected by the registered voters of the entire City; and

**WHEREAS**, California Government Code Section 34886, in certain circumstances, authorizes the legislative body of a city of any population to adopt an ordinance to change its method of election from an at-large system to a by-district system or by-district system with an elective mayor in which each Councilmember is elected only by the registered voters in the district in which the candidate resides; and

**WHEREAS**, on April 18, 2024, the City received a Notice of Violation of the California Voting Rights Act ("CVRA") from attorney Kevin Shenkman (Shenkman & Hughes, PC), asserting that current City elections are characterized by racially polarized voting and threatening litigation should the City decline to voluntarily transition to a district-based elections system; and

**WHEREAS**, Mr. Shenkman granted the City an extension under Elections Code Section 10010 to complete its transition from an at-large elections system to a by-district elections system by October 31, 2024;

**WHEREAS**, the City of Los Altos denies that its current election system violates the CVRA or any other provision of law and asserts the City's election system is legal in all aspects; and

**WHEREAS**, the City intends to make this transition from an at-large system to a by-district system in accordance with the procedural rules outlined in Government Code Section 34886 and Elections Code 10010; and

**WHEREAS**, the City will begin by working with an experienced demographer to assist the City in establishing maps for a by-district electoral system that complies with both the Federal Voting Rights Act and the California Voting Rights Act; and

**WHEREAS**, before drawing a draft map of the proposed boundaries of the districts, the City will hold at least two (2) public hearings where the public is invited to provide input regarding existing communities of interest and the composition of the districts; and

**WHEREAS**, the City will then publish and make available for release one or more draft maps of the new electoral districts and any such maps will be published at least seven (7) days before

any hearing to consider those maps; and

**WHEREAS**, once the draft map(s) have been publicized for at least seven (7) days, the City will hold at least two (2) additional public hearings for the public to provide input regarding the content of the draft maps as well as the proposed sequence of elections prior to the public hearing at which the City Council adopts a map; and

**WHEREAS**, at a fifth meeting, the City Council will select one of the maps and set the order of elections with the furtherance of the goals of the CVRA in mind.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The City Council hereby resolves, pursuant to Elections Code Section 10010, to bring the transition to a by-district election system by ordinance as authorized by California Government Code Section 34886, for use in the City's General Municipal Election for City Councilmembers by October 31, 2024.
3. The City Council further resolves to retain a qualified demographer and to hold at least 5 public hearings for public input, with the first two hearings being for the purpose of public input on communities of interest and how maps should be drawn, with at least two more hearings at which maps will be presented. Any map that the City Council will consider will be published to the public at least 7 days in advance of that hearing, and will comply with both the Federal and California Voting Rights Act. In these later hearings, the City Council will also receive public input on the sequence of elections to further the purposes of the CVRA. The City will publicly release a draft schedule of the public hearings in advance, within a reasonable timeframe from this Resolution, and post the same on its website.
4. At a fifth and final meeting, the City Council will select a map, and also set the order of elections in 2026 and 2028 with the objectives of the CVRA in mind.
5. Working with the demographer, staff is directed to publicize relevant maps, information, notices, agendas and other materials regarding by-district elections and to establish means of communication to answer questions from the public.
6. All public hearings shall be noticed on the City's website, and in addition, as follows: posting on the City's website at least 7 calendar days in advance of the hearing and publication at least 7 days in advance of the hearing in the newspaper adjudicated to provide notice within the City; and holding at least one hearing on a Saturday, Sunday, or after 6 pm on a weekday.
7. Adopting the proposed schedule to complete the transition from an at-large elections system to a by-district elections system:

<b>Date</b>	<b>Event</b>
June 11, 2024	Public Hearing No. 1
June 25, 2024	Public Hearing No. 2
By August 27, 2024	Draft Maps Published

September 3, 2024	Public Hearing No. 3
September 17, 2024	Public Hearing No. 4
October 1, 2024	Public Hearing No. 5

Date	Event
June 11, 2024	Public Hearing No. 1
June 25, 2024	Public Hearing No. 2
July 2, 2024	Public Hearing No. 3
By August 27, 2024	Draft Maps Published
September 3, 2024	Public Hearing No. 4
September 17, 2024	Public Hearing No. 5
October 1, 2024	Public Hearing No. 6

- 8. The City Manager is authorized to take any and all other necessary actions to give effect to this Resolution.
- 9. This Resolution shall become effective immediately upon its adoption.

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 28th day of May, 2024 by the following vote:

AYES:  
 NOES:  
 ABSENT:  
 ABSTAIN:

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Jonathan D. Weinberg, MAYOR

Attest:

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Melissa Thurman, MMC  
 City Clerk



**City of Los Altos 2024 Tentative Council Agenda Calendar**  
**JUNE 11, 2024**

**Closed Session: TBD**

**Study Session: TBD**

**SPECIAL ITEMS:**

**CONSENT:**

- Award the Annual Street Resurfacing Project
- Award the Structural Reach Replacement Project WW-01002
- Award the Sanitary Sewer Video Inspection Project WW-01011
- Adoption of a Resolution – Weed Abatement
- Adopt a Resolution for El Camino Real Maintenance Agreement
- Animal Control Services (Pets in Need)

**DISCUSSION:**

- Introduce Public Arts Ordinance
- Special Events
- Appointment of Commissioners to Youth Commission

**PUBLIC HEARING:**

- Adoption of Development Impact Fees Resolution
- Adoption of 24/25 Budget
- Adopt Resolution approving the Report of Sewer Service Charges for Fiscal Year 2024-2025 and directing the Filing of Charges for Collection by the County Tax Collector

*All items and dates are tentative and subject to change unless a specific date has been noticed for a legally required Public Hearing. Items may be added or removed from the shown date at any time and for any reason prior to the publication of the agenda.*



**City of Los Altos 2024 Tentative Council Agenda Calendar**  
**JUNE 25, 2024**

**Closed Session: TBD**

**Study Session: TBD**

**SPECIAL ITEMS:**

**CONSENT:**

- Adopt Public Arts Ordinance

**DISCUSSION:**

- Adopt the Multi-Jurisdictional Hazard Mitigation Plan (MJHMP)

**PUBLIC HEARING:**

*Remaining 2024 City Council agenda calendar items are pending and will be published at a later date.*

*All items and dates are tentative and subject to change unless a specific date has been noticed for a legally required Public Hearing. Items may be added or removed from the shown date at any time and for any reason prior to the publication of the agenda.*



PROGRAM	SUB PROJECT	INITIATION DATE	HEU COMPLETION DATE	STATUS
Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).	Budget & Hire Planning Technician		December 31, 2022	COMPLETED
Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).	Amend ADU Ordinance based upon HCD's letter		6 months or less	IN-PROGRESS
Program 6.G: Housing mobility	Allow more than one JADU (at least two per site)		with ADU Ordinance Update	IN-PROGRESS
Program 3.H: Amend design review process and requirements.	Eliminate 3rd Party Architectural Review		February 28, 2023	COMPLETED
Program 3.H: Amend design review process and requirements.	Dismiss Design Review Commission		February 28, 2023	COMPLETED
Program 3.L: Eliminate the requirement of story poles.			March 31, 2023	COMPLETED
Program 2.E: Conduct annual ADU rental income surveys.	Budget & Hire Housing Manager	March 31, 2023		COMPLETED
Program 4.J: Facilitate alternate modes of transportation for	Adopt VMT Policy &		June 30, 2023	COMPLETED
Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).	RFP-Permit Ready ADU Plans		July 31, 2023	COMPLETED
Program 1.H: Facilitate housing on City-owned sites.	Financial Analysis	July 1, 2023	December 31, 2023	IN-PROGRESS
Program 3.D: Evaluate and adjust impact fees.		August 1, 2023	December 31, 2024	IN-PROGRESS
Program 1.H: Facilitate housing on City-owned sites.	Release RFP	December 31, 2023		DEVELOPING RFI/RFP
Program 6.C: Target housing development in highest resource areas.	Initial Outreach		September 31, 2023	
Program 6.D: Promote Housing Choice (Section 8) rental assistance program.			September 31, 2023	
Program 2.A: Continue to implement and enhance inclusionary housing requirements.			December 31, 2023	ONGOING
Program 2.B: Establish an affordable housing in-lieu fee and commercial linkage fee.	Housing in-lieu fee.		December 31, 2023	COMPLETED
Program 2.F: Water and Sewer Service Providers.			December 31, 2023	COMPLETED
Program 3.B: Modify building height in mixed-use zoning districts.	Downtown Districts		December 31, 2023	COMPLETED

Program 3.E: Ensure that the density bonus ordinance remains consistent with State law.			December 31, 2023	<b>ONGOING</b>
Program 3.H: Amend design review process and requirements.	Code Amendments		December 31, 2023	<b>COMPLETED</b>
Program 3.K: Standardize multimodal transportation requirements.	Bicycle Storage and Charging Regulations		December 31, 2023	<b>COMPLETED</b>
Program 3.K: Standardize multimodal transportation requirements.	Remove CSC Review of Housing Developments		December 31, 2023	<b>COMPLETED</b>
Program 4.C: Allow Low Barrier Navigation Centers consistent with AB 101.			December 31, 2023	<b>COMPLETED</b>
Program 4.D: Allow transitional and supportive housing consistent with State law.			December 31, 2023	<b>COMPLETED</b>
Program 4.E: Allow employee/farmworker housing consistent with State law.			December 31, 2023	<b>COMPLETED</b>
Program 4.F: Reasonably accommodate disabled persons' housing needs.			December 31, 2023	<b>COMPLETED</b>
Program 6.B: Maintain and expand an inventory of affordable housing funding sources.	Prepare Inventory.		December 31, 2023	
Program 6.E: Prepare and distribute anti-displacement information.			December 31, 2023	
Program 1.A: Rezone for RHNA shortfall.			January 31, 2024	<b>COMPLETED</b>
Program 1.G: Rezone housing sites from previous Housing Elements.			January 31, 2024	<b>COMPLETED</b>
Program 3.G: Amend Conditional Use Permits findings applicable to housing developments.			March 31, 2024	<b>COMPLETED</b>
Program 3.I: Allow residential care facilities consistent with State law.			January 31, 2024	<b>COMPLETED</b>
Program 3.J: Explicitly allow manufactured homes consistent with State law.			January 31, 2024	<b>COMPLETED</b>
Program 3.F: Reduce Conditional Use Permit requirement for residential mixed-use and multi-family.			September 31, 2024	<b>COMPLETED</b>
Program 1.B: Facilitate higher density housing in the Commercial Thoroughfare (CT) District.			January 31, 2024	<b>COMPLETED</b>

Program 1.C: Allow housing in the Office Administrative (OA) District.			January 31, 2024	<b>COMPLETED</b>
Program 1.E: Update the Loyola Corners Specific Plan.			January 31, 2024	<b>COMPLETED</b>
Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).	Adopt-Permit Ready ADU Plans		December 31, 2024	<b>IN-PROGRESS</b>
Program 3.A: Prepare a Downtown parking plan and update citywide parking requirements.	Downtown Parking Plan		December 31, 2024	<b>IN-PROGRESS</b>
Program 3.A: Prepare a Downtown parking plan and update citywide parking requirements.	Comprehensive Parking Ordinance Update		December 31, 2024	<b>COMPLETED</b>
Program 3.B: Modify building height in mixed-use zoning districts.	Neighborhood (CN) District		December 31, 2024	<b>COMPLETED</b>
Program 3.C: Remove floor-to-area ratio (FAR) restriction at Rancho Shopping Center and Woodland Plaza.			December 31, 2024	<b>COMPLETED</b>
Program 3.M: Modify parking requirements for emergency shelters consistent with State law.			December 31, 2024	<b>COMPLETED</b>
Program 2.B: Establish an affordable housing in-lieu fee and commercial linkage fee.	Commercial linkage fee.	December 31, 2025		<b>IN-PROGRESS</b>
Program 1.D: Allow housing on certain Public and Community Facilities District sites and facilitate housing on religious institution properties.			December 31, 2025	
Program 6.G: Housing mobility	Allow housing on all religious sites within the City		December 31, 2025	
Program 1.F: Rezone Village Court parcel.			January 31, 2024	<b>COMPLETED</b>
Program 4.H: Provide additional density bonuses and incentives for housing that accommodates special needs groups.			December 31, 2025	
Program 4.I: Allow senior housing with extended care facilities in multi-family and mixed-use zoning districts.			December 31, 2025	
Program 1.I: Incentivize Downtown lot consolidation.			July 31, 2026	

Program 4.G: Assist seniors to maintain and rehabilitate their homes.			July 31, 2026	
Program 6.C: Target housing development in highest resource areas.	Follow-up Outreach		September 31, 2026	
Program 1.H: Facilitate housing on City-owned sites.	Entitlement Review		December 31, 2026	
Program 3.N: Modify standards in the R3 zoning districts.			December 31, 2026	<b>COMPLETED</b>
Program 4.J: Facilitate alternate modes of transportation for residents.	Capital Improvement Project for above head pedestrian crossing signals on San Antonio Road near Downtown Los Altos		December 31, 2027	
Program 5.F: Incentivize the creation of play areas for multi-family housing projects.			December 31, 2027	
Program 1.K: Participate in regional housing needs planning efforts.			Ongoing	
Program 1.L: General Plan amendments.			Ongoing	
Program 1.M: SB 9 implementation.			Ongoing	
Program 1.N: Facilitate and monitor pipeline housing projects.			Ongoing	
Program 2.C: Assist in securing funding for affordable housing projects.			Ongoing	
Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).			Ongoing	
Program 2.E: Conduct annual ADU rental income surveys.	Annual Survey		Annually	<b>ONGOING</b>
Program 4.A: Support efforts to fund homeless services.			Ongoing	
Program 4.B: Continue to participate in local and regional forums for homelessness, supportive, and transitional housing.			Ongoing	
Program 5.A: Monitor condominium conversions.			Ongoing	

Program 5.B: Continue to administer the City's affordable housing programs.			Ongoing	
Program 5.C: Restrict commercial uses from displacing residential neighborhoods.			Ongoing	
Program 5.D: Implement voluntary code inspection program.			Ongoing	
Program 5.E: Help secure funding for housing rehabilitation and assistance programs.			Ongoing	
Program 6.A: Assist residents with housing discrimination and landlord-tenant complaints.			Ongoing	
Program 6.B: Maintain and expand an inventory of affordable housing funding sources.	Inform, Evaluate Apply/Submit		Ongoing	
Program 6.F: Affirmatively market physically accessible units.			Ongoing	
Program 7.A: Promote energy and water conservation and greenhouse gas reduction through education and awareness campaigns.			Ongoing	
Program 7.B: Monitor and implement thresholds and statutory requirements of climate change legislation.			Ongoing	



1 North San Antonio Road  
Los Altos, California 94022-3087

**M E M O R A N D U M**

**DATE:** May 13, 2024  
**TO:** City Council  
**FROM:** Nick Zornes, Assistant City Manager

**SUBJECT: SANTA CLARA COUNTY – WEED ABATEMENT PROGRAM**

The Santa Clara County Consumer and Environmental Protection Agency works with several cities throughout Santa Clara County on the Weed Abatement Program. The purpose of the Weed Abatement Program is to prevent fire hazards posed by vegetative growth and the accumulation of combustible materials.

The Weed Abatement program is entirely funded from fees charged to residents. Fees will be assessed for any property in the program. This is to cover the cost of the compliance inspection for the property. Properties that fail the compliance inspection will be charged a failed inspection fee, even if the resident completes the weed abatement. If the property requires abatement by the County contractor, the property owner will be responsible for the actual cost of abatement plus an administrative fee. Properties that meet and maintain the minimum fire safety standards will not be charged other than the annual fee.

Santa Clara County program staff annually inspect parcels at the beginning of the fire season, which is typically in March or April depending on the jurisdiction. If the parcel is not in compliance at the time of inspection, the property owner will be charged a failed inspection fee, and the owner will be sent a courtesy notice as a reminder to abate the weeds. If the weeds are not abated by the property owner, the work will be completed by the County contractor. The property owner will pay the contractor’s fees plus a County administrative fee. All fees will be included in your property tax bill.

When a property is placed in the Weed Abatement Program, it will remain in the program for up to three years for ongoing monitoring, and if after three years no abatement has been required on the site the property will be removed from the program. The intention of the Weed Abatement Program is to achieve Voluntary Compliance. Vegetation must not exceed 6 inches in height any time after the compliance deadline. Maintain grasses and weeds below 6 inches for 10 feet horizontally on both sides of all roadways, including driveways and access routes.