

# CITY COUNCIL MEETING AGENDA

7:00 PM - Tuesday, September 12, 2023  
*via Videoconference and In Person*

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**Please Note: The City Council will meet in person as well as via Telephone/Video Conference**

**Telephone: 1-669-444-9171 / Webinar ID: 847 9838 7284**

**<https://losaltosca-gov.zoom.us/j/84798387284?pwd=ZWdEcUttZjpmM1BJRTFVaGl6WlFGUT09>**

**Passcode: 515656**

**TO PARTICIPATE IN-PERSON:** Members of the public may also participate in person by being present at the Los Altos Council Chamber at Los Altos City Hall located at 1 N. San Antonio Rd, Los Altos, CA.

**TO PARTICIPATE VIA VIDEO:** Follow the link above. Members of the public will need to have a working microphone on their device and **must have the latest version of ZOOM installed** (available at <https://zoom.us/download>). To request to speak, please use the “Raise hand” feature located at the bottom of the screen.

**TO PARTICIPATE VIA TELEPHONE:** Members of the public may also participate via telephone by calling the number listed above. To request to speak, press \*9 on your telephone.

**TO SUBMIT WRITTEN COMMENTS:** Prior to the meeting, comments on matters listed on the agenda may be emailed to [PublicComment@losaltosca.gov](mailto:PublicComment@losaltosca.gov). Emails sent to this email address are sent to/received immediately by the City Council. Please include a subject line in the following format:

PUBLIC COMMENT AGENDA ITEM ## - MEETING DATE

Correspondence submitted in hard copy/paper must be received by 2:00 PM on the day of the meeting to ensure distribution prior to the meeting. Correspondence received prior to the meeting will be included in the public record. .

*Public testimony will be taken at the direction of the Mayor, and members of the public may only comment during times allotted for public comments.*

## AGENDA

**CALL MEETING TO ORDER**

**ESTABLISH QUORUM**

**PLEDGE ALLEGIANCE TO THE FLAG**

**REPORT ON CLOSED SESSION**

## CHANGES TO THE ORDER OF THE AGENDA

### 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. Speakers are generally given two or three minutes, at the discretion of the Mayor. 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.

[September](#) 12, 2023 Written Public Comments

### SPECIAL ITEMS

Presentation from Silicon Valley Clean Energy on the Electric Showcase Awards

### 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 the Special and Regular Meeting Minutes for the meetings of August 22, 2023
- [2.](#) Quarterly Investment Portfolio Report – Quarter Ended June 30, 2023
- [3.](#) Authorize the City Manager to execute a not-to-exceed contract with C2R Engineering, Inc., in the amount of \$100,000 to provide on-call sanitary sewer spot repairs and CCTV inspection services
- [4.](#) Authorize the City Manager to Execute a Professional Services Agreement for a Downtown Parking Strategy
- [5.](#) Waive second reading and adopt Zoning Ordinance Text Amendments implementing programs identified in the adopted housing element, Program 4.C Allow Low Barrier Navigation Centers consistent with AB 101, Program 4.D Allow transitional and supportive housing consistent with State law, Program 4. E Allow employee/farmworker housing consistent with State law, Program 4.F Reasonably accommodate disabled persons' housing needs. 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
- [6.](#) Waive second reading and adopt an Ordinance of the City Council of the City of Los Altos Adding Chapter 12.72 Penalty for Expired Permits and amending Chapter 12.08 and 12.10 of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970
- [7.](#) Waive second reading and adopt an Ordinance of the City Council of the City of Los Altos Adding Chapter 11.14 Mechanical Equipment to Title 11 Miscellaneous Property Regulations of

the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970

- 8.** Authorize the City Manager to execute a five-year funding agreement with Community Services Agency in the amount of \$25,000 annually
- 9.** Authorize the City Manager to sign a contract with the Los Altos Chamber of Commerce in the amount of \$67,500 annually for five years as previously directed during the budget process
- 10.** Approve amendments to the Commission Handbook sections on ad hoc subcommittees, Council liaisons, and conflicts of interest
- 11.** Authorize the City Manager to Execute Amendment No. 1 to Joint Exercise Powers Agreement and Cooperation Agreement to undertake or to assist in the undertaking of essential activities pursuant to Title I of the Housing and Community Development Act of 1974, as amended, for the period of October 1, 2017 to September 30, 2020 and subsequent automatic renewals unless terminated

## **DISCUSSION ITEMS**

- 12.** Introduce and waive further reading of an ordinance of bidding procedures under the California Uniform Public Construction Cost Accounting Act; find that the adoption of the ordinance is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061
- 13.** Authorize the City Manager to sign a new contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years
- 14.** Consider the Public Arts Commission recommendation to purchase and place three sculptures by artist Matthew Duffy at locations within the City
- 15.** Discuss the recommended appointment process and schedule and make changes as appropriate
- 16.** Discuss the California Business Roundtable (CBRT) Measure and Provide Direction to the City of Los Altos Voting Delegate regarding potential petitioned resolutions at the CalCities Annual Conference in Sacramento, CA on September 20-22, 2023
- 17.** Determine whether the City wishes to provide a donation to an organization in the wake of the wildfires in Maui

## **INFORMATIONAL ITEMS ONLY**

- 18.** Tentative Council Calendar and Housing Element Update Calendar

## **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.

Agendas Staff Reports and some associated documents for City Council items may be viewed on the Internet at <http://www.losaltosca.gov/citycouncil/online/index.html>.

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:** Pat Marriot <patmarriott@sbcglobal.net>  
**Sent:** Sunday, September 10, 2023 1:16 PM  
**To:** Public Comment  
**Subject:** PUBLIC COMMENT ITEM #9 SEPTEMBER 12, 2023

Council Members:

Item 9. Authorize the City Manager to sign a contract with the Los Altos Chamber of Commerce in the amount of \$67,500 annually for five years.

A large portion of that money would go toward printing and distributing the Los Altos Magazine, which represents our city and its residents. Page 36 describes the Chamber's upcoming second trade mission to Dubai.

The city's new travel policy prohibits conference travel to states with discriminatory laws pursuant to State Assembly Bill 1887.

Given your valid and admirable concerns about discrimination, how do you justify supporting the Chamber in its relationship with Dubai, an absolute monarchy that is part of the dictatorship of the United Arab Emirates?

"Women over the age of 18 must still get approval from their guardian to marry or travel abroad. In fact, a husband can [legally withhold](#) his wife's passport to stop her from traveling."

<https://www.expatica.com/ae/living/gov-law-admin/womens-rights-in-the-united-arab-emirates-71118/>

"Homosexuality is illegal. According to the latest update of the global equality index, Equaldex, the UAE is [ranked at 5 out of 100 points](#), with zero points being the worst. 'The UAE continues to be one of the most dangerous places for LGBTQ people and tourists,' said Dan Leveille, head of Equaldex."

<https://www.dw.com/en/uae-is-becoming-increasingly-hostile-to-the-lgbtq-community/a-63257963>

I know the Chamber does a lot of good for the city, but if you genuinely value human rights, you should not be supporting its mission to Dubai directly or indirectly through this contract.

Pat Marriott

September 12, 2023

Mr. Nick Zornes  
Development Services Director  
Los Altos City Hall  
1 N. San Antonio Road  
Los Altos, California 94022

cc: Los Altos City Council Members

*Sent via email: nzornes@losaltosca.gov, council@losaltosca.gov*

Dear Mr. Zornes,

Over the past week there has been a great deal of discussion among neighbors and on NextDoor regarding the Los Altos Housing Element. What has become increasingly clear is that there is a good deal of confusion as to what the impact will be to the surrounding neighborhoods based on the rezoning and reclassification of existing commercial neighborhood parcels.

This letter is to request that you, or the appropriate representative from the Planning Commission or City Council, provide answers to the following questions and post them on the Housing Element website.

Specifically:

- What initiatives are being undertaken by the City Council and Planning Commission to identify, attract, and incentivize developers or parcel owners to build housing projects that will satisfy RHNA allocation while preserving the character and quality of life of the surrounding neighborhoods?
- What initiatives are being undertaken by the City Council and Planning Commission to secure Federal and private or corporate funding for low-income housing projects?
- What initiatives have been undertaken, or are being undertaken, to determine parcel owner or developer interest in either building or *not* building on any of the sites listed on the Housing Element (HE) maps?
- Are there any projects currently “in the pipeline” that will be counted towards the RHNA allotment?
- It appears that the city needs to make progress on at least 1/2 of the RHNA allocation for all income levels within the first 4 years of the cycle, which goes from 2023 to 2031. What constitutes “making progress” and what happens if the state determines the city has not made sufficient progress?
- If a site is marked for low-income on the HE maps, can a developer elect to build market rate or luxury units on the site instead? And, if so, how does the city plan to meet the RHNA allocation if the economics for building affordable housing are not compelling to developers?
- Would the development plans for any of the sites on the HE maps be subject to public review, input, or oversight?
- Must the city approve any housing development project at any of the sites on the HE maps so long as the project complies with objective design guidelines, without regard to impact on the surrounding neighborhood?
- Was the public invited to give input on the objective design guidelines? Where are these guidelines posted?

- Does the developer need to conduct impact studies to show the impact of a housing development on the surrounding neighborhood? If yes, what is included in these impact studies, who conducts them, and who reviews the findings? Are all proposed developments subject to a CEQA review?
- Who would need to cover any costs incurred to improve infrastructure, traffic patterns, services, or schools impacted by the housing development—the developer or the city residents?
- Does the developer need to provide parking if a low-income site is within 1/2 mile of public transit? What are the parking requirements if the development is more than 1/2 mile from public transit?
- Is there text in the HE plan that *mandates* reclassified commercial zones (Rancho Shopping, Woodland, Homestead) be developed to include a mix of retail and housing? If this text is not in the plan, would it be possible to add an amendment that stipulates mixed-use on these sites?
- Is it possible that the reclassified commercial zones in the HE plan could become strictly all-housing developments, leaving south and central Los Altos without any grocery stores?
- In the HE plan, the Rancho Shopping site is targeted for 82 units. However, would it be possible for a developer to build a housing complex with 237 units, the maximum cited in the HE plan?
- Would the density bonus mean that the current Rancho Shopping center could be replaced by a 5-story housing complex? Is there a maximum height on a development if the developer is granted a height waiver due to density bonus, builder's remedy, or other program?
- Where can we find an archive of the posters, billboards, and mailers sent to all Los Altos households informing residents of the Housing Element plan development? Is there a calendar that shows when (and where) these communications were either displayed or mailed?
- The HE plan lists the outreach activity that included two focus groups, 25 small group meetings with a total of 120 participants, pop-up booths, and two community workshops. Were there any workshops, mail-in surveys, door-to-door canvassing, mall-intercepts, or focus groups conducted with residents who lived in the vicinity of, or worked in the retail shops at, the proposed development sites?
- What measurement did the city use to determine that the city's outreach efforts were adequate to ensure the majority of the town's population were aware of, and understood the implications of, the sites proposed in the HE plan?

In addition to providing answers to the questions above, I'm requesting that you develop and post a glossary for terms and abbreviations used in the HE plan and housing discussions. This glossary should include, but not be limited to: HCD, HE, HEU, RHNA, CEQA, FAR, OA, CT, CN, CRS, BMR, MND, CDBG, LBNC, CSMP, TCAC, VMT, CUP, R1, R3, ADU with links to more information.

I am also requesting that you develop and post a synopsis of the various bills and programs that could impact housing development, including, but not limited to: SB 9, SB 10, SB 423, AB 185, AB 2097, Builder's Remedy, State Density Bonus Ordinance, Affordable Housing Ordinance.

Thank you,

Gaynelle Grover  
 676 Oakwood Court  
 Los Altos, California 94024  
 650.954.5550

## Melissa Thurman

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**From:** scott\_leonard66@yahoo.com  
**Sent:** Tuesday, September 12, 2023 12:36 PM  
**To:** Public Comment  
**Subject:** Rezoning/Redevelopment of Rancho Shopping Center

Dear Los Altos City Council,

I am writing to express my strong opposition to the pending proposal to rezone Rancho Shopping Center (RSC) for residential development. Such development would destroy dozens of thriving businesses and eliminate an even greater number of jobs. It would eliminate most of the current retail in South Los Altos, along with the walkability that makes this neighborhood special. The increased traffic it would bring would further damage quality of life in the neighborhood.

I understand the Housing Element Plan was two years in the making and was recently approved by the State. Unfortunately, whatever outreach efforts were undertaken during this process do not appear to have been particularly effective. Of the several dozen neighbors I have communicated with on this issue, none were aware this was on the horizon until about a week ago. Certainly none foresaw a possible outcome where South Los Altos could lose basically all of its retail in favor of massive, out of scale residential development.

The logical places to build high density housing in Los Altos are along the El Camino corridor (where such housing already exists and which is well served by transit) or in downtown Los Altos. From comments at last week's Planning Commission meeting, it appears the City's focus on redeveloping commercial zones such as Rancho was the result of a relatively small number of comments at the outset requesting protection of R1 zones at all cost. However, forced to choose between bad options, I believe many in our community would prefer to see alternatives such as taller residential buildings on El Camino Real or possibly some R1 lot splitting rather than redevelopment of Rancho and the rest of Los Altos' commercial zones. I urge the City to consider seeking to amend the Housing Element Plan after receipt of a wider range of inputs from Los Altos residents. If this cannot be done per the State's process, please provide an explanation why it cannot.

During last week's Planning Commission meeting, City staff indicated that it would be possible under the currently approved Housing Element Plan for City Council to designate Rancho for mixed-use housing only (rather than residential only). While not ideal, this approach would at least preserve some of the walkability we so cherish about our neighborhood and the possibility Rancho could continue to serve as our own mini-downtown and community gathering space. I urge the City to adopt such a measure immediately as an important mitigation measure in case Rancho does proceed down the path to redevelopment.

Thank you for your consideration.

Sincerely,





**CITY OF LOS ALTOS  
CITY COUNCIL MEETING MINUTES  
TUESDAY, AUGUST 22, 2023  
5:30 p.m.  
1 N. San Antonio Rd. ~ Los Altos, CA**

Agenda Item # 1.

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

**SPECIAL MEETING**

**CALL MEETING TO ORDER:** Mayor Meadows called the meeting to order at 5:30 p.m.

**ESTABLISH QUORUM:**

All Councilmembers were present and in person during the meeting.

**DISCUSSION ITEM(S)**

1. Discuss and consider changes regarding the establishment of ad hoc subcommittees, the appointment of Commissioners as liaisons, the role of Council liaisons, and including a statement of incompatible activities and perceived conflict of interest to the Los Altos Commission Handbook

The following members of the public spoke regarding the item:

- Roberta Phillips
- Raashina Humayan
- Pierre Bedard
- Teresa Morris

The City Council provided the following direction:

- Allow Commissioners to serve on one subcommittee at a
- Council be informed of Commissioner serving on outside agency boards and/or committees
- Formation and dissolution of an ad-hoc subcommittees must be placed on a public agenda
- Place a standard item on Commission agendas entitled “Ad-Hoc/Subcommittee Reports” for subcommittees to report out during meetings
- Commissions should report to the City Council every October, and six months after that report the Commission Chair, Staff Liaison and Council Liaison should meet to discuss the Commission
- Use Council norms from Los Altos and Palo Alto to create a draft Council Liaison Role

**ADJOURNMENT** – The meeting adjourned at 6:59 p.m.

The meeting minutes were prepared by Melissa Thurman, City Clerk, for approval at the regular meeting of September 12, 2023.

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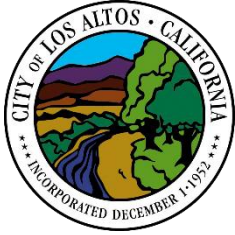
Sally Meadows,  
Mayor

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Melissa Thurman, MMC  
City Clerk

The August 22, 2023 City Council Special 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 OF LOS ALTOS  
CITY COUNCIL MEETING MINUTES  
TUESDAY, AUGUST 22, 2023  
7:00 p.m.  
1 N. San Antonio Rd. ~ Los Altos, CA**

Agenda Item # 1.

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

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

**ESTABLISH QUORUM** – All Councilmembers were present and in person.

**PLEDGE ALLEGIANCE TO THE FLAG** – Jonathan Weinberg, Vice Mayor, led the Pledge of Allegiance.

**REPORT ON CLOSED SESSION** – At the Closed Session meeting of August 22, 2023, the City Council designated Mayor Meadows and Vice Mayor Weinberg as members of a subcommittee to oversee the process of the City Manager’s performance evaluation.

**CHANGES TO THE ORDER OF THE AGENDA**

**Gabriel Engeland, City Manager**, explained that Item 9 on the Consent Agenda was meant to be placed as Item 13 on the agenda as a Discussion Item.

The City Council did not object to the placement of Item 9 as Item 13 on the Discussion Items section of the agenda.

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

The following members of the public spoke during Public Comment:

- Freddie Wheeler
- Jack Tooley
- Art Whipple
- Roberta Phillips

**SPECIAL ITEMS**

Receive presentation from MidPeninsula Regional Open Space District

**Curt Riffle, Board Member of Ward 4**, presented the report.

Issue Proclamation Recognizing Public Works Director Jim Sandoval's Contributions to the City of Los Altos

**Gabriel Engeland, City Manager**, announced the retirement of Jim Sandoval, Public Works Director, and **Sally Meadows, Mayor**, presented a proclamation recognizing Jim Sandoval’s contributions to the City of Los Altos.

**CONSENT CALENDAR**

**Neysa Fligor, Councilmember**, requested an amendment to the agreement attached to Item 7 to read:

*“The City may terminate this License, with or without cause, upon providing thirty (30) days’ notice to Licensee and may terminate if Licensee is in violation of CUP 95-UP-1 and/or CUP 03-UP-10, or that Licensee is in violation of any state or federal law, or any local ordinances.”*

Motion by Weinberg and Seconded Dailey by to approve the Consent Calendar Items 1 – 8, with Item 7, as amended. **Motion carried unanimously by roll call vote.**

1. Approve meeting minutes for the Regular Meeting of July 11, 2023
2. Treasurer’s Report – Month Ended April 30, 2023 and Month Ended May 31, 2023
3. Approve Appointment of Councilmember Neysa Fligor as Council Liaison to the Parks, Arts, Recreation, and Cultural Commission
4. Approve appointment of Mayor Sally Meadows and Councilmember Neysa Fligor to attend Multi-Jurisdictional Meetings on the Stanford Community Plan
5. Receive the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information Annual Report (FY23-Year 2)
6. Adopt a Resolution accepting completion of the On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services for FY 22/23 and authorized the Public Works Director to record a Notice of Completion as required by law
7. Authorize the City Manager to execute the proposed License Agreement with Los Altos Grill for the use of City’s Parking Plaza to meet its parking demand as required in the Los Altos Municipal Code
8. Adopt a Resolution to approve the Fiscal Year 2023/24 Salary Schedule to Comply with California Public Employees’ Retirement System (CalPERS) Statutory and Regulatory Requirements for Compensation Earnable and Publicly Available Salary Schedules

**PUBLIC HEARINGS**

10. Introduce and Waive further reading of Zoning Ordinance Text Amendments implementing programs identified in the adopted housing element, Program 4.C Allow Low Barrier Navigation Centers consistent with AB 101, Program 4.D Allow transitional and supportive housing consistent with State law, Program 4. E Allow employee/farmworker housing consistent with State law, Program 4.F Reasonably accommodate disabled persons’ housing needs. 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

**Nick Zornes, Development Services Director**, presented the report.

**Sally Meadows, Mayor**, opened the Public Hearing.

There were no speakers during the Public Hearing.

**Sally Meadows, Mayor**, closed the Public Hearing.

Motion by Weinberg and Seconded by Fligor to waive the first reading and introduce the Zoning Ordinance Text Amendments implementing programs identified in the adopted housing element, Program 4.C Allow Low Barrier Navigation Centers consistent with AB 101, Program 4.D

Allow transitional and supportive housing consistent with State law, Program 4. E Allow employee/farmworker housing consistent with State law, Program 4.F Reasonably accommodate disabled persons’ housing needs.

Lynette Lee Eng, Councilmember, made a Friendly Amendment stating that 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. **Friendly Amendment accepted by Vice Mayor Weinberg and Councilmember Fligor. Motion, with Friendly Amendment, carried unanimously by roll call vote.**

**DISCUSSION ITEMS**

- 11. Introduce and Waive Further Reading of an Ordinance of the City Council of the City of Los Altos Adding Chapter 12.72 Penalty for Expired Permits and amending Chapter 12.08 and 12.10 of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970

**Nick Zornes, Development Services Director**, presented the report.

The following members of the public spoke regarding the item:

- Teresa Morris
- Sean Payne

Motion by Lee Eng and Seconded by Dailey to waive the first reading and introduce an Ordinance of the City Council of the City of Los Altos Adding Chapter 12.72 Penalty for Expired Permits and amending Chapter 12.08 and 12.10 of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970. **Motion carried unanimously by roll call vote.**

- 12. Introduce and Waive Further Reading of an Ordinance of the City Council of the City of Los Altos Adding Chapter 11.14 Mechanical Equipment to Title 11 Miscellaneous Property Regulations of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970

**Nick Zornes, Development Services Manager**, presented the report.

The following members of the public spoke regarding the item:

- Gary Stoy
- Teresa Morris

Motion by Weinberg and Seconded by Meadows to waive the first reading and introduce an Ordinance of the City Council of the City of Los Altos Adding Chapter 11.14 Mechanical Equipment to Title 11 Miscellaneous Property Regulations of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of

the State Guidelines Implementing the California Environmental Quality Act of 1970. **Motion carried 3-2 with Councilmembers Fligor and Lee Eng opposed.**

13. Direct the City Manager to sign a new contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years (*Previously Item 9 on the Consent Calendar*)

**Anthony Carnesecca, Assistant to the City Manager**, presented the report. **Elizabeth Ward, Museum Director and Kuljeet Kalkat, Museum Board Member**, provided additional input to the City Council.

The following members of the public spoke regarding the item:

- Gary Hedden
- Joe Beninato

The City Council provided the following direction:

- Better identify the existing costs that are paid for by the City for operations
- Better articulate the funding request for programming as outlined in the previous proposal

**Direction Item Only. No Motion Taken.**

14. Review guidelines for the authorization and administration of public funds for travel expenses and reimbursements for official City business as they apply to elected City officials, including the Mayor, Vice Mayor, and Council members

**Anthony Carnesecca, Assistant to the City Manager**, presented the report.

The following member of the public spoke regarding the item:

- Roberta Phillips
- Joe Beninato

The City Council provided the following direction:

- Allow for automatic approval for the CalCities Annual Conference, the CalCities City Leaders Summit and the CalCities New Mayors and New Councilmembers Academy
- Prohibit conference-related travel to states with discriminatory laws, pursuant to AB1887
- Allow for reimbursement paperwork to be submitted to the city no later than 60 days after the conference ends, and ensuring the reimbursement requests are in the same fiscal year that the conference was held
- Clarify the 50-mile radius of a conference from the City of Los Altos

Motion by Meadows and Seconded by Dailey to provide guidelines for the authorization and administration of public funds for travel expenses and reimbursements for official City business as they apply to elected City officials, including the Mayor, Vice Mayor, and Council members.

**Motion carried unanimously by roll call vote.**

15. Request From the Town of Los Altos Hills to Engage in Discussions for Future Law Enforcement Services Provided by the City of Los Altos

**Gabriel Engeland, City Manager**, presented the report.

The following members of the public spoke regarding the item:

- Freddie Wheeler

Motion by Lee Eng and Seconded by Meadows to approve discussions for future law enforcement services provided by the City of Los Altos to the Town of Los Altos Hills.

#### **INFORMATIONAL ITEMS ONLY**

15. Tentative Council Calendar and Housing Element Update Calendar
16. Housing Element Status Update
17. Update from CHAC to JPA Partners

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

- **Jonathan Weinberg** – Requested a future informational item regarding an incident with Automated License Plate Reader (ALPR) use in Palo Alto. *(Supported by Dailey and Fligor)*
- **Pete Dailey** – Requested a future agenda item to discuss how to expand the City of Los Altos’s park portfolio. *(Supported by Weinberg and Fligor)*
- **Lynette Lee Eng** - Requested a future agenda item to allocate funds to donate to the State of Hawaii after the recent wildfires in Lahaina. *(Supported by Fligor and Dailey)*

**ADJOURNMENT** – The meeting adjourned at 11:51 p.m.

The meeting minutes were prepared by Melissa Thurman, City Clerk, for approval at the regular meeting of September 12, 2023.

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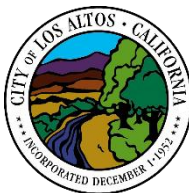
Sally Meadows,  
Mayor

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City Clerk

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### AGENDA REPORT SUMMARY

**Meeting Date:** September 26, 2023

**Subject** Quarterly Investment Portfolio Report – Quarter Ended June 30, 2023

**Prepared by:** Minh Nguyen, Senior Accountant

**Reviewed by:** June Du, Finance Director

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Portfolio Mix Charts
2. Investment Policy Compliance Chart
3. LAIF Balance 06-30-23
4. LAIF Performance Over Time
5. PFM Investment Report Quarter Ended June 30, 2023

**Initiated by:**

Staff.

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- None

**Summary:**

- This report presents the status of the City’s investment portfolio through June 30, 2023. The reporting model has been developed in coordination with PFM Asset Management LLC (PFM), the City’s investment portfolio managers.

**Staff Recommendation:**

Receive the Investment Portfolio Report through June 30, 2023.

City Manager

GE

**Reviewed By:**

City Attorney

JH

Finance Director

JD





**Subject:** Quarterly Investment Portfolio Report – Quarter Ended June 30, 2023

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**Purpose**

These quarterly reports are presented to both the City Council and the Financial Commission to keep both bodies apprised as to the status of the City’s investment holding and demonstrate compliance with the City’s Investment Policy.

**Background**

A review of the Investment Portfolio Report Quarter Ended June 30, 2023 was presented and discussed by the Financial Commission on August 21, 2023. The Financial Commission reviewed the Quarterly Investment Portfolio Report ending June 30, 2023, and had a brief discussion.

**Discussion/Analysis**

The summary provided below presents the sum of all City investment holdings. The City’s portfolio par value and market value, including LAIF but excluding operating cash, as of June 30, 2023, was \$60,570,164 and \$58,830,906 respectively. The City’s operating cash, as of June 30, 2023, was \$8,451,123.

As of June 30, 2023, 3.8% of the City’s portfolio was placed in Federal Agency Securities (Fannie Mae, Federal Home Loan Bank, Federal Home Loan Mortgage, and Federal Farm Credit), 15.3% in Asset-Backed Securities, 0.9% in Supra-National Agency Bond, 39.3% in US Treasuries, 21.4% in medium-term Corporate Notes and Commercial Paper, and 2.3% in Certificate of Deposits, with the balance of 17.0% in LAIF. This portfolio mix is illustrated as part of Attachment 1 with LAIF balance and performance as Attachments 3 and 4.

Full compliance with the City’s Investment Policy is monitored closely and on a per-trade basis as illustrated in Attachment 2. In accordance with California Government Code 53646(b)(3), the City of Los Altos has the ability to meet its pool expenditure requirements for the next six months.

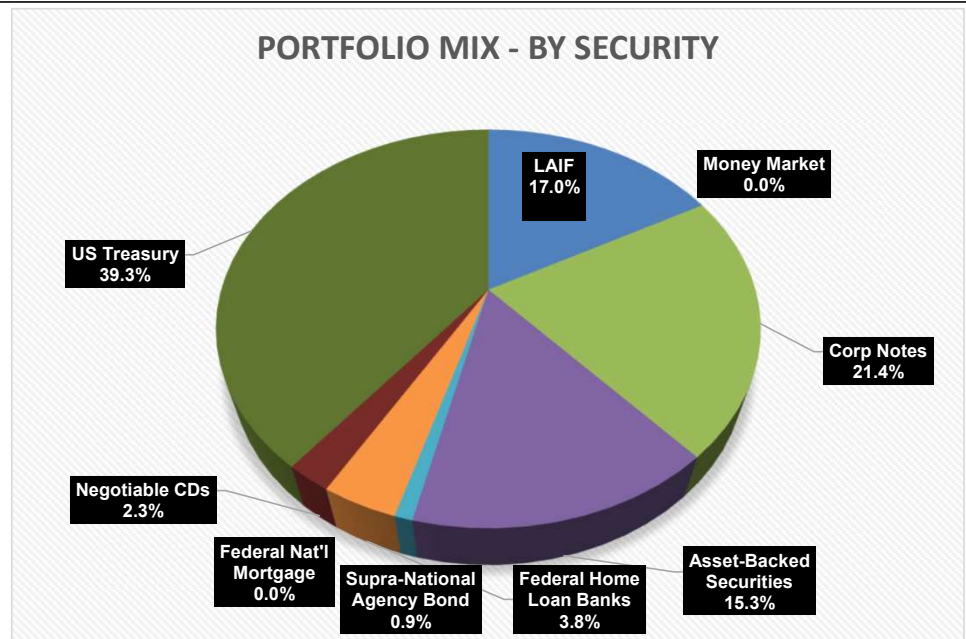
As part of these quarterly updates, a status report is prepared by PFM which is included as Attachment 5: Investment Performance Review for the Quarter Ended June 30, 2023. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings with LAIF. This has been intentionally crafted to isolate the performance of the City’s independently managed investments. The return of the portfolio over ten years is 1.03%, which is highlighted on page 21 of the PFM Investment Performance Review Report (Attachment 5).

**Recommendation**

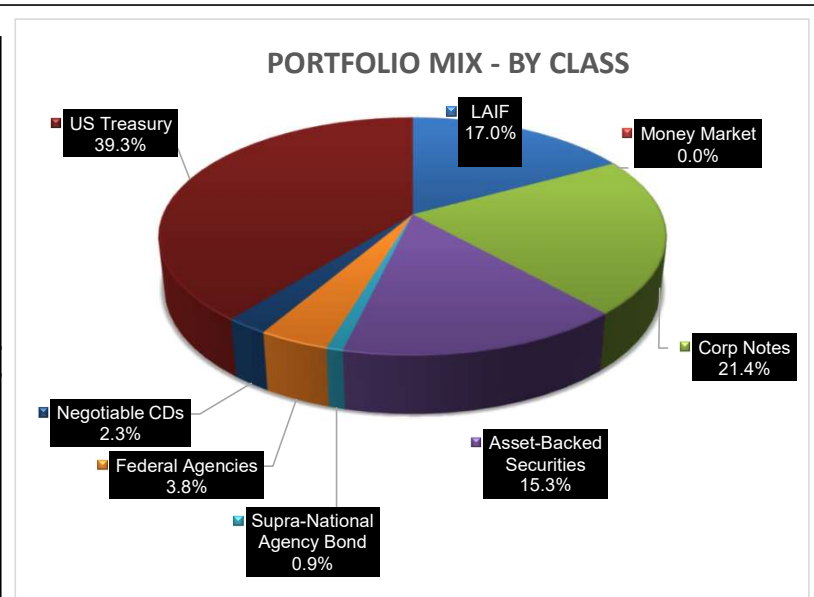
Receive the Investment Portfolio Report Quarter Ended June 30, 2023

**Attachment 1  
Portfolio Mix Charts  
June 2023**

Security Type	% of Total	Portfolio Mix By Security
LAIF	17.0%	10,292,900
Money Market	0.0%	-
Corp Notes	21.4%	<b>12,976,000</b>
Asset-Backed Securities	15.3%	<b>9,272,488</b>
Supra-National Agency Bond	0.9%	<b>535,000</b>
Federal Home Loan Banks	3.8%	<b>2,321,776</b>
Federal Nat'l Mortgage	0.0%	-
Negotiable CDs	2.3%	<b>1,375,000</b>
US Treasury	39.3%	<b>23,797,000</b>
Commercial Paper	0.0%	-
<b>* Totals</b>	<b>100%</b>	<b>60,570,163.73</b>



Security Type	% of Total	Portfolio Mix Par Value	Market Value
LAIF	17.0%	10,292,900	10,292,900
Money Market	0.0%	-	-
Corp Notes	21.4%	12,976,000	<b>12,534,481</b>
Asset-Backed Securities	15.3%	9,272,488	<b>9,045,288</b>
Supra-National Agency Bond	0.9%	535,000	<b>504,187</b>
Federal Agencies	3.8%	2,321,776	<b>2,187,373</b>
Negotiable CDs	2.3%	1,375,000	<b>1,370,234</b>
US Treasury	39.3%	23,797,000	<b>22,896,444</b>
	<b>100%</b>	<b>60,570,164</b>	<b>58,830,906</b>
Corp Notes		12,976,000	12,534,481
Asset-Backed Securities		9,272,488	9,045,288
Supra-National Agency Bond		535,000	504,187
US Treasury/Agencies		26,118,776	25,083,816
Negotiable CDs		1,375,000	1,370,234
Accrued Interest		-	297,379
		<b>50,277,264.04</b>	<b>48,835,385</b>
Margin Over (Under) Par			<b>(1,441,879)</b>



**Attachment 2**  
**Investment Policy Compliance Chart**  
**June 2023**

Agenda Item # 2.

City Investment	% Mix	Par Value	Earliest Term	City Policy Term Limitation	City Policy \$ Limitation	City Policy % Limitation	CAPACITY	% Compliance Yes/No	Term Compliance Yes/No
LAIF	17.0%	10,292,900	07/01/22	No Term	75,000,000	100%	64,707,100	Yes	N/A
Money Market	0.0%	-		Overnight		20%	12,114,033	Yes	N/A
Corp Notes	21.4%	12,976,000	06/08/23	5 Years		30%	5,195,049	Yes	Yes
Asset-Backed Securities	15.3%	9,272,488	08/21/23	5 Years		20%	2,841,545	Yes	Yes
Supra-National Agency Bond	0.9%	535,000	05/24/23	5 Years		20%	11,579,033	Yes	Yes
Federal Agencies	3.8%	2,321,776	07/01/22	5 Years		100%	58,248,387	Yes	Yes
Commercial Paper	0.0%	-	-	270 Days		25%	15,142,541	Yes	-
Negotiable CDs	2.3%	1,375,000	12/02/22	5 Years		30%	16,796,049	Yes	Yes
US Treasury	39.3%	23,797,000	09/30/23	5 Years		100%	36,773,164	Yes	Yes
	100%	<b>60,570,164</b>							

# California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

July 05, 2023

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

CITY OF LOS ALTOS

CITY TREASURER  
ONE NORTH SAN ANTONIO ROAD  
LOS ALTOS, CA 94022

[Tran Type Definitions](#)

**Account Number:** 98-43-481

June 2023 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
6/7/2023	6/7/2023	RW	1730286	N/A	JON MAGINOT	-8,000,000.00

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	18,292,899.69
Total Withdrawal:	-8,000,000.00	Ending Balance:	10,292,899.69

Attachment 4 - LAIF Performance Over Time



**POOLED MONEY INVESTMENT ACCOUNT**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167						



# CITY OF LOS ALTOS

## Investment Performance Review For the Quarter Ended June 30, 2023

### Client Management Team

Monique Spyke, Managing Director  
Wale Kajopaiye, Senior Managing Consultant

### PFM Asset Management LLC

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San Francisco, CA 94111-5411  
415-393-7270

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Harrisburg, PA 17101-2141  
717-232-2723

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

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# Agenda

- Market Update
- Portfolio Review

# Market Update



## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▷ Headline inflation numbers trending lower, but the Fed's current focus, "supercore inflation," is showing little sign of slowing
  - ▷ A labor market that has proven to be exceptionally strong
  - ▷ A more optimistic sentiment around economic growth due to resilient consumer spending



- ▶ Fed temporarily pauses rate hikes
  - ▷ The most aggressive series of interest rate hikes in recent history has come to a temporary pause in June
  - ▷ The Fed's most recent dot plot shows the potential for two additional rate hikes by the end of the year
  - ▷ Rates have moved up due to the Fed's rate trajectory shifting higher, the economy remaining stronger than expected, persistent inflation, and the market's "higher-for-longer" mindset

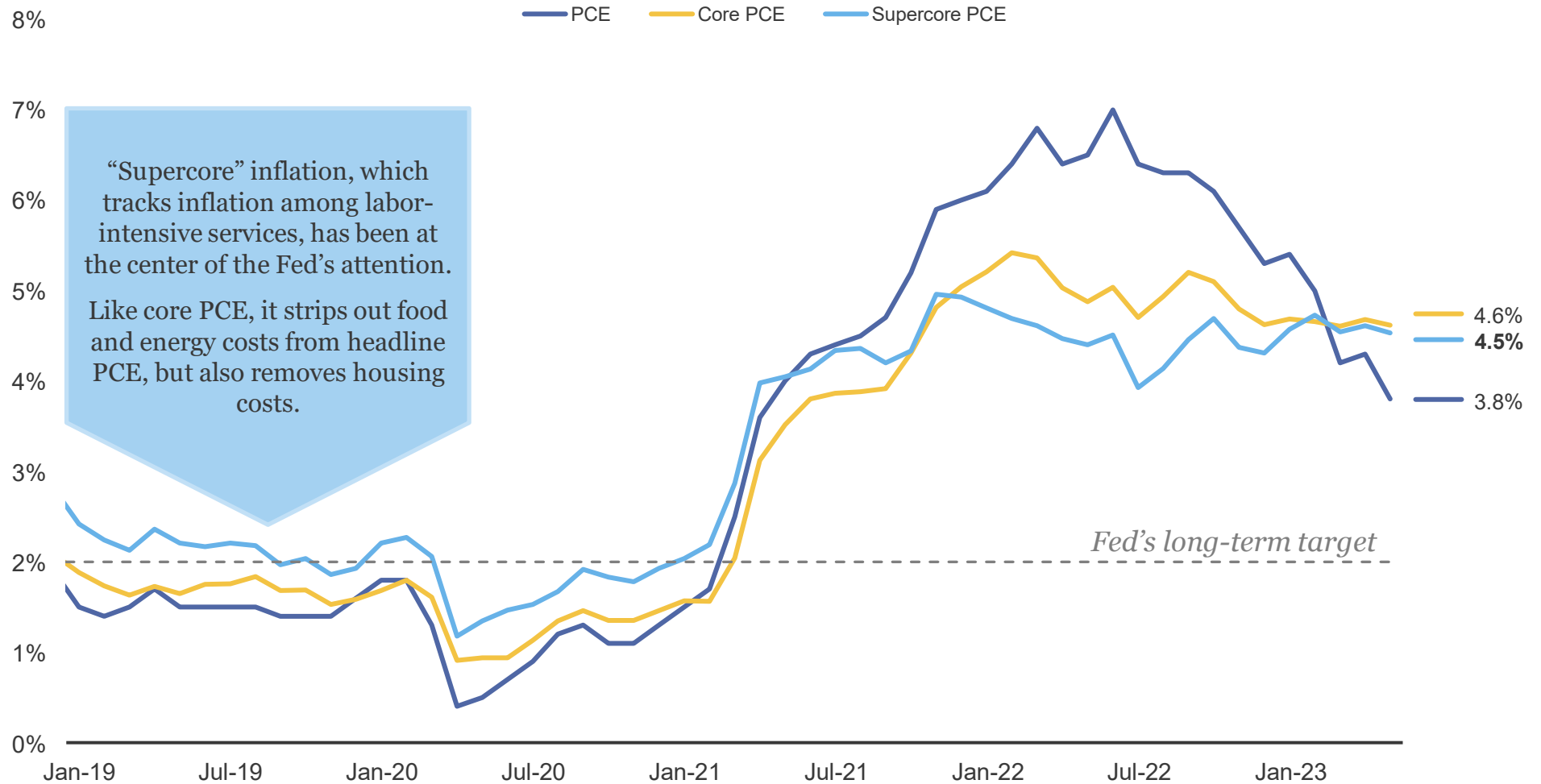


- ▶ Bond markets see continued volatility
  - ▷ The debt ceiling saga incited a separate spate of market volatility due to concern about a potential U.S. default
  - ▷ After plummeting at the end of Q1 due to volatility in the banking sector, short and medium-term yields steadily climbed throughout the quarter, with the 2-year rising over 100 basis points
  - ▷ The curve inversion fell dramatically at the start of Q2, but moved toward historic levels in June

## Inflation Measures Remain Above Fed's Target

### The Fed's Key Inflation Rate

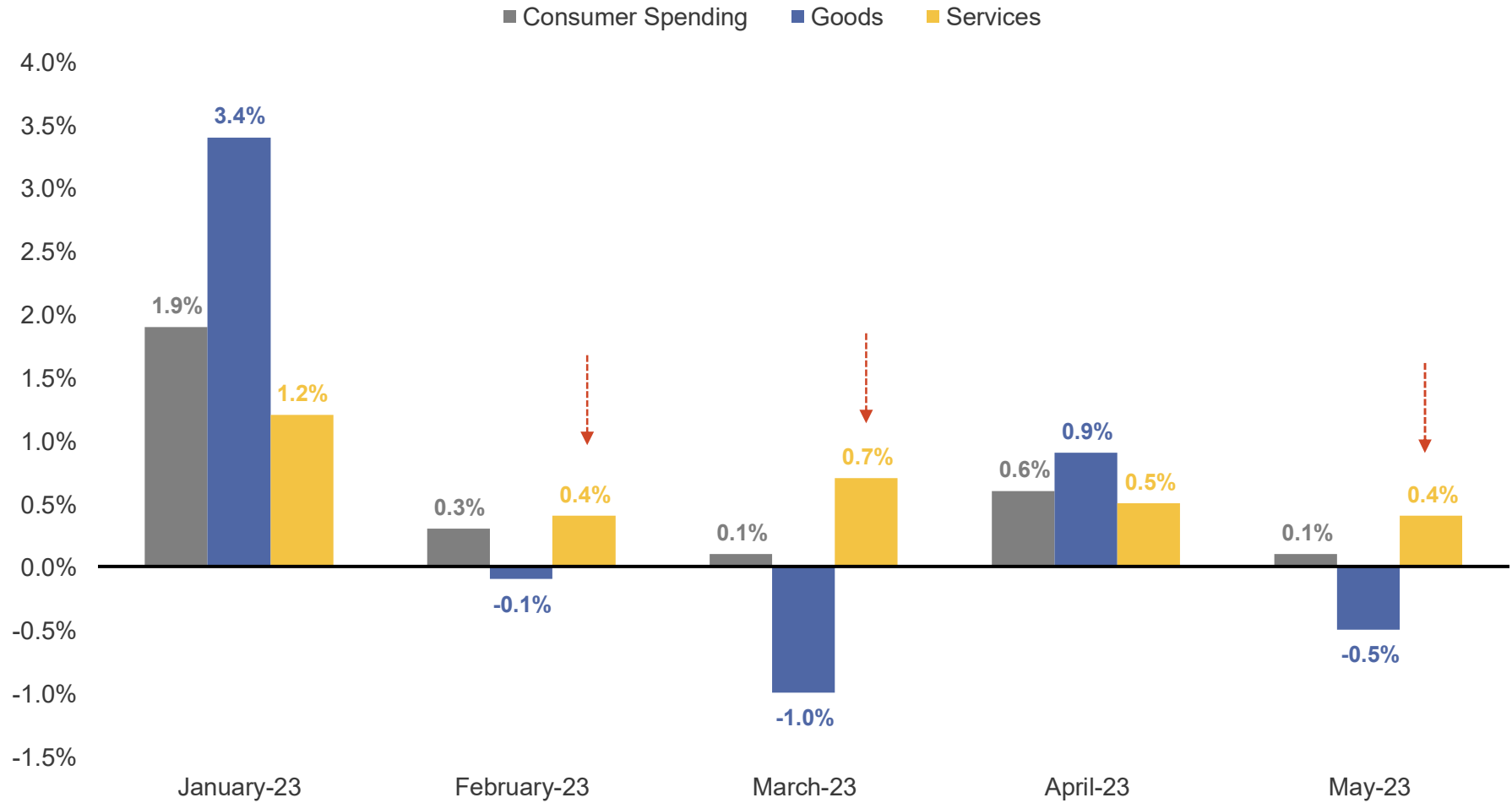
Personal Consumption Expenditure Price Index, Year-over-year



Source: Federal Reserve, Bloomberg, Bureau of Economic Analysis as of May 2023.

## Consumers Have Been Spending More on Services

### Change in Consumer Spending Month-over-month



Source: Bloomberg, Bureau of Economic Analysis as of May 2023.

## Treasury Issuance Expected to Surge Following Debt Ceiling Deal

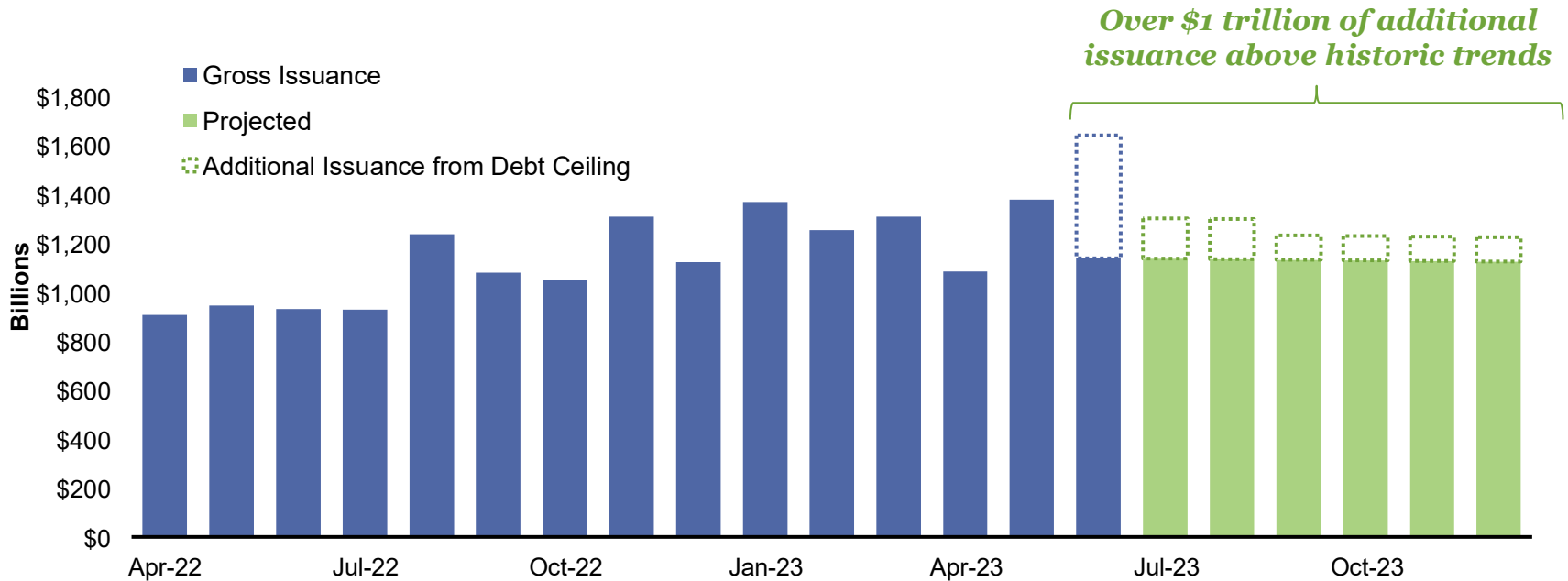
### The Reason

The U.S. Treasury needs to refill its depleted general fund while also covering higher outflows and lower tax receipts

### The Impact

The net new issuance is expected to pull liquidity out of other markets and place upward pressure on short-term Treasury yields and on other sectors

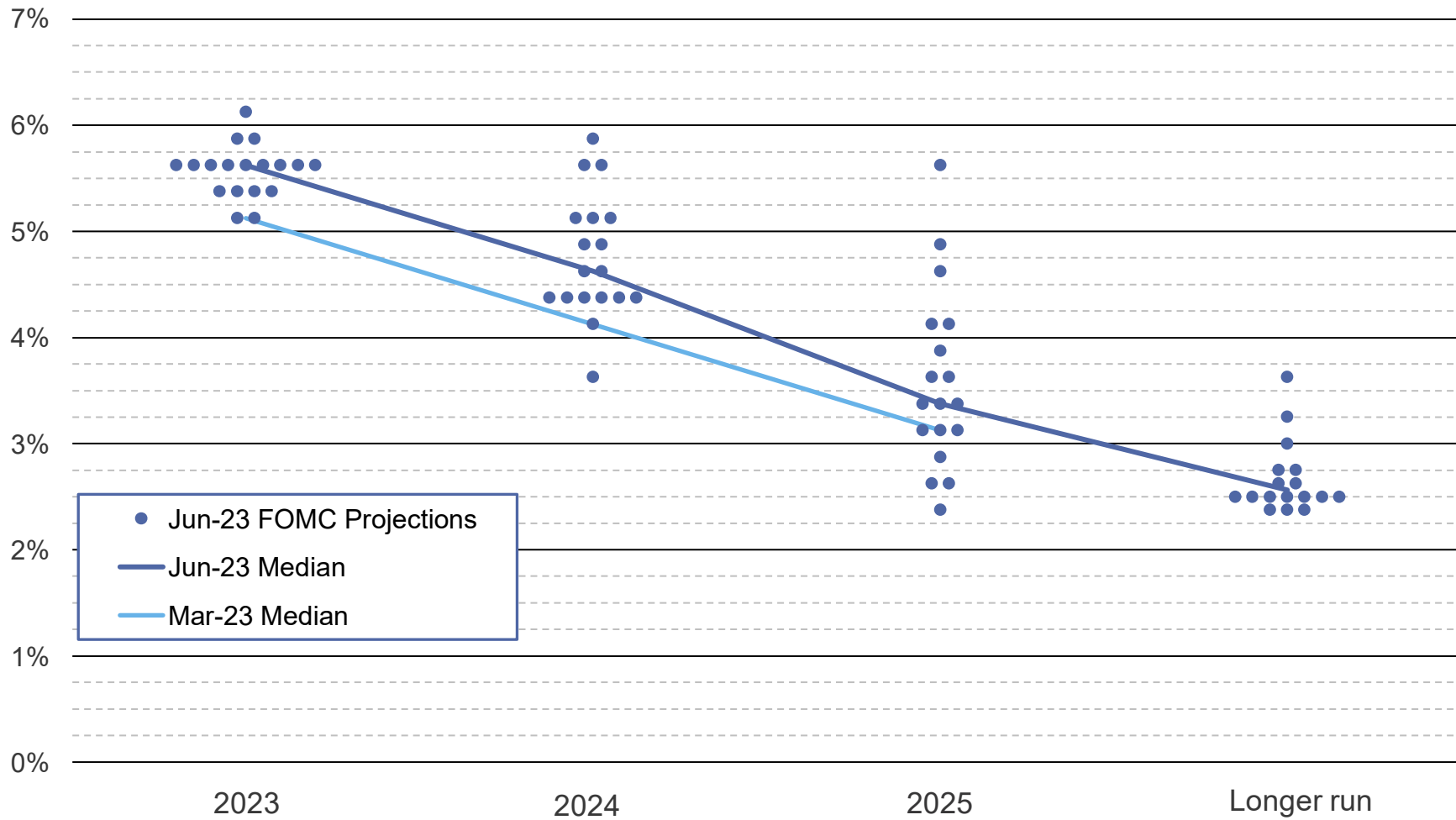
### U.S. Treasury Bills Issuance



Source: Bloomberg, SIFMA, U.S. Treasury, Bank of America Global Strategy for U.S. Treasury issuance projections as of June 2023.

## Fed's "Dot Plot" Shows We Are Nearing Sufficiently Restrictive Territory

### Fed Participants' Assessments of 'Appropriate' Monetary Policy



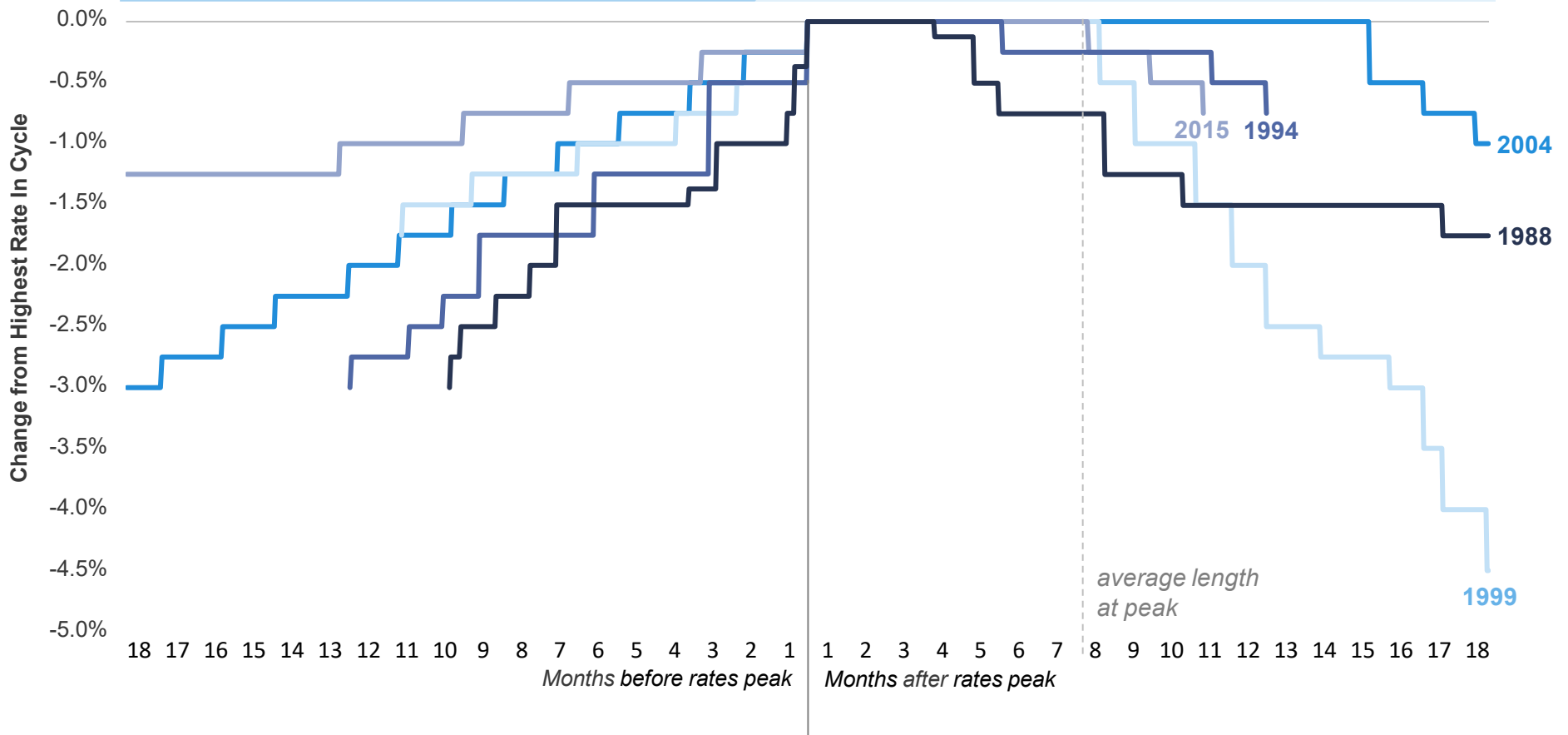
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

## How Long Have Rates Stayed at the Peak?

### Federal Funds Rate Cycles

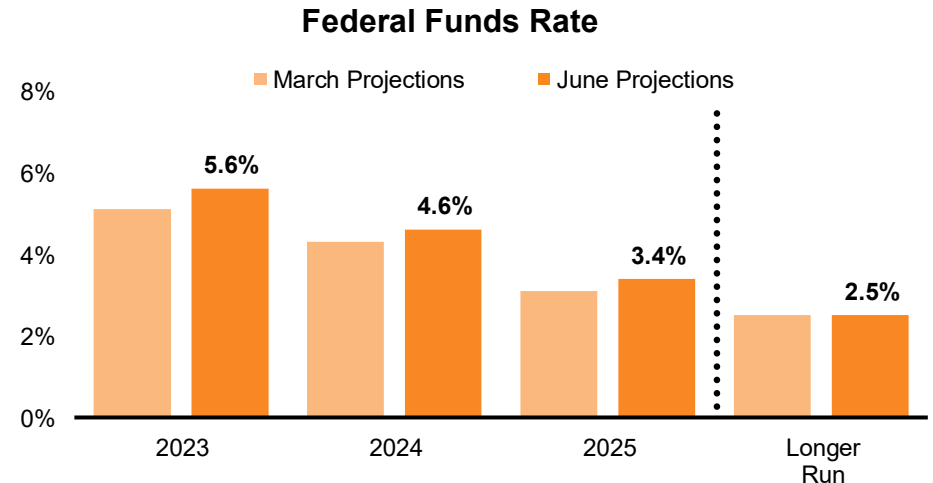
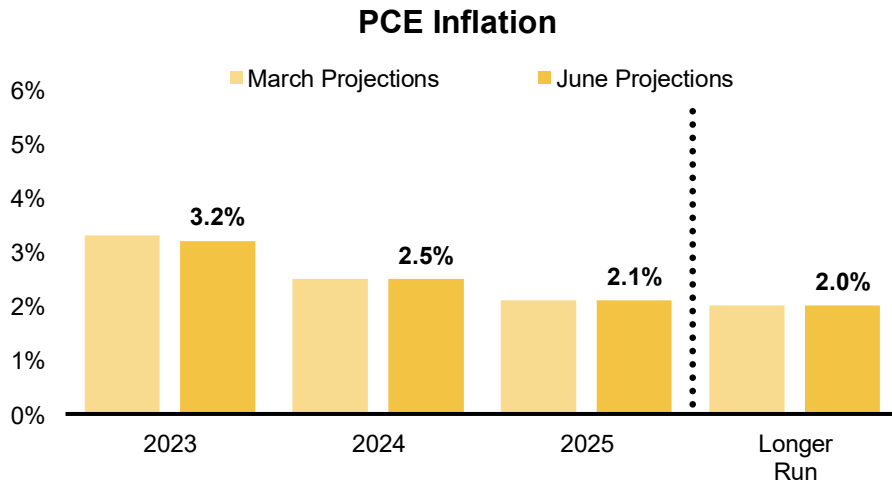
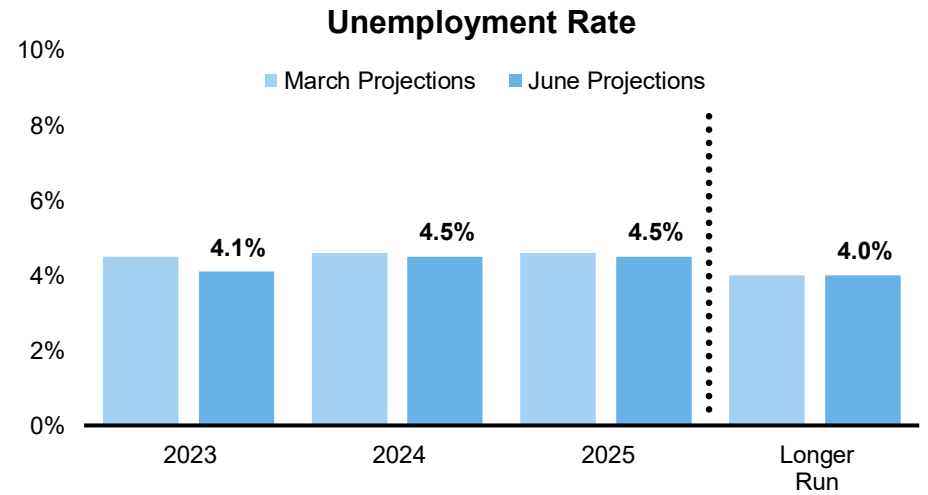
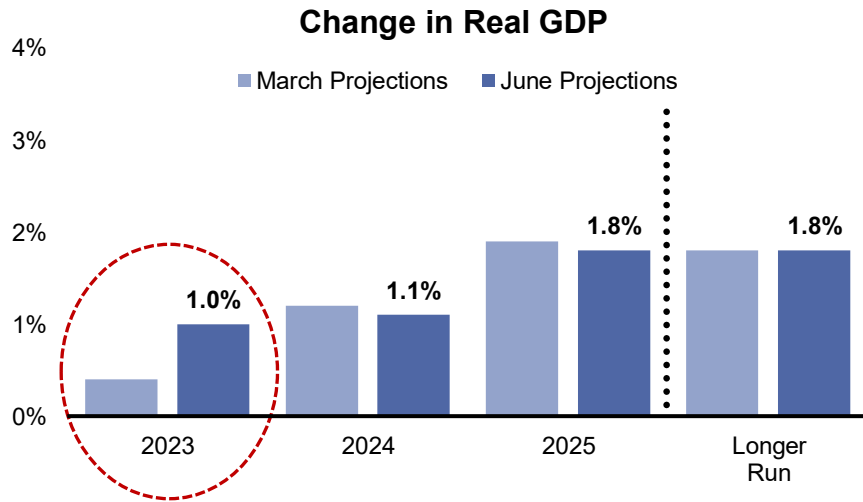
Peaks of previous Fed rate cycles, indexed to 0%

Once the Fed reaches their peak Fed Funds rate, they have historically held rates at that level for around **8 months**



Source: Federal Reserve, Bloomberg.

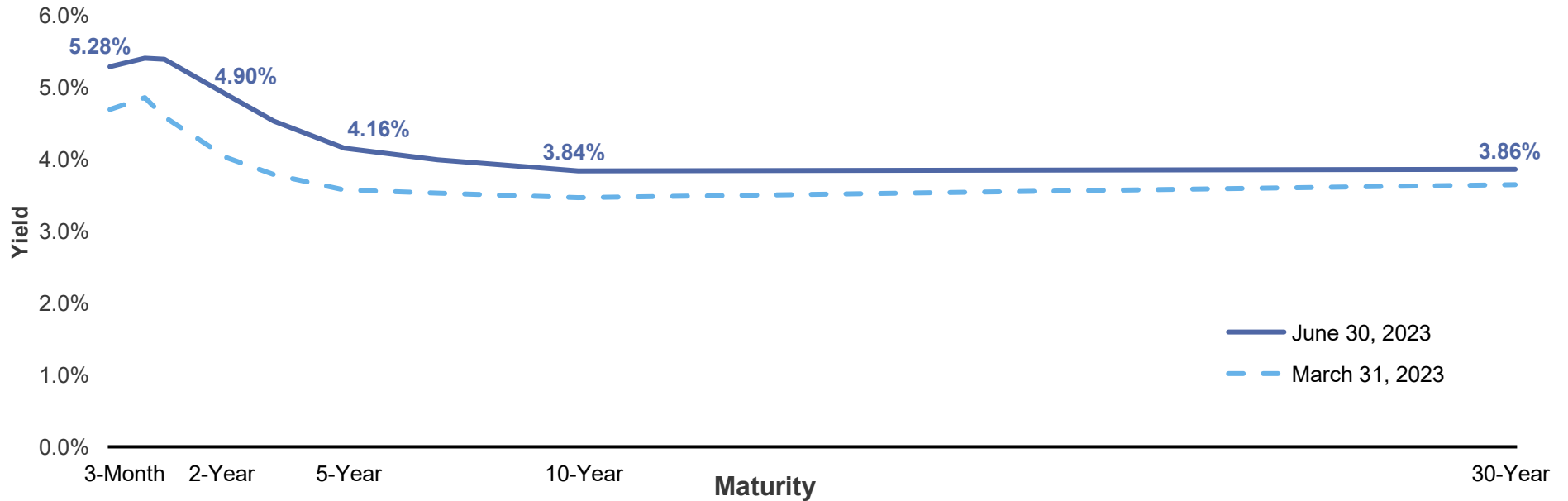
## Fed's Updated June Projections Reflect Stronger Economic Expectations for 2023



Source: Federal Reserve, latest economic projections as of June 2023.

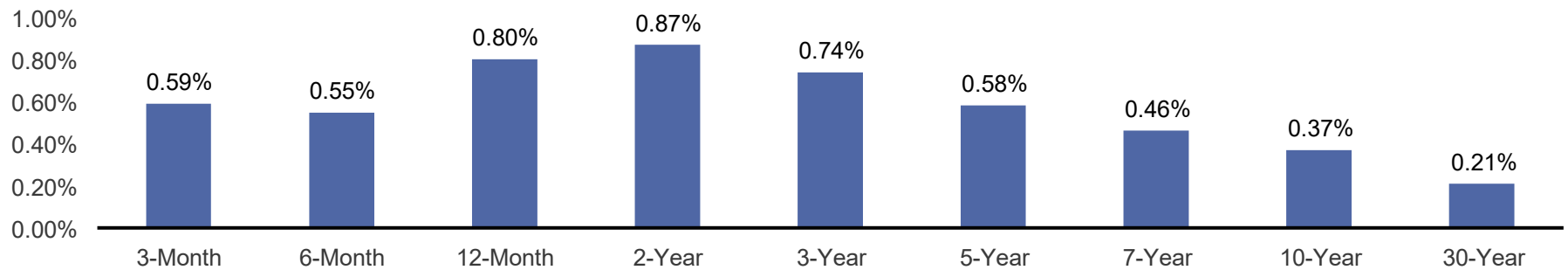
## Interest Rates Rise as “Higher-for-Longer” Mantra Sets In

### U.S. Treasury Yield Curve



### Yield Changes by Maturity

*from March 31 – June 30, 2023*

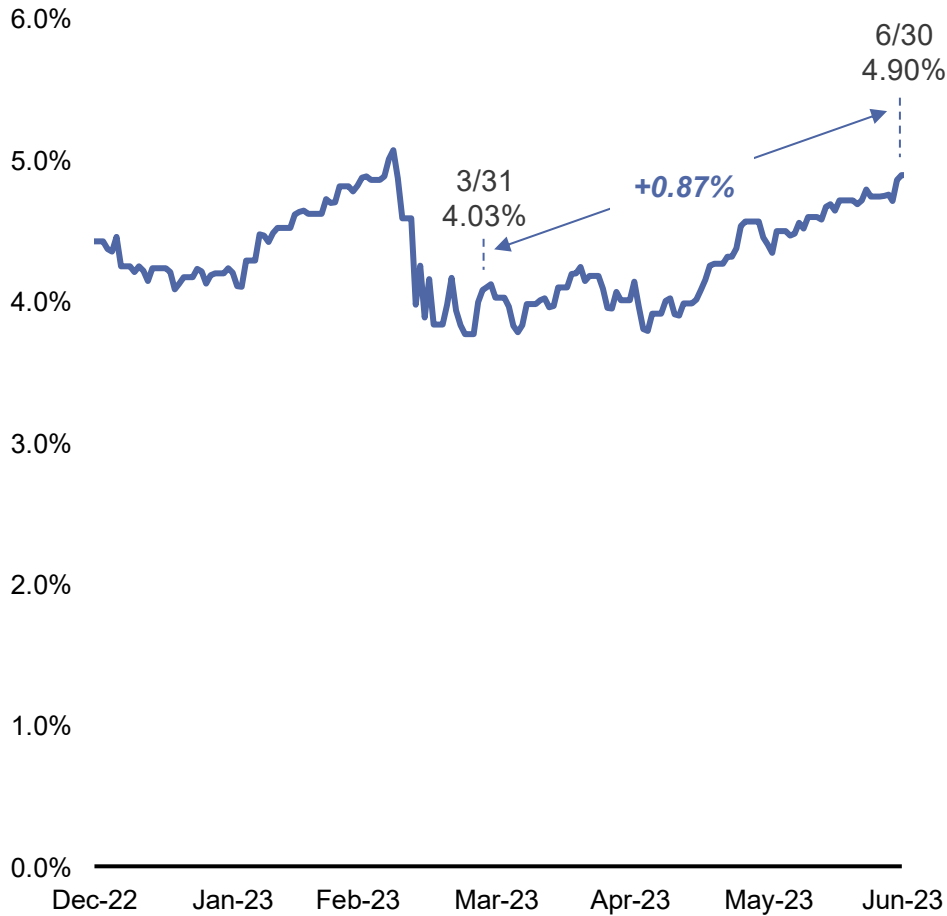


Source: Bloomberg, as of 06/30/2023.

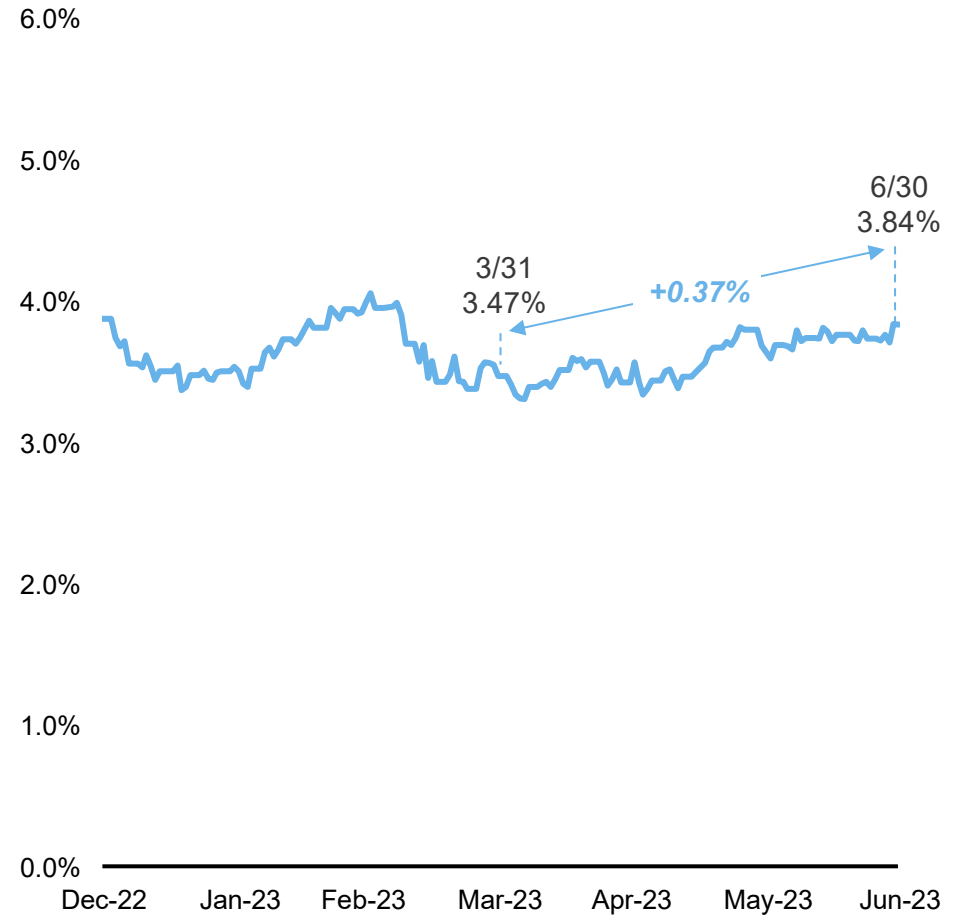


## Treasury Yields Move Upward on Expectation for Future Rate Increases

### 2-Year Treasury Yield



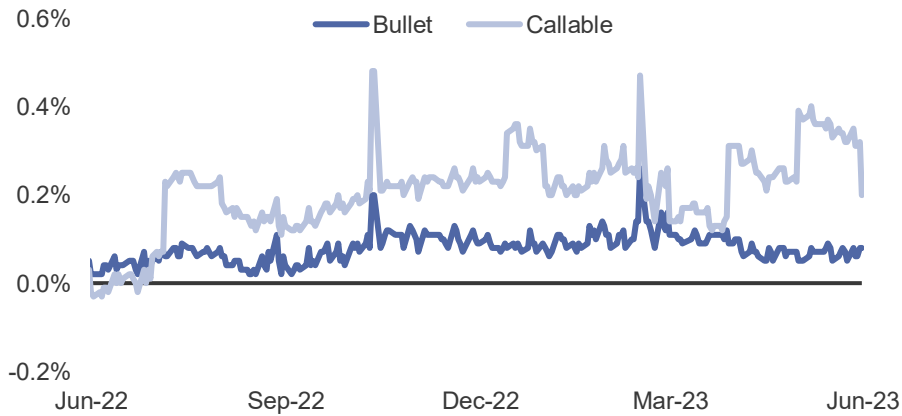
### 10-Year Treasury Yield



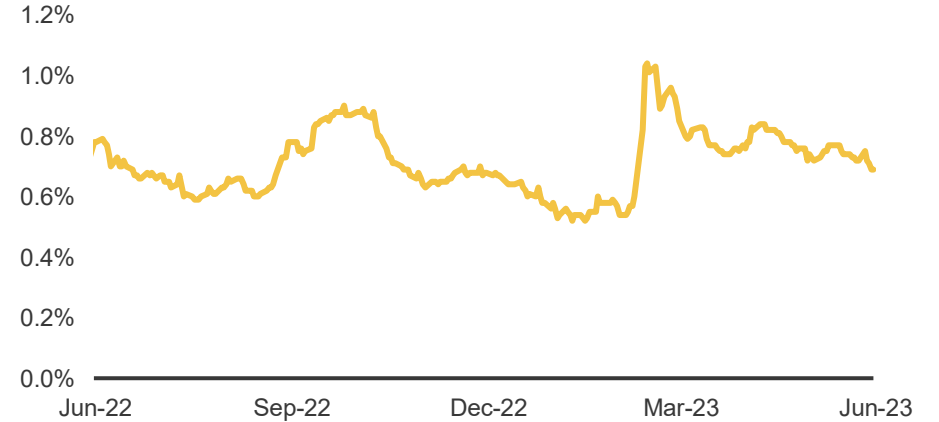
Source: Bloomberg, as of 06/30/2023.

## Sector Yield Spreads

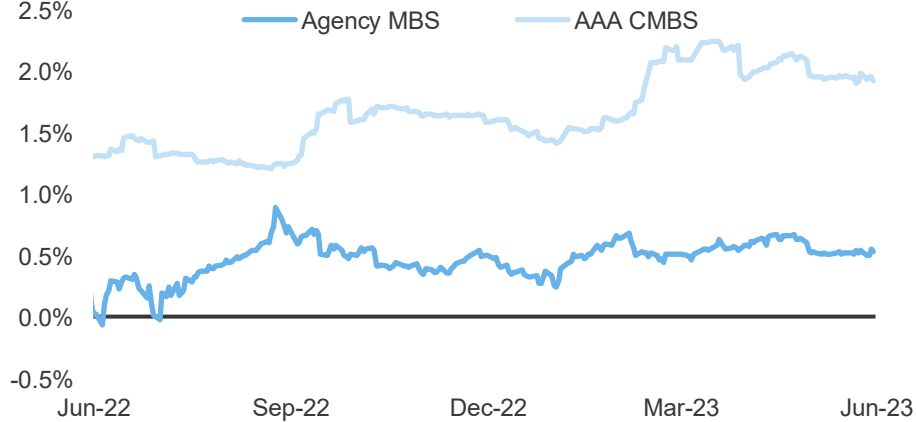
### Federal Agency Yield Spreads



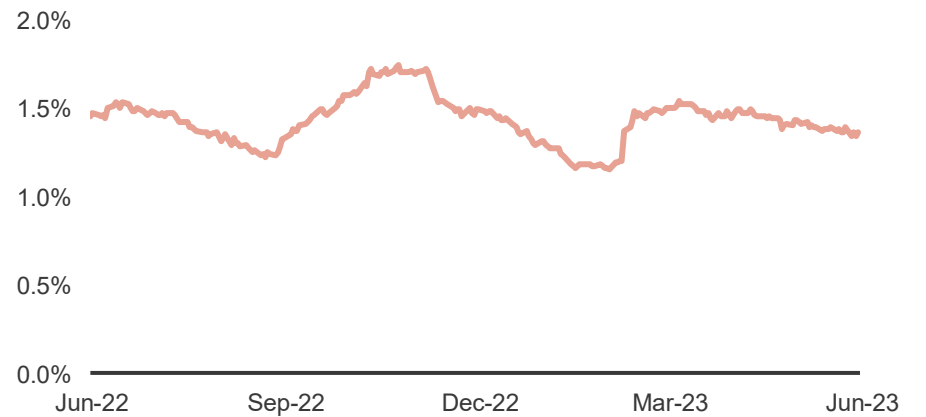
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads



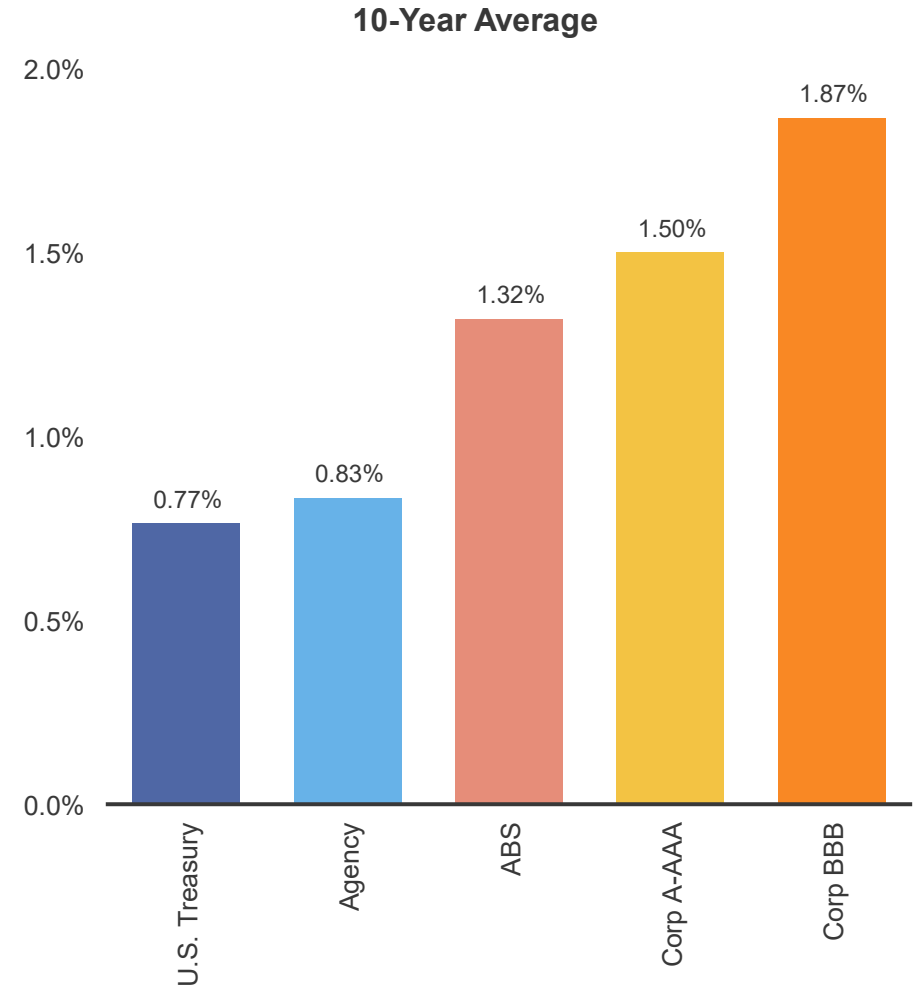
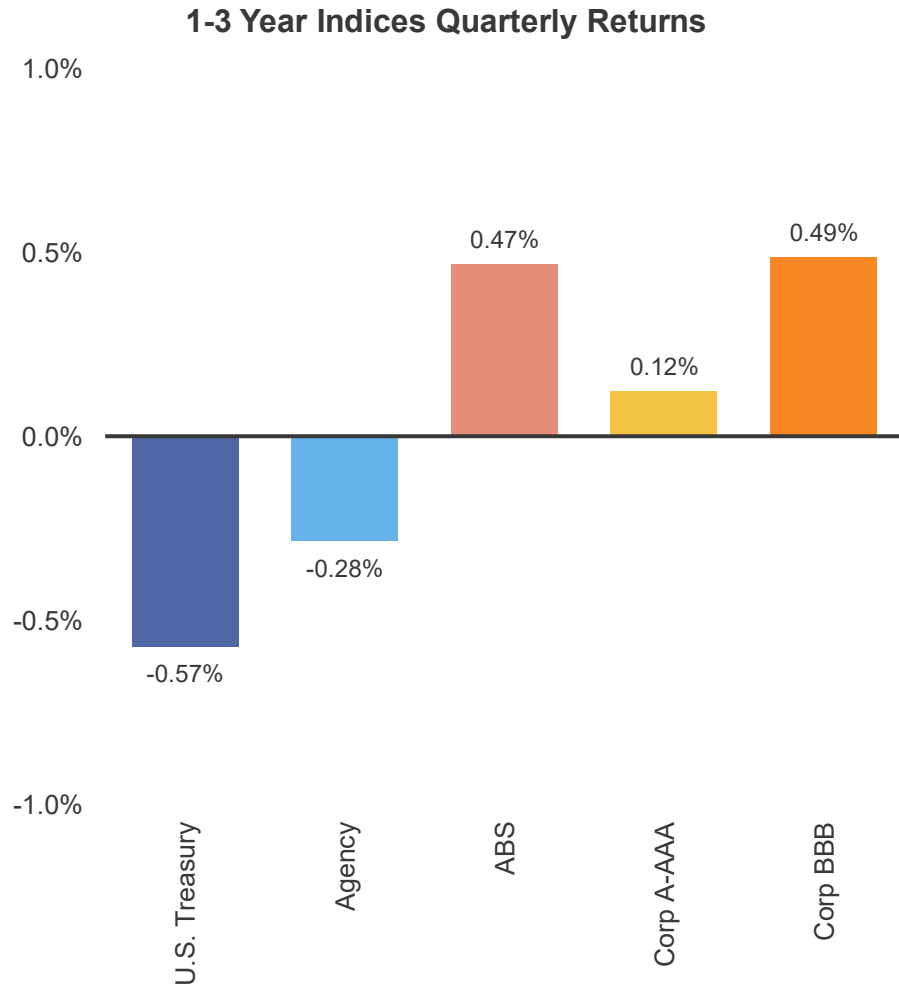
### Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of 06/30/2023. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

## Fixed-Income Markets in Q2 2023

### 1-3 Year Indices















Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of 6/30/2023.

## Fixed-Income Sector Commentary – 2Q 2023

- ▶ **U.S. Treasuries:** After plummeting at the end of Q1 due to volatility in the banking sector, short and medium-term yields steadily climbed throughout the quarter, with the 2-year rising over 100 basis points.
- ▶ **Federal agency** yield spreads tightened during the quarter. Agency discount notes were favored over U.S. Treasury bills during the debt ceiling impasse; however, during Q1 value waned and callable spreads moved to the tighter end of their historical range.
- ▶ **Supranational** issuance was heavier than usual in the first couple months of the year which allowed spreads to widen and sporadic buying opportunities to arise. As supply dried up, spreads narrowed and traded in a tight range for the balance of the quarter.
- ▶ **Investment-Grade Corporate** spreads continued to retrace from their Q1 wides but remained above longer-term averages. Following the “risk-on” theme in the latter part of Q2, the IG curve flattened, resulting in longer durations and lower quality (BBB) performing best. Although the spread between financials and industrials remained well above typical levels, financials outperformed in Q2 as retracement from the exceptionally wide spreads in Q1 was significant.
- ▶ **Asset-Backed Security** spreads also retraced from mid-March wides, but not nearly to the extent as in corporates. Auto ABS issuance increased during Q2, which was a function of pent-up consumer demand.
- ▶ **Mortgage-Backed Securities** whipsawed in Q2 as a steep tightening of spreads through the second half of the quarter more than offset the steady and consistent widening through April. As a result, the sector generated attractive excess returns for the quarter. Strong returns were driven largely by the risk-on sentiment through much of the quarter and a modest decline in supply due to a drop in existing home sales and refinancings.
- ▶ **Taxable Municipals** issuance remained heavily oversubscribed due to a lack of new issuance. The secondary market had sporadic but limited opportunities that offered an attractive pickup versus industrial corporates.
- ▶ **Short-term credit** (commercial paper and CDs) yields increased during Q2 as the market repriced to actual Fed rate increases and reduced expectations for Fed rate cuts in late 2023. Spreads in short credit remained elevated and attractive for most of Q2 and added notable incremental income to shorter-term portfolios and liability-matching strategies inside of 12-month maturities.

### Fixed-Income Sector Outlook – 3Q 2023

Sector	Our Investment Preferences
<b>COMMERCIAL PAPER / CD</b>	
<b>TREASURIES</b>	
<b>T-Bill</b>	
<b>T-Note</b>	
<b>FEDERAL AGENCIES</b>	
<b>Bullets</b>	
<b>Callables</b>	
<b>SUPRANATIONALS</b>	
<b>CORPORATES</b>	
<b>Financials</b>	
<b>Industrials</b>	
<b>SECURITIZED</b>	
<b>Asset-Backed</b>	
<b>Agency Mortgage-Backed</b>	
<b>Agency CMBS</b>	
<b>MUNICIPALS</b>	



# Portfolio Review: CITY OF LOS ALTOS INVESTMENT PORTFOLIO

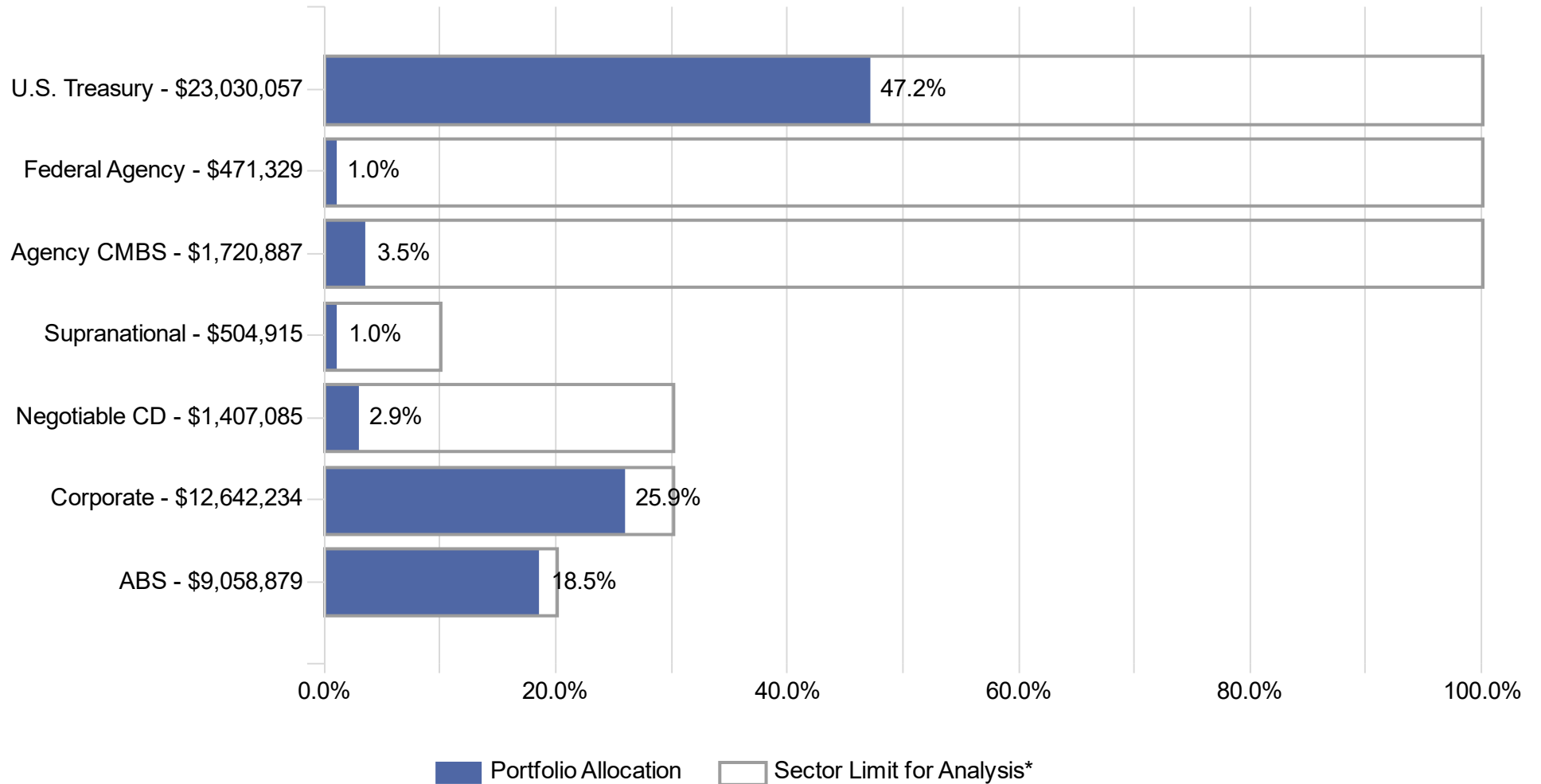
## Certificate of Compliance

During the reporting period for the quarter ended June 30, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*

### Sector Allocation Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.  
\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*



## Account Summary

CITY OF LOS ALTOS INVESTMENT PORTFOLIO			
<b>Portfolio Values</b>		<b>Analytics<sup>1</sup></b>	
	<b>June 30, 2023</b>		<b>June 30, 2023</b>
PFMAM Managed Account	\$48,538,007	Yield at Market	4.88%
Amortized Cost	\$50,074,468	Yield on Cost	2.90%
Market Value	\$48,538,007	Portfolio Duration	1.75
Accrued Interest	\$297,379		
Cash	\$27,226		

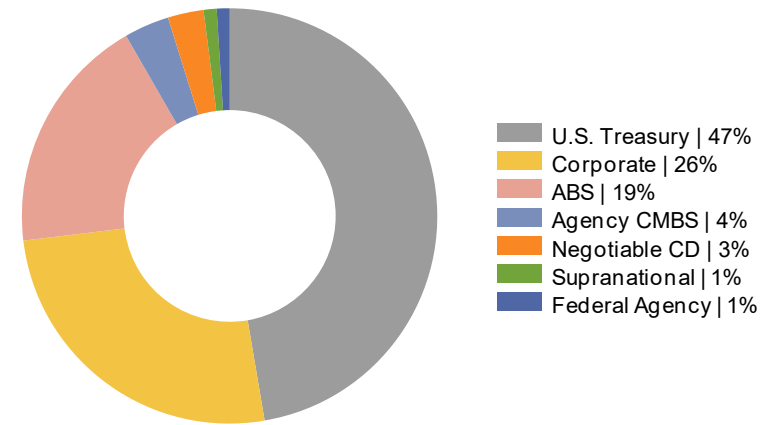
1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

## Portfolio Snapshot - CITY OF LOS ALTOS INVESTMENT PORTFOLIO<sup>1</sup>

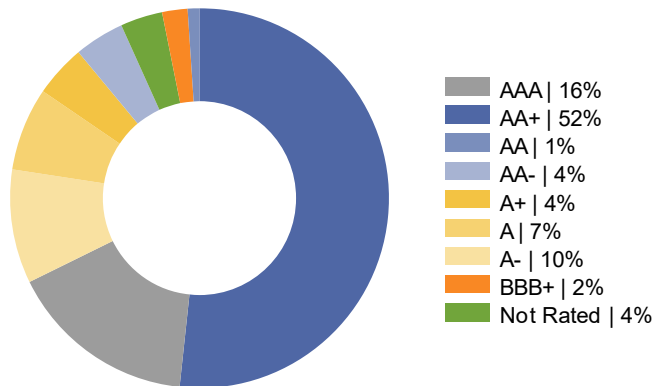
### Portfolio Statistics

<b>Total Market Value</b>	\$48,862,611.00
<i>Securities Sub-Total</i>	\$48,538,006.66
<i>Accrued Interest</i>	\$297,378.75
<i>Cash</i>	\$27,225.59
<b>Portfolio Effective Duration</b>	1.75 years
<b>Benchmark Effective Duration</b>	1.75 years
<b>Yield At Cost</b>	2.90%
<b>Yield At Market</b>	4.87%
<b>Portfolio Credit Quality</b>	AA

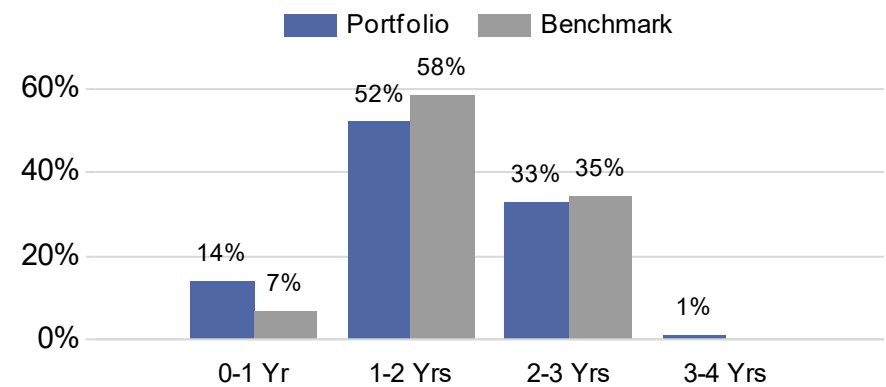
### Sector Allocation



### Credit Quality - S&P



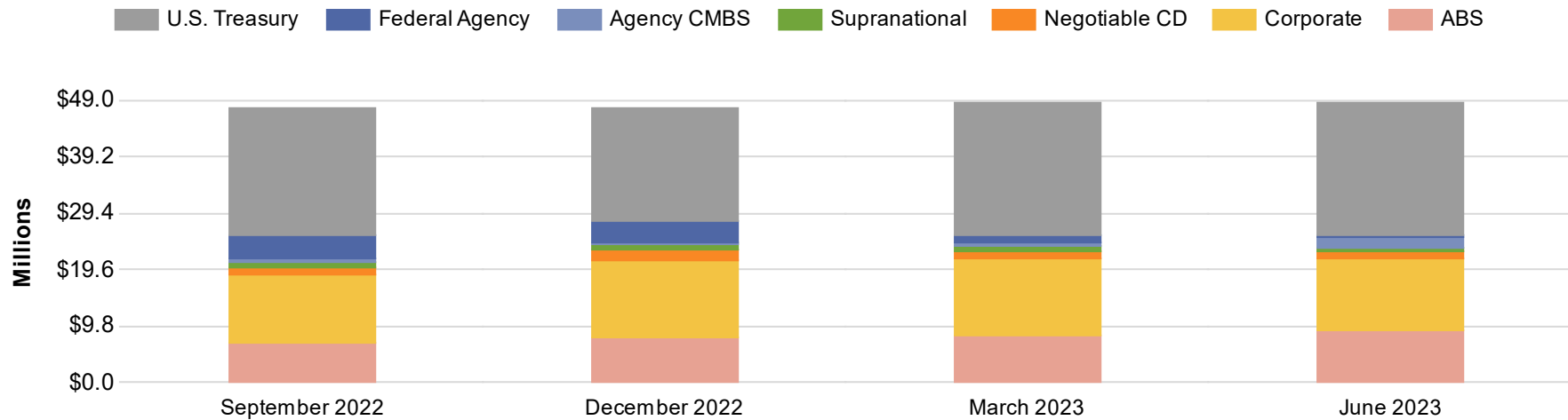
### Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

### Sector Allocation Review - CITY OF LOS ALTOS INVESTMENT PORTFOLIO

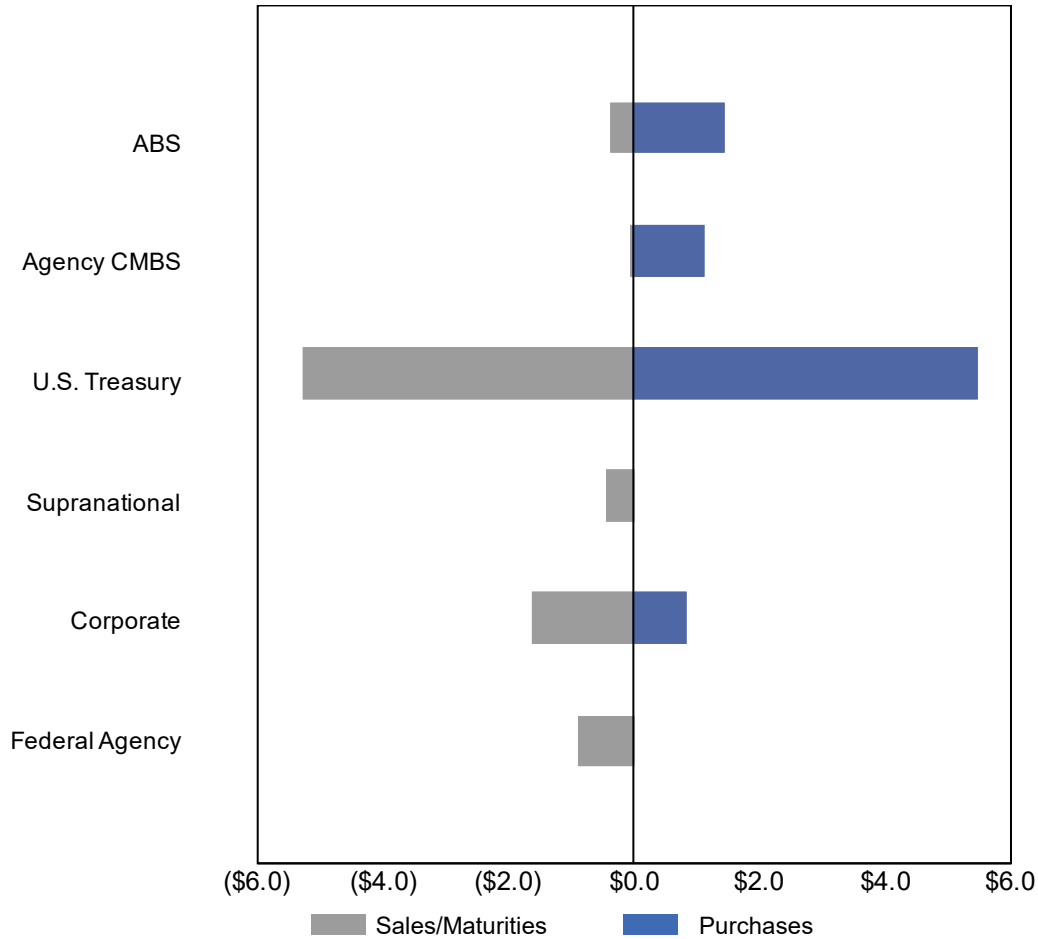
Security Type	Sep-22	% of Total	Dec-22	% of Total	Mar-23	% of Total	Jun-23	% of Total
U.S. Treasury	\$22.0	46.1%	\$19.7	41.3%	\$22.9	47.1%	\$22.9	47.3%
Federal Agency	\$4.0	8.3%	\$3.8	7.8%	\$1.3	2.8%	\$0.5	1.0%
Agency CMBS	\$0.7	1.5%	\$0.4	0.9%	\$0.7	1.4%	\$1.7	3.5%
Supranational	\$0.9	1.9%	\$0.9	1.9%	\$0.9	1.9%	\$0.5	1.0%
Negotiable CD	\$1.4	2.9%	\$1.8	3.7%	\$1.4	2.8%	\$1.4	2.8%
Corporate	\$11.9	25.0%	\$13.3	27.8%	\$13.4	27.5%	\$12.5	25.8%
ABS	\$6.8	14.3%	\$7.9	16.6%	\$8.0	16.5%	\$9.0	18.6%
<b>Total</b>	<b>\$47.6</b>	<b>100.0%</b>	<b>\$47.9</b>	<b>100.0%</b>	<b>\$48.6</b>	<b>100.0%</b>	<b>\$48.5</b>	<b>100.0%</b>



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

## Portfolio Activity - CITY OF LOS ALTOS INVESTMENT PORTFOLIO

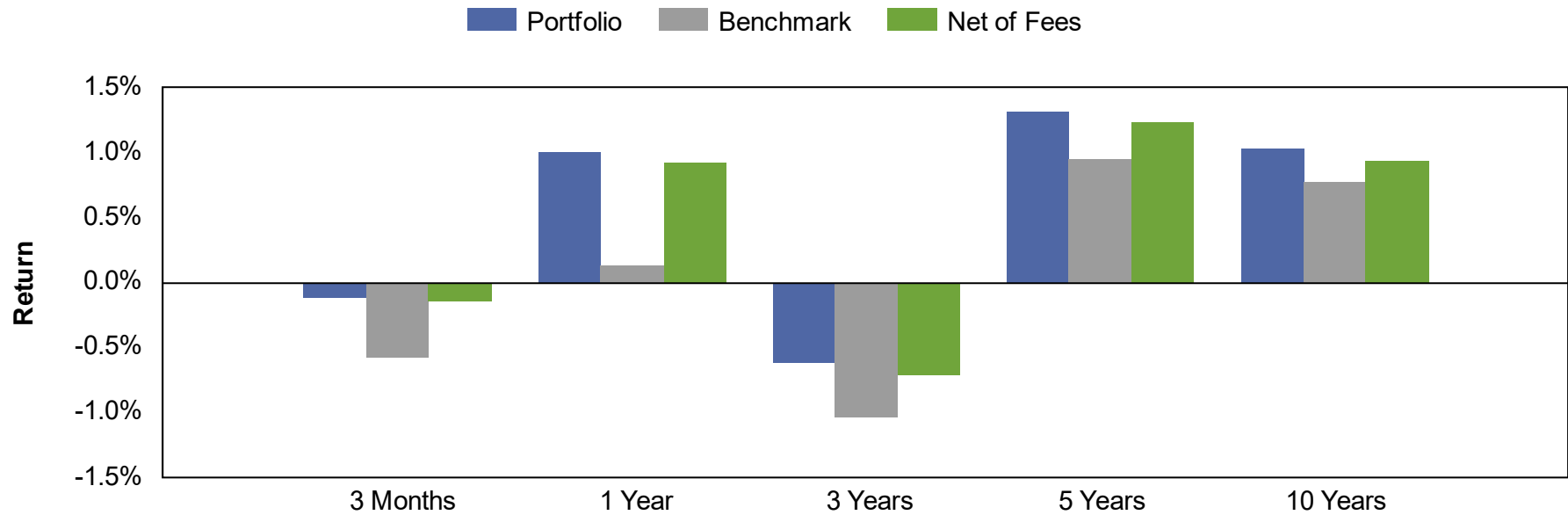
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
ABS	\$1,074,147
Agency CMBS	\$1,062,656
U.S. Treasury	\$217,836
Supranational	(\$414,045)
Corporate	(\$764,656)
Federal Agency	(\$877,662)
<b>Total Net Activity</b>	<b>\$298,276</b>

*Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.*

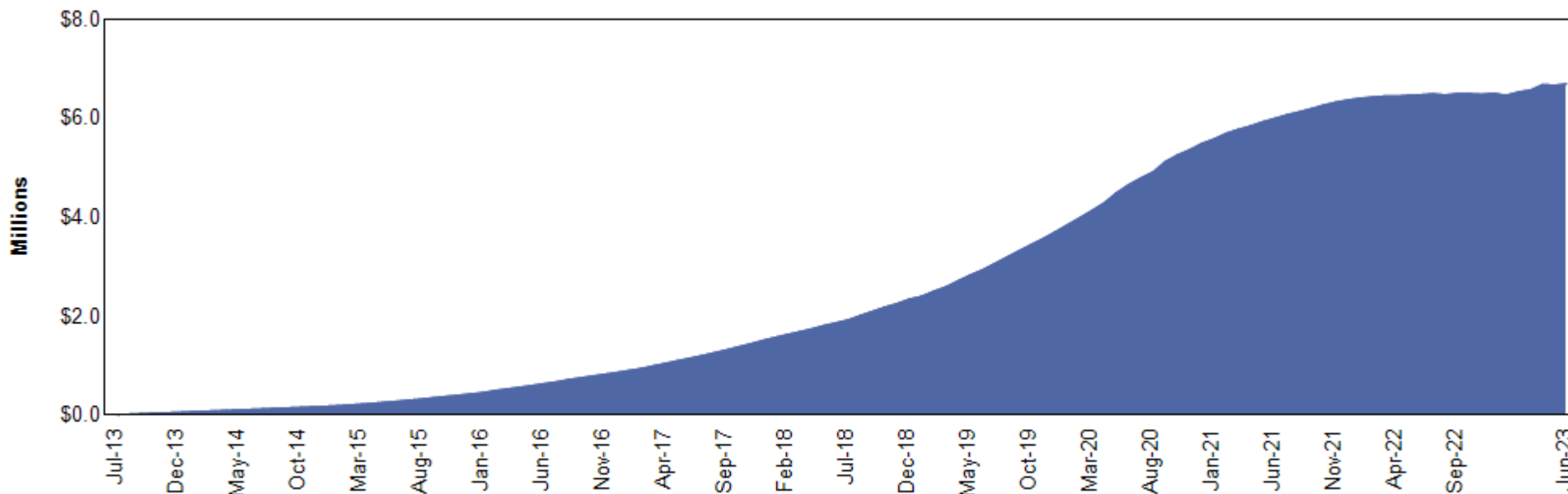
### Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years <sup>1</sup>
Interest Earned <sup>2</sup>	\$308,166	\$918,824	\$2,246,145	\$4,884,115	\$6,933,115
Change in Market Value	(\$367,498)	(\$434,048)	(\$3,191,507)	(\$956,786)	(\$1,757,291)
<b>Total Dollar Return</b>	<b>(\$59,332)</b>	<b>\$484,776</b>	<b>(\$945,362)</b>	<b>\$3,927,329</b>	<b>\$5,175,824</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	-0.12%	1.00%	-0.62%	1.31%	1.03%
Benchmark <sup>4</sup>	-0.57%	0.13%	-1.05%	0.95%	0.77%
<b>Basis Point Fee</b>	<b>0.02%</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.09%</b>
<b>Net of Fee Return</b>	<b>-0.14%</b>	<b>0.91%</b>	<b>-0.71%</b>	<b>1.22%</b>	<b>0.94%</b>

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is June 30, 2010.  
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.  
 4. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg.

### Accrual Basis Earnings - CITY OF LOS ALTOS INVESTMENT PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year <sup>1</sup>
Interest Earned <sup>2</sup>	\$308,166	\$918,824	\$2,246,145	\$4,884,115	\$6,933,115
Realized Gains / (Losses) <sup>3</sup>	(\$197,052)	(\$688,235)	(\$29,441)	\$57,389	(\$55,301)
Change in Amortized Cost	\$10,708	(\$10,931)	(\$179,956)	(\$111,803)	(\$176,860)
<b>Total Earnings</b>	<b>\$121,822</b>	<b>\$219,213</b>	<b>\$2,036,748</b>	<b>\$4,829,701</b>	<b>\$6,700,954</b>

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2010.  
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
 3. Realized gains / (losses) are shown on an amortized cost basis.

# Portfolio Holdings and Transactions

## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>47.2%</b>	
UNITED STATES TREASURY	47.2%	AA / Aaa / AAA
<b>Federal Agency</b>	<b>1.0%</b>	
FEDERAL HOME LOAN BANKS	1.0%	AA / Aaa / NR
<b>Agency CMBS</b>	<b>3.5%</b>	
FANNIE MAE	0.3%	AA / Aaa / AAA
FREDDIE MAC	3.2%	AA / Aaa / AAA
<b>Supranational</b>	<b>1.0%</b>	
INTER-AMERICAN DEVELOPMENT BANK	1.0%	AAA / Aaa / AAA
<b>Negotiable CD</b>	<b>2.9%</b>	
CREDIT AGRICOLE SA	0.8%	A / Aa / AA
NORDEA BANK ABP	1.0%	AA / Aa / AA
TORONTO-DOMINION BANK	1.1%	A / A / NR
<b>Corporate</b>	<b>25.9%</b>	
ABBOTT LABORATORIES	0.3%	AA / Aa / NR
AMAZON.COM INC	0.7%	AA / A / AA
AMERICAN EXPRESS CO	0.7%	BBB / A / A
AMERICAN HONDA FINANCE	0.8%	A / A / A
ANZ BANKING GROUP LTD	0.5%	AA / Aa / A
BANK OF AMERICA CO	1.8%	A / A / AA
BRISTOL-MYERS SQUIBB CO	0.2%	A / A / NR
BROWN-FORMAN CORP	0.2%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.2%	AA / A / NR
CATERPILLAR INC	0.8%	A / A / A
CINTAS CORPORATION NO. 2	0.3%	A / A / NR
CITIGROUP INC	0.7%	BBB / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>25.9%</b>	
COLGATE-PALMOLIVE COMPANY	0.5%	AA / Aa / NR
COMCAST CORP	0.4%	A / A / A
DEERE & COMPANY	0.6%	A / A / A
EXXON MOBIL CORP	0.3%	AA / Aa / NR
GENERAL DYNAMICS CORP	0.3%	A / A / NR
GOLDMAN SACHS GROUP INC	0.3%	BBB / A / A
HERSHEY COMPANY	0.2%	A / A / NR
HOME DEPOT INC	0.2%	A / A / A
HONEYWELL INTERNATIONAL	0.3%	A / A / A
HSBC HOLDINGS PLC	0.8%	A / A / A
IBM CORP	0.8%	A / A / NR
INTEL CORPORATION	0.4%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / A / AA
LOCKHEED MARTIN CORP	0.4%	A / A / A
MORGAN STANLEY	0.7%	A / A / A
NATIONAL AUSTRALIA BANK LTD	1.4%	AA / Aa / NR
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.8%	A / A / A
PACCAR FINANCIAL CORP	0.8%	A / A / NR
PEPSICO INC	0.2%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.7%	A / A / A
PRAXAIR INC	0.9%	A / A / NR
RABOBANK NEDERLAND	1.0%	A / Aa / AA
STATE STREET CORPORATION	0.7%	A / A / AA
THE BANK OF NEW YORK MELLON CORPORATION	1.5%	A / A / AA
TOYOTA MOTOR CORP	0.8%	A / A / A

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.



## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>25.9%</b>	
TRUIST FIN CORP	0.7%	A / A / A
UNILEVER PLC	0.4%	A / A / A
UNITEDHEALTH GROUP INC	0.2%	A / A / A
WAL-MART STORES INC	0.3%	AA / Aa / AA
WELLS FARGO & COMPANY	0.4%	BBB / A / A
<b>ABS</b>	<b>18.5%</b>	
ALLY AUTO RECEIVABLES TRUST	1.4%	AAA / Aaa / NR
AMERICAN EXPRESS CO	1.3%	AAA / NR / AAA
BANK OF AMERICA CO	0.2%	AAA / NR / AAA
BMW VEHICLE OWNER TRUST	0.3%	AAA / Aaa / AAA
CAPITAL ONE FINANCIAL CORP	2.1%	AAA / Aaa / AAA
CARMAX AUTO OWNER TRUST	2.1%	AAA / Aaa / AAA
DISCOVER FINANCIAL SERVICES	2.0%	AAA / Aaa / AAA
FORD CREDIT AUTO OWNER TRUST	0.8%	AAA / NR / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	1.3%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.1%	AAA / NR / AAA
HARLEY-DAVIDSON MOTORCYCLE TRUST	0.9%	AAA / Aaa / AAA
HONDA AUTO RECEIVABLES	0.7%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	1.3%	AAA / NR / AAA
MERCEDES-BENZ AUTO RECEIVABLES	0.8%	AAA / Aaa / NR
NISSAN AUTO RECEIVABLES	1.0%	AAA / Aaa / AAA
TOYOTA MOTOR CORP	1.5%	AAA / Aaa / AAA
VERIZON OWNER TRUST	0.1%	NR / Aaa / AAA
VOLKSWAGEN AUTO LEASE TURST	0.2%	NR / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>ABS</b>	<b>18.5%</b>	
WORLD OMNI AUTO REC TRUST	0.4%	AAA / NR / AAA
<b>Total</b>	<b>100.0%</b>	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

### Issuer Distribution As of June 30, 2023

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	22,896,444	47.16%
FREDDIE MAC	1,573,282	3.23%
TOYOTA MOTOR CORP	1,133,097	2.32%
CARMAX AUTO OWNER TRUST	1,044,328	2.14%
CAPITAL ONE FINANCIAL CORP	1,003,184	2.07%
DISCOVER FINANCIAL SERVICES	989,306	2.04%
AMERICAN EXPRESS CO	975,103	2.01%
BANK OF AMERICA CO	975,088	2.01%
THE BANK OF NEW YORK MELLON CORPORATION	727,068	1.50%
JP MORGAN CHASE & CO	711,122	1.47%
ALLY AUTO RECEIVABLES TRUST	683,329	1.41%
NATIONAL AUSTRALIA BANK LTD	658,332	1.36%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	657,484	1.35%
HYUNDAI AUTO RECEIVABLES	655,151	1.35%
INTER-AMERICAN DEVELOPMENT BANK	504,187	1.04%
TORONTO-DOMINION BANK	499,662	1.03%
NORDEA BANK ABP	495,646	1.02%
RABOBANK NEDERLAND	480,047	0.99%
FEDERAL HOME LOAN BANKS	470,593	0.97%
NISSAN AUTO RECEIVABLES	463,637	0.96%
HARLEY-DAVIDSON MOTORCYCLE TRUST	416,374	0.86%
PRAXAIR INC	415,746	0.86%
AMERICAN HONDA FINANCE	411,845	0.85%
FORD CREDIT AUTO OWNER TRUST	402,530	0.83%

Issuer	Market Value (\$)	% of Portfolio
MERCEDES-BENZ AUTO RECEIVABLES	387,251	0.80%
NATIONAL RURAL UTILITIES CO FINANCE CORP	384,508	0.79%
PACCAR FINANCIAL CORP	376,673	0.78%
CREDIT AGRICOLE SA	374,926	0.77%
HSBC HOLDINGS PLC	368,193	0.76%
CATERPILLAR INC	367,176	0.76%
IBM CORP	366,534	0.76%
CITIGROUP INC	359,216	0.74%
MORGAN STANLEY	357,120	0.74%
HONDA AUTO RECEIVABLES	349,009	0.72%
PNC FINANCIAL SERVICES GROUP	346,869	0.71%
TRUIST FIN CORP	346,130	0.71%
STATE STREET CORPORATION	345,970	0.71%
AMAZON.COM INC	337,382	0.70%
DEERE & COMPANY	278,273	0.57%
COLGATE-PALMOLIVE COMPANY	263,303	0.54%
ANZ BANKING GROUP LTD	249,141	0.51%
WORLD OMNI AUTO REC TRUST	219,632	0.45%
UNILEVER PLC	215,488	0.44%
INTEL CORPORATION	194,616	0.40%
WELLS FARGO & COMPANY	188,196	0.39%
COMCAST CORP	175,919	0.36%
LOCKHEED MARTIN CORP	174,519	0.36%
CINTAS CORPORATION NO. 2	168,948	0.35%
HONEYWELL INTERNATIONAL	163,071	0.34%
GENERAL DYNAMICS CORP	160,174	0.33%
ABBOTT LABORATORIES	159,392	0.33%

Issuer	Market Value (\$)	% of Portfolio
GOLDMAN SACHS GROUP INC	148,296	0.31%
WAL-MART STORES INC	146,765	0.30%
FANNIE MAE	143,498	0.30%
BMW VEHICLE OWNER TRUST	137,899	0.28%
EXXON MOBIL CORP	124,844	0.26%
BURLINGTON NORTHERN SANTA FE	120,336	0.25%
HERSHEY COMPANY	119,604	0.25%
PEPSICO INC	114,663	0.24%
BRISTOL-MYERS SQUIBB CO	113,378	0.23%
BROWN-FORMAN CORP	111,242	0.23%
VOLKSWAGEN AUTO LEASE TURST	97,971	0.20%
HOME DEPOT INC	92,216	0.19%
UNITEDHEALTH GROUP INC	80,221	0.17%
VERIZON OWNER TRUST	42,427	0.09%
GM FINANCIAL LEASINGTRUST	24,435	0.05%
<b>Grand Total</b>	<b>48,538,007</b>	<b>100.00%</b>

### Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	575,000.00	AA+	Aaa	4/1/2021	4/5/2021	603,547.85	0.37	1,937.50	582,741.79	558,917.94
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	2,000,000.00	AA+	Aaa	7/1/2021	7/7/2021	1,987,031.25	0.47	218.58	1,995,773.68	1,904,062.40
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	142,000.00	AA+	Aaa	6/22/2021	6/24/2021	141,173.52	0.45	15.52	141,733.88	135,188.43
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	600,000.00	AA+	Aaa	8/9/2021	8/10/2021	599,367.19	0.41	1,037.98	599,775.26	569,812.50
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	750,000.00	AA+	Aaa	8/4/2021	8/6/2021	750,878.91	0.33	1,297.48	750,310.97	712,265.63
US TREASURY N/B NOTES DTD 08/15/2021 0.375% 08/15/2024	91282CCT6	1,575,000.00	AA+	Aaa	9/1/2021	9/3/2021	1,573,277.34	0.41	2,218.92	1,574,342.61	1,490,097.74
US TREASURY N/B NOTES DTD 09/15/2021 0.375% 09/15/2024	91282CCX7	1,000,000.00	AA+	Aaa	10/1/2021	10/6/2021	995,937.50	0.51	1,100.54	998,329.65	942,500.00
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	1,650,000.00	AA+	Aaa	5/4/2021	5/6/2021	1,710,263.67	0.44	4,169.84	1,673,083.73	1,569,820.23
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	575,000.00	AA+	Aaa	6/15/2021	6/17/2021	595,911.13	0.44	730.53	583,583.17	545,890.62
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	975,000.00	AA+	Aaa	6/2/2021	6/7/2021	1,011,181.64	0.42	1,238.73	989,734.35	925,640.63
US TREASURY N/B NOTES DTD 12/15/2021 1.000% 12/15/2024	91282CDN8	325,000.00	AA+	Aaa	1/3/2022	1/5/2022	324,771.48	1.02	142.08	324,886.70	305,855.49
US TREASURY NOTES DTD 05/15/2015 2.125% 05/15/2025	912828XB1	1,725,000.00	AA+	Aaa	5/19/2023	5/23/2023	1,654,248.05	4.31	4,681.64	1,658,064.55	1,637,671.88
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	1,000,000.00	AA+	Aaa	6/1/2022	6/3/2022	923,281.25	2.88	6.79	950,129.40	913,281.20
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	1,200,000.00	AA+	Aaa	8/5/2022	8/8/2022	1,195,453.13	3.14	16,607.73	1,196,840.10	1,156,500.00
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	425,000.00	AA+	Aaa	9/1/2022	9/6/2022	418,708.01	3.55	5,881.91	420,505.72	409,593.75

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY N/B NOTES DTD 09/15/2022 3.500% 09/15/2025	91282CFK2	600,000.00	AA+	Aaa	10/6/2022	10/11/2022	587,976.56	4.23	6,163.04	590,931.85	583,687.50
US TREASURY N/B NOTES DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	1,375,000.00	AA+	Aaa	12/16/2022	12/16/2022	1,393,906.25	3.99	7,902.51	1,390,409.04	1,367,910.23
US TREASURY N/B NOTES DTD 01/15/2023 3.875% 01/15/2026	91282CGE5	2,550,000.00	AA+	Aaa	1/30/2023	2/1/2023	2,544,123.05	3.96	45,584.77	2,544,940.05	2,502,585.81
US TREASURY N/B NOTES DTD 02/15/2023 4.000% 02/15/2026	91282CGL9	930,000.00	AA+	Aaa	3/2/2023	3/3/2023	913,725.00	4.64	13,975.69	915,533.33	915,759.38
US TREASURY N/B NOTES DTD 04/15/2023 3.750% 04/15/2026	91282CGV7	1,150,000.00	AA+	Aaa	5/1/2023	5/3/2023	1,147,349.61	3.83	9,072.75	1,147,494.67	1,125,742.13
US TREASURY N/B NOTES DTD 05/15/2023 3.625% 05/15/2026	91282CHB0	1,700,000.00	AA+	Aaa	6/1/2023	6/5/2023	1,683,332.03	3.98	7,870.58	1,683,735.16	1,658,562.50
US TREASURY N/B NOTES DTD 06/15/2023 4.125% 06/15/2026	91282CHH7	975,000.00	AA+	Aaa	6/29/2023	6/29/2023	965,478.52	4.48	1,758.20	965,496.12	965,097.71
<b>Security Type Sub-Total</b>		<b>23,797,000.00</b>					<b>23,720,922.94</b>	<b>2.47</b>	<b>133,613.31</b>	<b>23,678,375.78</b>	<b>22,896,443.70</b>
<b>Supranational</b>											
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	535,000.00	AAA	Aaa	9/15/2021	9/23/2021	534,604.10	0.52	728.19	534,837.45	504,186.68
<b>Security Type Sub-Total</b>		<b>535,000.00</b>					<b>534,604.10</b>	<b>0.52</b>	<b>728.19</b>	<b>534,837.45</b>	<b>504,186.68</b>
<b>Negotiable CD</b>											
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 08/19/2022 4.100% 08/16/2024	22536AZR8	375,000.00	A+	Aa3	8/17/2022	8/19/2022	375,000.00	4.07	13,495.83	375,000.00	374,925.83
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	500,000.00	A	A1	10/27/2022	10/31/2022	500,000.00	5.58	18,900.00	500,000.00	499,662.15
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	500,000.00	AA-	Aa3	11/2/2022	11/3/2022	500,000.00	5.53	4,454.72	500,000.00	495,646.00
<b>Security Type Sub-Total</b>		<b>1,375,000.00</b>					<b>1,375,000.00</b>	<b>5.15</b>	<b>36,850.55</b>	<b>1,375,000.00</b>	<b>1,370,233.98</b>

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency</b>											
FEDERAL HOME LOAN BANK NOTES (CALLABLE) DTD 11/08/2021 1.000% 11/08/2024	3130APQ81	500,000.00	AA+	Aaa	8/5/2022	8/9/2022	474,207.91	3.40	736.11	484,436.89	470,593.00
<b>Security Type Sub-Total</b>		<b>500,000.00</b>					<b>474,207.91</b>	<b>3.40</b>	<b>736.11</b>	<b>484,436.89</b>	<b>470,593.00</b>
<b>Corporate</b>											
BANK OF AMERICA CORP NOTES (CALLED, OMD 7 DTD 07/23/2018 3.864% 07/23/2023	06051GHL6	200,000.00	A-	A1	9/28/2020	10/1/2020	216,830.00	0.83	3,391.73	200,361.23	199,815.20
HSBC USA INC CORPORATE NOTES DTD 05/24/2022 3.750% 05/24/2024	40428HTA0	375,000.00	A-	A1	5/17/2022	5/24/2022	374,985.00	3.75	1,445.31	374,993.27	368,192.63
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 07/30/2019 2.500% 07/30/2024	025816CG2	225,000.00	BBB+	A2	11/19/2021	11/23/2021	233,055.00	1.14	2,359.38	228,094.82	217,674.68
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/09/2021 0.500% 08/09/2024	69371RR40	145,000.00	A+	A1	8/3/2021	8/9/2021	144,921.70	0.52	285.97	144,971.07	137,276.43
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/09/2021 0.750% 08/09/2024	02665WDY4	185,000.00	A-	A3	9/7/2021	9/9/2021	184,877.90	0.77	547.29	184,953.57	175,678.22
UNILEVER CAPITAL CORP (CALLABLE) CORPORA DTD 08/12/2021 0.626% 08/12/2024	904764BN6	100,000.00	A+	A1	8/9/2021	8/12/2021	100,000.00	0.63	241.71	100,000.00	94,588.90
COOPERAT RABOBANK UA/NY CORPORATE NOTES DTD 08/22/2022 3.875% 08/22/2024	21688AAU6	250,000.00	A+	Aa2	8/15/2022	8/22/2022	249,885.00	3.90	3,471.35	249,934.24	245,282.75
GOLDMAN SACHS GROUP INC (CALLABLE) CORP DTD 06/10/2021 0.657% 09/10/2024	38141GYE8	150,000.00	BBB+	A2	6/7/2021	6/10/2021	150,000.00	0.66	303.86	150,000.00	148,295.85
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	275,000.00	A-	A1	10/16/2020	10/21/2020	275,000.00	0.81	414.56	275,000.00	270,329.13
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	220,000.00	A	A2	1/4/2022	1/10/2022	219,896.60	1.27	1,306.25	219,947.26	207,045.52

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
COOPERATIEVE RABOBANK UA CORPORATE NOTES DTD 01/12/2022 1.375% 01/10/2025	21688AAS1	250,000.00	A+	Aa2	1/19/2022	1/24/2022	248,020.00	1.65	1,632.81	248,977.06	234,764.00
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 01/13/2022 1.500% 01/13/2025	02665WEA5	250,000.00	A-	A3	1/11/2022	1/13/2022	249,802.50	1.53	1,750.00	249,898.73	236,167.00
LINDE INC/CT (CALLABLE) CORPORATE NOTES DTD 02/05/2015 2.650% 02/05/2025	74005PBN3	175,000.00	A	A2	3/4/2022	3/8/2022	177,549.75	2.13	1,880.76	176,291.91	167,622.70
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	110,000.00	A-	A2	1/31/2022	2/7/2022	109,996.70	1.88	825.00	109,998.23	103,893.68
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	65,000.00	A-	A2	2/22/2022	2/24/2022	64,400.70	2.20	487.50	64,673.97	61,391.72
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	200,000.00	A+	A1	9/23/2021	9/27/2021	205,542.00	0.96	1,380.00	202,661.06	189,394.60
JPMORGAN CHASE & CO CORP NOTES (CALLABLE) DTD 02/16/2021 0.563% 02/16/2025	46647PBY1	170,000.00	A-	A1	2/9/2021	2/16/2021	170,000.00	0.56	358.91	170,000.00	164,005.97
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	50,000.00	BBB+	A2	3/1/2022	3/4/2022	49,949.50	2.29	365.63	49,971.80	47,288.25
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	100,000.00	BBB+	A2	3/2/2022	3/4/2022	99,821.00	2.31	731.25	99,900.05	94,576.50
EXXON MOBIL CORP CORPORATE NT (CALLABLE) DTD 03/06/2015 2.709% 03/06/2025	30231GAF9	130,000.00	AA-	Aa2	3/26/2021	3/30/2021	138,049.60	1.10	1,124.99	133,131.40	124,844.20
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.125% 03/07/2025	24422EWB1	50,000.00	A	A2	3/3/2022	3/7/2022	50,100.00	2.06	336.46	50,056.11	47,484.70
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.125% 03/07/2025	24422EWB1	25,000.00	A	A2	3/2/2022	3/7/2022	24,989.25	2.14	168.23	24,993.97	23,742.35



Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
ABBOTT LABORATORIES CORP NOTE (CALLABLE) DTD 03/10/2015 2.950% 03/15/2025	002824BB5	165,000.00	AA-	Aa3	3/10/2022	3/14/2022	167,547.60	2.41	1,433.21	166,348.43	159,391.98
UNILEVER CAPITAL CORP NOTES (CALLABLE) DTD 03/22/2018 3.375% 03/22/2025	904764BB2	125,000.00	A+	A1	2/22/2022	2/24/2022	129,088.75	2.27	1,160.16	126,406.53	120,899.38
BURLINGTN NORTH SANTA FE CORP NOTES (CAL DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	125,000.00	AA-	A3	3/5/2021	3/9/2021	134,578.75	1.07	937.50	128,779.28	120,335.50
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 04/07/2022 2.850% 04/07/2025	69371RR73	250,000.00	A+	A1	3/31/2022	4/7/2022	249,935.00	2.86	1,662.50	249,961.69	239,397.00
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	350,000.00	AA	A1	4/11/2022	4/13/2022	349,443.50	3.06	2,275.00	349,668.94	337,382.15
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	40,000.00	A	A2	3/24/2022	3/28/2022	39,930.00	2.76	228.00	39,958.90	38,288.16
BROWN-FORMAN CORP NOTES (CALLABLE) DTD 03/26/2018 3.500% 04/15/2025	115637AS9	115,000.00	A-	A1	2/24/2022	2/28/2022	119,465.45	2.21	849.72	117,453.32	111,241.69
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	125,000.00	A	A1	3/10/2022	3/14/2022	121,988.75	2.41	372.22	123,244.10	117,188.62
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	135,000.00	A	A1	3/9/2021	3/11/2021	138,202.20	1.01	402.00	136,372.99	126,563.72
BANK OF NY MELLON CORP (CALLABLE) CORP N DTD 04/26/2022 3.350% 04/25/2025	06406RBC0	250,000.00	A	A1	4/19/2022	4/26/2022	249,965.00	3.36	1,535.42	249,978.78	239,963.75
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	70,000.00	A-	A3	5/2/2022	5/4/2022	69,794.90	3.55	402.50	69,874.28	67,579.26
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	175,000.00	BBB+	A3	4/28/2021	5/4/2021	175,458.50	0.91	286.13	175,127.94	167,478.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	105,000.00	A-	A3	4/26/2022	5/3/2022	104,976.90	3.46	603.75	104,985.85	101,368.89
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/13/2022 3.400% 05/13/2025	14913R2V8	95,000.00	A	A2	5/10/2022	5/13/2022	94,879.35	3.44	430.67	94,924.92	92,042.37
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/13/2022 3.400% 05/13/2025	14913R2V8	30,000.00	A	A2	5/10/2022	5/13/2022	29,997.00	3.40	136.00	29,998.13	29,066.01
GENERAL DYNAMICS CORP (CALLABLE) CORP NO DTD 05/11/2018 3.500% 05/15/2025	369550BG2	165,000.00	A-	A3	3/4/2022	3/8/2022	171,512.55	2.21	737.92	168,678.44	160,174.25
HERSHEY CO CORP NOTES (CALLABLE) DTD 06/01/2020 0.900% 06/01/2025	427866BF4	130,000.00	A	A1	2/23/2022	2/25/2022	124,784.40	2.18	97.50	126,932.77	119,603.77
PNC BANK NA CORP NOTE (CALLABLE) DTD 06/01/2015 3.250% 06/01/2025	69353REQ7	250,000.00	A	A2	8/23/2022	8/25/2022	245,665.00	3.92	677.08	246,994.23	237,819.00
HONEYWELL INTL CORP NOTES (CALLABLE) DTD 05/18/2020 1.350% 06/01/2025	438516CB0	175,000.00	A	A2	3/2/2022	3/4/2022	171,234.00	2.04	196.88	172,772.18	163,071.13
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	345,000.00	A-	A1	5/24/2021	6/1/2021	345,000.00	0.82	236.90	345,000.00	327,836.94
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 06/05/2018 3.700% 06/05/2025	05531FBE2	231,000.00	A-	A3	2/7/2022	2/9/2022	242,822.58	2.10	617.28	237,747.18	221,440.07
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.500% 06/09/2025	63254ABD9	255,000.00	AA-	Aa3	5/31/2022	6/9/2022	255,000.00	3.50	545.42	255,000.00	246,300.17
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	60,000.00	A-	A2	5/2/2022	5/4/2022	59,680.20	3.63	92.00	59,799.07	57,727.50
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	40,000.00	A-	A2	4/27/2022	5/4/2022	39,989.20	3.46	61.33	39,993.21	38,485.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
JP MORGAN CHASE CORP NOTES (CALLABLE) DTD 07/21/2015 3.900% 07/15/2025	46625HMN7	225,000.00	A-	A1	3/10/2022	3/14/2022	232,026.75	2.91	4,046.25	229,074.02	219,278.93
MORGAN STANLEY CORP NOTES DTD 07/23/2015 4.000% 07/23/2025	6174468C6	85,000.00	A-	A1	6/22/2022	6/24/2022	84,900.55	4.04	1,492.22	84,933.43	82,548.52
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	375,000.00	A-	A3	7/20/2022	7/27/2022	375,000.00	4.00	6,416.67	375,000.00	366,534.00
INTEL CORP NOTES (CALLABLE) DTD 07/29/2015 3.700% 07/29/2025	458140AS9	200,000.00	A	A2	1/30/2023	2/1/2023	195,476.00	4.67	3,124.44	196,222.53	194,616.20
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025	06051GFS3	225,000.00	A-	A1	3/10/2022	3/14/2022	232,420.50	2.84	3,632.81	229,574.77	218,097.68
COLGATE-PALMOLIVE CO CORPORATE NOTES DTD 08/09/2022 3.100% 08/15/2025	194162AM5	55,000.00	AA-	Aa3	8/1/2022	8/9/2022	54,949.40	3.13	644.11	54,964.37	52,945.81
WALMART INC CORPORATE NOTES DTD 09/09/2022 3.900% 09/09/2025	931142EW9	150,000.00	AA	Aa2	9/6/2022	9/9/2022	149,895.00	3.93	1,820.00	149,923.26	146,764.50
HOME DEPOT INC NOTES (CALLABLE) DTD 09/19/2022 4.000% 09/15/2025	437076CR1	55,000.00	A	A2	9/12/2022	9/19/2022	54,980.20	4.01	647.78	54,985.37	53,927.72
UNITEDHEALTH GROUP INC CORPORATE NOTES DTD 10/28/2022 5.150% 10/15/2025	91324PEN8	80,000.00	A+	A3	10/25/2022	10/28/2022	79,992.80	5.15	869.78	79,994.44	80,221.36
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 10/24/2022 4.950% 10/15/2025	539830BU2	95,000.00	A-	A3	11/1/2022	11/3/2022	95,046.55	4.93	992.75	95,035.88	94,738.85
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 10/24/2022 4.950% 10/15/2025	539830BU2	80,000.00	A-	A3	10/19/2022	10/24/2022	79,772.00	5.05	836.00	79,824.44	79,780.08
PNC FINANCIAL SERVICES CORP NOTE (CALLAB DTD 10/28/2022 5.671% 10/28/2025	693475BH7	110,000.00	A-	A3	10/25/2022	10/28/2022	110,000.00	5.67	1,091.67	110,000.00	109,050.48
COMCAST CORP CORPORATE NOTES DTD 11/07/2022 5.250% 11/07/2025	20030NDZ1	65,000.00	A-	A3	10/31/2022	11/7/2022	64,982.45	5.26	511.88	64,986.23	65,341.25
COMCAST CORP CORPORATE NOTES DTD 11/07/2022 5.250% 11/07/2025	20030NDZ1	110,000.00	A-	A3	11/3/2022	11/7/2022	109,734.90	5.34	866.25	109,791.98	110,577.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	125,000.00	A+	A2	2/22/2022	2/24/2022	118,435.00	2.23	125.00	120,813.48	113,377.50
LINDE INC/CT CORPORATE NOTES (CALLABLE) DTD 12/05/2022 4.700% 12/05/2025	53522KAB9	250,000.00	A	A2	11/28/2022	12/5/2022	249,730.00	4.74	848.61	249,781.24	248,123.00
AUST & NZ BANKING GRP NY CORPORATE NOTES DTD 12/08/2022 5.088% 12/08/2025	05254JAA8	250,000.00	AA-	Aa3	11/29/2022	12/8/2022	250,000.00	5.09	812.67	250,000.00	249,141.25
CITIGROUP INC CORPORATE NOTES DTD 01/12/2016 3.700% 01/12/2026	172967KG5	200,000.00	BBB+	A3	4/27/2023	5/1/2023	194,698.00	4.76	3,473.89	195,025.68	191,737.80
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 01/12/2023 4.966% 01/12/2026	63253QAA2	415,000.00	AA-	Aa3	1/4/2023	1/12/2023	415,000.00	4.97	9,674.73	415,000.00	412,031.92
STATE STREET CORP (CALLABLE) CORPORATE N DTD 02/07/2022 1.746% 02/06/2026	857477BR3	110,000.00	A	A1	2/2/2022	2/7/2022	110,000.00	1.75	773.58	110,000.00	102,490.41
PEPSICO INC CORP NOTES (CALLABLE) DTD 02/15/2023 4.550% 02/13/2026	713448FQ6	115,000.00	A+	A1	2/13/2023	2/15/2023	114,933.30	4.57	1,976.72	114,941.59	114,662.82
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 02/18/2022 2.630% 02/18/2026	61747YEM3	290,000.00	A-	A1	2/16/2022	2/18/2022	290,000.00	2.63	2,817.75	290,000.00	274,571.42
COLGATE-PALMOLIVE CO CORPORATE NOTES DTD 03/01/2023 4.800% 03/02/2026	194162AQ6	210,000.00	AA-	Aa3	2/27/2023	3/1/2023	209,756.40	4.84	3,360.00	209,783.49	210,357.21
NATIONAL RURAL UTIL COOP CORP NOTES (CAL DTD 02/09/2023 4.450% 03/13/2026	63743HFH0	125,000.00	A-	A2	2/3/2023	2/9/2023	124,536.25	4.58	2,194.10	124,594.63	123,009.63
STATE STREET CORP NOTES (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	255,000.00	A	A1	2/17/2022	2/22/2022	260,133.15	2.38	1,869.94	257,893.07	243,479.87
BANK OF AMERICA CORP NOTES DTD 04/19/2016 3.500% 04/19/2026	06051GFX2	175,000.00	A-	A1	5/11/2023	5/16/2023	170,066.75	4.54	1,225.00	170,279.03	167,800.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
WELLS FARGO & CO CORP NOTES DTD 04/22/2016 3.000% 04/22/2026	949746RW3	200,000.00	BBB+	A1	3/28/2023	3/30/2023	188,176.00	5.11	1,150.00	189,158.69	188,196.20
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/15/2023 4.350% 05/15/2026	14913UAA8	250,000.00	A	A2	5/8/2023	5/15/2023	249,882.50	4.37	1,389.58	249,887.54	246,067.75
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 05/18/2023 4.450% 05/18/2026	89236TKT1	210,000.00	A+	A1	5/15/2023	5/18/2023	209,878.20	4.47	1,116.21	209,883.09	206,969.49
BANK OF NEW YORK MELLON CORP NOTES (CALL DTD 07/26/2022 4.414% 07/24/2026	06406RBJ5	80,000.00	A	A1	7/19/2022	7/26/2022	80,000.00	4.41	1,540.00	80,000.00	77,872.56
BANK OF NEW YORK MELLON CORP NOTES (CALL DTD 07/26/2022 4.414% 07/24/2026	06406RBJ5	170,000.00	A	A1	7/20/2022	7/26/2022	170,554.20	4.32	3,272.49	170,381.96	165,479.19
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	65,000.00	A-	A3	7/26/2022	7/28/2022	65,065.00	4.23	1,176.83	65,044.95	62,345.07
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	65,000.00	A-	A3	7/25/2022	7/28/2022	65,000.00	4.26	1,176.83	65,000.00	62,345.08
<b>Security Type Sub-Total</b>		<b>12,976,000.00</b>					<b>13,023,633.63</b>	<b>2.97</b>	<b>107,752.58</b>	<b>12,976,590.07</b>	<b>12,534,481.34</b>
<b>Agency CMBS</b>											
FHMS K053 A2 DTD 03/29/2016 2.995% 12/01/2025	3137BN6G4	250,000.00	AA+	Aaa	8/4/2022	8/9/2022	247,119.14	3.36	623.96	247,895.31	238,249.59
FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	225,000.00	AA+	Aaa	5/11/2023	5/16/2023	217,494.14	4.09	514.69	217,853.42	212,923.32
FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	275,000.00	AA+	Aaa	4/11/2023	4/14/2023	263,613.28	4.37	629.06	264,507.71	260,239.61
FNA 2016-M3 A2 DTD 03/31/2016 2.702% 02/01/2026	3136ARTE8	151,776.26	AA+	Aaa	8/31/2022	9/6/2022	146,636.03	3.76	341.75	147,867.37	143,497.92
FHMS K057 A2 DTD 09/28/2016 2.570% 07/01/2026	3137BRQJ7	260,000.00	AA+	Aaa	3/2/2023	3/7/2023	241,779.69	4.86	556.84	243,523.55	243,627.56
FHMS K057 A2 DTD 09/28/2016 2.570% 07/01/2026	3137BRQJ7	260,000.00	AA+	Aaa	5/18/2023	5/23/2023	247,223.44	4.26	556.84	247,662.46	243,627.57

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Agency CMBS</b>											
FHMS K058 A2 DTD 11/09/2016 2.653% 08/01/2026	3137BSP72	400,000.00	AA+	Aaa	4/6/2023	4/12/2023	383,156.25	4.02	884.33	384,272.65	374,614.22
<b>Security Type Sub-Total</b>		<b>1,821,776.26</b>					<b>1,747,021.97</b>	<b>4.12</b>	<b>4,107.47</b>	<b>1,753,582.47</b>	<b>1,716,779.79</b>
<b>ABS</b>											
GMALT 2021-2 A3 DTD 05/26/2021 0.340% 05/20/2024	380144AC9	24,492.83	AAA	NR	5/18/2021	5/26/2021	24,488.98	0.35	2.54	24,491.69	24,435.17
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	24,125.46	AAA	Aaa	7/21/2020	7/27/2020	24,123.60	0.44	4.72	24,124.89	23,965.13
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	41,605.08	AAA	NR	9/22/2020	9/29/2020	41,598.97	0.37	5.56	41,603.12	41,048.81
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	6,660.55	AAA	NR	7/8/2020	7/15/2020	6,660.05	0.48	0.53	6,660.40	6,631.08
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	17,472.42	AAA	NR	1/14/2020	1/22/2020	17,468.99	1.89	14.68	17,471.40	17,391.43
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	14,923.33	AAA	NR	7/14/2020	7/22/2020	14,920.53	0.48	3.18	14,922.40	14,859.95
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	42,707.92	NR	Aaa	8/4/2020	8/12/2020	42,698.95	0.47	6.13	42,704.66	42,426.75
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	48,524.92	NR	Aaa	8/11/2020	8/19/2020	48,513.81	0.46	9.10	48,520.64	47,834.32
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	37,864.46	AAA	NR	6/16/2020	6/24/2020	37,861.49	0.63	10.60	37,863.32	37,365.24
VWALT 2022-A A3 DTD 06/14/2022 3.440% 07/21/2025	92868AAC9	100,000.00	NR	Aaa	6/7/2022	6/14/2022	99,992.04	3.44	105.11	99,994.72	97,971.05
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	68,067.48	AAA	NR	4/20/2021	4/28/2021	68,060.32	0.38	11.50	68,063.87	66,327.77
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	155,000.00	NR	Aaa	11/16/2021	11/24/2021	154,967.33	0.89	37.89	154,979.89	149,018.32
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	82,669.86	AAA	NR	4/13/2021	4/21/2021	82,652.04	0.52	19.11	82,660.14	79,762.50
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	120,000.00	AAA	NR	11/9/2021	11/17/2021	119,973.22	0.75	39.47	119,982.87	115,339.30

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>ABS</b>											
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	218,373.47	AAA	Aaa	7/21/2021	7/28/2021	218,337.55	0.55	53.38	218,351.71	209,466.17
FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2	130,000.00	AAA	NR	1/19/2022	1/24/2022	129,984.56	1.29	74.53	129,989.60	124,810.43
BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	135,000.00	AAA	Aaa	5/10/2022	5/18/2022	134,992.98	3.21	72.23	134,994.82	131,268.25
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	155,000.00	AAA	Aaa	9/20/2021	9/27/2021	154,966.81	0.58	39.96	154,978.56	145,855.76
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	160,000.00	AAA	Aaa	10/19/2021	10/27/2021	159,996.98	0.77	54.76	159,998.02	152,820.50
TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5	145,000.00	AAA	Aaa	4/7/2022	4/13/2022	144,996.61	2.93	188.82	144,997.54	140,207.39
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	100,000.00	AAA	Aaa	10/13/2021	10/21/2021	99,997.45	0.68	28.33	99,998.33	95,699.82
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	140,000.00	AAA	NR	3/9/2022	3/16/2022	139,994.61	2.22	138.13	139,996.13	134,415.67
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	190,000.00	AAA	NR	10/26/2021	11/3/2021	189,974.12	0.81	68.40	189,982.78	182,266.64
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/15/2026	14041NFY2	305,000.00	AAA	NR	11/18/2021	11/30/2021	304,957.97	1.04	140.98	304,971.38	287,106.38
ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0	245,000.00	AAA	Aaa	5/10/2022	5/18/2022	244,952.57	3.31	360.42	244,964.38	238,589.70
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	110,000.00	AAA	NR	1/11/2022	1/19/2022	109,990.44	1.26	57.75	109,993.30	105,022.98
HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	255,000.00	AAA	Aaa	4/12/2022	4/20/2022	254,957.54	3.06	346.80	254,968.07	247,780.62
CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	190,000.00	AAA	Aaa	4/21/2022	4/28/2022	189,971.10	3.49	294.71	189,978.16	185,003.82
GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5	125,000.00	AAA	Aaa	4/5/2022	4/13/2022	124,973.88	3.10	161.46	124,980.43	120,805.71
COMET 2022-A1 A1 DTD 03/30/2022 2.800% 03/15/2027	14041NFZ9	250,000.00	AAA	NR	3/23/2022	3/30/2022	249,981.15	2.80	311.11	249,985.92	239,399.15
TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9	105,000.00	AAA	NR	8/8/2022	8/16/2022	104,982.45	3.76	175.47	104,985.74	102,059.74

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>ABS</b>											
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	265,000.00	AAA	NR	7/12/2022	7/20/2022	264,993.75	3.97	467.58	264,995.00	258,688.47
GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5	155,000.00	NR	Aaa	7/6/2022	7/13/2022	154,998.93	3.64	235.08	154,999.15	150,565.47
COMET 2022-A2 A DTD 06/14/2022 3.490% 05/15/2027	14041NGA3	335,000.00	AAA	NR	6/6/2022	6/14/2022	334,946.47	3.49	519.62	334,957.86	323,857.80
DCENT 2022-A2 A DTD 05/26/2022 3.320% 05/17/2027	254683CS2	270,000.00	NR	Aaa	5/19/2022	5/26/2022	269,978.05	3.32	398.40	269,982.89	260,330.44
AMXCA 2022-2 A DTD 05/24/2022 3.390% 05/17/2027	02582JJT8	370,000.00	AAA	NR	5/17/2022	5/24/2022	369,918.16	3.39	557.47	369,936.29	357,206.99
ALLYA 2022-2 A3 DTD 10/12/2022 4.760% 05/17/2027	02008MAC3	450,000.00	AAA	Aaa	10/4/2022	10/12/2022	449,994.42	4.76	952.00	449,995.29	444,739.77
NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	235,000.00	AAA	Aaa	9/20/2022	9/28/2022	234,951.38	4.46	465.82	234,959.31	230,743.45
HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	325,000.00	AAA	NR	11/1/2022	11/9/2022	324,998.44	5.39	778.56	324,998.66	324,207.85
DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	300,000.00	AAA	Aaa	8/2/2022	8/9/2022	299,962.77	3.56	474.67	299,969.51	289,815.45
CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3	295,000.00	AAA	NR	10/26/2022	10/31/2022	294,930.82	5.35	700.13	294,940.43	294,015.61
MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	390,000.00	AAA	Aaa	11/15/2022	11/22/2022	389,922.86	5.21	903.07	389,932.73	387,251.05
TAOT 2023-A A3 DTD 01/30/2023 4.630% 09/15/2027	891940AC2	165,000.00	AAA	NR	1/24/2023	1/30/2023	164,999.92	4.63	339.53	164,999.93	163,070.92
TAOT 2022-D A3 DTD 11/08/2022 5.300% 09/15/2027	89239HAD0	110,000.00	NR	Aaa	11/1/2022	11/8/2022	109,989.14	5.30	259.11	109,990.58	109,835.83
AMXCA 2022-4 A DTD 11/03/2022 4.950% 10/15/2027	02582JJX9	120,000.00	AAA	NR	10/27/2022	11/3/2022	119,994.05	4.95	264.00	119,994.84	119,169.56
NAROT 2023-A A3 DTD 04/26/2023 4.910% 11/15/2027	65480WAD3	235,000.00	NR	Aaa	4/18/2023	4/26/2023	234,958.48	4.91	512.82	234,960.13	232,893.79
HAROT 2023-2 A3 DTD 05/30/2023 4.930% 11/15/2027	437927AC0	160,000.00	AAA	Aaa	5/23/2023	5/30/2023	159,974.08	4.93	350.58	159,974.59	158,941.84
HDMOT 2023-A A3 DTD 02/23/2023 5.050% 12/15/2027	41285JAD0	170,000.00	NR	Aaa	2/13/2023	2/23/2023	169,982.88	5.05	381.56	169,984.13	168,592.93



Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>ABS</b>											
FORDO 2023-A A3 DTD 03/31/2023 4.650% 02/15/2028	344928AD8	130,000.00	AAA	NR	3/28/2023	3/31/2023	129,986.44	4.65	268.67	129,987.14	128,407.21
TAOT 2023-B A3 DTD 05/23/2023 4.710% 02/15/2028	891941AD8	200,000.00	NR	Aaa	5/16/2023	5/23/2023	199,988.82	4.71	418.67	199,989.07	197,593.42
GMCAR 2023-2 A3 DTD 04/12/2023 4.470% 02/16/2028	362583AD8	140,000.00	AAA	Aaa	4/4/2023	4/12/2023	139,996.15	4.47	260.75	139,996.32	137,555.57
DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9	300,000.00	NR	Aaa	4/4/2023	4/11/2023	299,982.60	4.31	574.67	299,983.38	293,304.09
BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	120,000.00	AAA	NR	6/8/2023	6/16/2023	119,972.83	4.79	239.50	119,973.06	119,045.89
AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	140,000.00	AAA	NR	6/7/2023	6/14/2023	139,987.58	4.87	321.96	139,987.70	139,186.71
FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	150,000.00	AAA	NR	6/21/2023	6/26/2023	149,997.98	5.23	108.96	149,997.99	149,312.51
<b>Security Type Sub-Total</b>		<b>9,272,487.78</b>					<b>9,271,396.09</b>	<b>3.44</b>	<b>13,590.54</b>	<b>9,271,644.86</b>	<b>9,045,288.17</b>
<b>Managed Account Sub Total</b>		<b>50,277,264.04</b>					<b>50,146,786.64</b>	<b>2.90</b>	<b>297,378.75</b>	<b>50,074,467.52</b>	<b>48,538,006.66</b>
<b>Securities Sub Total</b>		<b>\$50,277,264.04</b>					<b>\$50,146,786.64</b>	<b>2.90%</b>	<b>\$297,378.75</b>	<b>\$50,074,467.52</b>	<b>\$48,538,006.66</b>
<b>Accrued Interest</b>											<b>\$297,378.75</b>
<b>Total Investments</b>											<b>\$48,835,385.41</b>

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
4/4/2023	4/11/2023	300,000.00	254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	299,982.60	4.31%	
4/4/2023	4/12/2023	140,000.00	362583AD8	GMCAR 2023-2 A3	4.47%	2/16/2028	139,996.15	4.47%	
4/6/2023	4/12/2023	400,000.00	3137BSP72	FHMS K058 A2	2.65%	8/1/2026	383,480.51	4.02%	
4/11/2023	4/14/2023	275,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	263,885.87	4.37%	
4/18/2023	4/26/2023	235,000.00	65480WAD3	NAROT 2023-A A3	4.91%	11/15/2027	234,958.48	4.91%	
4/27/2023	5/1/2023	200,000.00	172967KG5	CITIGROUP INC CORPORATE NOTES	3.70%	1/12/2026	196,938.56	4.76%	
5/1/2023	5/3/2023	1,150,000.00	91282CGV7	US TREASURY N/B NOTES	3.75%	4/15/2026	1,149,470.51	3.83%	
5/8/2023	5/15/2023	250,000.00	14913JAA8	CATERPILLAR FINL SERVICE CORPORATE NOTES	4.35%	5/15/2026	249,882.50	4.37%	
5/11/2023	5/16/2023	175,000.00	06051GFX2	BANK OF AMERICA CORP NOTES	3.50%	4/19/2026	170,526.13	4.54%	
5/11/2023	5/16/2023	225,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	217,751.48	4.09%	
5/15/2023	5/18/2023	210,000.00	89236TKT1	TOYOTA MOTOR CREDIT CORP CORP NOTES	4.45%	5/18/2026	209,878.20	4.47%	
5/16/2023	5/23/2023	200,000.00	891941AD8	TAOT 2023-B A3	4.71%	2/15/2028	199,988.82	4.71%	
5/18/2023	5/23/2023	260,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	247,631.78	4.26%	
5/19/2023	5/23/2023	1,725,000.00	912828XB1	US TREASURY NOTES	2.12%	5/15/2025	1,655,044.93	4.31%	
5/23/2023	5/30/2023	160,000.00	437927AC0	HAROT 2023-2 A3	4.93%	11/15/2027	159,974.08	4.93%	
6/1/2023	6/5/2023	1,700,000.00	91282CHB0	US TREASURY N/B NOTES	3.62%	5/15/2026	1,686,848.67	3.98%	
6/7/2023	6/14/2023	140,000.00	02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	139,987.58	4.87%	

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
6/8/2023	6/16/2023	120,000.00	05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	119,972.83	4.79%	
6/21/2023	6/26/2023	150,000.00	344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	149,997.98	5.23%	
6/29/2023	6/29/2023	975,000.00	91282CHH7	US TREASURY N/B NOTES	4.12%	6/15/2026	967,016.94	4.48%	
<b>Total BUY</b>		<b>8,990,000.00</b>					<b>8,843,214.60</b>		<b>0.00</b>
<b>INTEREST</b>									
4/1/2023	4/1/2023	125,000.00	12189LAV3	BURLINGTN NORTH SANTA FE CORP NOTES (CAL	3.00%	4/1/2025	1,875.00		
4/1/2023	4/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
4/1/2023	4/25/2023	260,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	556.83		
4/1/2023	4/25/2023	201,869.87	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	454.54		
4/3/2023	4/3/2023		MONEY0002	MONEY MARKET FUND			469.18		
4/7/2023	4/7/2023	250,000.00	69371RR73	PACCAR FINANCIAL CORP CORPORATE NOTES	2.85%	4/7/2025	3,562.50		
4/13/2023	4/13/2023	350,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	5,250.00		
4/15/2023	4/15/2023	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
4/15/2023	4/15/2023	170,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	715.42		
4/15/2023	4/15/2023	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
4/15/2023	4/15/2023	165,000.00	891940AC2	TAOT 2023-A A3	4.63%	9/15/2027	636.63		
4/15/2023	4/15/2023	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/15/2023	4/15/2023	48,130.98	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	17.65		
4/15/2023	4/15/2023	6,750.65	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	10.86		
4/15/2023	4/15/2023	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
4/15/2023	4/15/2023	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
4/15/2023	4/15/2023	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
4/15/2023	4/15/2023	115,000.00	115637AS9	BROWN-FORMAN CORP NOTES (CALLABLE)	3.50%	4/15/2025	2,012.50		
4/15/2023	4/15/2023	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
4/15/2023	4/15/2023	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
4/15/2023	4/15/2023	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
4/15/2023	4/15/2023	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	495.00		
4/15/2023	4/15/2023	40,000.00	437076CM2	HOME DEPOT INC (CALLABLE) CORPORATE NOTE	2.70%	4/15/2025	540.00		
4/15/2023	4/15/2023	37,592.59	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	15.04		
4/15/2023	4/15/2023	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
4/15/2023	4/15/2023	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
4/15/2023	4/15/2023	130,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	251.88		
4/15/2023	4/15/2023	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
4/15/2023	4/15/2023	256,656.75	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	117.63		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/15/2023	4/15/2023	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
4/15/2023	4/15/2023	80,000.00	91324PEN8	UNITEDHEALTH GROUP INC CORPORATE NOTES	5.15%	10/15/2025	1,911.22		
4/15/2023	4/15/2023	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,693.25		
4/15/2023	4/15/2023	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
4/15/2023	4/15/2023	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
4/15/2023	4/15/2023	34,769.68	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	54.76		
4/15/2023	4/15/2023	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
4/15/2023	4/15/2023	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
4/15/2023	4/15/2023	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
4/15/2023	4/15/2023	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
4/15/2023	4/15/2023	87,597.25	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	27.74		
4/15/2023	4/15/2023	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,459.79		
4/15/2023	4/15/2023	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	485.83		
4/15/2023	4/15/2023	57,333.58	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	30.10		
4/15/2023	4/15/2023	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
4/15/2023	4/15/2023	175,000.00	539830BU2	LOCKHEED MARTIN CORP NOTES (CALLABLE)	4.95%	10/15/2025	4,114.69		
4/15/2023	4/15/2023	101,237.34	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	43.87		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/15/2023	4/15/2023	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
4/16/2023	4/16/2023	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
4/16/2023	4/16/2023	71,485.35	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	26.81		
4/16/2023	4/16/2023	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
4/16/2023	4/16/2023	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
4/16/2023	4/16/2023	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
4/18/2023	4/18/2023	64,524.75	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	19.90		
4/20/2023	4/20/2023	4,193.03	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	6.46		
4/20/2023	4/20/2023	101,968.08	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	39.94		
4/20/2023	4/20/2023	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
4/20/2023	4/20/2023	91,981.80	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	26.06		
4/21/2023	4/21/2023	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
4/22/2023	4/22/2023	200,000.00	949746RW3	WELLS FARGO & CO CORP NOTES	3.00%	4/22/2026	3,000.00		
4/24/2023	4/24/2023	275,000.00	06051GJH3	BANK OF AMERICA CORP (CALLABLE) CORPORAT	0.81%	10/24/2024	1,113.75		
4/24/2023	4/24/2023	260,000.00	06406RAN7	BANK OF NY MELLON (CALLABLE) CORP NOTES	1.60%	4/24/2025	2,080.00		
4/25/2023	4/25/2023	13,467.21	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	3.25		
4/25/2023	4/25/2023	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/25/2023	4/25/2023	20,510.70	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	8.20		
4/25/2023	4/25/2023	250,000.00	06406RBC0	BANK OF NY MELLON CORP (CALLABLE) CORP N	3.35%	4/25/2025	4,187.50		
4/28/2023	4/28/2023	110,000.00	693475BH7	PNC FINANCIAL SERVICES CORP NOTE (CALLAB	5.67%	10/28/2025	3,119.05		
4/30/2023	4/30/2023	1,650,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	12,375.00		
4/30/2023	4/30/2023	575,000.00	912828X70	US TREASURY NOTES	2.00%	4/30/2024	5,750.00		
5/1/2023	5/1/2023	175,000.00	17252MAP5	CINTAS CORPORATION NO. 2 CORP NOTE (CALL	3.45%	5/1/2025	3,018.75		
5/1/2023	5/1/2023	210,000.00	438516CH7	HONEYWELL INTERNATIONAL CORPORATE NOTES	4.85%	11/1/2024	5,064.21		
5/1/2023	5/1/2023	175,000.00	172967MX6	CITIGROUP INC (CALLABLE) CORPORATE NOTES	0.98%	5/1/2025	858.38		
5/1/2023	5/1/2023		MONEY0002	MONEY MARKET FUND			461.66		
5/1/2023	5/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
5/1/2023	5/25/2023	260,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	556.83		
5/1/2023	5/25/2023	275,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	629.06		
5/1/2023	5/25/2023	159,808.61	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	359.84		
5/1/2023	5/25/2023	400,000.00	3137BSP72	FHMS K058 A2	2.65%	8/1/2026	884.33		
5/3/2023	5/3/2023	500,000.00	65558UYF3	NORDEA BANK ABP NEW YORK CERT DEPOS	5.53%	11/3/2025	13,825.00		
5/7/2023	5/7/2023	175,000.00	20030NDZ1	COMCAST CORP CORPORATE NOTES	5.25%	11/7/2025	4,593.75		
5/8/2023	5/8/2023	500,000.00	3130APQ81	FEDERAL HOME LOAN BANK NOTES (CALLABLE)	1.00%	11/8/2024	2,500.00		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
5/13/2023	5/13/2023	125,000.00	14913R2V8	CATERPILLAR FINL SERVICE CORPORATE NOTES	3.40%	5/13/2025	2,125.00		
5/13/2023	5/13/2023	125,000.00	110122DN5	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	0.75%	11/13/2025	468.75		
5/15/2023	5/15/2023	39,494.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	14.48		
5/15/2023	5/15/2023	165,000.00	369550BG2	GENERAL DYNAMICS CORP (CALLABLE) CORP NO	3.50%	5/15/2025	2,887.50		
5/15/2023	5/15/2023	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
5/15/2023	5/15/2023	29,304.45	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	11.72		
5/15/2023	5/15/2023	170,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	715.42		
5/15/2023	5/15/2023	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
5/15/2023	5/15/2023	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
5/15/2023	5/15/2023	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
5/15/2023	5/15/2023	130,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	503.75		
5/15/2023	5/15/2023	1,375,000.00	91282CFW6	US TREASURY N/B NOTES	4.50%	11/15/2025	30,937.50		
5/15/2023	5/15/2023	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
5/15/2023	5/15/2023	94,633.34	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	41.01		
5/15/2023	5/15/2023	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
5/15/2023	5/15/2023	80,671.27	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	25.55		
5/15/2023	5/15/2023	242,636.98	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	111.21		



### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
5/15/2023	5/15/2023	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
5/15/2023	5/15/2023	50,185.72	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	26.35		
5/15/2023	5/15/2023	28,486.70	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	44.87		
5/15/2023	5/15/2023	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
5/15/2023	5/15/2023	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	485.83		
5/15/2023	5/15/2023	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
5/15/2023	5/15/2023	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
5/15/2023	5/15/2023	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
5/15/2023	5/15/2023	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
5/15/2023	5/15/2023	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	495.00		
5/15/2023	5/15/2023	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
5/15/2023	5/15/2023	165,000.00	891940AC2	TAOT 2023-A A3	4.63%	9/15/2027	636.63		
5/15/2023	5/15/2023	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
5/15/2023	5/15/2023	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
5/15/2023	5/15/2023	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
5/15/2023	5/15/2023	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,459.79		
5/15/2023	5/15/2023	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
5/15/2023	5/15/2023	300,000.00	254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	1,221.17		
5/15/2023	5/15/2023	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
5/15/2023	5/15/2023	235,000.00	65480WAD3	NAROT 2023-A A3	4.91%	11/15/2027	608.98		
5/15/2023	5/15/2023	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
5/15/2023	5/15/2023	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,693.25		
5/15/2023	5/15/2023	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
5/15/2023	5/15/2023	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
5/16/2023	5/16/2023	63,330.48	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	23.75		
5/16/2023	5/16/2023	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
5/16/2023	5/16/2023	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
5/16/2023	5/16/2023	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
5/16/2023	5/16/2023	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
5/16/2023	5/16/2023	140,000.00	362583AD8	GMCAR 2023-2 A3	4.47%	2/16/2028	591.03		
5/18/2023	5/18/2023	56,107.36	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	17.30		
5/20/2023	5/20/2023	69,716.63	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	19.75		
5/20/2023	5/20/2023	79,443.58	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	31.12		
5/20/2023	5/20/2023	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
5/21/2023	5/21/2023	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
5/24/2023	5/24/2023	375,000.00	40428HTA0	HSBC USA INC CORPORATE NOTES	3.75%	5/24/2024	7,031.25		
5/25/2023	5/25/2023	3,361.81	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	0.81		
5/25/2023	5/25/2023	15,474.93	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	6.19		
5/25/2023	5/25/2023	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
5/28/2023	5/28/2023	290,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	1,015.00		
5/31/2023	5/31/2023	1,550,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	11,625.00		
6/1/2023	6/1/2023	345,000.00	46647PCH7	JPMORGAN CHASE & CO (CALLABLE) CORP NOTE	0.82%	6/1/2025	1,421.40		
6/1/2023	6/1/2023		MONEY0002	MONEY MARKET FUND			213.64		
6/1/2023	6/1/2023	130,000.00	427866BF4	HERSHEY CO CORP NOTES (CALLABLE)	0.90%	6/1/2025	585.00		
6/1/2023	6/1/2023	250,000.00	69353REQ7	PNC BANK NA CORP NOTE (CALLABLE)	3.25%	6/1/2025	4,062.50		
6/1/2023	6/1/2023	175,000.00	438516CB0	HONEYWELL INTL CORP NOTES (CALLABLE)	1.35%	6/1/2025	1,181.25		
6/1/2023	6/25/2023	400,000.00	3137BSP72	FHMS K058 A2	2.65%	8/1/2026	884.33		
6/1/2023	6/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
6/1/2023	6/25/2023	520,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	1,113.67		
6/1/2023	6/25/2023	151,977.86	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	342.20		
6/1/2023	6/25/2023	500,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	1,143.75		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/3/2023	6/3/2023	175,000.00	440452AG5	HORMEL FOODS CORP NOTES (CALLABLE)	0.65%	6/3/2024	568.75		
6/4/2023	6/4/2023	725,000.00	3137EAF2	FREDDIE MAC NOTES	0.25%	12/4/2023	906.25		
6/5/2023	6/5/2023	231,000.00	05531FBE2	TRUIST FINANCIAL CORP NOTES (CALLABLE)	3.70%	6/5/2025	4,273.50		
6/5/2023	6/5/2023	250,000.00	53522KAB9	LINDE INC/CT CORPORATE NOTES (CALLABLE)	4.70%	12/5/2025	5,875.00		
6/8/2023	6/8/2023	250,000.00	05254JAA8	AUST & NZ BANKING GRP NY CORPORATE NOTES	5.08%	12/8/2025	6,360.00		
6/9/2023	6/9/2023	255,000.00	63254ABD9	NATIONAL AUSTRALIA BK/NY CORPORATE NOTES	3.50%	6/9/2025	4,462.50		
6/15/2023	6/15/2023	230,735.28	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	105.75		
6/15/2023	6/15/2023	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
6/15/2023	6/15/2023	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
6/15/2023	6/15/2023	74,437.15	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	23.57		
6/15/2023	6/15/2023	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
6/15/2023	6/15/2023	2,142,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	2,677.50		
6/15/2023	6/15/2023	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
6/15/2023	6/15/2023	235,000.00	65480WAD3	NAROT 2023-A A3	4.91%	11/15/2027	961.54		
6/15/2023	6/15/2023	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
6/15/2023	6/15/2023	130,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	503.75		
6/15/2023	6/15/2023	170,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	715.42		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/15/2023	6/15/2023	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,693.25		
6/15/2023	6/15/2023	44,366.72	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	23.29		
6/15/2023	6/15/2023	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
6/15/2023	6/15/2023	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
6/15/2023	6/15/2023	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
6/15/2023	6/15/2023	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
6/15/2023	6/15/2023	325,000.00	91282CDN8	US TREASURY N/B NOTES	1.00%	12/15/2024	1,625.00		
6/15/2023	6/15/2023	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
6/15/2023	6/15/2023	160,000.00	437927AC0	HAROT 2023-2 A3	4.93%	11/15/2027	328.67		
6/15/2023	6/15/2023	31,959.79	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	11.72		
6/15/2023	6/15/2023	200,000.00	891941AD8	TAOT 2023-B A3	4.71%	2/15/2028	575.67		
6/15/2023	6/15/2023	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
6/15/2023	6/15/2023	100,000.00	63743HFE7	NATIONAL RURAL UTIL COOP CORPORATE NOTES	3.45%	6/15/2025	1,725.00		
6/15/2023	6/15/2023	23,111.16	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	36.40		
6/15/2023	6/15/2023	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	485.83		
6/15/2023	6/15/2023	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
6/15/2023	6/15/2023	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	495.00		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/15/2023	6/15/2023	88,788.09	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	38.47		
6/15/2023	6/15/2023	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
6/15/2023	6/15/2023	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
6/15/2023	6/15/2023	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,459.79		
6/15/2023	6/15/2023	165,000.00	891940AC2	TAOT 2023-A A3	4.63%	9/15/2027	636.63		
6/15/2023	6/15/2023	21,986.97	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	8.79		
6/15/2023	6/15/2023	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
6/15/2023	6/15/2023	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
6/15/2023	6/15/2023	300,000.00	254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	1,077.50		
6/15/2023	6/15/2023	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
6/15/2023	6/15/2023	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
6/15/2023	6/15/2023	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
6/15/2023	6/15/2023	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
6/15/2023	6/15/2023	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
6/16/2023	6/16/2023	55,926.61	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	20.97		
6/16/2023	6/16/2023	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
6/16/2023	6/16/2023	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/16/2023	6/16/2023	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
6/16/2023	6/16/2023	140,000.00	362583AD8	GMCAR 2023-2 A3	4.47%	2/16/2028	521.50		
6/16/2023	6/16/2023	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
6/18/2023	6/18/2023	48,859.69	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	15.07		
6/20/2023	6/20/2023	48,846.45	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	13.84		
6/20/2023	6/20/2023	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
6/20/2023	6/20/2023	60,819.52	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	23.82		
6/21/2023	6/21/2023	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
6/25/2023	6/25/2023	11,020.90	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	4.41		
6/25/2023	6/25/2023	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
6/30/2023	6/30/2023	1,000,000.00	912828ZW3	US TREASURY NOTES	0.25%	6/30/2025	1,250.00		
<b>Total INTEREST</b>		<b>46,328,561.66</b>					<b>251,765.55</b>		<b>0.00</b>
<b>MATURITY</b>									
5/15/2023	5/15/2023	75,000.00	172967MR9	CITIGROUP INC CORP NOTES (CALLED,OMD 5/1	1.67%	5/15/2023	75,629.25		
5/15/2023	5/15/2023	150,000.00	172967MR9	CITIGROUP INC CORP NOTES (CALLED,OMD 5/1	1.67%	5/15/2023	151,258.50		
<b>Total MATURITY</b>		<b>225,000.00</b>					<b>226,887.75</b>		<b>0.00</b>

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
4/1/2023	4/25/2023	42,061.26	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	42,061.26		1,424.50
4/15/2023	4/15/2023	6,925.98	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,925.98		
4/15/2023	4/15/2023	6,604.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	6,604.00		
4/15/2023	4/15/2023	14,019.77	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	14,019.77		
4/15/2023	4/15/2023	6,750.65	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	6,750.65		
4/15/2023	4/15/2023	8,288.14	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	8,288.14		
4/15/2023	4/15/2023	8,636.98	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	8,636.98		
4/15/2023	4/15/2023	6,282.98	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	6,282.98		
4/15/2023	4/15/2023	7,147.86	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	7,147.86		
4/16/2023	4/16/2023	8,154.87	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	8,154.87		
4/18/2023	4/18/2023	8,417.39	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	8,417.39		
4/20/2023	4/20/2023	22,524.50	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	22,524.50		
4/20/2023	4/20/2023	22,265.17	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	22,265.17		
4/20/2023	4/20/2023	4,193.03	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	4,193.03		
4/25/2023	4/25/2023	5,035.77	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	5,035.77		
4/25/2023	4/25/2023	10,105.40	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	10,105.40		
5/1/2023	5/25/2023	7,830.75	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	7,830.75		



### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
5/15/2023	5/15/2023	7,534.21	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	7,534.21		
5/15/2023	5/15/2023	6,234.12	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,234.12		
5/15/2023	5/15/2023	5,375.54	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	5,375.54		
5/15/2023	5/15/2023	5,819.00	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	5,819.00		
5/15/2023	5/15/2023	7,317.48	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	7,317.48		
5/15/2023	5/15/2023	11,901.70	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	11,901.70		
5/15/2023	5/15/2023	5,845.25	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	5,845.25		
5/16/2023	5/16/2023	7,403.87	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	7,403.87		
5/18/2023	5/18/2023	7,247.67	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	7,247.67		
5/20/2023	5/20/2023	18,624.06	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	18,624.06		
5/20/2023	5/20/2023	20,870.18	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	20,870.18		
5/25/2023	5/25/2023	3,361.81	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	3,361.81		
5/25/2023	5/25/2023	4,454.03	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	4,454.03		
6/1/2023	6/25/2023	201.60	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	201.60		
6/15/2023	6/15/2023	5,638.74	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	5,638.74		
6/15/2023	6/15/2023	6,369.67	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,369.67		
6/15/2023	6/15/2023	7,834.33	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	7,834.33		

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
6/15/2023	6/15/2023	6,502.26	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	6,502.26		
6/15/2023	6/15/2023	6,118.23	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	6,118.23		
6/15/2023	6/15/2023	7,063.64	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	7,063.64		
6/15/2023	6/15/2023	12,361.81	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	12,361.81		
6/16/2023	6/16/2023	7,401.69	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	7,401.69		
6/18/2023	6/18/2023	7,254.61	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	7,254.61		
6/20/2023	6/20/2023	24,353.62	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	24,353.62		
6/20/2023	6/20/2023	18,111.60	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	18,111.60		
6/25/2023	6/25/2023	4,360.35	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	4,360.35		
<b>Total PAYDOWNS</b>		<b>420,805.57</b>					<b>420,805.57</b>		<b>1,424.50</b>
<b>SELL</b>									
4/4/2023	4/6/2023	130,000.00	58933YAR6	MERCK & CO INC CORP NOTES	2.75%	2/10/2025	128,043.21		-6,356.49
4/4/2023	4/11/2023	260,000.00	91282CGL9	US TREASURY N/B NOTES	4.00%	2/15/2026	264,027.77		6,833.35
4/6/2023	4/12/2023	370,000.00	91282CGL9	US TREASURY N/B NOTES	4.00%	2/15/2026	376,408.64		10,354.33
4/11/2023	4/14/2023	255,000.00	713448FQ6	PEPSICO INC CORP NOTES (CALLABLE)	4.55%	2/13/2026	260,790.27		4,028.81
4/19/2023	4/24/2023	55,000.00	882508BR4	TEXAS INSTRUMENTS INC CORPORATE NOTES	4.70%	11/18/2024	56,263.17		162.43
4/27/2023	5/1/2023	100,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	97,199.39		-2,796.98

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>SELL</b>									
5/1/2023	5/3/2023	750,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	728,795.50		-21,185.74
5/1/2023	5/3/2023	425,000.00	459058JM6	INTL BK RECON & DEVELOP NOTES	0.25%	11/24/2023	414,045.27		-11,252.93
5/11/2023	5/16/2023	175,000.00	3137EAF2	FREDDIE MAC NOTES	0.25%	12/4/2023	170,673.13		-4,491.79
5/11/2023	5/16/2023	225,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	218,159.44		-6,852.85
5/15/2023	5/18/2023	200,000.00	89236TJN6	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	0.62%	9/13/2024	189,831.69		-10,352.49
5/16/2023	5/23/2023	75,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	72,730.42		-2,276.27
5/18/2023	5/23/2023	275,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	266,441.86		-8,582.68
5/19/2023	5/23/2023	1,725,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	1,671,114.97		-54,038.95
5/23/2023	5/30/2023	100,000.00	91282CBM2	US TREASURY NOTES	0.12%	2/15/2024	96,539.82		-3,428.43
6/1/2023	6/5/2023	725,000.00	3137EAF2	FREDDIE MAC NOTES	0.25%	12/4/2023	706,988.78		-17,896.95
6/1/2023	6/5/2023	750,000.00	91282CBM2	US TREASURY NOTES	0.12%	2/15/2024	723,888.39		-25,627.95
6/1/2023	6/5/2023	250,000.00	91282CBM2	US TREASURY NOTES	0.12%	2/15/2024	241,296.13		-8,633.58
6/8/2023	6/13/2023	175,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	167,351.04		-7,694.97
6/22/2023	6/26/2023	75,000.00	931142EW9	WALMART INC CORPORATE NOTES	3.90%	9/9/2025	74,613.13		-1,217.64
6/29/2023	6/29/2023	115,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	110,225.52		-4,840.65
6/29/2023	6/29/2023	175,000.00	440452AG5	HORMEL FOODS CORP NOTES (CALLABLE)	0.65%	6/3/2024	167,450.40		-5,311.10
6/29/2023	6/29/2023	210,000.00	438516CH7	HONEYWELL INTERNATIONAL CORPORATE NOTES	4.85%	11/1/2024	210,425.02		-1,191.89

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>SELL</b>									
6/29/2023	6/29/2023	500,000.00	91282CBM2	US TREASURY NOTES	0.12%	2/15/2024	483,942.29		-15,824.93
<b>Total SELL</b>		<b>8,095,000.00</b>					<b>7,897,245.25</b>		<b>-198,476.34</b>

## Important Disclosures

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.





**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject:** Construction Contract Award: On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services FY 2023-2024

**Prepared by:** Grant Gabler, Sewer Maintenance Supervisor

**Reviewed by:** Aida Fairman, Public Works Director

**Approved by:** Gabriel Engeland, City Manager

**Attachments:**

- 1. Bid Summary for On-Call Sanitary Spot Repairs and CCTV Inspection Services FY 2023-2024
  - A. Resolution No. 2023-\_\_\_

**Initiated by:**  
Staff

**Previous Council Consideration:**  
None

**Fiscal Impact:**

The lowest responsible bid was \$107,700. However, repairs will be done on an as needed basis and per the contract will have a not-to-exceed cost of \$100,000, as budgeted in FY 2023/24 budget.

- Breakdown of funds to be used:
  - o \$100,000 from the Sewer Fund account 8210-5280, per the approved sewer maintenance budget
- Amount already included in the approved budget: Y
- Amount above budget requested: 0

**Environmental Review:**

The On-Call Sanitary Sewer Spot Repairs and CCTV Inspections project (Project) is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061(b)(3) (Common Sense Exemption) and 15301(c) (Existing Facilities) in that the Project consists of the operation, maintenance, and repair of existing public facilities and is not anticipated to have any significant adverse impact upon the existing environment and will not significantly alter or expand existing facilities. In addition, none of the exceptions set

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<b>Reviewed By:</b>		
City Manager	City Attorney	Finance Director
<u>GE</u>	<u>JH</u>	<u>JD</u>



**Subject:** Construction Contract: On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services FY 2023-2024

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forth in CEQA Guidelines Section 15300.2 to the availability of the foregoing categorical exemptions applies to this project.

**Summary:**

The project includes on-call repairs to the City’s sanitary sewer system on an as-needed basis as well as Closed Circuit Television (CCTV) inspection of various size sanitary sewer pipes

**Staff Recommendation:**

Authorize the City Manager to execute a not-to-exceed contract with C2R Engineering, Inc., in the amount of \$100,000 to provide on-call sanitary sewer spot repairs and CCTV inspection services

**Purpose**

Execute a not-to-exceed contract with C2R Engineering, Inc., in the amount of \$100,000 to provide on-call sanitary sewer spot repairs and CCTV inspection services

**Background**

The Sewer Division of the City’s Public Works Department maintains a long list of sewer system deficiencies that require spot repairs. In order to make progress on those repairs and plan for emergency repairs, the City requested bids for On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services on an annual basis.

**Discussion/Analysis**

On July 18, 2023, the City opened three bids for the On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services. The bid results are included in Attachment 1.

Smelly Mels Plumbing, Inc. (SMP) was the lowest apparent bidder. However, SMP was found non-responsive since SMP submitted a bid that did not meet the minimum bid requirements. SMP failed to register with the Department of Industrial Relations (DIR) at the time of the bid opening. Per the DIR registration website, SMP’s registration status has expired as of June 30, 2023. Additionally, SMP’s bid schedule included unresolvable discrepancies, which materially changes the Summary of Bid Total. SMP’s did not comply with the unit price basis, and the extended prices did not reflect the bid quantities for several items.

It is recommended that the award of the not-to-exceed \$100,000 contract be made to C2R Engineering, Inc., which was determined to be the second apparent responsive bidder. C2R Engineering, Inc. has been in business since 2014 and has satisfactorily completed similar projects for the City of Los Altos, the City of Mountain View, the Town of Los Altos Hills, and other local



**Subject:** Construction Contract: On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services FY 2023-2024

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agencies. C2R Engineering Inc. has previously completed On-Call Sanitary Sewer Spot Repairs and CCTV Inspections Services FY 2022-2023 for the City of Los Altos in a satisfactory and timely manner.

**Recommendation**

Authorize the City Manager to execute a not-to-exceed contract with C2R Engineering, Inc., in the amount of \$100,000 to provide on-call sanitary sewer spot repairs and CCTV inspection services

**ATTACHMENT 1**



**CITY OF LOS ALTOS  
ON-CALL SANITARY SEWER SPOT REPAIRS  
AND CCTV INSPECTION SERVICES PROJECT FY 2023-2024  
BID SUMMARY**

Bid opening: July 18, 2023 2:00 p.m.  
City of Los Altos Civic Center  
One North San Antonio Road  
Los Altos, CA 94022

<b>CONTRACTOR</b>	<b>TOTAL BID</b>
Smelly Mels Plumbing, Inc.	\$105,480.00
C2R Engineering, Inc.	\$107,700.00
Pipe & Plant Solutions, Inc.	\$299,700.00

**RESOLUTION NO. 2023-\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION  
CONTRACT WITH C2R ENGINEERING, INC. FOR THE ON-CALL  
SANITARY SEWER SPOT REPAIRS AND CCTV INSPECTION SERVICES  
FY 2023-2024 IN AN AMOUNT NOT-TO-EXCEED \$100,000**

**WHEREAS**, the project, which consists of on-call repairs to the City’s sanitary sewer system on an as-needed basis as well as Closed Circuit Television (CCTV) inspection of various sizes of sanitary sewer pipes; and

**WHEREAS**, C2R Engineering, Inc. was the second apparent responsible, responsive bidder for the Project; and

**WHEREAS**, the Project is Categorically Exempt from environmental review pursuant to CEQA Section 15301 (b) consisting of the repair and maintenance or minor alteration of existing publicly-owned sewerage facilities involving negligible or no expansion of existing or former use.

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

1. Authorizes the City Manager to execute a Construction Contract in an amount not-to-exceed \$100,000 to perform the On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services FY 2023-2024 Project.
2. Authorizes the City Manager to take such further actions as may be necessary to implement the foregoing agreement.

**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 12th day of September, 2023, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Sally Meadows, MAYOR

Attest:

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



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject** Authorize the City Manager to Execute a Professional Services Agreement for a Downtown Parking Strategy

**Prepared by:** Nick Zornes, Development Services Director

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

- 1. RFP Response Results
- 2. Resolution

**Initiated by:**

Sixth Cycle Housing Element 2023-2031, Program 3.A.

**Fiscal Impact:**

The contract will be in the amount not to exceed \$198,710 and up to a 10% contingency, if needed, in the amount not to exceed \$19,871. Total funds to be used are \$218,581 which are included in the FY2023/24 budget.

Project Item	Project Budget
Proposal Amount	\$198,710
Contingency	\$19,871
<b>Total Cost</b>	<b>\$218,581</b>

**Environmental Review:**

Not applicable.

**Summary:**

Authorize the City Manager to execute a Professional Services Agreement with W-Trans to complete a Downtown Parking Strategy as required in the City’s adopted Sixth Cycle Housing Element 2023-2031, Program 3.A.

**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JD



**Subject:** Authorize City Manager to Execute a Professional Services Agreement for a Downtown Parking Strategy

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**Staff Recommendation:**

Authorize the City Manager to execute a Professional Services Agreement for a Downtown Parking Strategy with W-Trans as the most qualified responsive consultant for the project with a project budget not to exceed \$198,710 and up to 10% contingency funds, if needed, in the amount not to exceed \$19,871.

**Background**

The City requested proposals from qualified professionals to prepare a Downtown Parking Strategy (“Strategy”) which is included as part of Program 3.A within the adopted Sixth Cycle Housing Element 2023-2031. The program requires the City to complete this program by December 2024.

The Strategy will build on other recent and ongoing downtown plans and studies to articulate and catalyze a new future for parking Downtown. The Strategy will include a coordinated toolkit of strategies as well as a phased action plan and will help operationalize short-term and long-term improvements while ensuring that downtown can realize its vision for growth, multimodal access, and economic vitality.

The Strategy would evaluate existing parking supply and demand patterns, determine the impacts of future development on existing parking, and conduct a stakeholder engagement process intended to both inform the public of quantitative and qualitative findings related to parking and obtain input to shape the parking planning process. As a subsequent component, the Strategy would articulate best practices with regard to management of the system to improve efficiency and customer service, as well as evaluating possible sites for new parking infrastructure, parking in-lieu fees, wayfinding signage, and other innovative parking management solutions.

**Discussion/Analysis**

The Development Services Department released a Request for Proposals (RFP) on May 3, 2023, and closed on June 6, 2023. Six (6) proposals were received by the required due date. The response results are included in Attachment 1.

Of the six proposals received, W-Trans was selected as the most qualified respondent as it was the only response which addressed all requirements of the project objectives contained in the request for proposals. In addition to adequately addressing the minimum proposal requirements, W-Trans was the only respondent to assemble a strong project team with two sub-consultants for outreach and economic and financial feasibility assessment who specialize in these two project elements. Staff finds that the W-Trans proposal with inclusion of the two subconsultants will be key in providing a well-rounded Strategy with a robust public engagement process and financial assessment of proposed parking strategies.



**Subject:** Authorize City Manager to Execute a Professional Services Agreement for a Downtown Parking Strategy

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Plan to Place is included as the outreach and stakeholder engagement sub-consultant and is a firm that specializes in community engagement and communication and has strong experience that led to successful policy outcomes, including previous experience working with the Los Altos community. Strategic Economics is included as the economic and financial feasibility assessment sub-consultant and are widely recognized for their expertise in many disciplines including real estate economics, financial feasibility, economic development, fiscal impact analysis, and public finance. Strategic Economics also has previous experience working within Los Altos.

Therefore, it is recommended to authorize the City Manager to execute a Professional Services Agreement for a Downtown Parking Strategy with W-Trans as the most qualified responsive consultant for the project in an amount not to exceed \$198,710 and up to 10% contingency funds not to exceed \$19,871.





**CITY OF LOS ALTOS  
DOWNTOWN PARKING STRATEGY RFP  
RESPONSE SUMMARY**

RFP Open: May 3, 2023

RFP Close: June 6, 2023

CONSULTANT	PROPOSED BUDGET
W-Trans	\$198,710
Dixon Resources Unlimited	\$75,660
Walker Consultants	\$129,290
TJKM	\$72,440
Watry Design Inc.	\$128,714
Mead and Hunt	\$97,630

**RESOLUTION NO. 2023-XX****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL  
SERVICES AGREEMENT WITH W-TRANS FOR PREPARATION OF A  
DOWNTOWN PARKING STRATEGY IN AN AMOUNT NOT TO EXCEED  
\$198,710 AND UP TO 10% CONTINGENCY FUNDS NOT TO EXCEED \$19,871**

**WHEREAS**, the Project, which includes preparation of a Downtown Parking Strategy;  
and

**WHEREAS**, W-Trans was the most qualified responsive consultant for the Project; and

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

1. Authorizes the City Manager to execute a Professional Services Agreement in an amount not to exceed \$198,710 and up to 10% contingency funds not to exceed \$19,871.
2. Authorizes the City Manager to take such further actions as may be necessary to implement the foregoing agreement.

**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 12<sup>th</sup> day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Sally Meadows, MAYOR

Attest:

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Melissa Thurman, CITY CLERK



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023  
**Subject:** Adoption of Specialized Housing Regulations  
**Prepared by:** Nick Zornes, Development Services Director  
**Reviewed by:** Jon Maginot, Assistant City Manager  
Jolie Houston, City Attorney  
**Approved by:** Gabe Engeland, City Manager

**Attachment(s):**  
1. Draft Ordinance  
2. Appendix A

**Initiated by:**  
City of Los Altos adopted 6<sup>th</sup> Cycle Housing Element, Program 4.C, 4.D, 4.E, 4.F

**Fiscal Impact:**  
No fiscal impacts are associated with the adoption of these implementing regulations.

**Environmental Review:**  
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.

**Summary:**  
The draft ordinance incorporates regulations for Low Barrier Navigation Centers, Transitional and Supportive Housing, Employee/Farmworker Housing, and Reasonable Accommodations consistent with State law. The draft ordinance was developed to create a standalone chapter within the Los Altos Municipal Code for the proposed regulations, which will allow for easier access and understanding by internal and external stakeholders.

**Staff Recommendation:**  
Adoption of Zoning Ordinance Text Amendments incorporating Chapter 14.63 to the Los Altos Municipal Code to implement Program 4.C allowing Low Barrier Navigation Centers consistent with AB 101, Program 4.D allowing of Transitional and Supportive Housing consistent with State law, Program 4.E allowing Employee/Farmworker Housing consistent with State law, Program 4.F allowing for Reasonable Accommodations for disabled persons’ consistent with Federal Fair Housing Act, and California Fair Employment and Housing Act. The proposed amendments are

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**Reviewed By:**  
City Manager GE                      City Attorney JH                      Assistant City Manager JM



**Subject:** Adoption Specialized Housing Regulations

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

**Background:**

On January 24, 2023, the Los Altos City Council adopted the City’s 6th Cycle Housing Element 2023-2031. As required by law, the adopted housing element has several housing programs contained within. The City of Los Altos identified specific programs in its housing element that will allow it to implement the stated policies and achieve the stated goals and objectives.

Programs must include specific action steps the City will take to implement its policies and achieve its goals and objectives. Programs must also include a specific timeframe for implementation, identify the agencies or officials responsible for implementation, describe the city’s specific role in implementation, and (whenever possible) identify specific, measurable outcomes.

Programs 4.C, 4.D, 4.E, 4.F of the adopted 6<sup>th</sup> Cycle Housing Element were initially required to be implemented during the 5<sup>th</sup> Cycle Housing Element by development and integration of regulations in the Los Altos Municipal Code. The draft ordinance under consideration implementing Programs 4.C, 4.D, 4.E, 4.F is required to be adopted no later than December 31, 2023. Due to the various requirements and deliverables of the 6<sup>th</sup> Cycle Housing Element the draft ordinance was prepared early to help ensure that ample time is available to execute several other adopted programs.

**Analysis:**

The City’s adopted 6<sup>th</sup> Cycle Housing Element 2023-2031, included Program 4.C. The housing program requires the proposed ordinance amendments to *Allow Low Barrier Navigation Centers consistent with AB 101*. The draft ordinance included in this agenda packet effectively completes these deliverables as explicitly called out within the housing program.

***Program 4.C: Allow Low Barrier Navigation Centers consistent with AB 101.***

*The Zoning Code does not address low barrier navigation centers (LBNCs), defined as Housing First, low-barrier, service enriched shelters focused on moving people into permanent housing that provide temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing (Government Code §65660). State law requires LBNCs to be permitted by-right in areas zoned for mixed-use and nonresidential zones permitting multifamily uses provided they satisfying the provisions established by AB 101 (see Government Code §65662). This would allow LBNCs in the CD/R3, CN, CD, CRS, CT, and CRS-OAD districts. The City will amend its Zoning Code to explicitly allow LBNCs as provided by State law.*



**Subject:** Adoption Specialized Housing Regulations

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

**Funding Source:** *General Fund*

**Time Frame:** *December 2023*

The City’s adopted 6<sup>th</sup> Cycle Housing Element 2023-2031, included Program 4.D. The housing program requires the proposed ordinance amendments to *Allow transitional and supportive housing consistent with State law*. The draft ordinance included in this agenda packet effectively completes these deliverables as explicitly called out within the housing program.

**Program 4.D:** *Allow transitional and supportive housing consistent with State law. Allow transitional and supportive housing by right in all zones which allow residential uses, subject only to those restrictions and standards that apply to other residential dwellings of the same type in the same zone, consistent with State law. Additionally, transitional, and supportive housing that qualifies under AB 2162 will be allowed by right in zones where multi-family and mixed uses are allowed, including nonresidential zones that allow multi-family uses, consistent with AB 2162 (Government Code §65651).*

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

**Funding Source:** *General Fund*

**Time Frame:** *December 2023*

The City’s adopted 6<sup>th</sup> Cycle Housing Element 2023-2031, included Program 4.E. The housing program requires the proposed ordinance amendments to *Allow employee/farmworker housing consistent with State law*. The draft ordinance included in this agenda packet effectively completes these deliverables as explicitly called out within the housing program.

**Program 4.E:** *Allow employee/farmworker housing consistent with State law. The City will amend the Zoning Code to allow employee housing consistent with Health and Safety Code §17021.5 and 17021.6.*

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

**Funding Source:** *General Fund*

**Time Frame:** *December 2023*

The City’s adopted 6<sup>th</sup> Cycle Housing Element 2023-2031, included Program 4.F. The housing program requires the proposed ordinance amendments to *Reasonably accommodate*



**Subject:** Adoption Specialized Housing Regulations

*disabled persons' housing needs.* The draft ordinance included in this agenda packet effectively completes these deliverables as explicitly called out within the housing program.

***Program 4.F: Reasonably accommodate disabled persons' housing needs.***

*Both the federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The Zoning Code does not currently contain procedures for reasonable accommodations. The City will adopt reasonable accommodation procedures compliant with State and federal law.*

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

***Funding Source:*** *General Fund*

***Time Frame:*** *Adopt an ordinance by December 2023; report to City Council on number of reasonable accommodations requests submitted and the status of each (i.e., approved, denied (and reason for denial), or under review), Annually.*

***Objective:*** *The City will adopt a reasonable accommodation ordinance and process request as submitted with the target of approving at least three reasonable accommodation requests by January 31, 2031.*

**Discussion:**

The actions included within the attached draft ordinance are requirements pursuant to the City's adopted 6<sup>th</sup> Cycle Housing Element. Once a jurisdiction takes final action by adopting its housing element this requires immediate action in order to remain compliant with State housing law. The City of Los Altos Housing Element contains **26** major action items or milestones that must be completed within the first 12-months post adoption. The draft ordinance will effectively accomplish the majority of **4 of the 26 items** or milestones to be achieved in the first 12-months.

**Planning Commission Consideration:**

On August 3, 2023, the Los Altos Planning Commission reviewed the draft ordinance which incorporates Chapter 14.63 to the Los Altos Municipal Code to implement Program 4.C allowing Low Barrier Navigation Centers consistent with AB 101, Program 4.D allowing of Transitional and Supportive Housing consistent with State law, Program 4.E allowing Employee/Farmworker Housing consistent with State law, Program 4.F allowing for Reasonable Accommodations for



**Subject:** Adoption Specialized Housing Regulations

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disabled persons' consistent with Federal Fair Housing Act, and California Fair Employment and Housing Act.

The Planning Commission received a presentation from the Development Services Director, asked clarifying questions, opened the Public Hearing to receive testimony (although no public comments were received), and discussed the item. The item was unanimously recommended to proceed as presented with no modifications to the City Council for Introduction and Adoption.

**ORDINANCE NO. 2023-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
CREATING CHAPTER 14.63 OF THE LOS ALTOS MUNICIPAL CODE TO  
IMPLEMENT PROGRAM 4.C, PROGRAM 4.D, PROGRAM 4.E AND PROGRAM 4.F  
OF THE SIXTH CYCLE HOUSING ELEMENT UPDATE**

**WHEREAS**, the City Council is empowered pursuant to Article XI, Section 7 of the California Constitution to make and enforce within the City all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

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

**WHEREAS**, Program 4.C of the Housing Element Update calls for the allowing Low Barrier Navigation Centers consistent with AB 101; and

**WHEREAS**, Program 4.C of the Housing Element Update expressly allows Low Barrier Navigation Centers in CD/R3, CN, CD, CRS, CT, and CRS-OAD Districts within the City of Los Altos; and

**WHEREAS**, Program 4.D of the Housing Element Update calls for the allowing of Transitional and Supportive Housing consistent with State law; and

**WHEREAS**, Program 4.D of the Housing Element Update expressly allows Transitional and Supportive Housing in R3-4.5, R3-5, R3-3, R3-1.8, R3-1, CD-R3, and CT Districts within the City of Los Altos; and

**WHEREAS**, Program 4.E of the Housing Element Update calls for the allowing Employee/Farmworker Housing consistent with State law; and

**WHEREAS**, Program 4.E of the Housing Element Update allows employee housing for seven (7) or more within zones that also allow for Agricultural Uses are by-right uses; and

**WHEREAS**, Program 4.E of the Housing Element Update allows employee housing providing accommodations for six (6) or fewer employees shall be deemed a single-family dwelling and allowed in all residential zones within the City of Los Altos; and

**WHEREAS**, Program 4.F of the Housing Element Update calls for the Los Altos Municipal Code to allow for Reasonable Accommodations for disabled persons’ consistent with Federal Fair Housing Act, and California Fair Employment and Housing Act; and

**WHEREAS**, having committed itself to implement Housing Element Update in its entirety, the City Council now desires to adopt this Ordinance; 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; and



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

**SECTION 1. AMENDMENT OF CHAPTER 14.63 OF THE MUNICIPAL CODE.** Chapter 14.63 of the Los Altos Municipal Code are hereby added as set forth in Appendix A to this Ordinance, underline indicating addition.

**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 Director of Development Services, 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 hereof.

The foregoing Ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on \_\_, 2023, and was thereafter, at a regular meeting held on \_\_, 2023, passed and adopted by the following vote:

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

\_\_\_\_\_  
Sally Meadows, MAYOR

Attest:

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

**APPENDIX A  
AMENDMENTS TO CHAPTER 14.29**

**CHAPTER 14.63 – SPECIALIZED HOUSING REGULATIONS**

**Article 1. Supportive and Transitional Housing**

**Section 14.63.010 – Purpose**

The purpose of this Section is to establish provisions for the review of supportive and transitional housing. The established provisions of this chapter shall allow for all proposed supportive and transitional housing to be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses.

**Section 14.63.020 – Definitions**

“Supportive housing” shall mean a housing development project as defined in Government Code section 65582(g), as may be amended or renumbered from time to time, as being housing with no limit on length of stay, that is occupied by the target population, and that is linked to an on-site or off-site service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Supportive housing is a residential use and is subject to only those restrictions that apply to other residential uses of the same type in the same zone. “Target population” means persons with low incomes who have one or more disabilities as described in section 65582(i) of the Government Code.

“Transitional housing” shall mean a housing development project as defined in Government Code section 65582(j), as may be amended or renumbered from time to time, as being building(s) configured as a rental housing development, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six (6) months from the beginning of the assistance. Transitional housing is a residential use and is subject to only those restrictions that apply to other residential uses of the same type in the same zone.

**Section 14.63.030 – Allowed Zoning**

The districts established by this section shall allow supportive and transitional housing and are designated as follows:

- Multiple-Family District (R3-4.5)
- Multiple-Family District (R3-5)
- Multiple-Family District (R3-3)
- Multiple-Family District (R3.1.8)
- Multiple-Family District (R3-1)
- Commercial Downtown/Multiple-Family District (CD/R3)
- Commercial Thoroughfare District (CT)

**Section 14.63.040 – Development Standards**

Development Standards shall be the same for supportive and transitional housing as they are for any residential housing development located within the zoning district. Additional standards specific for supportive and transitional housing developments are as follows:

- A. Units within the development are subject to a recorded affordability restriction for fifty-five (55) years.
- B. One hundred percent (100%) of the units, excluding managers’ units, within the development are dedicated to lower income households and are receiving public funding to ensure affordability of the housing to lower income residents. For purposes of this paragraph, “lower income households” has the same meaning as defined in section 50079.5 of the Health and Safety Code.
- C. At least twenty-five percent (25%) of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet the criteria of the target population. If the development consists of fewer than 12 units, then one hundred percent (100%) of the units, excluding managers’ units, in the development shall be restricted to residents in supportive housing.
- D. The developer provides the planning agency with the information required by Section 65652 of the Government Code.
- E. Nonresidential floor area shall be used for onsite supportive services in the following amounts:
  - 1. For a development with twenty (20) or fewer total units, at least 90 square feet shall be provided for onsite supportive services.
  - 2. For a development with more than twenty (20) units, at least three percent (3%) of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.
- F. The developer replaces any dwelling units on the site of the supportive housing development in the manner provided in paragraph (3) of subdivision (c) of Section 65915 of the Government Code.
- G. Units within the development, excluding managers’ units, include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.
- H. Parking.
  - 1. Parking stall requirement shall be one-half (0.5) per unit and one (1) for each onsite management/staff.
  - 2. No Parking shall be required within one half mile of a public transit stop.

**Section 14.63.050 – Application Review**

- 1. The Development Services Department shall notify the project applicant whether the application is complete within thirty (30) days of receipt of an application.
- 2. After the application is deemed complete, the Development Services Department shall complete its review of the application within sixty (60) days for projects of fifty (50) or

fewer units and one hundred and twenty (120) days for projects of fifty-one (51) and greater.

**Article 2. Low-Barrier Navigation Center**

**Section 14.63.060 – Purpose**

The purpose of this chapter is to establish development standards for low-barrier navigation centers and to ensure this use is constructed and operated in a manner that is consistent with the requirements and allowances of state law, specifically Article 12 of Chapter 3 of Division 1 of Planning and Zoning Law commencing with Government Code Section 65660.

**Section 14.63.070 – Definitions**

“Low-barrier navigation center” means a housing-first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. “Low barrier” means best practices to reduce barriers to entry, and may include, but is not limited to, the following:

1. The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth.
2. Pets.
3. The storage of possessions.
4. Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.

**Section 14.63.080 – Applicability & Review**

The provisions of this chapter shall apply to all low-barrier navigation center projects.

The permit shall be a ministerial action without discretionary review or a hearing. The city will notify a developer whether the developer’s application is complete within 30 days, pursuant to Government Code section 65943. Action shall be taken within 60 days of a complete application being filed.

**Section 14.63.090 – Permit Required**

A planning permit is required prior to the establishment of any low-barrier navigation center project meeting the following criteria:

1. It offers services to connect people to permanent housing through a services plan that identifies services staffing.
2. It is linked to a coordinated entry system, so that staff in the interim facility or staff who co-locate in the facility may conduct assessments and provide services to connect people to permanent housing. “Coordinated entry system” means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations, as those sections read on January

1, 2020, and any related requirements, designed to coordinate program participant intake, assessment, and referrals.

- 3. It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
- 4. It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

**14.63.100 – Allowed Zoning**

The districts established by this Section shall allow low-barrier navigation centers and are designated as follows:

- Commercial Downtown/Multiple-Family District (CD/R3)
- Commercial Neighborhood District (CN)
- Commercial Downtown District (CD)
- Commercial Retail Sales District (CRS)
- Commercial Thoroughfare District (CT)
- Commercial Retail Sales/Office District (CRS/OAD)

**14.63.110 – Development Standards**

All low-barrier navigation center development shall meet the following requirements:

- A. **Connected Services.** It offers services to connect people to permanent housing through a services plan that identifies services staffing.
- B. **Coordinated Entry System.** It is linked to a coordinated entry system, so that staff in the interim facility or staff who co-locate in the facility may conduct assessments and provide services to connect people to permanent housing. “Coordinated entry system” means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations, as those sections read on January 1, 2020, and any related requirements, designed to coordinate program participant intake, assessment, and referrals.
- C. **Code Compliant.** It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
- D. **Homeless Management Information System.** It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System, as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

**Article 3. Reasonable Accommodation**

**Section 14.63.120 – Purpose**

The purpose of reasonable accommodations is to provide provisions in accordance with federal and state fair housing laws (42 USC § 3600 et seq. and Government Code §§ 65008 and 12900 et seq., together referred to as “Fair Housing Laws”) for persons with disabilities seeking fair access

to housing in the application of the city's zoning laws. The term “disability” as used in this article shall have the same meaning as the term’s “disability”, “handicapped”, or similar terms, as defined in the Fair Housing Laws, as may be amended from time to time. The purpose of this article is to establish the procedure by which a request for a reasonable accommodation shall be made and processed.

**Section 14.63.130 – Applicability**

- A. A request for reasonable accommodation may be made by any individual with a disability, his or her representative, or a developer or provider of housing for individuals with disabilities, when the application of a land use, zoning or building regulation, policy, practice, or procedure acts as a barrier to housing opportunities.
- B. A request for reasonable accommodation may include a modification or exception to the rules, standards, development, and use of housing-related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity for the housing of their choice.
- C. A request for reasonable accommodation in regulations, policies, practices, and procedures may be filed at any time that the accommodation may be necessary to ensure equal access to housing. Reasonable accommodation does not affect the obligations of an individual or a developer of housing for an individual with disabilities to comply with other applicable regulations not necessary to achieve the purposes set forth in paragraph (B).
- D. If a request for reasonable accommodation is granted, the request shall be granted to an individual and shall not run with the land unless it is determined that (1) the modification is physically integrated into the residential structure and cannot easily be removed or altered to comply with applicable city or state codes, or (2) the accommodation is to be used by another individual with a disability.

**Section 14.63.140 – Request for Reasonable Accommodation**

- A. Application for a request for reasonable accommodation shall be made in writing on a form provided by the Development Services Department. The form shall be signed by the property owner or authorized agent. The application shall state the circumstances and conditions relied upon as grounds for the application and shall be accompanied by adequate plans and all other materials as specified by the Development Services Director. The application shall include the zoning, land use and/or building code provision, regulation, policy or practice from which modification or exception for reasonable accommodation is being requested, including an explanation of how application of the existing zoning, land use or building code provision, regulation, policy or practice would preclude the provision of reasonable accommodation, along with documentation that demonstrates the reason that the requested accommodation may be necessary for the individual(s) with the disability to use and enjoy the dwelling.
- B. If any information provided is identified by an applicant as confidential then the city shall endeavor to withhold that information from copying and inspection by members of the public, to the extent reasonably determined by the city to be authorized or required by applicable law, including Government Code sections 7926.000 to 7926.500 and 7927.705, and Section 1 of Article 1 of the California Constitution.

**Section 14.63.150 – Review Authority and Procedure**

- A. Within 60 days of receipt of a completed application, the Development Services Director, or designee, shall issue a written determination to approve, conditionally approve, or deny a request for reasonable accommodation, and the modification or revocation thereof in compliance with this chapter. The request shall be processed independently of any other required development permits. However, approval of reasonable accommodation may be conditioned upon approval of other related permits.
- B. The filing of an application for request for reasonable accommodation shall not require public notice.
- C. If necessary to reach a determination on the request for reasonable accommodation, the Development Services Director, or designee, may request further information from the applicant consistent with Fair Housing Laws, specifying in detail the information that is required.
- D. The decision on a request for reasonable accommodation shall be final and not appealable.

**Section 14.63.160 – Findings**

- A. The written decision to grant or deny a request for reasonable accommodation will be consistent with the Fair Housing Laws and shall be based on consideration of the following factors:
  - 1. The housing which is the subject of the request for reasonable accommodation will be occupied by an individual, or individuals, with a disability protected under Fair Housing Laws;
  - 2. The requested accommodation is necessary to make specific housing available and/or accessible to an individual with a disability protected under the Fair Housing Laws;
  - 3. The requested accommodation would not impose an undue financial or administrative burden on the City; and
  - 4. The requested accommodation would not require a fundamental alteration in the nature of the city’s land use and zoning and building regulations, policies, practices, and procedures.
- B. In granting a request for reasonable accommodation, the Development Services Director, or designee may impose any conditions of approval deemed reasonably necessary to ensure that the reasonable accommodation would comply with the findings required above.

**Article 4. Qualified Employee Housing**

**Section 14.63.180 – Purpose**

The Employee Housing Act allows for flexibility in housing types for employee housing, including conventional and nonconventional structures, such as: living quarters, boardinghouse, tent, bunkhouse, mobilehome, manufactured home, recreational vehicle, and travel trailers. The laws and regulations governing these structures depend on the housing type; however, all qualified employee housing must comply with: the Employee Housing Act (Health and Safety Code Section 17000 et seq.) and the Employee Housing Regulations (California Code of Regulations Title 25, Division 1, Chapter 1, Subchapter 3—Employee Housing), which outline specific requirements



for the construction of housing, maintenance of grounds, buildings, sleeping space and facilities, sanitation and heating; and the provisions of this section.

**Section 14.63.190 – Definitions**

“Qualified employee housing” means employee housing defined in Health & Safety Code section 17008, even if the housing accommodations or property are not located in a rural area, as defined by Health & Safety Code section 50101. Any housing development project approved pursuant to Health & Safety Code section 17021.8 is also “qualified employee housing,” and shall be a permitted use notwithstanding anything to the contrary in this code.

**Section 14.63.200 – Review Authority and Procedure**

- A. Qualified employee housing for seven (7) or more employees shall be considered an agricultural use and shall not require any discretionary approval not required of other agricultural activity in the same zone, provided that:
  - 1. The qualified employee housing should not consist of more than thirty-six (36) beds in a group quarters or twelve (12) units or spaces designed for use by a single family or household.
  - 2. All temporary or permanent structures that contain qualified employee housing shall meet the setback, lot coverage, height, and other development standards applicable to the zone in which it is located.
  - 3. Parking shall be provided in accordance with chapters 14.74 and 14.75 of this code, unless the applicant provides substantial evidence demonstrating that the actual parking need is lower, subject to the approval of the Development Services Director.
  - 4. Qualified employee housing shall comply, as applicable, with the following: (1) Employee Housing Act (California Health and Safety Code Sections 17000—17062); (2) Mobilehome Parks Act (California Health and Safety Code Sections 18200—18700); and Special Occupancy Parks Act (California Health and Safety Code Sections 18860—18874), as may be amended from time to time.
  - 5. Qualified employee housing shall be reviewed and approved subject to the same requirements as other agricultural uses within the same zone.
  - 6. If an existing agriculture use does not have any required permit, a permit for both the agricultural use and qualified employee housing must be obtained.
    - a. The property owner shall obtain and maintain any required permit to operate pursuant to Health & Safety Code section 17030 et seq.
  - 7. The property owner shall: (1) complete and submit to the Development Services Director a verification form no later than thirty (30) days after receiving a permit to operate from HCD; (2) a verification form shall be submitted to the Development Services Director annually to ensure compliance with this Chapter 14.63; and (3) the verification form shall include: information regarding the agricultural use, housing type, number of dwelling units or beds, number of occupants, occupants’ employment information, and proof that a permit to operate has been obtained and maintained.

8. Qualified employee housing – seven or more employees shall be removed or converted to another permitted use at such time as the agricultural activity to which it relates ceases operation for more than twelve (12) consecutive months.
- B. Qualified employee housing providing accommodations for six (6) or fewer employees, pursuant to Health and Safety Code section 17021.5, shall be deemed a single-family dwelling and is allowed in residential zones. Qualified employee housing for six (6) or fewer employees is subject to all municipal codes, regulations, and other standards generally applicable to other residential dwellings of the same type in the same zone.



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023  
**Subject:** Adoption of Penalty for Expired Permits Ordinance  
**Prepared by:** Nick Zornes, Development Services Director  
**Reviewed by:** Jon Maginot, Assistant City Manager  
**Approved by:** Gabriel Engeland, City Manager

**Initiated by:**  
City Council.

**Environmental Review:**  
Ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970.

**Fiscal Impact:**  
None.

**Attachments:**  
1. Draft Ordinance with Appendices

**Summary:**  
The draft ordinance proposed accomplishes the goal of eliminating or reducing future instances of “never ending” permits within the City of Los Altos. Under existing allowances of permits used under the Los Altos Municipal Code, Building Permits can obtain permit extensions, and reactivations by simply requesting an extension, and in some cases by paying a reactivation fee of the issued permits. However, the Los Altos Municipal Code does not limit the number of times a permit can be extended or reactivated once it has expired. The enactment of this ordinance will allow for enforcement of the prescribed regulations contained within, and ultimately require private developments to complete construction within a reasonable amount of time.

**Staff Recommendation:**  
Adopt an Ordinance of the City Council of the City of Los Altos Adding Chapter 12.72 Penalty for Expired Permits and amending Chapter 12.08 and 12.10 of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970.

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City Manager  
*GE*

Reviewed By:  
City Attorney  
*JH*



**Subject:** Penalty for Expired Permits Ordinance

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**Background**

Existing practices and procedures regarding the expiration of building permits within the City of Los Altos follows the standard allowances as contained within the California Building Code (CBC), which allows for the reactivation of expired building permits by request and/or by payment of a reactivation fee by the applicant. However, the standard California Building Code falls short on limiting the number of times a reactivation may be granted of an existing building permit.

**Analysis**

For example, if an applicant pulls a building permit in September 2005, under the 2001 CBC, and the building permit has expired several times since issuance date the applicant/property owner can reactivate the building permit simply by payment of either one half the cost of the original permit or pay the full cost of the original permit again (dependent upon prior extensions or reactivations granted).

- The example provided above outlines the potential for existing building permits to continue construction for several years into the future without completion or progress nor coming into compliance with today’s building code regulations.
- The example provided above is an example of real-life circumstances of prior construction permits pulled within the City of Los Altos. This example would mean that the prior construction permit is six (6) building code cycles behind today’s code standards (a total of 17 years post original approvals).

**Discussion**

The example provided above provides multiple real examples of circumstance that exist today within the City of Los Altos. Unfortunately, due to the absence of regulations regarding this specific portion of the Municipal Code this is largely unenforceable without the enactment of the proposed ordinance.

The proposed ordinance would clarify the penalty of expired building permits in Chapter 12.08 – Building Code, and Chapter 12.10 – Residential Code, while also creating the standalone Chapter of 12.72 – Penalty for Expired Permits.

The draft ordinance would be applicable to all building permits pulled within the City of Los Altos. Additionally, the draft ordinance would provide a per day penalty upon the 31<sup>st</sup> day should a property owner not seek renewal prior.

**ORDINANCE NO. 2023-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS ADDING CHAPTER 12.72 PENALTY FOR EXPIRED PERMITS AND AMENDING CHAPTER 12.08 AND 12.10 TO TITLE 12 BUILDINGS AND CONSTRUCTION OF THE LOS ALTOS MUNICIPAL CODE**

**WHEREAS**, the amendments was processed in accordance with the applicable provisions of the California Government Code and the Los Altos Municipal Code; and

**WHEREAS**, the City Council held a duly noticed public hearing on August 22, 2023, and September 12, 2023; 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; and

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

**SECTION 1. AMENDMENT OF TITLE 12 OF THE MUNICIPAL CODE.** Chapter 12.72 are hereby added of the Los Altos Municipal Code as set forth in Appendix A to this Ordinance.

**SECTION 2. AMENDMENT OF TITLE 12 OF THE MUNICIPAL CODE.** Chapter 12.08 and 12.10 are hereby amended of the Los Altos Municipal Code as set forth in Appendix A to this Ordinance.

**SECTION 3. 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 4. PUBLICATION.** This Ordinance shall be published as provided in Government Code Section 36933.

**SECTION 5. EFFECTIVE DATE.** This Ordinance shall be effective upon the commencement of the thirty-first day following the adoption hereof.

The foregoing Ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on August 22, 2023, and was thereafter, at a regular meeting held on September 12, 2023, passed and adopted by the following vote:

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

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Sally Meadows, MAYOR

Attest:

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Melissa Thurman MMC, City Clerk

**APPENDIX A  
AMENDMENTS TO CHAPTER 11.14**





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**Chapter 12.08 BUILDING CODE**

**12.08.010 Adoption of the California Building Code.**

The 2022 California Building Code (2 volumes), contained in the California Code of Regulations, Title 24, Part 2, which incorporates and amends the International Building Code 2021 Edition, published by the California Building Standards Commission and the International Code Council, with the amendments and certain appendices as set forth in Section 12.08.020, is hereby adopted by reference as if fully set forth here. One copy of said code is on file in the office of the building official for use and examination by the public.

**12.08.020 Amendments.**

The 2022 California Building Code referred to in Section 12.08.010 is adopted, together with Chapter 1 of the 2022 California Building Code, with the following amendments and certain Appendix Chapters as follows:

Chapter 1, Division II, Section 105.2 Building: #1, is deleted and replaced to read as follows, based upon the express finding of necessity set forth in Section 6.B.1 of this Ordinance.

- A. Work exempt from building permits. Building permits shall not be required for freestanding unenclosed play structures. Enclosed accessory structures used as playhouses, tool and storage sheds and similar uses that are less than 120 square feet constructed without electrical, plumbing, or mechanical features do not require building permits, but do require zoning approval to comply with local zoning regulations.

Chapter 1, Division II, Section 110.3.4 is deleted and replaced to read as follows, based upon the express findings of necessity set forth in Section 6.B.2 of this Ordinance.

- B. Frame Inspection. Framing inspection shall be made after the following components are completed: Roof deck and/or sheathing has been inspected and approved; complete finish roofing materials are installed; the building exterior envelope has all windows and doors installed; all framing, fire-blocking, bracing, pipes, chimneys and vents to be concealed are complete; and all sub-trades including, but not limited to, building, electrical, plumbing and mechanical are roughed in and under required tests.
- C. Only the following Appendix Chapters from the Building Code are adopted:
  - 1. Appendix I, Patio Covers.
  - 2. Appendix J, Grading.

**Section 903.2 is amended to read as follows:**

903.2 Where required. Approved automatic sprinkler systems in new and existing buildings and structures shall be provided in the locations described in this Section or in Sections 903.2.1 through 903.2.12 whichever is the more restrictive and Sections 903.2.14 through 903.2.21.

For the purposes of this section, firewalls and fire barriers used to separate building areas shall be constructed in accordance with the California Building Code and shall be without openings or penetrations.

1. An automatic sprinkler system shall be provided throughout all new buildings and structures, other than Group R occupancies, except as follows:
  - a. Buildings and structures not located in any Wildland-Urban Interface and not exceeding 1,200 square feet of fire area.
  - b. Buildings and structures located in any Wildland-Urban Interface Fire Area and not exceeding 500 square feet of fire area.
  - c. Group S-2 or U occupancies, including photovoltaic support structures, used exclusively for vehicle parking which meet all of the following:
    - i. Noncombustible construction.
    - ii. Maximum 5,000 square feet in building area.
    - iii. Structure is open on not less than three (3) sides nor 75% of structure perimeter.
    - iv. Minimum of 10 feet separation from existing buildings, or similar structures, unless area is separated by fire walls complying with California Building Code 706.
  - d. Canopies, constructed in accordance with CBC 406.7.2, used exclusively for weather protection of vehicle fueling pads per CBC 406.7.1 and not exceeding 5,000 square feet of fire area.
2. An automatic sprinkler system shall be installed throughout all new buildings with a Group R fire area.

Exception: Detached Accessory Dwelling Unit, provided that all of the following are met:

- a. The unit meets the definition of an Accessory Dwelling Unit as defined in the Government Code Section 65852.2.
  - b. The existing primary residence does not have automatic fire sprinklers.
  - c. The accessory detached dwelling unit does not exceed 1,200 square feet in size.
  - d. The unit is on the same lot as the primary residence.
  - e. The unit meets all apparatus access and water supply requirements of Chapter 5 and Appendix B of the 2022 California Fire Code.
3. An approved automatic fire sprinkler system shall be installed in new manufactured homes (as defined in California Health and Safety Code Sections 18007 and 18009) and multifamily manufactured homes with two dwelling units (as defined in California Health and Safety Code Section 18008.7) in accordance with Title 25 of the California Code of Regulations.
  4. An approved automatic sprinkler system shall be provided throughout all existing buildings, when additions are made that exceed fifty (50) percent and/or seven hundred and fifty (750) square feet of existing floor areas (area calculations shall not include existing basement floor areas and any non-habitable floor areas i.e., garages).
  5. An approved automatic sprinkler system shall be provided throughout all new and existing basements.

6. An approved automatic sprinkler system shall be provided throughout existing buildings and structures when alterations or additions are made that create conditions described in Sections 903.2.1 through 903.2.18
7. Any change in the character of occupancy or in use of any building with a fire area equal to or greater than 3,600 square feet which, in the opinion of the fire code official or building official, would place the building into a more hazardous division of the same occupancy group or into a different group of occupancies and constitutes a greater degree of life safety<sup>1</sup> or increased fire risk<sup>2</sup>, shall require the installation of an approved fire automatic fire sprinkler system.

<sup>1</sup> Life Safety - Shall include, but not limited to: Increased occupant load, public assembly areas, public meeting areas, churches, indoor amusement attractions, buildings with complex exiting systems due to increased occupant loads, large schools/day-care facilities, large residential care facilities housing non-ambulatory clients.

<sup>2</sup> Fire Risks - Shall include, but not limited to: High-piled combustible storage, woodworking operations, hazardous operations using hazardous materials, increased fuel loads (storage of moderate to highly combustible materials), increased sources of ignition (welding, automotive repair with the use of flammable liquids and open flames).

8. The obligation to provide compliance with these fire sprinkler regulations may not be evaded by performing a series of small additions and/or alterations undertaken over a three-year period and/or two code cycles. The permit issuance dates of past additions and/or alterations where these regulations were in effect shall be used for determining compliance.
  - a. Any submittal for building permits which exceed fifty (50) percent and/or seven hundred and fifty (750) square feet of existing floor areas (area calculations shall not include existing basement floor areas and any non-habitable floor areas i.e., garages) during the three-year period shall comply with fire sprinkler regulations.
  - b. No waiver shall be granted from compliance with fire sprinklers.

**Section 903.2.11.7 is amended to read as follows:**

903.2.11.7 Chemical Fume Hood Fire Protection. Approved automatic fire extinguishing systems shall be provided in chemical fume hoods in the following cases:

1. Existing hoods having interiors with a flame spread index greater than 25 in which flammable liquids are handled
2. If a hazard assessment determines that an automatic extinguishing system is required for the chemical fume hood, then the applicable automatic fire protection system standard shall be followed.

**Section 907.8 is amended to read as follows:**

907.8 Inspection, testing and maintenance. The maintenance and testing schedules and procedures for fire alarm and fire detection systems shall be in accordance with Sections 907.8.1 through 907.8.4 and NFPA 72. Records of inspection, testing and maintenance shall be documented using NFPA 72 record of inspection and testing forms.

**12.08.030 Correction of violations.**

The issuance or granting of a permit or approval of plans under this Title shall not prevent the administrative authority from thereafter requiring the correction of errors in such plans and specifications, or from preventing construction operations being carried on thereunder when in violation of this Code or of any other law, or from revoking any certificate of approval when issued in error.

- A. The 2022 California Building Code referred to in Section 12.08.010 is adopted, together with Chapter 1 of the 2022 California Building Code, with the following amendments and certain Appendix Chapters as follows:

Chapter 1, Division II, Section 105.5 ~~and 105.5.1~~ is deleted and replaced to read as follows, as an administrative clarification, and does not modify a building standard pursuant to California Health & Safety Code Sections 17958, 17958.7 and/or 18941.5. This amendment establishes administrative standards for the effective enforcement of the building standards in the City of Los Altos.

**Expiration.** Every permit issued shall become invalid unless the work on the site authorized by such permit is commenced within twelve (12) months after its issuance, or if the work authorized on the site by such permit is suspended or abandoned for a period of twelve (12) Months after the time the work is commenced. ~~The building official is authorized to grant, in writing, one or more extensions of time for periods not more than one hundred eighty (180) days each. For the purpose of this section, failure to progress a project to the next level of required inspection, as determined by the building official, shall be deemed to be suspension of the work. The extension shall be requested in writing and justifiable cause demonstrated.~~

~~The building official is authorized to grant, in writing, no more than three extensions or reactivations of permits that would otherwise expire or reactivations of expired permits, for periods not more than 180 days each and may require:~~

- ~~1. That construction documents be revised to partially or fully to comply with current codes and ordinances; and~~
- ~~2. Payment of all applicable permit fees; and~~
- ~~3. Payment of a penalty pursuant to Chapter 12.72 of the Los Altos Municipal Code.~~

~~Extensions and reactivations shall be requested in writing and justifiable cause demonstrated. Additional extensions or reactivations beyond three may only be granted with the approval of the City Council.~~

~~Term limit for permits. All work associated with a building permit must be completed, and final inspection issued, within forty-eight (48) months of permit issuance. Once a term limit has been exhausted without obtaining an approved final inspection the permit will automatically become void. The building official is authorized to allow a new permit application to be applied for the original scope of work and may require:~~

- ~~1. That construction documents be revised to partially or fully to comply with current codes and ordinances; and~~
- ~~2. Payment of all plan review and permit fees; and~~

3. Payment of a penalty pursuant to Chapter 12.72 of the Los Altos Municipal Code.

~~Before such work can be recommenced, a new permit shall be first obtained, and the fee therefore shall be one-half the amount required for a new permit for such work provided no changes have been made, or will be made, in the original plans and specifications for such work; and provided, further, that such a suspension or abandonment has not exceeded one year. In order to renew action on a permit after one year expiration, the permittee shall be required to pay original full building permit fees.~~

~~For the purpose of this section, failure to progress a project to the next level of required inspection shall be deemed abandonment of the project.~~

For those projects that are residential only, the Building Official may modify expired permit fees when the owner can demonstrate that the project has received all required inspections, except for the Building Division final. The fee amount of ~~one~~ five hundred dollars (~~\$1500~~) shall be required within ten (10) working days of notice and the project shall achieve a final inspection within thirty (30) days of payment received, otherwise expired permit fees as noted above shall be required.

- B. Work commencing before permit issuance. Whenever any work for which a permit is required by the California Code of Regulations as adopted in this chapter has been commenced without first obtaining said permit, the building official shall charge a minimum of two times and/or up to four times, for repeat offenders, on all applicable plan review and permit (inspection) fees related to the required permit(s), including, but not limited to, building permits (including, but not limited to electrical, fire, mechanical and plumbing), sign permits and demolition permits. The legal registered owner of said property shall obtain a building permit within thirty (30) days of any violation letter or stop-work notice issued by the City of Los Altos. The payment of the increased fee(s) shall not relieve any person from fully complying with the requirements of this code, other codes adopted by the City, or the requirements of the zoning ordinance. Failure to comply with the provisions of this chapter may also subject the violator to any other penalties, sanctions or remedies provided elsewhere in this code. This provision shall not apply to emergency work when the administration authority determines that such work was urgently necessary and that it was not practical to obtain a permit therefore prior to the commencement of such work. In such cases, a permit shall be obtained as soon as it is practical to do so; and if there is an unreasonable delay (exceeding two working days) in obtaining such permit, a fee as provided in this section shall be charged.

Once building permits are issued pursuant to work commenced without required permits, it is the responsibility of the permit holder to obtain their first required building inspection within thirty (30) days from permit issuance date and shall receive a project final inspection within a one-year period. Any further delays will require additional building permit fees charged again in the original amount with an additional 30-day extension. If the project continues without meeting these deadlines, Administration Citation Fees and/or other legal remedies allowed by local, or state law shall be imposed.

Failure to contact the Building Division within five business days of receiving the violation notice may result in Administration Citation Fees, Chapter 1.30 of the Los Altos Municipal Code.

**12.08.040 Fee refunds.**

The building official may authorize refunding of any fee paid hereunder which was erroneously paid or collected.

The building official may authorize refunding of not more than eighty (80) percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

The building official may authorize refunding of not more than eighty (80) percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done.

The building official shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than one hundred eighty (180) days after the date of fee payment.

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## Chapter 12.10 RESIDENTIAL CODE

### 12.10.010 Adoption of the California Residential Code.

The 2022 California Residential Code, contained in the California Code of Regulations, Title 24, Part 2.5, published by the California Building Standards Commission and the International Code Council, which incorporates and amends the 2021 International Residential Code 2021 Edition, is hereby adopted. There is one copy of said code on file in the office of the Building Official for use and examination by the public.

### 12.10.020 Amendments.

The 2022 California Residential Code referred to in Section 12.10.10 is adopted, together with Chapter 1 of the 2022 California Residential Code, with the following amendments to read as follows:

Chapter 3 Section R301.1.3.2 is deleted and replaced to read as follows, based upon the express finding of necessity set forth in section 9.B.1. of this Ordinance.

**R301.1.3.2 Wood frame structures.** The building official shall require construction documents to be approved and stamped for structural compliance by a California licensed architect or engineer for all dwellings of wood frame construction more than one story in height located in Seismic Design Category D0, D1, D2, or E.

Chapter 3 Section R313.1 and Section R313.2 are deleted and replaced to read as follows, based upon the express finding of necessity set forth in section 9.B.2. of this Ordinance.

#### **Section R313.1 is amended to read as follows:**

**R313.1 Townhouse automatic fire sprinkler systems.** An automatic residential fire sprinkler system shall be installed in accordance with National Fire Protection Association's (NFPA) Standard 13D in all new townhouses and in existing townhouses, when additions are made that increase the building area to more than the allowable Fire-Flow Appendix B, Tables B105.1(1) and B105.1(2) of the 2022 California Fire Code, and/or additions exceeding fifty (50) percent of the existing living area (existing square foot calculations shall not include existing basement) and/or additions exceeding seven hundred and fifty (750) square feet. When automatic fire sprinkler systems are required by this section, all associated attached garages shall be included. Additions over fifty (50) percent and/or seven hundred and fifty (750) square feet as referenced above, shall be treated as a new structure regarding installation of fire sprinkler systems. For the purpose of this section, removal of roof framing with associated exterior walls down to, or below the subfloor/slab shall be included in the above calculations. Therefore, the following shall apply:

The obligation to provide compliance with these fire sprinkler regulations may not be evaded by performing a series of small additions undertaken over a three-year period. The permit issuance dates of past additions where these regulations were in effect shall be used for determining compliance.

- a. Any submittal for building permits which exceed fifty (50) percent and/or seven hundred and fifty (750) square feet of existing floor areas (area calculations shall not include existing basement floor areas and any non-habitable floor areas i.e., garages) during the three-year period shall comply with fire sprinkler regulations.

- b. No waiver shall be granted from compliance with fire sprinklers.

**Section R313.2 is amended to read as follows:**

**R313.2 One and two-family dwellings automatic fire sprinklers systems.** An automatic residential fire sprinkler system shall be installed in accordance with National Fire Protection Association's (NFPA) Standard 13D in all new one and two-family dwellings and in existing dwellings, when additions are made that increase the building area to more than the allowable Fire-Flow Appendix Tables B105.1(1) and B105.1(2) of the 2022 California Fire Code, and/or additions exceeding fifty (50) percent of the existing living area (existing square foot calculations shall not include existing basement) and/or additions exceeding seven hundred and fifty (750) square feet. When automatic fire sprinkler systems are required by this section, all associated garages shall be included. Additions over fifty (50) percent and/or seven hundred and (750) square feet as referenced above, shall be treated as a new structure regarding installation of fire sprinkler systems. For the purpose of this section, removal of roof framing with associated exterior walls down to, or below the subfloor/slab shall be included in the above calculations. Therefore, the following shall apply:

The obligation to provide compliance with these fire sprinkler regulations may not be evaded by performing a series of small additions undertaken over a three-year period and/or two California Building Standards Code Cycles. The permit issuance date of past additions where these regulations were in effect shall be used for determining compliance.

- a. Any submittal for building permits which exceed fifty (50) percent and/or seven hundred and fifty (750) square feet of existing floor areas (area calculations shall not include existing basement floor areas and any non-habitable floor areas i.e., garages) during the three-year period shall comply with fire sprinkler regulations.
- b. No waiver shall be granted from compliance with fire sprinklers.

Exceptions:

1. Detached Accessory Dwelling Unit, provided that all of the following are met:
  - 1.1. The unit meets the definition of an Accessory Dwelling Unit as defined in the Government Code Section 65852.2.
  - 1.2. The existing primary residence does not have automatic fire sprinklers.
  - 1.3. The accessory detached dwelling unit does not exceed 1,200 square feet in size.
  - 1.4. The unit is on the same lot as the primary residence.
  - 1.5. The unit meets all apparatus access and water supply requirements of Chapter 5 and Appendix B of the 2022 California Fire Code.

Chapter 6 Section R602.10.4.3.1 and Table R602.10.3 (3) footnote "i" are new sections added to read as follows, based upon the express finding of necessity set forth in section 9.B.3. of this Ordinance.

**Amend Section R328.7 to read as follows:**

R328.7 Fire detection. Rooms and areas within dwelling units, basements and attached garages in which ESS are installed shall be protected by smoke alarms in accordance with Section R314. A heat detector, listed and interconnected to the smoke alarms, shall be installed in locations



within dwelling units and attached garages where smoke alarms cannot be installed based on their listing.

ESS installed in Group R-3 and townhomes shall comply with the following:

1. Rooms and areas within dwellings units, sleeping units, basements and attached garages in which ESS are installed shall be protected by smoke alarms in accordance with Section R314.
2. A listed heat alarm interconnected to the smoke alarms shall be installed in locations within dwelling units, sleeping units, and attached garages where smoke alarms cannot be installed based on their listing.

Exceptions:

1. A listed heat detector may be used in place of a heat alarm, so long as it is interconnected with devices that provide an audible alarm at all sleeping areas.
2. A fire sprinkler associated with an approved automatic sprinkler system that triggers an audible alarm upon activation of the waterflow switch, may be used in place of a heat alarm.

**Add a new subsection R602.10.4.3.1 to read as follows:**

**R602.10.4.3.1 Limits on methods GB and PCP.** In Seismic Design Categories D0, D1, and D2, Method GB is not permitted for use as intermittent braced wall panels, but gypsum board is permitted to be installed when required by this Section to be placed on the opposite side of the studs from other types of braced wall panel sheathing. In Seismic Design Categories D0, D1, and D2, the use of Method PCP is limited to accessory structures.

**Add a new footnote "i" to the end of CRC Table R602.10.3(3), after the five footnotes (a) - (f) currently shown, to read:**

- g. In Seismic Design Categories D0, D1, and D2, Method GB is not permitted, and the use of Method PCP is limited to accessory structures.
- C. Only the following Appendix Chapters from the California Residential Code are adopted:
  1. Appendix H, Patio Covers.

**12.10.030 Correction of violations.**

Correction of violations shall be pursuant to Chapter 12.08 of the Los Altos Municipal Code.

~~The issuance or granting of a permit or approval of plans under this Title shall not prevent the Administrative Authority from thereafter requiring the correction of errors in such plans and specifications, or from preventing construction operations being carried on thereunder when in violation of this Code or of any other law, or from revoking any certificate of approval when issued in error.~~

~~A. The 2022 California Residential Code referred to in Section 12.10.010 is adopted, together with Chapter 1 of the 2022 California Residential Code, with the following amendments and certain Appendix Chapters as follows:~~

~~Chapter 4, Division II, Section 105.5 is deleted and replaced to read as follows, as an administrative clarification, and does not modify a building standard pursuant to California Health & Safety Code Sections 17958, 17958.7 and/or 18941.5 This amendment establishes administrative standards for the effective enforcement of the building standards in the City of Los Altos:~~

~~**Expiration.** Every permit issued shall become invalid unless the work on the site authorized by such permit is commenced within 12 months after its issuance, or if the work authorized on the site by such permit is suspended or abandoned for a period of 12 months after the time the work is commenced. The building official is authorized to grant, in writing, one or more extensions of time for periods not more than 180 days each.~~

~~Before such work can be recommenced, a new permit shall be first obtained, and the fee therefore shall be one-half (1/2) the amount required for a new permit for such work provided no changes have been made, or will be made, in the original plans and specifications for such work; and provided, further, that such a suspension or abandonment has not exceeded one year. In order to renew action on a permit after one year expiration, the permittee shall be required to pay original full building permit fees:~~

~~For the purpose of this section, failure to progress a project to the next level of required inspection shall be deemed abandonment of the project.~~

~~For those projects that are residential only, the Building Official may modify expired permit fees when the owner can demonstrate that the project has received all required inspections, except for the Building Division final. The fee amount of one hundred dollars (\$100) shall be required within ten (10) working days of notice and the project shall achieve a final inspection within 30 days of payment received, otherwise expired permit fees as noted above shall be required.~~

~~B. Work commencing before permit issuance. Whenever any work for which a permit is required by the California Code of Regulations as adopted in this chapter has been commenced without first obtaining said permit, the building official shall charge a minimum of two times and/or up to four times, for repeat offenders, on all applicable plan review and permit (inspection) fees related to the required permit(s), including, but not limited to, building permits (including, but not limited to electrical, fire, mechanical and plumbing); sign permits and demolition permits. The legal registered owner of said property shall obtain a building permit within 30 days of any violation letter or stop-work notice issued by the City of Los Altos. The payment of the increased fee(s) shall not relieve any person from fully complying with the requirements of this code, other codes adopted by the city, or the requirements of the zoning ordinance. Failure to comply with the provisions of this chapter may also subject the violator to any other penalties, sanctions or remedies provided elsewhere in this code. This provision shall not apply to emergency work when the administration authority determines that such work was urgently necessary and that it was not practical to obtain a permit therefore prior to the commencement of such work. In such cases, a permit shall be obtained as soon as it is practical to do so; and if there is an unreasonable delay (exceeding two working days) in obtaining such permit, a fee as provided in this section shall be charged.~~

~~Once building permits are issued pursuant to work commenced without required permits; it is the responsibility of the permit holder to obtain their first required building inspection within thirty (30) days from permit issuance date and shall receive a project final inspection within a one-year period. Any further delays will require additional building permit fees charged again in the original~~

~~amount with an additional 30-day extension. If the project continues past this deadline to obtain a required building inspection, Administration Citation Fees and/or other legal remedies allowed by local, or state law shall be imposed.~~

~~Failure to contact the Building Division within five business days of receiving the violation notice may result in Administration Citation Fees, Chapter 1.30 of the Los Altos Municipal Code.~~

~~(Ord. No. 2016-426, § 7, 11-8-2016; Ord. No. 2019-464, §§ 7, 8, 12-10-2019; Ord. No. 2022-487, §§ 7, 8, 11-29-2022)~~

~~Editor's note(s) — Ord. No. 2016-426, § 7, adopted November 8, 2016, repealed former § 12.10.030, and enacted a new § 12.10.030 as set out herein. Former § 12.10.030 pertained to definitions and derived from Ord. No. 2013-395, adopted December 10, 2013.~~

**12.10.040 Fee refunds.**

The building official may authorize refunding of any fee paid hereunder which was erroneously paid or collected.

The building official may authorize refunding of not more than eighty (80) percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

The building official may authorize refunding of not more than eighty (80) percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done.

The building official shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than one hundred eighty (180) days after the date of fee payment.

**Chapter 12.72 PENALTY FOR EXPIRED PERMITS**

**12.72.010 Application.**

This chapter shall apply to all residential, non-residential, and commercial, construction and demolition, including, but not limited to, all additions, alterations, modifications, repairs, and improvements, that require a building permit or demolition permit.

**12.72.020 Timely renewal of expired permits.**

In the event a permit expires under Chapter 12 of the Los Altos Municipal Code for suspension or abandonment of work, the property owner shall seek renewal of the permit within thirty (30) days following its expiration.

**12.72.030 Penalty for expired permits.**

A property owner shall be subject to the following penalties for violation of section 12.72.020:

<b><u>Time for Permit Expiration</u></b>	<b><u>Penalty</u></b>
<u>0 to 30 days</u>	<u>\$0</u>
<u>31<sup>st</sup> day through 60<sup>th</sup> day</u>	<u>\$200.00 per day</u>
<u>61<sup>st</sup> day through 120<sup>th</sup> day</u>	<u>\$400.00 per day</u>
<u>121<sup>st</sup> day and everyday thereafter</u>	<u>\$800.00 per day</u>

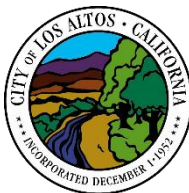
- a) For purposes of this section, if a renewed permit expires and the property owner has not advanced a project to the next level of required inspection, the calculation of penalties shall relate back to the date of the previous permit expiration.
- b) The building official may reduce or waive a penalty accrued under this chapter upon finding that the property owner acted in good faith and either: (1) the delay was attributable to circumstances beyond the property owner's control; or (2) imposition of the full accrued penalty would harm the public interest, provided, however, that and reduction or waiver of more than \$10,000 must be approved by the Development Services Director.

**12.72.040 Appeal of assessed penalty.**

A property owner may request a hearing to contest a citation issued under this chapter in accordance with Title 1 of the Los Altos Municipal Code.

**12.72.050 Public Nuisance declared.**

Any violation of this chapter shall constitute a public nuisance and, in addition to being subject to any other remedies allowed by law, may be abated as provided in Chapter 11.10 of the Los Altos Municipal Code.



### AGENDA REPORT SUMMARY

**Meeting Date:** September 12, 2023

**Subject:** Adoption of Mechanical Equipment Ordinance

**Prepared by:** Nick Zornes, Development Services Director

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Initiated by:**  
City Council.

**Environmental Review:**

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

**Fiscal Impact:**

None.

**Attachments:**

1. Draft Ordinance with Appendices
2. Example Ordinance Language

**Prior Consideration:**

The draft ordinance was introduced on June 27, 2023, with minor modifications regarding the definition of mechanical equipment and other non-substantive clarifications. On July 11, 2023, the draft ordinance was on consent for adoption by the City Council. Subsequently at the second reading of the ordinance the item was pulled from consent after additional information was provided by the community. After significant discussion the City Council voted to reduce the required setback requirement for mechanical equipment from the proposed ten (10) feet to five (5) feet and revert to the originally proposed mechanical equipment definition contained within the draft ordinance from June 27, 2023.

**Summary:**

The draft ordinance proposed accomplishes the goal of eliminating or reducing future noise violations created by mechanical equipment in the side yard setbacks of properties within the City of Los Altos. The proposed ordinance was drafted based upon research conducted by evaluating

City Manager

GE

Reviewed By:

City Attorney

JH



**Subject:** Mechanical Equipment Ordinance

how other Santa Clara County jurisdictions enforce setback requirements for noise generating mechanical equipment.

**Staff Recommendation:**

Adopt an Ordinance of the City Council of the City of Los Altos Adding Chapter 11.14 Mechanical Equipment to Title 11 Miscellaneous Property Regulations of the Los Altos Municipal Code and find that this action is Exempt from Environmental Review Pursuant to Section 15061(b)(3) of the State Guidelines Implementing the California Environmental Quality Act of 1970.

**Background**

In May 2022, the City Council requested that staff bring back an ordinance to address noise concerns from mechanical equipment in the side yard setbacks of properties throughout the city. City staff researched what other cities throughout Santa Clara County have in place for mechanical equipment regulations.

Presently, there are no codified setback requirements for mechanical equipment such as air conditioning units within the Los Altos Municipal Code. For several years the City’s Planning Division has “estimated” setback requirements based on internet-based data in an effort to demonstrate compliance of air conditioning units pursuant to the noise limits set in Chapter 6.16 of the Los Altos Municipal Code. The City’s reliance on non-codified setbacks has proven to be ineffective as noise violations still are present regardless of meeting the “estimated” setback requirements to meet compliance with the Noise Ordinance.

**Analysis**

Mechanical equipment regulations differ greatly from jurisdiction to jurisdiction. However, it is most common that there is a prescribed minimum standard codified into each municipal code.

**Discussion**

The draft ordinance provides standards for mechanical equipment for the Los Altos Municipal Code. Standards include a general definition which encompasses all noise generating mechanical equipment which the planning division has encountered requiring some sort of noise enforcement. The setback requirement for any newly installed mechanical requirement as defined shall adhere to the underlying zoning district. When roof mounted equipment is proposed requirements have been integrated to ensure they are architecturally compatible with the structure in which it is affixed. The proposed ordinance will provide that mechanical equipment installations conform with the noise requirements of the Los Altos Municipal Code.

**ORDINANCE NO. 2023-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS ADDING CHAPTER 11.14 TO TITLE 11 MISCELLANEOUS PROPERTY REGULATIONS OF THE LOS ALTOS MUNICIPAL CODE ENACTING REGULATIONS FOR MECHANICAL EQUIPMENT**

**WHEREAS**, the City Council requested that staff bring back an ordinance amending the City’s Noise Ordinance to further refine regulations regarding mechanical equipment on private property; and

**WHEREAS**, the amendments are in the best interest for the protection or promotion of the comfort and convenience of the residents of the City of Los Altos because they clarify and improve the standard requirements for mechanical equipment applicable to all properties or parcels throughout the City; and

**WHEREAS**, the amendments was processed in accordance with the applicable provisions of the California Government Code and the Los Altos Municipal Code; and

**WHEREAS**, the City Council held a duly noticed public hearing on August 22, 2023, and September 12, 2023; 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; and

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

**SECTION 1. AMENDMENT OF TITLE 11 OF THE MUNICIPAL CODE.** Chapter 11.14 are hereby added 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 hereof.

The foregoing Ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on August 22, 2023, and was thereafter, at a regular meeting held on September 12, 2023, passed and adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Sally Meadows, MAYOR

Attest:

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Melissa Thurman MMC, City Clerk



**APPENDIX A  
AMENDMENTS TO CHAPTER 11.14**



**APPENDIX A  
AMENDMENTS TO CHAPTER 11.14**

**Chapter 11.14 – MECHANICAL EQUIPMENT**

**Section 11.14.010 – Purpose**

- A. The purpose and intent of this chapter is to provide a uniform and comprehensive set of regulations and standards for mechanical equipment on any property or parcel in the City of Los Altos. These regulations are intended to prescribe clear criteria for permitting, siting, and installation of all mechanical equipment and appurtenances.

**Section 11.14.020 – Definition**

“Mechanical Equipment” includes but is not limited to heating or air conditioning units, sump pumps, generators, and ventilation equipment and appurtenances.

**Section 11.14.030 – Applicability**

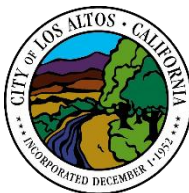
- A. This chapter shall apply to all new mechanical equipment and appurtenances requiring a building permit.
- B. Existing mechanical equipment and appurtenances that were lawfully permitted before the effective date of this chapter shall be deemed legal nonconforming.
  - i. When existing mechanical equipment and appurtenances are voluntarily being eliminated or replaced, the new mechanical equipment shall comply with all provisions of this chapter.

**Section 11.14.040 – General Standards**

- A. Any mechanical equipment and appurtenances which are higher than eighteen inches as measured from the surface immediately adjacent shall not be located closer than five (5) feet from any property line.
- B. All mechanical equipment and appurtenances shall be screened from public view.
- C. All mechanical equipment and appurtenances shall comply with the noise requirements set forth in Chapter 6.16.

**Section 11.14.050 – Roof Mounted Equipment and Appurtenances**

- A. All roof mounted equipment and appurtenances shall be shielded and architecturally screened from public view as visible from any property line of the subject site.
  - i. All screening material shall be compatible with and integrated into the architectural design of the existing or proposed structure the equipment and appurtenances are immediately affixed to and shall be equal to or taller than the height of the equipment.
  - ii. Any noise generating roof mounted equipment and appurtenances shall be required to conduct a noise reading by a certified acoustical consultant and furnish a signed letter indicating compliance with the City of Los Altos Noise Ordinance, Chapter 6.16.



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject** Funding Agreement with Community Services Agency

**Prepared by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):** None

**Initiated by:**  
City Council

**Previous Council Consideration:**  
May 22, 2023

**Fiscal Impact:**  
The proposed agreement will provide funding to Community Services Agency in the amount of \$25,000 each year for five years

**Environmental Review:**  
Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to approve a five-year funding agreement with Community Services Agency?

**Summary:**

- Community Services Agency (CSA) provides critical services to residents of Los Altos, Los Altos Hills and Mountain View
- The City of Los Altos has historically provided funding to CSA
- On May 22, 2023, the City Council directed staff to return with a multi-year funding agreement with CSA

**Staff Recommendation:**  
Authorize the City Manager to execute a five-year funding agreement with Community Services Agency in the amount of \$25,000 annually

---

<p><b>Reviewed By:</b></p> <p>City Manager</p> <p><u>GE</u></p>	<p>City Attorney</p> <p><u>JH</u></p>	<p>Finance Director</p> <p><u>JD</u></p>	<div style="border: 1px solid black; padding: 2px; width: 40px; margin: 0 auto;">140</div>
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**Subject:** Funding Agreement with Community Services Agency

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**Purpose**

To approve a multi-year funding agreement with Community Services Agency

**Background**

The Community Services Agency (CSA) was established in 1957 and serves residents of Mountain View, Los Altos and Los Altos Hills. CSA provides a number of basic safety net services including senior services, homeless prevention, homeless services, and mobile pantry services. During the early parts of the COVID-19 pandemic, CSA was instrumental in providing meals and other services to individuals unable to provide for themselves. The City of Los Altos has historically provided funding to CSA each year, including \$50,000 in FY 2022/23.

Last year, 58 residents of Los Altos benefited from CSA case management services and access to nutritious foods and 48 individuals participated in the Senior Lunch program.

**Discussion/Analysis**

On May 22, 2023, the City Council approved a \$25,000 contribution to CSA for FY 2023/24 and directed staff to return to Council with a multi-year agreement to provide funding to CSA.

Staff has met with representatives from CSA and is recommending a five-year agreement with CSA. This agreement will provide \$25,000 each year. Funds provided to CSA will be used to implement core CSA programs including Outreach & Engagement, Homeless Prevention, Homeless Services, and the Senior Services Program, including weekday lunch.

**Recommendation**

The staff recommends Council approve the agreement with CSA.



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject:** Los Altos Chamber of Commerce Contract

**Prepared by:** Anthony Carnesecca, Assistant to the City Manager

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

None

**Initiated by:**

City Council

**Previous Council Consideration:**

May 23, 2023

**Fiscal Impact:**

This contract will cost \$67,500 annually (1110-5400) for five years and has already been incorporated into the budget at Council direction.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to direct the City Manager to execute an agreement with the Los Altos Chamber of Commerce?

**Summary:**

- City Council directed City staff to draft a contract with the Chamber of Commerce in the amount of \$67,500 annually for five years.
- City staff worked with the Chamber of Commerce to draft a contract that will execute specific objectives and achieve accomplishments with regards to tourism and visitor attraction on an annual basis.

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**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JD



**Subject:** Los Altos Chamber of Commerce Contract

**Purpose**

Direct the City Manager to sign a contract with the Los Altos Chamber of Commerce in the amount of \$67,500 annually for five years as previously directed during the budget process.

**Background**

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. The recommended policy makes a distinction between the discretionary contributions to organizations, and the non-discretionary allocations, such as contract payments or participation in a JPA.

The Los Altos Chamber of Commerce, who has received funding annually for the last few years, requested to move to a contract for \$80,000 annually from the City.

At their May 23, 2023 meeting, City Council directed City staff to draft a contract with the Los Altos Chamber of Commerce in the amount of \$67,500 annually for five years. City staff worked with the Chamber of Commerce to draft a contract that will execute specific objectives and achieve accomplishments with regards to tourism and visitor attraction on an annual basis.

**Discussion/Analysis**

City staff met with staff from the Los Altos Chamber of Commerce to discuss their request for funding and the best structure for a contract moving forward.

City staff proposes to contract with the Chamber of Commerce for Tourism and Visitor Attraction services that support the tourism and visitor attraction efforts of the City and will increase the amount of visitors supporting our local economy.

Moving forward, City staff and the Los Altos Chamber of Commerce representatives propose the following breakdown of contract:

Service	Topic	Expense
Printing 20,000 copies of full color high-quality destination guide: Los Altos Magazine. This includes  1. A two-page spread for the City of Los Altos on a topic agreed upon with City staff (ex. "Doing Business in Los Altos")  2. A Recreation Department full-page ad. The Los Altos Magazine is a destination guide for the community that builds a stronger local	Magazine	\$44,155



**Subject:** Los Altos Chamber of Commerce Contract

economy through shopping, dining, and hotel stays through sales and hotel (TOT) tax.		
Distribution of 16,000 Los Altos Magazines to households in Los Altos and neighboring communities	Magazine	\$6,735
Distribution of 4,000 Los Altos Magazines for local pickup at hotels, coffee shops	Magazine	\$1,110
Creation of a digital copy of the Los Altos Magazine for electronic use promoting the community to support tourism.	Magazine	\$1,500
Operation of the Visitors Center at the office located at 321 University Avenue. Prominently located at the intersection of Foothill Expressway & Main Street. Supporting tourism by providing information and answering questions for both residents and visitors to our community both in person, by phone, and by email. Maintaining a community calendar of events to aid the community in scheduling events & festivals.	Visitors Center	\$14,000
	<b>Total</b>	<b>\$67,500</b>

**Recommendation**

Direct the City Manager to sign a contract with the Los Altos Chamber of Commerce in the amount of \$67,500 annually for five years as previously directed during the budget process.





### AGENDA REPORT SUMMARY

**Meeting Date:** September 12, 2023

**Subject:** Los Altos Commission Handbook Update

**Prepared by:** Anthony Carnesecca, Assistant to the City Manager

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Commission Handbook with Edits

**Initiated by:**

City Council

**Previous Council Consideration:**

July 11, 2023 & August 22, 2023

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to amend the Commission Handbook sections on ad hoc subcommittees, Council liaisons, and conflicts of interest?

**Summary:**

- The Commission Handbook guides the management and conduct of Commissions and Committees within the City.
- City Council provided direction at the Study Session on August 22, 2023 regarding changes to the sections on ad hoc subcommittees, Council liaisons, and conflicts of interest.

**Staff Recommendation:**

Amend the Commission Handbook sections on ad hoc subcommittees, Council liaisons, and conflicts of interest.

City Manager

GE

**Reviewed By:**

City Attorney

JH

Finance Director

JD



**Subject:** Los Altos Commission Handbook Update

**Purpose**

Amend the Commission Handbook sections on ad hoc subcommittees, Council liaisons, and conflicts of interest.

**Background**

The Los Altos Commission Handbook functions as the introduction to service for Commissions and Committees. It is reviewed and updated from time to time to incorporate changes in Council direction, state law, or to establish or further define roles and responsibilities of Commission Members. City Council provided direction at the Study Session on August 22, 2023 regarding changes to the sections on ad hoc subcommittees, Council liaisons, and conflicts of interest.

**Discussion/Analysis**

Based on Council direction at the August 22, 2023 meeting, the Commission handbook has been amended to reflect the following changes:

Council Liaison

This section has been updated to no longer require Council liaisons to attend commission meetings, but the Council liaisons will meet at minimum twice per year with the Commission Chair and staff liaison. This section will be updated in the Council Norms & Procedures with the same definition.

Conflict of Interest

This section has been updated to require that Commissioners with a perceived conflict of interest disclose those conflicts prior to any discussion by the Commission. The City Attorney should be consulted if a Commissioner has a question about a potential, perceived conflict of interest. This section also has been updated to include language regarding incompatible activities.

Subcommittees

This section has been updated to better define what an ad hoc subcommittee is, how Commissioners can serve on a subcommittee and the procedures for establishing subcommittees.

Commission Liaison

This section has been added to the Handbook to establish how Commissions can appoint a Commissioner to serve as a liaison to another board, commission, or agency.

**Staff Recommendation:**

Amend the Commission Handbook sections on ad hoc subcommittees, Council liaisons, and conflicts of interest.

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**INTRODUCTION**

This manual functions as an introduction to service as a Commission or Committee member in Los Altos. For the purposes of this manual, the terms Commission member and Committee member are interchangeable. For those instances not covered in this manual, refer to the City Council Norms and Procedures and the Los Altos Municipal Code for additional guidance.

If there is any conflict between the rules set forth in this handbook and the Los Altos Municipal Code or the City Council Norms and Procedures, the Code and then the Norms and Procedures shall govern.

**THE BASICS**

**Government in the City of Los Altos**

The City of Los Altos operates under the Council-Manager form of government. The City Council sets policy for the City which is then carried out by the City Manager and staff.

Commissions are integral to the City’s commitment to developing policies which reflect the needs and values of the community. Commissions work closely with staff and the Council to carry out the duties and responsibilities assigned by Council.



**Figure 1: City of Los Altos organization**

**City Council**

The City Council is elected by registered voters of the City of Los Altos and serves as the ‘Board of Directors’ for the City. The Council is the legislative body of the City. It sets policy and establishes the City’s overall priorities, direction and financial plan. The Council appoints the City Manager, who is responsible for the administration of City business, and the City Attorney.

**Council Liaison**

~~To facilitate the exchange of information between the Council and its Commissions, one Councilmember will be assigned as a liaison to each Commission. These liaisons may attend meetings, but will not participate as a member of the Commission. While Council liaisons may offer general guidance, liaisons do not speak for the Council on matters not previously considered by the Council as a whole.~~

The City Council relies upon the expertise and recommendations of the Commissions and Committees in advising the Council as it sets City policy. The Council liaison function serves to facilitate and enhance this work. Their principal function is to provide a wide range of information to the advisory body, such as information about Council discussions, policies and actions. This helps provide an historical perspective and thereby place their work in context. However, the Commissions and Committees should act independently in formulating recommendations for the City Council to consider. Therefore, it is inconsistent for Council liaisons to direct, guide or unduly influence the policy making work of the City's advisory bodies. Council liaisons are not required to attend their

Commission or Committee meetings. Council liaisons will meet, at a minimum with the Com Chair and Staff liaison once per year individually and once per year at the joint meetings of the City Council and the Commission. These meetings can be more frequent and will be based on the specific Commission.

**Commissions/Committees**

Members are appointed by a majority vote of the City Council to serve on Commissions and Committees to advise and make recommendations to the Council and staff. Commissions focus on specific policy issues and provide additional opportunity for community participation in decision making.

From time to time, there may be instances when staff's recommendations on an issue may differ from that of the Commission. If this occurs, staff will inform the Commission of this in advance of the Council meeting and both recommendations will be presented to the Council for consideration.

As appointees of the City Council, members of Commissions are public officials and are appointed to represent all residents of the City, not individual organizations or special interest groups. Care should be taken to ensure that viewpoints expressed as public officials are consistent with City Council policy and the position of the majority of the Commission. Minority opinions are allowed but Commissioners acting in the role of a Commissioner should support actions taken by a majority of the Commission.

Unless speaking as the official spokesperson for the commission at a City Council or other public forum, commissioners should begin all written or verbal comments with "I am a commissioner for the [insert commission name here], but I am speaking on behalf of myself and my own personal beliefs."

Each Commission is established by Chapter 2.08 of the Los Altos Municipal Code, which includes the powers and duties of each Commission. Committees, both standing and ad hoc, are created by Council action and typically are assigned to focus on a specific topic for a short duration. Ad hoc Committees (sometimes referred to as Task Forces) may include Commissioners.

**Staff**

The City Manager serves as the 'Chief Executive Officer' for the City and implements policy set by the City Council, manages the day-to-day affairs of the City, appoints and removes employees, prepares

**Role of Staff Liaison**

- Attend all meetings of the Commission
- Prepare agendas in collaboration with the Chair
- Work with the Commission in the development of a work plan for the coming year and a summary of accomplishments for the previous year
- Research and prepare reports for the Commission, as is consistent with the work plan and/or Council direction
- Ensure agendas and reports are posted in compliance with State law and City protocols
- Prepare action minutes for approval by the Commission
- Prepare reports from the Commission to the Council, ensuring that reports represent the majority view and recommendation of the Commission
- Serve as the liaison between the Commission and City staff
- Submit all budget requests from Commissions to cover costs associated with accomplishing its mission as well as to attend training sessions related to accomplishing the work of the Commission
- Communicate directions from the City Council to the Commission
- Stay apprised of new laws and City protocols related to their assigned Commission or Commissions generally

**Figure 2: Role of Staff Liaison**

the budget, enforces laws and ordinances, and makes recommendations to the Council on the welfare of the City. He/she hires professionally trained staff to assist in carrying out his/her responsibilities.

The City Manager assigns staff members to assist the various Commissions in carrying out their responsibilities. These staff liaisons, by virtue of their technical training and experience, are competent to provide such assistance.

Commissions shall work closely with the staff liaisons; however, they do not have the authority to supervise or direct the work of staff.

Requests by a commission or commissioner for assistance in completing research or analysis for the benefit of a commission may be directed towards the Department Head which oversees the assigned Staff Liaison.

**MEETING DAYS AND TIMES**

Regularly scheduled commission meeting days and times are established by the City Council. To facilitate and encourage public participation no commission meeting can be held during the same meeting time as a City Council meeting and commissions should strive to not have any overlapping commission meeting with another commission’s regular meeting. Additionally, commission meeting times are typically scheduled for later in the day to not impede on normal city business hours effectively ensuring services are available until the close of business each day.

Commission special meetings shall be held in accordance with the provisions of regularly scheduled meetings to not impede city services and operations.

With majority support of commission members any commission can request a change in the approved day and time for a commission regularly occurring meeting. A request for a change in meeting day and time shall be respective of city business hours to ensure that staff and services are provided throughout the day. Such request shall be included in an agenda report prepared by the staff liaison and placed on the Commission’s agenda as a Discussion Item.

A complete calendar of all regular commission meetings can be found on the City website.

**COMMISSION WORKPLANS**

When a commission workplan is necessary each commission shall discuss and prepare its annual work plan based upon the City Council annual priorities and budget, which shall be submitted and approved by the City Council. The work plan is a list of the anticipated topics, assignments and goals that the Commission will focus on over a 12-month period. From time to time the City Council may amend the approved commission work plan in order to achieve the goals of the city. Any requested modifications should be in line with the goals and objectives of the commission and the city.

**MEMBERSHIP ON CITY COMMISSIONS**

Unless otherwise directed, Commission members must be residents of the City of Los Altos. If, at any time during their term, a member moves to a principal residence outside the City, they shall become ineligible to continue as a member of that body and shall notify the Commission’s assigned staff liaison as soon as possible. It is expected that when a Commissioner moves to a principal residence outside the City, they will submit a letter of resignation to the assigned staff liaison and the City Clerk..

Members are appointed by and serve at the pleasure of the City Council. With the exception of and Youth Commissioners, members serve for a term of four years and may serve a total of two, four-year terms, plus any portion of an unexpired term for which they have been appointed. Senior Commissioners may serve four, two-year terms. Youth Commissioner may serve two-year terms through the conclusion of their final year in high school.

No Commissioner shall serve simultaneously on two, separate Commissions. When a Commissioner ends their service on one Commission, the individual can then be appointed to a different Commission.

Ad hoc Committee members are appointed and shall serve until the task of the ad hoc committee has been completed at which time the Committee shall be disbanded. Council members and Commissioners may serve on ad hoc committees.

Two members of an immediate family, or persons residing in the same household, are not allowed to serve simultaneously on the same Commission or Committee, including ad hoc Committees. Immediate family members of City Council members are not eligible for appointment to any Commission or Committee during the term of the elected Councilmember.

**Appointment**

The City Council accepts applications for Commission positions during the formal recruitment period. Once per year in September, formal recruitments are conducted for those positions which are or will become vacant (including those for which an incumbent is eligible for reappointment). The City may conduct a recruitment for specific vacancies between formal recruitments if there is a vacancy that causes a commission to fall below quorum or at the direction of City Council after a request from a commission chair or commission liaison.

With the exception of the Youth Commission, all other commission recruitments will follow the same process. Youth Commission applicants are interviewed by the City Council Youth Commission Interview Committee which then makes appointment recommendations to the full City Council at a regular Council meeting.

The City Clerk announces that formal recruitment for commissioners is currently open so interested individuals should submit their application to the City for review. The City Clerk works with other City staff, City Council, and community groups to conduct as much public outreach as possible. This public outreach will include, but is not limited to posting on the City website, City social media, local newspapers, and email notifications to previous commissioners or applicants.

City Council may only review applications for appointment once the application period ends.

Interested applicants submit their complete application to City staff, where they will indicate their desired commission(s). City staff verifies that the individual lives within the City of Los Altos and may serve on the desired commission(s).

City Council holds one special meeting that will include interviews and voting on commissioners. All applicants are allotted the same amount of time to ensure that all candidates are given equal treatment.

After all interviews are completed, the City Council submits a ballot with their appointees.

Incumbent applicants will have their attendance record included as part of their application packet for review by the City Council.

**Reappointment**

Upon completion of the first four-year term, or an unexpired term, Commissioners shall notify the City Clerk that they have an interest in continuing on the commission and complete a new application for re-appointment to the Commission for another four-year term. In order to qualify for reappointment a Commissioner shall have met the minimum attendance requirements during the duration of their previous term. Commissioners requesting reappointment will be interviewed by the City Council. Reappointments will occur at the same time as new appointments to the Commission. Upon completion of their service, Commissioners are encouraged to meet, either in person or via telephone, with the Council Liaison assigned to their respective Commission or another Councilmember. The purpose of this meeting is to provide Commissioners with a chance to offer feedback to the Council regarding their time on the Commission.

**Resignation/Removal**

In the event a member is unable to continue serving because of change of residence, health, business requirements or other personal reasons, a letter of resignation must be submitted to the City Clerk.

Members of Commissions serve at the pleasure of the City Council. The City Council shall review members' performance and fulfillment of Commission member obligations and may remove a member from a Commission based upon that review. The City Council may discipline or remove a Commissioner at any time solely at the discretion of the Council. Any proposed removal can be with or without cause. A Councilmember who wishes to discipline or remove a Commissioner shall indicate their desire to place the discipline or removal on a future agenda at the end of a regular Council meeting. If three or more Councilmembers wish to agendize the discipline or removal of a certain Commissioner, the item will be placed on a future Council agenda.

**Commission Member Responsibilities**

- Prepare for and participate in Commission meetings
- Attend at least 75% of regular meetings annually
- File Form 700 on time, if required
- Complete Brown Act Training within 60 days of beginning service
- Complete two hours of Ethics Training within 30 days of assuming office and every two years thereafter
- Attend Annual Commission Training upon appointment and every two years while seated as a Commissioner

**Attendance and Participation**

A majority of members is necessary to conduct business. As such, Commission members are expected to attend no less than 75% of the regularly scheduled meetings annually during their term of office. At the end of each year, the City Council reviews an annual attendance report for each Commission. A Commissioner may be removed for failing to attend the required minimum number of meetings or after a third consecutive absence. If a Commissioner must miss a meeting, they shall inform the staff liaison a minimum of two weeks notice prior to the regularly-scheduled commission meeting whenever possible. If a Commission meeting is cancelled due to a lack of quorum, that meeting will still be considered a regularly scheduled meeting for purposes of calculating attendance, and those members whose absence caused the cancellation shall be charged with an absence for that meeting.

**Figure 3: Commission Member Responsibilities**

Commissions benefit from the informed input of each member of the body. Each Commission member is expected to exercise judgment in formulating recommendations to the City Council. Members are expected to be prepared for meetings and to participate and vote on every issue before the Commission, unless they are legally prohibited from participating. Lack of preparation and participation can be grounds for removal from a Commission. Each commission is to keep a rotation schedule for representation at City Council meetings by one of its members. Attendance is required



when a commission has an item of interest on the Council agenda, so as to be available to Council questions.

**Statement of Economic Interest**

The Statement of Economic Interest (Form 700) is a form on which designated employees and officials disclose certain financial interests. State law dictates that members of the Planning Commission must file Form 700s. In addition, the City identifies those positions which are subject to the City’s Biennial Conflict of Interest Code. Those individuals appointed to positions identified in the Conflict of Interest Code are required to file Form 700s. Commission members not identified in the Conflict of Interest Code are not subject to these regulations.

Commissioners are responsible for ensuring that statements are filed properly and on time. For assistance in completing the forms, contact the City Clerk’s Office or the Fair Political Practices Commission (FPPC). Non-compliant Commissioners shall receive a letter from the City Clerk notifying them of their non-compliance and are subject to monetary fines. Continued non-compliance shall be grounds for removal from the Commission.

All statements filed are maintained in the City Clerk’s Office and are available for public review.

Type of Filing	Occurrence
Assuming Office	Within 30 days of assuming office
Annual	Each year on or before April 1
Leaving Office	Within 30 days of leaving office

**Table 1: Deadlines for filing Form 700**

**Ethics Training**

All those appointed by the Los Altos City Council to serve on Commissions shall complete at least two hours of public service ethics training every two years. New members must receive this training within 30 days of assuming office. Ethics training courses must have been reviewed and approved by the FPPC and the California Secretary of State. Members shall attend training sessions that are offered locally or by completing online training. Non-compliance shall be grounds for removal from the Commission.

It is the responsibility of a Commissioner to provide proof of completion of the ethics training program to the City Clerk. These documents are public records and are subject to public review.

The City Clerk provides periodic reports of Form 700 and Ethics Training compliance to the City Council. The Council may remove any non-compliant Commissioner.

**THE BROWN ACT**

The Ralph M. Brown Act (Brown Act) is the State of California’s open government law. Its purpose is to ensure that deliberations and actions of local agency bodies are open to the public and that there is meaningful public access to a local agency’s decision-making process. All City Commissions are subject to the Brown Act. Staff liaisons to Commissions are versed in the elements of the Brown Act and will help Commissioners understand their obligations related to the Brown Act. In addition, certain subcommittees or ad hoc committees may be subject to the provisions of the Brown Act. Commissioners should consult with their staff liaison regarding questions of the Brown Act. Ultimately,



**Figure 4: Ralph M. Brown**

it is up to the individual Commissioner to ensure that they are complying with the Brown Act

A major element of the Brown Act relates to meetings of legislative bodies. A meeting is defined as the coming together of a majority or more of a particular body (also known as a quorum) where the business of that body is discussed. Meetings must be properly noticed and held in facilities that are open and accessible to all. All meetings must be held within the City of Los Altos. A discussion which occurs outside of a properly noticed meeting and which involves a majority or more of a body is a violation of the Brown Act. This includes serial discussions which involve only a portion of the Commission, but eventually involve a majority. The two most common serial discussions are daisy chain and hub and spoke.

Daisy Chain

A daisy chain is when Member A contacts Member B who then contacts Member C who then contacts Member D and so forth, until a majority of members has discussed an item within the Commission’s subject matter jurisdiction.

Hub and Spoke

A hub and spoke meeting is when one individual (the hub) contacts members individually (the spokes) until a majority has been achieved. The hub could be a Commissioner, staff member or member of the public.

To attempt to avoid serial meetings, emails from Commissioners that are intended for fellow Commissioners should be sent through the staff liaison. Commissioners should take care to not ‘reply all’ on emails.

**Violations**

Penalties for Brown Act violations can range from invalidation of an action taken to prosecution as a misdemeanor offense. In addition, there may be fines and/or attorney’s fees associated with a violation of the Brown Act. Commissioners who violate the Brown Act may be subject to removal.

Whenever a questionable area arises, it should be brought to the attention of the City Attorney or City Clerk so that corrective actions or “cures” may be taken. Advice from the City Attorney or City Clerk should be followed completely to ensure all actions of the City comply with the Brown Act.

**Types of meetings**

There are two types of meetings which Commissions hold. The first, and most common, are regular meetings. These meetings are where a Commission accomplishes the vast majority of its work. Regular meeting days, times and locations are established by formal action of the Commission.

The second type are special meetings. A special meeting is any meeting held outside of the normal meeting day, time or location. Action may be taken at special meetings and agendas for those meetings should indicate the action recommended to be taken.

Special meetings may include study sessions. Study sessions are held to provide Commission members the opportunity to discuss and better understand a particular item. Generally, no action is taken at study sessions.

**Agendas**

The staff liaison, in collaboration with the Chair, is responsible for preparing all agendas of a Commission. All items of business that will be considered or discussed at a meeting shall be briefly described on the agenda. The description should define the proposed action to be considered so that

members of the public will know the nature of the action under review and consideration. Discussion or action may be taken by a Commission on any item not on the agenda.

The Chair, or a majority of the Commission, may decide to take matters listed on the agenda out of the prescribed order.

All agendas and meeting materials are posted to the City’s website as set forth in the Brown Act and the City’s Open Government Policy. All Commissioners should sign up to receive meeting notices and associated agenda materials for their specific Commission through the City’s website.

**Meeting Minutes**

Written minutes of all regular and special meetings are kept as the official record of business transacted and are taken by the staff liaison. Minutes are modeled after the City Council form of minutes known as “action minutes” and include a record of the legislative actions from the meeting. They do not include summaries of comments or discussion made by Commissioners or members of the public. The staff liaison will endeavor to distribute draft minutes within 10 days of the meeting. Action minutes will state the text of a motion voted on by the Commission, the result of the vote, identify which Commissioners voted “aye”, “no”, abstained, recused, or were absent. Action minutes will also identify whether motion passed or failed.

Any document submitted at a meeting, whether by a member of the public or a Commissioner, becomes part of the public record. The staff liaison should make a notation on the document of the date it was submitted and file it with the meeting packet. The staff liaison is responsible for posting the materials received within 48 hours of the meeting to the City’s website and forwarding the material to the members of the commission.

**Adding items to a future agenda**

Commissioners may request that items be placed on a future agenda. This is done by requesting an item during the “Potential Future Agenda Items” portion of the meeting or by emailing a request to the staff liaison. Requests must be for items that are under the purview of the Commission. One less than a majority of members is required to place an item on an agenda. The staff liaison will work with the Chair to determine the best meeting to place an item on an agenda. Any background materials or information should be provided to the staff liaison for inclusion in the agenda packet. Future agenda items must be consistent with the Commission’s Approved Work Plan.

**CONFLICT OF INTEREST**

Commission members are subject to all aspects of the Political Reform Act. Commission members must not make, participate in making, or attempt to influence in any manner a governmental decision which he/she knows, or should know, may have a material effect on a financial interest.

It is ultimately the responsibility of the Commission member to identify whether they ~~have a conflict of interest or not. The City Attorney should be consulted as early as possible on any matters which may be a conflict of interest.~~ may be engaging in incompatible activities or have a perceived conflict of interest. The City Attorney should be consulted as early as possible on any matters regarding incompatible activities or perceived conflicts of interest.

A Commission member should disclose any perceived conflicts of interest prior to any discussion of the Commission.

**Incompatible Activities**

Per state law, a public official, including commissioners, may not engage in any activity for compensation that is inconsistent, incompatible, or in conflict with their official duties with the City.

**Perceived Conflict of Interest**

A perceived conflict of interest for a Commissioner may arise from personal relationships, financial interests, serving on bodies or boards that have shared or overlapping subject matter jurisdiction as those under the jurisdiction of the Commission, or when it appears that the Commissioner’s private interests impact the official duties of the Commissioner, or influence his/her decision-making.

If a Commission member is appointed to an agency or body that has shared or overlapping subject matter, after their service on a City Commission has started, the Commission member will notify the Council liaison and staff liaison.

A Commission member who has a conflict of interest shall, immediately prior to the consideration of the matter, do all of the following: 1) publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address is not required; 2) recuse himself or herself from discussing and voting on the matter; and 3) leave the room until after the discussion, vote, and any other disposition of the matter is concluded. Notwithstanding this, a Commission member, not in the member’s capacity as a Commissioner, may speak on the issue during the time that the general public speaks on the issue.

If a Commission member has obtained a letter or other documentation from the FPPC to discuss and vote on an item, then the member shall provide the letter to the staff liaison and the City Clerk upon receipt of the letter and disclose at the next Commission meeting the existence of the letter or other authorization, briefly describe the circumstances of why the member sought clarification, the basis for the FPPC’s conclusion, and the file number or other unique identifier so that members of the public can request a copy from the FPPC. In addition, the member shall provide to the staff liaison a copy of the letter or other authorization no later than 24 hours after the meeting at which the letter or other authorization is disclosed, so that a copy may be forwarded to any member of the public who requests a copy.

**COMMISSION ORGANIZATION**

Each Commission consists of between five and seven members, except the Youth Commission which consists of eleven members. Each member has an equal voice and vote on the Commission.

**Chair and Vice Chair**

To facilitate meetings and the work of the Commission, each Commission appoints a Chair and Vice Chair from the members of the Commission. The positions of Chair and Vice Chair shall rotate annually. Selection of Chair and Vice Chair occurs at the first meeting in October. In the event of either’s resignation or removal, the Commission shall elect another member to fill the remainder of the year. No member of a commission may serve consecutive terms as the chair, meaning that the chair must change annually.

The role of the Chair is to preside at Commission meetings and to run a timely and orderly meeting. The Vice Chair is to preside in the absence of the Chair. If both the Chair and Vice Chair are absent, the Commission may elect a Chair Pro Tem to conduct the meeting. It is incumbent upon the Chair to limit discussion and recommendations to those items on the agenda.

**Subcommittees**

A Commission may appoint ~~special~~ Ad Hoc subcommittees, consisting of less than a majority of the body, to work on specific tasks. Ad Hoc ~~s~~Subcommittees should be focused on one specific topic and shall not ~~could~~ last ~~no~~ more than one year. These subcommittees are working bodies and may be responsible for generation of reports and analyses, which are reviewed by staff prior to distribution to the full Commission. Commissions shall ~~may~~ not create standing committees.

In order to establish a Subcommittee, the topic of the formation of the Subcommittee must be posted and noticed on the regular agenda.

Commission members currently serving on a Subcommittee are not eligible to serve on another Subcommittee simultaneously.

The motion of establishment must include that the Subcommittee:

- Is comprised solely of members of the Commission establishing the Subcommittee,
- Consists of less than a quorum of the Commission,
- Includes a defined purpose and the timeframe to accomplish that purpose and is less than one year in duration,
- Will automatically terminate when a final report is given to the Commission, or when the timeframe established by the Commission is met, unless extended by the Commission at a public meeting,
- Will not be re-established or renewed in multiple years, and
- Is advisory in nature and is not established to work on an item where continuing jurisdiction exists.

In accordance with the Brown Act, Ad Hoc Subcommittees do not need to post notice of their meetings or hold meetings in public, unless directed to do so by the City Council.

**Commission Liaison assignments**

Commissions may assign individual Commissioners to act, by a majority vote, as a liaison to other boards, commissions, or agencies, without establishing a subcommittee. The work, findings, conclusions, and any updates of the liaison should be brought back to the Commission at a regularly scheduled meeting for a report or discussion and, if applicable, action. The positions supported by the liaison are to be in alignment with the positions that the Commission or the City Council have taken if they have considered the topic.

**MEETING PROCEDURES**

All Commission meetings are open to the public and should be approached in a dignified, respectful manner. It is the responsibility of all Commissioners to treat their duties and obligations seriously and to ensure that all meetings are productive and further the mission of the City.

**Rules of Order**

*Rosenberg's Rules of Order*, with addendums adopted by the City Council, govern the conduct of Commission meetings. Information regarding the *Rules of Order* can be obtained from the City Clerk's Office.

**Consideration of agenda items**

The standard procedure for considering individual agenda items shall be as outlined in Figure 5. From time to time, the prescribed order may be changed.

Official action requires a majority vote of the entire Commission/Committee, not just those present.

**Public Comment**

Persons present at Commission meetings may comment on any item on the agenda. To facilitate an orderly meeting, each speaker is requested, but not required, to complete a Request to Speak card for each item they wish to speak on before discussion on that item begins. To ensure that all are heard, speakers are typically given three minutes to speak on each item. If there are more than 10 requests to speak on an agenda item, the Chair may limit each speaker’s time to two minutes.

The Chair has the right to ask a member of the public to step down from speaking if over the allotted time or if comments are not related to the topic at hand.

During regular meetings, comments may be offered on items not on the agenda under that portion of the agenda identified for Public Comment. The Commission may not discuss nor take action on any item raised during the Public Comments on Items not on the Agenda portion of the meeting.

**Teleconferencing**

Commission members may participate in meetings via teleconference in accordance with State law (Gov. Code sec. 54953 and AB 2449). Members participating via teleconferencing under AB 2449 (Just Cause or Emergency Circumstances) must participate via audio and visual methods. In all other circumstances, members participating via teleconferencing shall participate via audio and visual methods, when practical. Members may participate via teleconference in no more than 20% of meetings in a calendar year (January to December), whether utilizing provisions of the traditional Brown Act or Just Cause or Emergency Circumstances. All meetings of the Commission must have a majority of members present in the physical meeting location within the City.

At the beginning of a meeting in which a member is participating via teleconference, the Chair, or the Vice Chair if the Chair is participating remotely, will ask the member(s) participating via teleconference to confirm the teleconference location was properly noticed according to State Law, the teleconference location is accessible to members of the public and whether anyone is present in the teleconference location besides the member.

**DECORUM**

Commissioners shall render the utmost courtesy to each other, the City Council, staff and members of the public. Commissioners may be subject to dismissal for failure to observe these standards.

Members of the public attending Commission meetings shall observe the same rules of order and decorum applicable to Commission members. Los Altos Municipal Code Chapter 2.05 – Public Meetings Rules for Conduct shall apply to all meetings. To provide an environment in which all viewpoints may be expressed, noise emanating from the audience, whether in opposition or support,

**Consideration of an agenda item**

1. Presentation by Staff, Commissioner or subcommittee
2. Commissioners ask clarifying questions
3. Members of the public are given an opportunity to speak
4. Commissioners discuss the item
5. If needed, a motion is made upon which the Commission votes on the matter

**Figure 5: Procedures for considering agenda items**

shall not be permitted. Continual disruption of meetings by members of the public may be for removal from the meeting.

**TRAINING**

Commissioners are expected to stay current on issues related to their service as a public official. Members are provided brief training following their appointment regarding their duties as a Commissioner and the Brown Act. Annual trainings are organized by the City Clerk and conducted by City staff to review roles and responsibilities and to provide information on any changes in laws or policies that may be relevant to conducting the work of the Commissions. Attendance at this training is required for all Commission members and staff liaisons. Individuals who are unable to attend the training session will be required to watch the video of the training and certify that they have completed the training.

Members of Commissions are encouraged, within budget limitations, to attend training related to their area of responsibility. It is intended that such attendance will broaden a member’s knowledge and increase awareness of current developments relating to relevant areas of responsibility. The City may cover costs of registration and certain travel expenses in accordance with the City’s Travel and Expense Policy. Requests for use of City funds must be approved in accordance with City Policy.

**CONCLUSION**

The City Council and staff appreciate your service as a Los Altos Commission member. The time and energy you expend help to make Los Altos the wonderful community it is. If at any time during your service, you have questions or concerns, do not hesitate to contact your staff liaison who can help address any issue which may arise.

# Tips for Chair (and Vice Chair)

## (and anyone who may have to run a meeting)

The role of the Chair of a Commission is to preside at meetings and to help move the work of the Commission forward. The Chair (and Vice Chair) does not have any extra authority or power beyond that of his/her fellow Commissioners.

As Chair, you are responsible for conducting meetings of the Commission. It is important to limit discussion to those items on the agenda. For each agenda item, it is suggested that you follow this procedure:

1. Announce what the item being considered is
2. Ask if there is a report for the item – generally, this is provided by the staff liaison but occasionally may be provided by another Commissioner
3. Ask Commissioners if there are any clarifying questions
4. Take public comment – instructions for how to take public comment are included in the “Meeting Procedures” section of the Commission Handbook
5. Facilitate discussion among the Commission – it is important that each Commissioner is given equal chance to speak and express his/her opinion
6. After discussion of the item, ensure that a conclusion is reached – this can be in the form of a motion, direction provided to staff or a subcommittee, decision to continue the item to a date certain or not certain, or to take no further action.

### **Applications**

On occasion, a Commission may receive an application from a resident or community group which the Commission is to consider. In these instances, applicants are given a total of up to ten minutes to present their position/input prior to hearing other public comments. This is done after the staff has presented its report. After the applicant(s) has presented, public comment is taken from the audience. Following public comment, the applicant is given five minutes to provide a rebuttal to any issue raised during public comments.

### **Announcing votes**

The Brown Act requires that all votes be clearly noted, both at the meeting and in the record. It is the Chair’s responsibility to ensure that the vote is noted during the meeting. This is done by announcing how each member voted on a particular issue. If the voting is unanimous, it is sufficient to state “passes unanimously.” The staff liaison will ensure that the minutes accurately reflect how each member voted on each issue.

### **Recess**

It is customary to have a short recess two hours after the beginning of a meeting. The established hour after which no new items will be started is four hours after the beginning of the meeting. Remaining items, however, may be considered by consensus of the Commission/Committee.





### AGENDA REPORT SUMMARY

**Meeting Date:** September 12, 2023

**Subject** Amendment to Joint Exercise of Powers Agreement and Cooperation Agreement with County of Santa Clara for HOME Program

**Prepared by:** Nick Zornes, Development Services Director

**Reviewed by:** Jolie Houston, City Attorney

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. 2017 – Executed Joint Exercise of Powers Agreement and Cooperation Agreement
2. April 10, 2023 - U.S. Department of Housing and Urban Development guidance for Urban County Qualifications for Participation in the Community Development Block Grant (CDBG) Program for Fiscal Years (2024-2026)
3. Draft Amendments to Agreement (Required for continued participation)

**Initiated by:**

County of Santa Clara, Office of Supportive Housing, and U.S. Department of Housing and Urban Development.

**Fiscal Impact:**

None.

**Environmental Review:**

Approval of the proposed amendments to the JPA Agreement is a governmental organizational activity and is therefore exempt from California Environmental Quality Act (CEQA) review because it is not a project within the meaning of CEQA. CEQA Guideline 15378 defines "Project" for CEQA purposes; Section 15378 (b) states that Project does NOT include: "(5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment."

**Summary:**

- The City of Los Altos has participated in the HOME Program since 2017. The draft amendments attached to this report are required in order to satisfy the program requirements set by the U.S. Department of Housing and Urban Development (HUD).



**Subject:** Amendment to Joint Exercise of Powers Agreement and Cooperation Agreement with County of Santa Clara for HOME Program

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**Staff Recommendation:**

Approve draft amendment to the Joint Exercise of Powers Agreement and Cooperation Agreement with County of Santa Clara for HOME Program.

**Background**

In 2017, the City of Los Altos entered into a Joint Exercise of Powers Agreement and Cooperation Agreement with County of Santa Clara for participation in the HOME Program which provides distribution of CDBG funds. The City of Los Altos does not meet the program requirements of a population of 50,000 or greater, however, the County of Santa Clara does meet the requirements of an Urban County. The Joint Agreement allows for the City of Los Altos to “port out” our population to be counted with the County of Santa Clara unincorporated population.

**Discussion**

The continuation of this Joint Agreement does not reduce or lessen the City of Los Altos in any capacity as the city is not eligible for funding under this program for fact of population count.

A cooperative agreement is required by the City and County in order to implement the provisions and terms of the CDBG and HOME programs. The City and County previously found that it is in the best interest of the residents of the unincorporated areas of the County and of the City that housing and community development activities be performed jointly in accordance with the provision of the agreement. The County is qualified as an Urban County to administer and implement the Urban County Program for housing and community development activities for the City in accordance with the requirements set forth in the agreement.

In general programs and projects funded through this partnership are:

- Assist in the creation and preservation of affordable housing for lower income and special needs households.
- Support activities to end homelessness.
- Support activities that provide basic services, eliminate blight, and/or strengthen neighborhoods.
- Promote environmental sustainability.

**Recommendation**

Approve draft amendments as provided.

**JOINT EXERCISE OF POWERS AGREEMENT AND  
COOPERATION AGREEMENT TO UNDERTAKE  
OR TO ASSIST IN THE UNDERTAKING OF  
ESSENTIAL ACTIVITIES PURSUANT TO  
TITLE I OF THE HOUSING AND COMMUNITY  
DEVELOPMENT ACT OF 1974, AS AMENDED,  
FOR THE PERIOD OF OCTOBER 1, 2017 TO SEPTEMBER 30, 2020, AND  
SUBSEQUENT AUTOMATIC RENEWALS UNLESS TERMINATED**

This Cooperation Agreement (“Agreement”) is entered into by and between the County of Santa Clara (“County”) and the City of Los Altos (“City”) relating to essential community development and housing assistance activities funded by the Federal government for the Community Development Block Grant and HOME Programs, as defined below.

**RECITALS**

WHEREAS, Congress has enacted the Housing and Community Development Act of 1974, as amended, (the “Act”) and Title I of the Act provides for a program of Community Development Block Grants, hereinafter referred to as “CDBG” for funds that may be used for the support of activities that provide decent housing, suitable living environments and expanded economic opportunities principally for persons of low- and moderate income; and

WHEREAS, Congress has enacted the Cranston-Gonzalez National Affordable Housing Act, as amended, (the “Cranston-Gonzalez Act”), and Title II of this Act created the HOME Investment Partnership Program, hereinafter called “HOME” that provides funds to states and local governments for the purpose of increasing the number of affordable housing opportunities for low- and moderate-income families; and

WHEREAS, all provisions contained in this Agreement that refer to Act, which provides for the distribution of CDBG funds, shall also refer to the HOME Program under Title II of the Cranston-Gonzalez Act; and

WHEREAS, CDBG grants are available to: (1) cities with a population of 50,000 or more persons as entitlement grantees (“Entitlement Grantees”) or (2) counties that have a population of 200,000 or more consisting of the population within their unincorporated areas plus cities of less than 50,000 persons in population within the counties (“Urban County”); and

WHEREAS, HOME formula allocation grants (“HOME Formula Allocation Grants”) are available to: (1) cities with a population of 50,000 or more persons as a HOME participating jurisdiction or (2) counties in a metropolitan area that either (1) have a population of at least 200,000 people, excluding metropolitan cities within the county, with at least 100,000 of that population residing in unincorporated areas or included units of general local government in which the county has the authority to undertake administration of CDBG funds, or (2) has a population

of at least 100,000 people, and a population density of at least 5,000 people per square mile (“HOME PJ”); and

WHEREAS, the City does not meet the population threshold as an Entitlement Grantee or as a HOME PJ and the County is a qualified Urban County and HOME PJ; and

WHEREAS, the City and County wish to enter into this Agreement to enable the County to apply for and receive entitlement funds under HOME and/or CDBG as an Urban County and to establish the respective rights and obligations of the contracting parties to such funds; and

WHEREAS, a cooperative agreement is required by the County and the City in order to implement the provisions and terms of the CDBG and HOME programs, hereinafter collectively referred to as the Urban County Program; and

WHEREAS, the County and City do hereby find and determine that it is in the best interest of the residents of the unincorporated areas of the County and of the City that housing and community development activities be performed jointly in accordance with the provisions of this Agreement in that the U.S. Department of Housing and Urban Development (“HUD”) recommends the expenditure of funds for such purpose on a regional basis; and

WHEREAS, the County qualified as an Urban County to administer and implement the Urban County Program for housing and community development activities for the City in accordance with the terms and conditions hereinafter provided; and

WHEREAS, the City and the County agree to "cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities."

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

1. General.

This Agreement gives the County authority to undertake or assist in undertaking activities which will be funded from Urban County Program funds and from any program income generated from the expenditures of such funds. County and City agree to cooperate to undertake, or assist in undertaking community development and affordable housing activities.

By executing this Agreement, City understands that it may not apply for grants as a non-entitlement grantee under the Small Cities or State CDBG Programs administered by the California Department of Housing and Community Development (“State HCD”) during the term of this Agreement, and City cannot join with other local governments to form a separate HOME PJ other than the County HOME Program authorized under this Agreement regardless of whether County ultimately receives a HOME Formula Allocation Grant from HUD. The County and City may not sell, trade, or otherwise transfer all or any portion of such Urban County Program funds to another such metropolitan city, Urban County, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives Urban County Program funds in exchange for any other funds, credits or non-Federal considerations, but must

use such funds for activities eligible under Title I of the Act and/or Title II of the Cranston-Gonzales Act.

2. Authorities.

Both the City and the County are legally authorized to enter into this Agreement under federal, local and state law, including but not limited to the Act and the Cranston-Gonzalez Act.

3. Definitions.

In the event of any conflict between the definitions in this Agreement and those set forth in the Act, the Cranston-Gonzalez Act and any regulations, as defined below, the latter shall govern.

- a. "Annual Action Plan": the Annual Action Plan serves as the Urban County's application to HUD for funding. The Annual Action Plan summarizes the activities that will be undertaken in a program year to meet the goals outlined in the Consolidated Plan and identifies the federal and non-federal resources that will be used.
- b. "Board of Supervisors": the County's legislative body responsible for approving the Urban County's Consolidated Plan and
- c. "CDBG": Community Development Block Grant, a federal program administered by HUD which provides funding to address housing and community development needs of lower-income persons.
- d. "Citizen Participation Plan": the plan adopted by the Board of Supervisors of the County which outlines the opportunities and process for citizen input on matters pertaining to planning, monitoring, and evaluation of the Urban County Program projects.
- e. "City": is the city or town that is a party to this Agreement; such city or town may be referred to as a "Non-Entitlement City," that is, a city which cannot directly apply for or receive funds through cooperation agreements with HUD.
- f. "City Project": is a proposal that will be undertaken by the City following approval by the County.
- g. "Consolidated Plan": describes the housing conditions and goals to address the housing needs of lower income persons, and identifies specific housing actions to be taken by the Urban County to address its housing needs. The Consolidated Plan also serves as a guide for HUD in the distribution of assisted housing resources to communities.
- h. "County": the County of Santa Clara through action by its Board of Supervisors.
- i. "Eligible Activity": Activities that are allowable uses of the CDBG funds as defined in the Code of Federal Regulations Title 24 for HUD and of the HOME funds as defined in Title II of the Cranston-Gonzalez National Affordable Housing Act.

- j. "Grant": the CDBG and HOME funds allocated by HUD to the County of Santa Clara as the legal recipient of the funds for the Urban County.
- k. "Grant Agreement": the grant agreement between HUD and the County of Santa Clara for Title I and Title II funding.
- l. "HOME": the HOME Investment Partnership Program, a federal program administered by HUD to assist in addressing the affordable housing needs of lower income persons through such means as new housing development and construction; acquisition and rehabilitation of existing housing units; and provision of emergency rental subsidies.
- m. "Housing and Community Development Advisory Committee": an advisory committee established by the Board of Supervisors of the County to be the policy recommending body to the Board of Supervisors for the Urban County Program.
- n. "HUD": the United States Department of Housing and Urban Development.
- o. "OSH": Office of Supportive Housing, formerly known as the Office of Affordable Housing, responsible for the day to day administration of the Urban County Program.
- p. "Project Proposals": requests for an allocation of Urban County Program funds submitted by eligible applicants to implement specific eligible CDBG or HOME activities, as defined by HUD.
- q. "Regulations": the rules and regulations of the U.S. Department of Housing and Urban Development; particular reference is made to those regulations stated in 24 Code of Federal Regulations Part 570 (containing the general regulations of Community Development Block Grants) and Part 58 (containing the regulations on the Federal Environmental Review Procedures).
- r. "Urban County": a county that is (1) in a metropolitan area; (2) authorized by state law to undertake essential community development and housing assistance activities within its unincorporated areas, and (3) has a population of 200,000 or more within its unincorporated areas and units of general local government (cities) within the county with which it enters into cooperation agreements to undertake or to assist in the undertaking of eligible activities.

4. Term.

The term of this Agreement shall begin on October 1, 2017 and extend for three Program Years. For the purposes of this Agreement, a Program Year is defined as October 1<sup>st</sup> through September 30<sup>th</sup>. This Agreement will subsequently automatically renew if the County re-qualifies as an Urban County during the Agreement term for the next three (3) Program Year period. Upon requalification a new three (3) Program Year term will begin at the conclusion of the first Three Program Year term starting on October 1, 2017. The first of these automatic three (3) Program Year term renewals will occur at the beginning of fiscal year 2020-201 (October 1, 2020) and every three (3) Program Years thereafter. The terms of this Agreement

shall remain in effect until all Urban County Program funds covered under the terms of this Agreement, and any program income generated from the expenditure of such funds, are expended, and the funded activities completed, and that the County and participating units of general local government may not terminate or withdraw from this Agreement while this Agreement remains in effect. This Agreement may not be terminated or withdrawn by the parties for any circumstance or reason during the term of the agreement.

- a. Termination. This Agreement can only be terminated if an earlier date of termination is approved in writing by HUD pursuant to the Urban County Program or until such times as the City and County elect to terminate this Agreement at the conclusion of a three-year term.
- b. Renewal process. As required by HUD, the City and County agree to adopt any amendment(s) to this Agreement necessary to meet the requirements set forth in the Urban County Qualification Notice published by HUD annually providing instructions for Counties seeking to requalify as an urban county. Such failure to comply will void the automatic renewal for such qualification period. Prior to the renewal date, the County will notify City in writing that City has the option to terminate the Agreement and not be included as part of the submission by County to HUD for re-qualification as an Urban County for the subsequent three (3) year qualification period. City agrees to send a timely response to County stating its intention to either continue to be a part of the Urban County Program or to elect to terminate this Agreement and not be a part of the County’s upcoming submission to HUD to re-qualify as an Urban County for the subsequent three (3) year period.

The County will submit to HUD the letter notifying the City of its ability to terminate this Agreement as well as the City’s response letter. County will also submit to HUD a written legal opinion provided by County Counsel stating that the terms and provisions continue to be authorized under state and local law and that the Agreement continues to provide full legal authority for County.

The County and the City have both adopted resolutions approving the City’s participation in the Urban County Program; the resolutions will be sent to HUD along with this Agreement immediately after the Agreement has been approved as well as whenever the County re-qualifies as an Urban County.

5. Purpose of Agreement.

This Agreement is formed to meet the requirements and purposes of the Act, the Cranston-Gonzales Act, and the Regulations with respect to the application for Grants and to establish the respective rights of the parties to such Grants.

6. Administration of Agreement.

- a. The officers and agents of both parties will cooperate in furnishing information and assistance necessary for the preparation, completion, and filing of the County’s application with HUD in accordance with the requirements of Urban County Program

and the Regulations. The City shall provide opportunities for public participation as described in the Citizen Participation Plan.

- b. The City shall submit to the County all necessary information required for the completion of a Consolidated Plan in the form required by HUD. This information will detail the City's commitments to providing housing assistance to low- and very- low income persons within the City. The local commitments to housing assistance by the City will be incorporated into the Urban County's Consolidated Plan, which will be reviewed by HUD to determine the local commitments to address housing needs of low- to very-low income persons.
- c. The County shall not alter or amend the information furnished to County by cities in compliance with the Urban County Program and Regulations and consistent with identified Urban County needs and priorities, the County shall have full authority and necessary control of the preparation and filing of its Annual Action Plan to HUD and of other papers and documents in support thereof.

7. Project Proposals.

Any and all Project Proposals for eligible activities, including those of the City, shall be submitted directly to the County during the term of this Agreement by eligible applicants. The three-year Notice of Funding Availability ("NOFA") will outline the eligibility criteria and local priorities. Project Proposals must meet the HUD eligibility criteria within one of the funding categories contained in the NOFA. All Proposals must be submitted directly to the County.

Funding for capital improvement projects will be considered on an annual basis outside of the NOFA process described above. A minimum of one eligible capital improvement project in each of the non-entitlement cities will be funded during the term of this Agreement, pending funding availability. The City will submit a proposal to the County for consideration for a shovel-ready project that can be completed within 12 months of the submittal of the Proposal or a project that can be phased over a two-year period with demonstrable programmatic and financial actions (i.e. design, architectural, construction costs). County and City staff will work together to determine each project's level of readiness and establish an implementation schedule. Unspent funds will not be carried over from year to year to ensure funds are spent in a timely manner. When such capital funds are not expended they will be used to supplement other Eligible Activities, if they are not expended in the agreed upon project's contract term between the City and the County. The County will evaluate the City's timely expenditure of funds to ensure the County is in compliance with HUD before recommending funding for a capital project. Review and comment on City proposed projects shall be to determine HUD eligibility and timely expenditure of funds.

8. Disbursement of Funds.

- a. City understands and agrees that Urban County Program funds disbursed under this Agreement are the obligation of County and that such obligation of the County is dependent upon the qualification of the County as an Urban County applicant and upon the availability of federal funds to implement the Urban County Program.



- b. Funds disbursed to the City and other sub-recipients will be expended on eligible activities as described in the Consolidated Plan. The 2015-2020 Consolidated Plan includes goals and strategies to address housing and community development needs in the Urban County and identifies the following Goals:
  - 1. Assist in the creation and preservation of affordable housing for lower-income and special needs households.
  - 2. Support activities to end homelessness
  - 3. Support activities that provide basic services, eliminate blight, and/or strengthen neighborhoods
  - 4. Promote environmental sustainability
  
- c. County and City agree that the County has the authority to transfer CDBG funds to another CDBG-eligible project/program at County's sole discretion if City is not spending its CDBG funds in a timely manner, i.e. within 12 months of Proposal approval. Prior to transferring the CDBG funds, the County will notify the City in writing that the City is at risk of not meeting this timeliness requirement and therefore County will transfer CDBG funds if timeliness is not met.

9. Compliance with Final Programs and Plans.

County and City shall comply in all respects with final Annual Action Plans and the Consolidated Plan which are developed through mutual cooperation pursuant to the application requirements of the Urban County Program and the Regulations and approved by HUD.

10. Compliance with Legislation and Regulations

City and County agree, pursuant to 24 CFR 570.501(b) that cities are subject to the same requirements applicable to sub-recipients, including the requirement of a written agreement between the County and the City specific to the proposed Proposal as set forth in 24 CFR 570.503. City understands and agrees that should it fail to comply with such requirements or with the terms of this Agreement, that funds which may be allocated to City during the term of this Agreement may be terminated, or reduced or otherwise limited in accordance with the Urban County Program and Regulations.

County and City shall comply with all applicable requirements of the Urban County Program and associated regulations, in utilizing grant funds under legislation that created and govern these grants, and shall take all actions necessary to assure compliance with County certifications required by Section 104(b) of Title I of Act, as amended regarding the provisions of the National Environmental Policy Act of 1969, Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1968, Executive Order 11988, Section 109 of Title I of the Act which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, the Fair Housing Act, and affirmatively furthering fair housing and other applicable federal laws.

The City agrees that use of Urban County Program funding for activities in or in support of City is prohibited if City does not affirmatively further fair housing within its own jurisdiction

as defined by Federal law or impedes County actions to comply with its fair housing certification included with the Annual Action Plan. The City may be required to demonstrate how it complies with the fair housing requirement.

Furthermore, City hereby covenants by and for itself, its successors and assigns, and all persons claiming under or through it that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, familial status, disability, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any project funded by Urban County Program funds, nor shall City itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number use or occupancy of tenants, lessees, subtenants, sub-lessees, or vendees in any project funded as a result of this Agreement.

The City hereby covenants has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations. Furthermore, the City has adopted and is enforcing a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within such jurisdictions.

11. Conflict of Interest.

City shall comply with all applicable federal and state laws, regulations and policies governing conflict of interest, including State conflict of interest regulations found in California Government Code Sections 1090, 1126, 87100 et seq., Federal conflict of interest regulations found in 24 CFR 570.611, 85.36 ad 84.42, and any other applicable policies, rules and regulations related to conflict of interest.

Any person who is an employee, agent, consultant, officer, elected or appointed official of the City, who exercises any functions or responsibilities with respect to Urban County Program-funded activities identified in this Agreement and who is in a position to participate in the decision-making process or gain inside information with regard to activities identified in this Agreement, may not obtain a financial interest or benefit from the Urban County Program-assisted activities identified in this Agreement or any related agreement, subcontract, or contract, either for themselves, an immediate family member or business partner, during his/her tenure. City shall maintain written standards of conduct governing performance of its employees engaged in the award and administration of contracts funded by the Urban County Program.

12. Areas of Housing Authority Operation.

Nothing herein shall affect the rights and obligations of the parties with respect to any agreement which the City may have with the Housing Authority of the County of Santa Clara ("HACSC").

13. Services, Equipment and Property Reimbursement.

County shall provide or be primarily responsible for providing the services, equipment and other property necessary for the planning, preparation and filing of the Annual Action Plan and for the administration of the Grant funds subject to the right of the County to seek reimbursement for actual expenses and costs of furnishing such services, equipment and property. Subject to the provisions of the application or of the grant award made thereon, all property furnished by County as herein-above described shall belong to County during the term of this Agreement and after its termination.

At the termination of the Urban County Program, all property and equipment acquired with CDBG funds will be subject to the requirements and conditions contained in 24 CFR section 570.505 (24 CFR section 570.502(a)(5)).

14. Program Income.

Any revenue directly generated from the use of Urban County Program funds shall be included as available funds for the following funding cycle and thus shall be subject to regulations and reported to HUD. The County has the responsibility for monitoring and reporting to HUD on the use of any such program income, including but not limited to appropriate record keeping.

15. Revolving Loan Fund.

- a. The County is authorized to maintain a separate fund in conjunction with a single-family home rehabilitation program for eligible activities in accordance with all CDBG requirements as may apply. The Revolving Loan Fund must be held in an interest bearing account and the interest must be remitted to HUD annually.
- b. Eligible activities for single family home rehabilitation may be funded through loans. The loans, in turn, generate payments to the Revolving Loan Fund for use in carrying out the same activities.

16. Records.

City and County shall maintain appropriate books, records, files, and accounts relating to the receipt and disbursement of the Grant funds, including records in accordance with 24 CFR Sec 570.503 as they relate to the application, acceptance, and use of federal funds for this federally assisted program and any other records imposed by County's grant agreement with HUD. All such books, records, files and accounts shall be made available for inspection at reasonable times and places by authorized representatives of City, County, and HUD or any other person authorized by the Urban County Program or the Regulations.

17. Contractual Obligations.

It is expressly understood and agreed that, as the applicant to HUD, County must take full responsibility and assume all obligations of an applicant under the Urban County Program and that HUD will look only to the County in this regard. However, County assumes no responsibility nor liability for any failure to include City in the application as a result of City's failure to supply County with information necessary to prepare and file the application, or as a

result of City's failure to supply County with such information upon designated dates, or as a result of City's failure to comply with the Urban County Program and the Regulations.

18. Indemnification.

In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the Parties pursuant to Government code Section 895.6, the Parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead the County and City agree that pursuant to Government Code Section 895.4, each of the parties hereto shall fully indemnify and hold each of the other parties, their officers, board members, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, employees or agents, under or in connection with or arising out of any performance of obligations required by this Agreement, the Urban County Program, Annual Action Plan, Grant Agreement the Regulations or other applicable laws relating to this Agreement delegated to such party under this Agreement. No party, nor any officer, board member, employee or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the other parties hereto, their officer, board members, employees or agents, under or in connection with or arising out of any performance of obligations required by this Agreement, the Urban County Program, Application, Regulations or other applicable laws relating to this Agreement delegated to such other parties under this Agreement.

19. Self-Insurance.

The City and County are authorized self-insured public entities for purposes of general liability, automobile liability, professional liability and worker's compensation. City and County warrant that through their respective programs of self-insurance, they have adequate coverage or resources to protect against any liabilities arising out of their performance regarding the terms and conditions of this Agreement.

20. Discretionary Actions.

Nothing herein contained shall be construed to prohibit the City from exercising its discretion on any legislative quasi-judicial and/or administrative matter (including but not limited to any action involving zoning of General Plan amendments). Nothing herein shall compel the City to take any action on any matter save and except as expressly required in this Agreement. It is understood and agreed that the City does not by this Agreement commit itself or delegate the exercise of any of its police powers in any matter whatsoever save and except as expressly set forth in this Agreement.

21. Timeliness.


When any action is required hereunder upon request for action on a document or material furnished by the County to the City said request for action on a document or material shall be furnished at least 30 days prior to the date said action is required in order to allow sufficient time for the City to review and act on said document or material.



IN WITNESS WHEREOF, parties hereto have executed this Agreement on the dates set forth below.

**CITY OF LOS ALTOS**

**COUNTY OF SANTA CLARA**

By:   
\_\_\_\_\_  
Christopher Jordan  
City Manager

By:   
\_\_\_\_\_  
Jeffrey V. Smith  
County Executive

Date: 7/18/17


Date: 7/27/17


Attest:

By:   
\_\_\_\_\_  
J. Logan  
Assistant City Manager/Deputy City Clerk

Approved as to form:

Approved as to form and legality:

By:   
\_\_\_\_\_  
Christopher Diaz  
City Attorney

By:   
\_\_\_\_\_  
Christopher R. Cheleden  
Lead Deputy County Counsel



U.S. Department of Housing and Urban Development  
Community Planning and Development

Special Attention of:  
All Regional Administrators  
All CPD Division Directors  
All CDBG Grantees

**Notice: CPD-23-02**  
**Issued: April 10, 2023**  
**Expires: April 10, 2024**  
Supersedes: CPD Notice 22-07

SUBJECT: Instructions for Urban County Qualification for Participation in the Community Development Block Grant (CDBG) Program for Fiscal Years (FYs) 2024-2026

INTRODUCTION

This Notice establishes requirements, procedures, and deadlines to be followed in the urban county qualification process for FYs 2024-2026. Information concerning specific considerations and responsibilities for urban counties is also provided. HUD Field Offices and urban counties are expected to adhere to the deadlines in this Notice.

This Notice provides guidance for counties wishing to qualify or requalify for entitlement status as urban counties, as well as for existing urban counties that wish to include previously nonparticipating communities. **Please send copies of this Notice to all presently qualified urban counties, to each county that can qualify for the first time or requalify for FYs 2024-2026, and to each state administering the State CDBG program which includes a potentially eligible urban county. If HUD Field Offices are notified later than the date of this Notice of one or more new potential urban counties, each should be provided a copy of this Notice.** This Notice includes the following seven attachments, lettered A-G, that contain listings of:

- Attachment A, all currently qualified urban counties;
- Attachment B, counties that requalify this qualification period (2024-2026);
- Attachment C, counties scheduled to qualify or requalify in FY 2024 for FY 2025-2027;
- Attachment D, counties scheduled to qualify or requalify in FY 2025 for FY 2026-2028;
- Attachment E, currently qualified urban counties that can add nonparticipating units of government for the remaining one or two years of their qualification period;
- Attachment F, counties that may qualify as urban counties if metropolitan cities relinquish their status; and
- Attachment G, counties previously identified as eligible but that have not accepted urban county status.

Additions to Attachment B may be provided separately, should any counties be identified as potentially eligible for the first time in July 2023.

The schedule for qualifying urban counties is coordinated with qualifying HOME Investment Partnerships Program (HOME) consortia to be able to operate both the CDBG and HOME programs using the same urban county configurations. The CDBG urban county qualification process for the FY 2024-2026 qualification period will start in March 2023 and run through September 15, 2023. This will provide HUD sufficient time before the September 30th deadline for FY 2024 funding under the HOME Program to notify counties that they qualify as urban counties under the CDBG Program. This Notice emphasizes the importance of completing all the steps of the urban county qualification/ requalification process by mid-September to ensure that there is no detrimental effect on the HOME consortia qualification/requalification process. Urban county worksheets will be accessible via Community Planning and Development's (CPD) Grants Management Process (GMP) system. The CPD Systems Development and Evaluation Division will provide GMP system guidance for submitting urban county qualification data.

Section V.H., second paragraph, regarding Cooperation Agreements clearly delineates the fair housing and civil rights obligations to which urban counties and participating jurisdictions are subject. By this time, all existing urban counties should have incorporated the required language in their cooperation agreements regarding fair housing and civil rights obligations. Urban counties should review the language in their existing cooperation agreements regarding fair housing and civil rights obligations to determine whether they still need to revise their existing agreements. The use of automatically renewing cooperation agreements does not exempt existing urban counties from incorporating the required language in Section V.H. HUD will not accept any cooperation agreements or approve any urban county's qualification/requalification that does not incorporate this language.

Urban counties have the option of drafting a separate amendment to their existing agreements that includes these provisions rather than drafting a new cooperation agreement that contains the provisions. However, the separate amendment must still be executed by an official representative of each of the participating units of general local government and the urban county.

Jurisdictions that are qualifying as an urban county for the first time must submit all required documents outlined in Section IV. to the Entitlement Communities Division in HUD Headquarters in addition to their local HUD offices (see Section IV. for details). In addition, if new jurisdictions are seeking to qualify as urban counties because they contain metropolitan cities willing to relinquish their entitlement status, the Entitlement Communities Division in HUD Headquarters should be notified as soon as possible, but no later than two weeks after the jurisdictions notify the Field Office of their intent to qualify as an urban county (see Section VIII. for details).

A unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to a metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended. This



requirement first arose as a result of discovering that units of general local government located within an urban county were trading CDBG funds for unrestricted local funds. Congress has prohibited this practice. Urban counties qualifying in 2023 for FYs 2024-2026 must incorporate this provision into cooperation agreements by revision or amendment. HUD will not accept any cooperation agreements or approve any urban county's qualification/requalification that does not incorporate this language.

Section F., Section VIII., Special Considerations addresses the implications of an incorporated unit of general local government dissolving and the effect it will have on the urban county qualification/requalification process.

Section G., Section VIII., Special Considerations addresses factors that arose during the 2017 qualification/requalification period regarding qualification of New York Towns as metropolitan cities.

The coronavirus pandemic has affected the urban county qualification and requalification processes, in that all required correspondence and documents must be transmitted electronically. To avoid delays, HUD encourages urban counties to begin the qualification and requalification processes upon release of this Notice to meet the deadlines in Section II., Qualification Schedule. Section II identifies correspondence that must be submitted in letter format on the appropriate letterhead rather than by email. Any properly executed letter (i.e., in letter format on the appropriate letterhead) may be transmitted as an attachment via email. If a properly executed letter is required, the Notice shall denote such requirement by indicating that the correspondence or notification must be "by letter." If not required, the Notice shall indicate that the correspondence or notification may be made "by letter or email."

Policy questions from Field Offices related to this Notice should be directed to Gloria Coates in the Entitlement Communities Division at (202) 402-2184 or [gloria.l.coates@hud.gov](mailto:gloria.l.coates@hud.gov). Data questions should be directed to Abubakari Zuberi in the Systems Development and Evaluation Division at (202) 708-0790 or [abubakari.d.zuberi@hud.gov](mailto:abubakari.d.zuberi@hud.gov). Requests for deadline extensions should be directed to Gloria Coates. These are not toll-free numbers. The TTY number for both divisions is (202) 708-2565.

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2506-0170, which expires January 31, 2025. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

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Attachment A – All Currently Qualified Urban Counties

Attachment B – Counties Scheduled to Requalify in 2023 for FYs 2024-2026

Attachment C – Counties Scheduled to Requalify in 2024 for FYs 2025-2027

Attachment D – Counties Scheduled to Requalify in 2025 for FYs 2026-2028

Attachment E – Counties Qualified through 2024 or 2025 That Contain Non-Participating Communities

Attachment F – Counties That May Qualify as Urban Counties if Metropolitan Cities Relinquish Their Status

Attachment G – Counties Previously Identified as Eligible But That Have Not Accepted Urban County Status

COMMUNITY DEVELOPMENT BLOCK GRANT  
URBAN COUNTY QUALIFICATION  
Fiscal Years 2024-2026

In accordance with 24 CFR § 570.307(a) of the Community Development Block Grant (CDBG) regulations, the information below explains the U.S. Department of Housing and Urban Development's (HUD) process for qualifying and requalifying urban counties for purposes of the CDBG program.

I. GENERAL REQUIREMENTS

A. Threshold

To be entitled to receive CDBG funds as an urban county, a county must qualify as an urban county under one of the following thresholds:

1. Have a total combined population of 200,000 or more (excluding metropolitan cities) from the unincorporated areas and participating incorporated areas;
2. Have a total combined population of at least 100,000 but fewer than 200,000 from the unincorporated areas and participating incorporated areas, provided that, in the aggregate, those areas include the majority of persons of low and moderate income that reside in the county (outside of any metropolitan cities). Under this provision, the county itself is still required to have a minimum population of 200,000 (excluding metropolitan cities) to be potentially eligible. However, the urban county does not have to include each unit of general local government located therein, provided that the number of persons in the areas where the county has essential powers and in units of general local government where it has signed cooperation agreements equals at least 100,000. In addition, those included areas must in the aggregate contain the preponderance of low- and moderate-income persons residing in the urban county (calculated by dividing the number of low- and moderate-income persons residing in the county by two and adding one). Metropolitan cities are not included in these calculations; or
3. Meet specific requirements of Sec. 102(a)(6)(C) or (D) of Title I of the Housing and Community Development Act of 1974, as amended (the Act).

HUD must conduct a review to determine that a prospective urban county possesses essential community development and housing assistance powers in any unincorporated areas that are not units of general local government (UGLGs). HUD must also review all the UGLGs within the county to determine those, if any, in which the county lacks such powers. The county must enter into cooperation agreements with any such units of local government that are to become part of the urban county. Such agreements would bind an UGLG to cooperate in the use of its powers in carrying out essential activities in accordance with the urban county's program. See Section IX. for additional information on Determinations of Essential Powers.

B. Consolidated Plan Requirements

To receive an Entitlement Grant in FY 2024, an urban county must have an approved Consolidated Plan (pursuant to 24 CFR § 570.302 and Part 91). This includes urban counties newly qualifying during this qualification period; urban counties that continue to include the same communities previously included in the urban county; and those urban counties that are amending their urban county configurations to add communities that chose not to participate previously. Where an urban county enters into a joint agreement with a metropolitan city for CDBG purposes, a Consolidated Plan is submitted by the urban county to cover both governmental entities for the CDBG program.

Pursuant to 24 CFR part 91, submission of a jurisdiction's Consolidated Plan may occur no earlier than November 15, and no later than August 16, of the Program Year for which CDBG, HOME, Emergency Solutions Grants (ESG) and Housing Opportunities for Persons With AIDS (HOPWA) funds are appropriated to cover the Federal fiscal period of October 1, 2023, through September 30, 2024. **An urban county's failure to submit its Consolidated Plan by August 16, 2024, will automatically result in a loss of CDBG funds for the 2024 program year (24 CFR § 570.304(c)(1)) and termination of its qualification as an urban county (24 CFR § 570.307(f)) unless Congress extends this deadline via statute.** The Consolidated Plan must meet all requirements of 24 CFR part 91, including all required certifications.

C. Consolidated Plan Requirements Where the Urban County Is in a HOME Consortium

Where UGLGs form a consortium to receive HOME funding, the consortium's lead entity submits the Consolidated Plan for the entire geographic area encompassed by the consortium (24 CFR § 91.400). Therefore, if an urban county is a member of a HOME consortium, the consortium submits the Consolidated Plan, and the urban county, like all other CDBG entitlement grantees in the consortium, is only required to submit its own non-housing Community Development Plan (24 CFR § 91.215(f)), an Action Plan (24 CFR § 91.220) and the required Certifications (24 CFR § 91.225(a) and (b) as part of the consortium's Consolidated Plan. If an urban county has a CDBG joint agreement with a metropolitan city and both jurisdictions wish to receive HOME funds, they must form a HOME consortium to become one entity for HOME purposes. [For additional information on the requirements for consortia agreements, see 24 CFR § 92.101 and the Notice of Procedures for Designation of Consortia as a Participating Jurisdiction for the HOME Program (CPD-13-002).] Although an urban county as a member of a HOME consortium is only required to submit its own non-housing Community Development Plan, Action Plan and required certifications, the program responsibilities as stated in Section VII. of this Notice are important regardless of whether the urban county is a member of a consortium. In this regard and considering the requirement to submit its own affirmatively furthering fair housing certification per 24 CFR 91.225, an urban county is encouraged to work with the lead entity for the consortium in developing and seeing to the submission of a Consolidated Plan that reflects fair housing strategies and actions.

However, if the urban county is the lead entity rather than simply a participant in the HOME consortium, the urban county must submit the housing and homeless needs assessment, market analysis, strategic plan, and Action Plan on behalf of the consortium. The urban county and other entitlement communities that are members of the consortium must separately submit the certifications required at 24 CFR 91.225(a) & (b).

D. Synchronization of Urban County and HOME Qualification Periods

CDBG urban counties and HOME consortia qualification periods are for three successive years. If a member urban county's CDBG three-year cycle is not the same as the HOME consortium's, the HOME consortium may elect a qualification period shorter than three years to get in sync with the urban county's CDBG three-year qualification cycle, as permitted in 24 CFR § 92.101(e). All consortium members must also have the same program year start date.

Urban counties have requested extensions until the middle to end of September to submit all required documents to the HUD Field Office because some of the governing bodies of units of government in urban counties do not meet during the summer months. When there are automatically renewing cooperation agreements, the urban county must submit a legal opinion from the county's counsel that the terms and provisions continue to be authorized under state and local law and that the agreement continues to provide full legal authority for the county. Copies of any executed amendments to automatically renewed cooperation agreements (if any) and, if locally required, governing body authorizations must also be submitted.

Although flexibility exists to permit extensions in unusual situations, Headquarters will not grant any extensions past mid-September. Urban counties must factor in instances such as the meeting schedules of elected bodies of units of general local government while completing the requalification process, perhaps by submitting the cooperation agreement for execution before the summer recess begins. There are urban counties that are also completing the qualification/requalification process for HOME consortia at the same time they are completing the urban county qualification/requalification process. The qualification/requalification process for HOME consortia must be completed by the statutory deadline of September 30 for a HOME consortium to receive a formula allocation under HOME. If the urban county qualification/requalification process has not been completed by September 30, the consortium will not receive a HOME grant. To prevent this, all required documents must be received by HUD Field Offices by mid-September. This will allow Field Counsel time to review the cooperation agreements or amendments for legal sufficiency.

II. QUALIFICATION SCHEDULE

The following schedule will govern the procedures for urban county qualification for the three-year qualification cycle of FYs 2024-2026. Unless noted otherwise, deadlines may only be

extended by prior written authorization from Headquarters. Deadlines in paragraphs D., E., G., and I. may be extended by the Field Office as specified below. However, no extension may be granted by the Field Office if it would have the effect of extending a subsequent deadline that the Field Office is not authorized to extend.

- A. By May 5, 2023, the HUD Field Office shall notify counties that may seek to qualify or requalify as an urban county of HUD's Determination of Essential Powers (see Section IX) as certified by the Field Office Counsel (see Attachment B, Counties Scheduled to Qualify or Requalify in 2023 for the 2024-2026 Qualification Period).
  
- B. By May 5, 2023, counties must notify, by letter, split places of their options for exclusion from, or participation in, the urban county (see Attachment B and Section III., paragraph D, for an explanation of split places).
  
- C. By May 5, 2023, counties must notify, by letter, each included unit of general local government, where the county is authorized to undertake essential community development and housing assistance activities without the consent of the governing body of the locality, of its right to elect to be excluded from the urban county, and the date by which it must make such election by letter (see paragraph E., below). HUD recommends that included units of government be advised that failure to respond means that they will be considered part of the urban county for FYs 2024-2026. Included units of government must also be notified that they are not eligible to apply for grants under the State CDBG program while they are part of the urban county. Additionally, that, in becoming a part of the urban county, they automatically participate in the HOME and ESG programs if the urban county receives HOME and ESG funding, respectively. Moreover, while units of general local government may only receive a formula allocation under the HOME and ESG programs as part of the urban county, this does not preclude the urban county, or a unit of government participating with the urban county, from applying for HOME or ESG funds from the State, if the State allows.
  
- D. Section 854(c) of the AIDS Housing Opportunity Act was amended by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) to preserve the continued eligibility of FY 2016 HOPWA formula grantees, including Wake County, North Carolina, which is the HOPWA grantee for the Raleigh, NC, Metropolitan Statistical Area. Wake County is the only urban county that receives a HOPWA formula award from HUD under this arrangement. HOTMA also amended section 854(c) to allow a HOPWA formula grantee to enter into an agreement with an eligible alternative grantee, including a unit of general local government (which includes a county), to receive and administer the HOPWA formula allocation in its place. More information is available in Notice CPD-17-12, available at: <https://www.hudexchange.info/resources/documents/Notice-CPD-17-12-Implementation-of-HOTMA-Changes-to-the-HOPWA-Program.pdf>

A county that is already qualified as an urban county for FY 2024 (see Attachment E, Counties Qualified through 2024 or 2025 that Contain Nonparticipating Communities) may

elect to notify, by letter, nonparticipating units of government that they now have an opportunity to join the urban county for the remainder of the urban county's qualification period (see paragraph H., below).

- E. By June 12, 2023, any county which has executed cooperation agreements with no specified end date is required to notify, by letter, affected participating units of government that the agreement will automatically be renewed unless the unit of government notifies the county by letter by July 7, 2023, (see paragraph F., below) of its intent to terminate the agreement at the end of the current qualification period (see Attachment B). A failure by a unit of government to respond by the July 7, 2023, deadline means that the unit of government is required to remain with the urban county for FYs 2024-2026. Any extension of this deadline must be authorized by letter or email by the Field Office. An extension of more than seven days requires the Field Office to notify the Entitlement Communities Division by email or telephone.
  
- F. By June 12, 2023, any included unit of general local government, where the county does not need the consent of its governing body to undertake essential community development and housing assistance activities, that elects to be excluded from an urban county must notify the county and its HUD Field Office, by letter, that it elects to be excluded. Potential new entitlement cities are identified by the Census Bureau on or around July 1. Any unit of general local government that met metropolitan city status for the first time in a requalifying urban county will be given additional time to decide whether it wants to be included or excluded since it will be notified of its status after the July 21 deadline (see Section VIII.E.). Any extension of this deadline must be authorized by letter or email by the Field Office. An extension of more than seven days requires the Field Office to notify the Entitlement Communities Division by email or telephone.
  
- G. By July 7, 2023, any unit of government that has entered into a cooperation agreement with no specified end date with the county and elects not to continue participating with the county during the FY 2024-2026 qualification period must notify the county and its HUD Field Office by letter that it is terminating the agreement at the end of the current period. The county may allow additional time provided any such extension does not interfere with the county's ability to meet the deadline in paragraph J, below.
  
- H. By July 7, 2023, any unit of general local government that meets "metropolitan city" status for the first time and wishes to defer such status and remain part of the county, or to accept such status and become a joint recipient with the urban county, must notify the county and the HUD Field Office by letter that it elects to defer its metropolitan city status or to accept its status and join with the urban county in a joint agreement. Any metropolitan city that had deferred its status previously or had accepted its status and entered into a joint agreement with the urban county and wishes to maintain the same relationship with the county for this next qualification period, must notify the county and the HUD Field Office by letter by this date. Any unit of general local government that meets metropolitan city status for the first time and is notified in early July by HUD thereof will have until August 18, 2023, to comply



with the requirements of this paragraph. A potential metropolitan city that chooses to accept its entitlement status but chooses not to enter into a joint agreement with the urban county, or a current metropolitan city that chooses not to maintain a joint agreement with the urban county, must also notify the urban county and the HUD Field Office by letter by July 28, 2023. Any extension of this deadline must be authorized by letter by the Field Office. An extension of more than seven days requires the Field Office to notify the Entitlement Communities Division by email or telephone.

- I. By July 14, 2023, any unit of general local government that is not currently participating in an urban county and chooses to participate for the remaining second or third year of the county's qualification period must notify the county and the HUD Field Office by letter that it elects to be included. The county may allow additional time provided any such extension does not interfere with the county's ability to meet the deadline in paragraph J, below.
- J. By July 28, 2023, HUD Field Offices must notify CPD's Systems Development and Evaluation Division via e-mail ([Abubakari.D.Zuberi@hud.gov](mailto:Abubakari.D.Zuberi@hud.gov)) whether cities that are already identified as potentially eligible metropolitan cities elect to defer or accept their status. For units of general local government that meet metropolitan city status for the first time and are notified in early July thereof (as discussed in paragraph H., above), they must elect to defer or accept their status by August 18, 2023. For units of general local government notified in early July of their status as potential new metropolitan cities, Field Offices have until September 8, 2023, to notify the Systems Development and Evaluation Division of their decisions.
- K. By August 4, 2023, any county seeking to qualify as an urban county (see Attachment B) or to include any previously nonparticipating units of general local government into its configuration (see Attachment E) must submit to the appropriate HUD Field Office all qualification documentation described in Section IV., Documents to be Submitted to HUD. Any extension of this deadline must be authorized by letter or email by the Field Office and should not interfere with the Field Office's ability to meet the deadline in paragraph N. The Entitlement Communities Division and Field Counsel must be notified by email or telephone if an extension of more than seven days is needed. For HOME program purposes, the urban county configurations are final as of September 30 of every year. The HOME deadline is statutory and cannot be extended.
- L. By August 25, 2023, Field Office Counsel should complete the reviews of all cooperation agreements and related authorizations and certify that each cooperation agreement meets the requirements of Section V, Cooperation Agreements. Any delay in completion of the review must not interfere with the Field Office's ability to meet the deadline in paragraph N. The Entitlement Communities Division should be notified by email or telephone of any delay in the Field Counsel's review. **Note: If a county is using a renewable agreement and has submitted a legal opinion that the terms and conditions of the agreement continue to be authorized (see Section IV., paragraph E.), review of such opinion by Field Office Counsel is optional. However, Field Counsel must review the agreement to ensure that**

**any new requirements implemented by statute or regulation are incorporated into the agreement or added by an amendment to the agreement.**

- M. During July, Headquarters will post the urban county worksheets for each qualifying and requalifying urban county (listed on Attachment B) on the CPD Grants Management Process (GMP) system. **All information on included units of government must be completed via GMP.** Specific instructions for completing these electronic worksheets will be provided by the CPD Systems Development and Evaluation Division at the time they are posted on GMP.
- N. By August 25, 2023, Field Offices shall update and complete the form electronically for each qualifying or requalifying county. The revised worksheet must be sent to the appropriate county for verification of data (via FAX, email, or regular mail). The Systems Development and Evaluation Division will have access to the completed worksheets in GMP. Field Offices shall also concurrently make available to the Systems Development and Evaluation Division (and each affected urban county) a memorandum that identifies any urban county already qualified for FY 2024 that is adding any new units of government, together with the names of the newly included units of government (see Attachment E). **THIS DEADLINE MAY NOT BE EXTENDED WITHOUT PRIOR WRITTEN AUTHORIZATION FROM THE ENTITLEMENT COMMUNITIES DIVISION.**
- O. By September 8, 2023 (or soon thereafter), Headquarters will complete its review of the urban county status worksheets and memoranda for those urban counties adding new units of government. The Field Offices will have access to the updated worksheets and, if necessary, an indication from Headquarters of any apparent discrepancies, problems, or questions – all noted in GMP. The Field Office is to verify the data in the GMP Final Report and notify the Systems Development and Evaluation Division within seven days if any problems exist. If there are no problems, Field Offices will notify, by letter, each county seeking to qualify as an urban county of its urban county status for FY 2024-2026 by September 22, 2023.

III. QUALIFICATION ACTIONS TO BE TAKEN BY COUNTY

The following actions are to be taken by the urban county:

A. Cooperation Agreements/Amendments

Urban counties that must enter into cooperation agreements or amendments, as appropriate, with the units of general local government located in whole or in part within the county, must submit to HUD executed cooperation agreements, together with evidence of authorization by the governing bodies of both parties (county and UGLG) executed by the proper officials (see Section V., Cooperation Agreements, paragraph A.) in sufficient time to meet the deadline for submission indicated in the schedule in Section II. (cooperation agreements must meet the standards in Section V. of this Notice).

Where urban counties do not have the authority to carry out essential community development and housing activities without the consent of the unit(s) of general local government located therein, urban counties are required to have executed cooperation agreements with these units of government that elect to participate in the urban counties' CDBG programs.

**B. Notification of Opportunity to Be Excluded**

Units of general local government in which counties have authority to carry out essential community development and housing activities without the consent of the local governing body are automatically included in the urban county unless they elect to be excluded at the time of qualification or requalification. Any county that has such units of general local government must notify each such unit that it may elect to be excluded from the urban county. The unit of government must be notified:

1. That if it chooses to remain with the urban county, it is ineligible to apply for grants under the State CDBG program while it is part of the urban county;
2. That if it chooses to remain with the urban county, it is also a participant in the HOME program if the urban county receives HOME funding and may only receive a formula allocation under the HOME Program as a part of the urban county, although this does not preclude the urban county or a unit of government within the urban county from applying to the State for HOME funds, if the State allows;
3. That if it chooses to remain with the urban county, it is also a participant in the ESG program if the urban county receives ESG funding and may only receive a formula allocation under the ESG Program as a part of the urban county, although this does not preclude the urban county or a unit of government within the urban county from applying to the State for ESG funds, if the State allows;
4. That if it chooses to be excluded from the urban county, it must notify both the county and the HUD Field Office of its election to be excluded by the date specified in Section II., Qualification Schedule, paragraph E.; and
5. That such election to be excluded will be effective for the entire three-year period for which the urban county qualifies unless the excluded unit specifically elects to be included in a subsequent year for the remainder of the urban county's three-year qualification period.

**C. Notification of Opportunity to Be Included**

If a currently qualified urban county has one or more nonparticipating units of general local government (see Attachment E), the county may notify, by letter, any such unit of local government during the second or third year of the qualification period that the local

government has the opportunity to be included for the remaining period of urban county qualification. This written notification must include the deadline for such election and must state that the unit of general local government must notify the county and the HUD Field Office, by letter, of its official decision to be included. If cooperation agreements are necessary, the unit electing to be included in the county for the remainder of the qualification period must also execute, with the county, a cooperation agreement meeting the standards in Section V., Cooperation Agreements. The agreement must be received by the HUD Field Office by the date specified in Section II., Qualification Schedule, paragraph K.

D. Notification of Split Places

Counties seeking qualification as urban counties and having units of general local government with any population located only partly within the county must notify these units of their rights by the date provided in Section II., Qualification Schedule, paragraph B. Specifically, the county must provide the following notifications:

1. Where a split place is partly located within only one urban county, one of the following rules applies:
  - a. If it is a split place in which the county has essential powers, the entire area of the split place will be included in the urban county for the urban county qualification period unless the split place has opted out; or
  - b. If the split place can only be included in the county upon the execution of a cooperation agreement, the entire area of the split place will be included in the urban county for the urban county qualification period upon execution of such an agreement.
2. Where the split place is partially located within two or more urban counties, the split place may elect one of the following:
  - a. to be excluded from all urban counties;
  - b. to be entirely included in one urban county and excluded from all other such counties; or
  - c. to participate as a part of more than one of the urban counties in which it is partially located provided that a single portion of the split place cannot be included in more than one entitled urban county at a time, and all parts of the split place are included in one of the urban counties.

E. Notification of Opportunity to Terminate Agreement

Urban counties that have agreements that will be automatically renewed at the end of the current qualification period unless action is taken by the unit of government to terminate the agreement must, by the date provided in Section II., Qualification Schedule, paragraph E, notify such units that they can terminate the agreement and not participate during the 2024-2026 qualification period.

IV. DOCUMENTS TO BE SUBMITTED TO HUD

Any county seeking to qualify as an urban county for FY 2024-2026 or that wishes to exercise its option to include units of government that are not currently in the urban county's CDBG program must submit the following to the responsible HUD Field Office:

- A. A copy of the letter that notified applicable units of general local government (and a list of applicable units of government) of their right to decide to be excluded from the urban county along with a copy of letters submitted to the county from any such units of general local government requesting exclusion (see Section III., Qualification Actions to Be Taken by County, paragraph B.). This does not apply to an already qualified urban county adding communities.
- B. A copy of the letter from any unit of general local government joining an already qualified county that officially notifies the county of its election to be included (see Section III. paragraph C.).
- C. Where applicable, a copy of the letter from:
  - 1. Any city that may newly qualify as a metropolitan city but seeks to defer that status;
  - 2. Any city currently deferring metropolitan city status that seeks to continue to defer such status;
  - 3. Any city accepting metropolitan city status stating that it will enter into a joint agreement with the urban county and a letter from the county affirming its willingness to enter into a joint agreement with that city; or
  - 4. Any city accepting metropolitan city status that will cease participation in the urban county's CDBG program (See Section II., Qualification Schedule, paragraph G.).
- D. For a county that has cooperation agreements in effect that provide for automatic renewal, a copy of the letter sent by the county that notified affected units of government that the agreement will be renewed unless the county is notified by the unit of government to

terminate the agreement, and a copy of any such letter from any unit(s) of government requesting termination (see Section III., paragraph E.).

- E. Where applicable, copies of fully executed cooperation agreements, amended agreements, or stand-alone amendments between the county and its included units of general local government, including any cooperation agreements from applicable units of general local government covered under Section III., Qualification Actions to be Taken by County, paragraph C., and the opinions of county counsel and governing body authorizations required in Section V., Cooperation Agreements, paragraphs B. and C.

For a county that has cooperation agreements in effect that provide for automatic renewal of the urban county qualification period as provided under Section V., Cooperation Agreements, paragraph E., at the time of such automatic renewal, the documents to be submitted are: (1) a legal opinion from the county’s counsel that the terms and provisions continue to be authorized under state and local law and that the agreement continues to provide full legal authority for the county; (2) copies of any executed amendments to automatically renewed cooperation agreements (if any); and, (3) if locally required, governing body authorizations.

- F. Any joint request(s) for inclusion of a metropolitan city as a part of the urban county as permitted by Section VIII., paragraph A., Metropolitan City/Urban County Joint Recipients, along with a copy of the required cooperation agreement(s). If either the urban county or the metropolitan city falls under the "exception criteria" at 24 CFR § 570.208(a)(1)(ii) for activities that benefit low- and moderate-income residents of an area, the urban county must notify, by letter, the metropolitan city of the potential effects of such joint agreements on such activities. See Section VIII., paragraph A., for further clarification.

All jurisdictions seeking to qualify as an urban county for the first time must ensure that all documents outlined in this Section that are submitted to the HUD Field Office are also submitted to the Entitlement Communities Division in HUD Headquarters for review. The original documents should be submitted to the HUD Field Office and the copies to HUD Headquarters.

V. COOPERATION AGREEMENTS

All cooperation agreements must meet the following standards to be found acceptable:

- A. The governing body of the county and the governing body of the cooperating unit of general local government shall authorize the agreement and the chief executive officer of each unit of general local government shall execute the agreement.
- B. The agreement must contain, or be accompanied by, a legal opinion from the county's counsel that the terms and provisions of the agreement are fully authorized under State and local law and that the agreement provides full legal authority for the county. Where the

county does not have such authority, the legal opinion must state that the participating unit of general local government has the authority to undertake, or assist in undertaking, essential community renewal and lower income housing assistance activities. A mere certification by the county's counsel that the agreement is approved as to form is insufficient and unacceptable.

- C. The agreement must state that the agreement covers the CDBG Entitlement program and, where applicable, the HOME Investment Partnership (HOME) and Emergency Solutions Grants (ESG) Programs (i.e., where the urban county receives funding under the ESG program or receives funding under the HOME program as an urban county or as a member of a HOME consortium).
- D. The agreement must state that, by executing the CDBG cooperation agreement, the included unit of general local government understands that it:
  - 1. May not apply for grants from appropriations under the State CDBG Program for fiscal years during the period in which it participates in the urban county's CDBG program;
  - 2. May receive a formula allocation under the HOME Program only through the urban county. Thus, even if the urban county does not receive a HOME formula allocation, the participating unit of local government cannot form a HOME consortium with other local governments. (Note: This does not preclude the urban county or a unit of government participating with the urban county from applying to the State for HOME funds if the state allows. An existing renewable agreement need not be amended to add this Note. It is included here only for purposes of clarification.); and
  - 3. May receive a formula allocation under the ESG Program only through the urban county. (Note: This does not preclude the urban county or a unit of general local government participating with the urban county from applying to the State for ESG funds if the state allows. An existing renewable agreement need not be amended to add this Note. It is included here only for purposes of clarification.)
- E. The agreement must specify the three years covered by the urban county qualification period (e.g., Federal FYs 2024-2026), for which the urban county is to qualify to receive CDBG entitlement funding or, where applicable, specify the remaining one or two years of an existing urban county's qualification period. At the option of the county, the agreement may provide that it will automatically be renewed for participation in successive three-year qualification periods, unless the county or the participating unit of general local government provides written notice it elects not to participate in a new qualification period. A copy of that notice must be sent to the HUD Field Office.

Where such agreements are used, the agreement must state that, by the date specified in HUD's urban county qualification notice for the next qualification period, the urban county will notify the participating unit of general local government by letter of its right not to

participate. A copy of the county's notification to the jurisdiction must be sent to the HUD Field Office by the date specified in the urban county qualification schedule in Section II.

- F. Cooperation agreements with automatic renewal provisions must include a stipulation that requires each party to adopt any amendment to the agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year urban county qualification period, and to submit such amendment to HUD as provided in the urban county qualification notice (see Section IV., Documents to be Submitted to HUD, paragraph E.), and that such failure to comply will void the automatic renewal for such qualification period.
- G. The agreement must provide that it remains in effect until the CDBG (and, where applicable, HOME and ESG) funds and program income received (with respect to activities carried out during the three-year qualification period, and any successive qualification periods under agreements that provide for automatic renewals) are expended and the funded activities completed, and that the county and participating unit of general local government cannot terminate or withdraw from the cooperation agreement while it remains in effect.
- H. The agreement must expressly state that the county and the cooperating unit of general local government agree to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities. If the county does not have such powers, the agreement must expressly state that the cooperating unit of general local government agrees to "undertake, or assist in undertaking, community renewal and lower-income housing assistance activities." As an alternative to this wording, the cooperation agreement may reference State legislation authorizing such activities, but only with the approval of the specific alternative wording by HUD Field Counsel.

The agreement must contain an explicit provision obligating the county and the cooperating units of general local government to take all actions necessary to assure compliance with the urban county's certification under section 104(b) of Title I of the Housing and Community Development Act of 1974, that the grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 CFR part 1, and the Fair Housing Act, and the implementing regulations at 24 CFR part 100, and will affirmatively further fair housing. See 24 CFR § 91.225(a) and Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021), to be codified at 24 CFR 5.151 and 5.152, available at <https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications>. The provision must also include the obligation to comply with section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR part 6, which incorporates Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR part 8, Title II of the Americans with Disabilities Act, and the implementing regulations at 28 CFR part 35, the Age Discrimination Act of 1975, and the



implementing regulation at 24 CFR part 146, and Section 3 of the Housing and Urban Development Act of 1968. The provision must also include the obligation to comply with other applicable laws. The agreement shall also contain a provision prohibiting urban county funding for activities in, or in support of, any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the county's actions to comply with the county's fair housing certification. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e., the urban county) that can, in turn, provide cause for funding sanctions or other remedial actions by the Department. The agreement must include the obligation to sign the assurances and certifications in the HUD 424-B.

Periodically, statutory, or regulatory changes may require urban counties to amend their agreements to add the new provision(s). Urban counties may draft a separate amendment to their existing agreements that includes the new provision(s) rather than drafting a new cooperation agreement that contains the new provisions. However, the separate amendment must be executed by an official representative of each of the participating units of general local government and the urban county.

- I. The agreement must expressly state that the cooperating unit of general local government has adopted and is enforcing:
  - 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
  - 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.
  
- J. The agreement may not contain a provision for veto or other restriction that would allow any party to the agreement to obstruct the implementation of the approved Consolidated Plan during the period covered by the agreement. The county has final responsibility for selecting CDBG (and, where applicable, HOME and ESG) activities and submitting the Consolidated Plan to HUD. If the county is a member of a HOME consortium, however, the consortium submits the Plan developed by the county (see Section I., General Requirements, paragraph C.).
  
- K. The agreement must contain language specifying that, pursuant to 24 CFR § 570.501(b), the unit of local government is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement as described in 24 CFR § 570.503 (see Section VIII., Special Considerations, paragraph B.).

- L. A county may also include in the cooperation agreement any provisions authorized by State and local laws that legally obligate the cooperating units to undertake the necessary actions, as determined by the county, to carry out a community development program and the approved Consolidated Plan and/or meet other requirements of the CDBG (and, where applicable, HOME and ESG) program and other applicable laws.
- M. The county must also include a provision in the cooperation agreement that a unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act. Urban counties requalifying in 2023 for FYs 2024-2026 must incorporate this language into cooperation agreements by revision or amendment.

VI. PERIOD OF QUALIFICATION

A. General

Any county that qualifies as an urban county will be entitled to receive funds as an urban county for three consecutive fiscal years regardless of changes in its population or boundary or population changes in any communities contained within the urban county during that period, provided funds are appropriated by Congress and the county submits its annual Action Plan by August 16 of each year. However, during the period of qualification, no included unit of general local government may withdraw from the urban county unless the urban county does not receive a grant for any year during such period. The urban county's grant amount is calculated annually and will reflect the addition of any new units of general local government during the second and third years of the period of qualification.

Any unincorporated portion of the county that incorporates during the urban county qualification period will remain part of the urban county through the end of the three-year period.

Any unit of general local government that is part of an urban county will continue to be included in the urban county for that county's qualification period, even if it meets the criteria to be considered a "metropolitan city" during that period. Such an included unit of general local government cannot become eligible for a separate entitlement grant as a metropolitan city while participating as a part of an urban county (see Section VIII paragraph E).

B. Retaining Urban County Classification

Any county classified as an urban county in FY 1999 may, at the option of the county, retain

its classification as an urban county.

Any county that became classified as an urban county in FY 2000 or later and was so classified for at least two years will retain its classification as an urban county, unless the urban county qualified under section 102(a)(6)(A) of Title I of the Housing and Community Development Act of 1974, as amended, and fails to requalify under that section due to the election of a currently participating non-entitlement community to opt out or not to renew a cooperation agreement (for reasons other than becoming an eligible metropolitan city).

VII. URBAN COUNTY PROGRAM RESPONSIBILITIES

The county, as the CDBG grant recipient, either for the urban county or a joint recipient (see Section VIII, paragraph A., Metropolitan City/Urban County Joint Recipients) has full responsibility for the execution of the community development program, for following its Consolidated Plan, and for complying with laws and requirements applicable to the CDBG program. The county's responsibility must include these functions even where, as a matter of administrative convenience or State law, the county permits the participating units of general local government to carry out essential community development and housing assistance activities. The county will be held accountable for the accomplishment of the community development program, for following its Consolidated Plan, and for ensuring that actions necessary for such accomplishment are taken by cooperating units of general local government.

VIII. SPECIAL CONSIDERATIONS

A. Metropolitan City/Urban County Joint Recipients

Any urban county and any metropolitan city located in whole or in part within that county can ask HUD to approve the inclusion of the metropolitan city as a part of the urban county for purposes of planning and implementing a joint community development and housing assistance program. HUD will consider approving a joint request only if it is signed by the chief executive officers of both entities and is submitted at the time the county is seeking its qualification as an urban county. A joint request will be deemed approved unless HUD notifies the city and the county otherwise within 30 days following submission of the joint request and an executed cooperation agreement meeting the requirements specified under Section V., Cooperation Agreements. An urban county may be joined by more than one metropolitan city, but a metropolitan city located in more than one urban county may be a joint recipient with only one urban county at a time.

Upon urban county qualification and HUD approval of the joint request, the metropolitan city becomes a part of the urban county for purposes of program planning and implementation for the entire period of the urban county qualification and will be treated by HUD as any other unit of general local government that is a part of the urban county. When a metropolitan city joins an urban county in this manner, the grant amount is the sum of the

amounts authorized for the individual metropolitan city and urban county. The urban county becomes the grant recipient.

A metropolitan city in a joint agreement with the urban county is treated the same as any other unit of general local government that is part of the urban county for purposes of the CDBG program, but not for the HOME or ESG programs. If the metropolitan city does not qualify to receive a separate allocation of HOME funds, to be considered for HOME funding as part of the urban county, it may form a HOME consortium with the urban county. If the metropolitan city qualifies to receive a separate allocation of HOME funds, it has two options: (1) it may form a HOME consortium with the county, in which case it will be included as part of the county when the HOME funds for the county are calculated; or (2) the metropolitan city may administer its HOME program on its own. NOTE: The execution of a CDBG joint agreement between an urban county and metropolitan city does not in itself satisfy HOME requirements for a written consortia agreement. For additional information on the requirements for consortia agreements, see 24 CFR 92.101 and the Notice of Procedures for Designation of Consortia as a Participating Jurisdiction for the HOME Program (CPD-13-002).

The ESG program does provide for joint agreements among certain grantees; however, there are separate requirements that apply to those joint agreements. A metropolitan city and an urban county that each receive an allocation under ESG and are located within a geographic area that is covered by a single Continuum of Care (CoC) may jointly request the Secretary of Housing and Urban Development to permit the urban county or the metropolitan city, as agreed to by such county and city, to receive and administer their combined allocations under a single grant. For more information about joint agreements for the ESG program, contact Marlisa Grogan at 603-666-7510, Ext. 3049 or Marlisa.M.Grogan@hud.gov. The TTY number is 603-666-3805. These are not toll-free numbers.

Counties and metropolitan cities considering a joint request should be aware that significant effects could occur where either the urban county or the metropolitan city would otherwise fall under the exception rule criteria for activities that benefit low- and moderate-income residents on an area basis (see 24 CFR 570.208(a)(1)(ii)). Joint agreements result in a modification to an urban county's configuration, and a change in the mix of census block groups in an urban county is likely to change the relative ranking of specific block groups by quartile, thus affecting the minimum concentration of low- and moderate-income persons under the exception rule. HUD will make a rank-ordering computer run available to counties and metropolitan cities considering joint participation to assist them in determining the possible effects of inclusion and how such an agreement may impact their respective programs.

**B. Subrecipient Agreements**

The execution of cooperation agreements meeting the requirements of Section V., Cooperation Agreements, between an urban county and its participating units of local

government does not in itself satisfy the requirement for a written subrecipient agreement required by the regulations at 24 CFR 570.503. Where a participating unit of general local government carries out an eligible activity funded by the urban county, the urban county is responsible, prior to disbursing any CDBG funds for any such activity or project, for executing a written subrecipient agreement with the unit of government containing the minimum requirements found at 24 § CFR 570.503. The subrecipient agreement must remain in effect during any period that the unit of local government has control over CDBG funds, including program income.

C. Ineligibility for State CDBG Program

An urban county's included units of general local government are ineligible to apply for grants from appropriations under the State CDBG Program for fiscal years during the period in which the units of general local government are participating in the Entitlement CDBG program with the urban county.

D. Eligibility for a HOME Consortium

When included units of local government become part of an urban county for the CDBG Program, they are part of the urban county for the HOME Program and may receive HOME funds only as part of the urban county or from the State. Thus, even if the urban county does not receive a HOME formula allocation, the participating unit of local government cannot form a HOME consortium with other local governments. This does not preclude the urban county or a unit of government within an urban county from applying to the State for HOME funds if the State allows. However, a unit of local government that chooses to opt out of the urban county may become part of a HOME consortium by signing the HOME consortium agreement.

A unit of local government that is partially located in two counties with at least one of those counties being a member of a consortium may participate in the consortium. If the county is an urban county, the unit of local government may only participate as a member of the urban county.

E. Counties with Potential Metropolitan Cities

If a county includes a unit of general local government that believes its population meets the statutory threshold to enable it to receive CDBG entitlement funds as a metropolitan city directly, but the city and county have not yet received notification from HUD regarding metropolitan city eligibility, HUD has identified two options a county may use to address such situations:

1. The county and community can negotiate a schedule that will provide the community additional time to receive notification from HUD of its eligibility as a potential new metropolitan city and, if the community does not reach metropolitan city status (or

becomes eligible and elects to defer its status), execute a cooperation agreement and still meet the deadlines identified in this Notice; or

2. If a county believes delaying the execution of a cooperation agreement until HUD provides such notification will prohibit it from meeting the submission deadlines in this Notice, the county may want to include a clause in the agreement that provides that the agreement will be voided if the community is advised by HUD, prior to the completion of the requalification process for FYs 2024-2026, that it is eligible to become a metropolitan city and the community elects to take its entitlement status. If such a clause is used, it must state that if the agreement is not voided based on the community's eligibility as a metropolitan city prior to July 28, 2023 (or a later date if approved by letter or email by HUD), the community must remain a part of the county for the entire three-year period of the county's qualification.

Option 1 above is preferred. Option 2 is available if a county wishes to use it, although there is concern that a community may believe that the use of a clause that may void the agreement will enable it to opt out later in the three-year period of qualification if it reaches the population during that time to be a metropolitan city. Therefore, any such clause must be clear that it applies only for a limited period of time.

There are jurisdictions that may potentially qualify as urban counties for the first time because they contain one or more metropolitan cities that may consider relinquishing their status as entitlement grantees. If a county has a metropolitan city or cities that are willing to relinquish its/their status as entitlement grantee(s) and the county wants to begin the process of qualifying as an urban county, the Entitlement Communities Division in HUD Headquarters should be notified as soon as possible, but no later than two weeks after the county notifies the Field Office of its intent to qualify as an urban county. A list of these counties is provided as Attachment F.

F. Incorporated Unit of General Local Government Dissolution

A unit of general local government located in an urban county may unincorporate or dissolve or merge with another unit of general local government. Assuming the urban county possesses essential community development and housing assistance powers, the dissolved unit of general local government will automatically be considered as part of the urban county for CDBG program purposes. If the dissolved unit of government merges into another unit of general local government that already participates in the urban county, then the newly expanded unit of government will be a participant in the urban county's CDBG program. The cooperation agreement between the urban county and the expanded unit of general local government will need to be submitted to the Field Office for Field Counsel review.

The Bureau of Census' (Census) designation of a former incorporated unit of general local government as dissolved or a former unincorporated unit of general local

government as incorporated is important because Section 102(b) of the Housing and Community Development Act of 1974, as amended, requires the definitions in Section 102(a) such as city, metropolitan city, and urban county to be based on the most recent data compiled by Census. Therefore, Census must recognize the former incorporated unit of general local government as dissolved for it to be recognized by HUD as no longer being an incorporated unit of general local government.

If the urban county is requalifying this year or the following year, and the unit of general local government is recognized by Census as dissolved, the former unit of general local government will be considered a part of the unincorporated area of the urban county. In that instance, CDBG funds may be used to assist activities that will be located in the former unit of general local government, and its residents may benefit from CDBG-assisted activities.

If the urban county is requalifying this year, and the unit of general local government is not recognized as dissolved by Census (although dissolution has occurred), it will become part of the urban county, since the unit of government has legally ceased to exist.

G. Qualification of New York Towns as Metropolitan Cities

In the state of New York, there are towns that can qualify as metropolitan cities. These towns are required to secure the participation of all the incorporated villages located within their boundaries to attain metropolitan city status. As metropolitan cities, these towns may receive their own CDBG grants. New York towns requalify every three years.

There are eight New York towns (Greensburgh, Hempstead, North Hempstead, Oyster Bay, Clarkstown, Ramapo, Smithtown, and Southampton) that are located in existing urban counties and are eligible to be metropolitan cities but have not taken steps to qualify as metropolitan cities. They decided to participate in their respective urban counties' CDBG programs as participating units of general government. However, when the urban counties in which the towns are located requalify, these eight towns may decide to become metropolitan cities and administer their own CDBG programs. This means that the towns would have elected to leave the urban counties in which they were participating as units of general local government. If a New York town decides to become a metropolitan city and administer its own CDBG program, the following steps must be taken:

1. The New York town should decide before the urban county requalification process starts (usually March or April) whether it will accept its metropolitan city status. Past experience has demonstrated that units of general local government need plenty of time to complete all of the necessary processes, so HUD recommends that this decision-making process start in the year before the urban county's requalification year. The town must secure the participation of all the villages located within its boundaries by execution of a cooperation agreement with those villages. Depending

on local circumstances, it may take several months to notify every village by letter of its intent to become a separate entitlement community and to secure the participation of all the villages. The town cannot qualify as an entitlement grantee unless it secures the participation of all the villages. To illustrate, for example, hypothetical Blue County is requalifying in 2024 for 2025-2027. The town of Orange has been participating in the county's CDBG program but would like to become an entitlement grantee and administer its own CDBG program. It is advisable that the town make this decision during 2023 so it can begin to contact the villages and secure their participation in the town's CDBG program.

2. The urban county is required to notify all participating units of general local government by letter (typically, in April) that they may choose to opt out of participation in the urban county's CDBG program. The units of general local government must notify the urban counties by letter of their decisions by the due date (typically, in June) in Section II. of the urban county Qualification/ Requalification Notice. The New York town must respond to the urban county's correspondence by that date. If the town has an automatically renewing cooperation agreement with the urban county, it must notify the county (typically by mid-June) that it is terminating the cooperation agreement. The urban county must be notified by the established deadlines in this Notice so that it may complete the requalification process in a timely manner. Failure to meet the established deadlines may result in the New York town having to remain as part of the urban county for the next three-year qualification period. Furthermore, if a town notifies its respective urban county that it is leaving, and then does not sign up all the villages, then the town and any villages that have signed on to the town's decision to seek entitlement status may be excluded from the urban county but cannot receive separate metropolitan city funding because it did not qualify.

## IX. DETERMINATIONS OF ESSENTIAL POWERS

- A. For new urban counties, HUD Field Office Counsel must initially determine whether each county within its jurisdiction that is eligible to qualify as an urban county has powers to carry out essential community renewal and lower-income housing assistance activities. For requalifying urban counties, the Field Office Counsel may rely on its previous determination(s) unless there is evidence to the contrary. In assessing such evidence, Field Office counsel may consider information provided by the county and its included units of general local government as well as other relevant information obtained from independent sources.

For these purposes, the term essential community development and housing assistance activities means community renewal and lower-income housing assistance activities. Activities that may be accepted as essential community development and housing assistance activities might include but are not limited to (1) acquisition of property for disposition for private reuse, especially for low- and moderate-income housing; (2) direct rehabilitation of



or financial assistance to housing; (3) low rent housing activities; (4) disposition of land to private developers for appropriate redevelopment; and (5) condemnation of property for low-income housing.

In making the required determinations, Field Office Counsel must consider both the county's authority and, where applicable, the authority of its designated agency or agencies. Field Office Counsel shall make such determinations as identified below and concur in notifications to the county(ies) about these issues.

B. For new and requalifying counties, the notification by the Field Office required under Section II., paragraph A., must include the following determinations:

1. Whether the county is authorized to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government.
2. Which of the county's units of general local government the county is authorized to undertake essential community development and housing assistance activities without the consent of the governing body of the locality. The population of these units of local government will be counted towards qualification of the urban county unless they specifically elect to be excluded from the county for purposes of the CDBG program and so notify both the county and HUD by letter by July 14, 2023); and,
3. Which of the county's units of general local government the county is either (a) not authorized to undertake essential community development and housing assistance activities or (b) may do so only with the consent of the governing body of the locality. The population of these units of local government will only be counted if they have signed cooperation agreements with the county that meet the standards set forth in Section V. of this Notice.

**ATTACHMENT A**

**ALL CURRENTLY QUALIFIED URBAN COUNTIES**

**NEW ENGLAND FIELD OFFICES**

MAINE CUMBERLAND COUNTY

**NEW YORK/NEW JERSEY FIELD OFFICES**

NEW JERSEY	ATLANTIC COUNTY
NEW JERSEY	BERGEN COUNTY
NEW JERSEY	BURLINGTON COUNTY
NEW JERSEY	CAMDEN COUNTY
NEW JERSEY	ESSEX COUNTY
NEW JERSEY	GLOUCESTER COUNTY
NEW JERSEY	HUDSON COUNTY
NEW JERSEY	MIDDLESEX COUNTY
NEW JERSEY	MONMOUTH COUNTY
NEW JERSEY	MORRIS COUNTY
NEW JERSEY	OCEAN COUNTY
NEW JERSEY	PASSAIC COUNTY
NEW JERSEY	SOMERSET COUNTY
NEW JERSEY	UNION COUNTY

NEW YORK	DUTCHESS COUNTY
NEW YORK	ERIE COUNTY
NEW YORK	MONROE COUNTY
NEW YORK	NASSAU COUNTY
NEW YORK	ONONDAGA COUNTY
NEW YORK	ORANGE COUNTY
NEW YORK	ROCKLAND COUNTY
NEW YORK	SUFFOLK COUNTY
NEW YORK	WESTCHESTER COUNTY

**MID-ATLANTIC FIELD OFFICES**

DELAWARE NEW CASTLE COUNTY

MARYLAND	ANNE ARUNDEL COUNTY
MARYLAND	BALTIMORE COUNTY

MARYLAND  
MARYLAND  
MARYLAND  
MARYLAND

HARFORD COUNTY  
HOWARD COUNTY  
MONTGOMERY COUNTY  
PRINCE GEORGES COUNTY

PENNSYLVANIA  
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PENNSYLVANIA

ALLEGHENY COUNTY  
BEAVER COUNTY  
BERKS COUNTY  
BUCKS COUNTY  
CHESTER COUNTY  
CUMBERLAND COUNTY  
DAUPHIN COUNTY  
DELAWARE COUNTY  
LANCASTER COUNTY  
LEHIGH COUNTY  
LUZERNE COUNTY  
MONTGOMERY COUNTY  
NORTHAMPTON COUNTY  
WASHINGTON COUNTY  
WESTMORELAND COUNTY  
YORK COUNTY

VIRGINIA  
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VIRGINIA  
VIRGINIA  
VIRGINIA

ARLINGTON COUNTY  
CHESTERFIELD COUNTY  
FAIRFAX COUNTY  
HENRICO COUNTY  
LOUDOUN COUNTY  
PRINCE WILLIAM COUNTY

**SOUTHEAST/CARIBBEAN FIELD OFFICES**

ALABAMA  
ALABAMA

JEFFERSON COUNTY  
MOBILE COUNTY

FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA

BREVARD COUNTY  
BROWARD COUNTY  
CLAY COUNTY  
COLLIER COUNTY  
ESCAMBIA COUNTY  
HILLSBOROUGH COUNTY  
JACKSONVILLE-DUVAL COUNTY

FLORIDA  
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FLORIDA

LAKE COUNTY  
LEE COUNTY  
MANATEE COUNTY  
MARION COUNTY  
MIAMI-DADE COUNTY  
ORANGE COUNTY  
OSCEOLA COUNTY  
PALM BEACH COUNTY  
PASCO COUNTY  
PINELLAS COUNTY  
POLK COUNTY  
SARASOTA COUNTY  
SEMINOLE COUNTY  
ST. JOHNS COUNTY  
VOLUSIA COUNTY

GEORGIA  
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GEORGIA

CHEROKEE COUNTY  
CLAYTON COUNTY  
COBB COUNTY  
DE KALB COUNTY  
FULTON COUNTY  
GWINNETT COUNTY  
HENRY COUNTY

NORTH CAROLINA  
NORTH CAROLINA  
NORTH CAROLINA  
NORTH CAROLINA

CUMBERLAND COUNTY  
MECKLENBURG COUNTY  
UNION COUNTY  
WAKE COUNTY

SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA

BERKELEY COUNTY  
CHARLESTON COUNTY  
GREENVILLE COUNTY  
HORRY COUNTY  
LEXINGTON COUNTY  
RICHLAND COUNTY  
SPARTANBURG COUNTY

TENNESSEE  
TENNESSEE

KNOX COUNTY  
SHELBY COUNTY

**MIDWEST FIELD OFFICES**

ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS

COOK COUNTY  
DU PAGE COUNTY  
KANE COUNTY  
LAKE COUNTY  
MADISON COUNTY  
MCHENRY COUNTY  
ST. CLAIR COUNTY  
WILL COUNTY

INDIANA  
INDIANA

HAMILTON COUNTY  
LAKE COUNTY

MICHIGAN  
MICHIGAN  
MICHIGAN  
MICHIGAN  
MICHIGAN  
MICHIGAN

GENESEE COUNTY  
KENT COUNTY  
MACOMB COUNTY  
OAKLAND COUNTY  
WASHTENAW COUNTY  
WAYNE COUNTY

MINNESOTA  
MINNESOTA  
MINNESOTA  
MINNESOTA  
MINNESOTA  
MINNESOTA

ANOKA COUNTY  
DAKOTA COUNTY  
HENNEPIN COUNTY  
RAMSEY COUNTY  
ST. LOUIS COUNTY  
WASHINGTON COUNTY

OHIO  
OHIO  
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OHIO  
OHIO  
OHIO

BUTLER COUNTY  
CLERMONT COUNTY  
CUYAHOGA COUNTY  
FRANKLIN COUNTY  
HAMILTON COUNTY  
LAKE COUNTY  
MONTGOMERY COUNTY  
STARK COUNTY  
SUMMIT COUNTY  
WARREN COUNTY

WISCONSIN  
WISCONSIN  
WISCONSIN

DANE COUNTY  
MILWAUKEE COUNTY  
WAUKESHA COUNTY

**SOUTHWEST FIELD OFFICES**

LOUISIANA  
LOUISIANA

JEFFERSON PARISH  
ST. TAMMANY PARISH

OKLAHOMA

TULSA COUNTY

TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS

BEXAR COUNTY  
BRAZORIA COUNTY  
DALLAS COUNTY  
FORT BEND COUNTY  
HARRIS COUNTY  
HIDALGO COUNTY  
MONTGOMERY COUNTY  
TARRANT COUNTY  
TRAVIS COUNTY  
WILLIAMSON COUNTY

**GREAT PLAINS FIELD OFFICES**

KANSAS

JOHNSON COUNTY

MISSOURI  
MISSOURI  
MISSOURI

JEFFERSON COUNTY  
ST. LOUIS COUNTY  
ST. CHARLES COUNTY

**ROCKY MOUNTAIN FIELD OFFICES**

COLORADO  
COLORADO  
COLORADO  
COLORADO  
COLORADO

ADAMS COUNTY  
ARAPAHOE COUNTY  
EL PASO COUNTY  
JEFFERSON COUNTY  
WELD COUNTY

UTAH  
UTAH

SALT LAKE COUNTY  
UTAH COUNTY

**PACIFIC/HAWAII FIELD OFFICES**

ARIZONA

MARICOPA COUNTY







**ATTACHMENT B**

**COUNTIES SCHEDULED TO REQUALIFY IN 2023 FOR FYs 2024-2026**

**NEW YORK/NEW JERSEY FIELD OFFICES**

NEW JERSEY	BERGEN COUNTY
NEW JERSEY	BURLINGTON COUNTY
NEW JERSEY	CAMDEN COUNTY
NEW JERSEY	ESSEX COUNTY
NEW JERSEY	HUDSON COUNTY
NEW JERSEY	MIDDLESEX COUNTY
NEW JERSEY	MONMOUTH COUNTY
NEW JERSEY	MORRIS COUNTY
NEW JERSEY	UNION COUNTY

NEW YORK	ERIE COUNTY
NEW YORK	MONROE COUNTY
NEW YORK	NASSAU COUNTY
NEW YORK	ONONDAGA COUNTY
NEW YORK	ORANGE COUNTY
NEW YORK	ROCKLAND COUNTY
NEW YORK	SUFFOLK COUNTY

**MID-ATLANTIC FIELD OFFICES**

DELAWARE	NEW CASTLE COUNTY
MARYLAND	ANNE ARUNDEL COUNTY
MARYLAND	BALTIMORE COUNTY
MARYLAND	HARFORD COUNTY
MARYLAND	MONTGOMERY COUNTY
MARYLAND	PRINCE GEORGES COUNTY

PENNSYLVANIA	ALLEGHENY COUNTY
PENNSYLVANIA	BEAVER COUNTY
PENNSYLVANIA	BERKS COUNTY
PENNSYLVANIA	BUCKS COUNTY
PENNSYLVANIA	CHESTER COUNTY
PENNSYLVANIA	DELAWARE COUNTY

PENNSYLVANIA  
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PENNSYLVANIA  
PENNSYLVANIA  
PENNSYLVANIA

LANCASTER COUNTY  
LUZERNE COUNTY  
MONTGOMERY COUNTY  
WASHINGTON COUNTY  
WESTMORELAND COUNTY  
YORK COUNTY

VIRGINIA  
VIRGINIA

ARLINGTON COUNTY  
FAIRFAX COUNTY

**SOUTHEAST/CARIBBEAN FIELD OFFICES**

ALABAMA

JEFFERSON COUNTY

FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA  
FLORIDA

BROWARD COUNTY  
CLAY COUNTY  
ESCAMBIA COUNTY  
HILLSBOROUGH COUNTY  
LAKE COUNTY  
MIAMI-DADE COUNTY  
ORANGE COUNTY  
PALM BEACH COUNTY  
PINELLAS COUNTY  
POLK COUNTY  
VOLUSIA COUNTY

GEORGIA  
GEORGIA  
GEORGIA  
GEORGIA  
GEORGIA

CHEROKEE COUNTY  
COBB COUNTY  
DE KALB COUNTY  
FULTON COUNTY  
HENRY COUNTY

SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA  
SOUTH CAROLINA

BERKELEY COUNTY  
CHARLESTON COUNTY  
GREENVILLE COUNTY  
LEXINGTON COUNTY

TENNESSEE

KNOX COUNTY

**MIDWEST FIELD OFFICES**

ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
ILLINOIS  
MICHIGAN  
MICHIGAN  
MICHIGAN  
MICHIGAN  
MICHIGAN  
MICHIGAN

COOK COUNTY  
DU PAGE COUNTY  
LAKE COUNTY  
MADISON COUNTY  
ST. CLAIR COUNTY  
WILL COUNTY  
GENESEE COUNTY  
KENT COUNTY  
MACOMB COUNTY  
OAKLAND COUNTY  
WASHTENAW COUNTY  
WAYNE COUNTY

MINNESOTA

HENNEPIN COUNTY

OHIO  
OHIO  
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OHIO  
OHIO

CLERMONT COUNTY  
CUYAHOGA COUNTY  
FRANKLIN COUNTY  
HAMILTON COUNTY  
LAKE COUNTY  
MONTGOMERY COUNTY  
STARK COUNTY  
SUMMIT COUNTY  
WARREN COUNTY

WISCONSIN

MILWAUKEE COUNTY

**SOUTHWEST FIELD OFFICES**

LOUISIANA

JEFFERSON PARISH

TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS

DALLAS COUNTY  
HARRIS COUNTY  
HIDALGO COUNTY  
TARRANT COUNTY  
TRAVIS COUNTY

**GREAT PLAINS FIELD OFFICES**

MISSOURI

ST. LOUIS COUNTY

**ROCKY MOUNTAIN FIELD OFFICES**

COLORADO	EL PASO COUNTY
COLORADO	JEFFERSON COUNTY
COLORADO	WELD COUNTY
UTAH	SALT LAKE COUNTY

**PACIFIC/HAWAII FIELD OFFICES**

ARIZONA	MARICOPA COUNTY
CALIFORNIA	ALAMEDA COUNTY
CALIFORNIA	CONTRA COSTA COUNTY
CALIFORNIA	FRESNO COUNTY
CALIFORNIA	KERN COUNTY
CALIFORNIA	LOS ANGELES COUNTY
CALIFORNIA	MARIN COUNTY
CALIFORNIA	ORANGE COUNTY
CALIFORNIA	RIVERSIDE COUNTY
CALIFORNIA	SACRAMENTO COUNTY
CALIFORNIA	SAN BERNARDINO COUNTY
CALIFORNIA	SAN DIEGO COUNTY
CALIFORNIA	SAN JOAQUIN COUNTY
CALIFORNIA	SAN LUIS OBISPO COUNTY
CALIFORNIA	SAN MATEO COUNTY
CALIFORNIA	SANTA CLARA COUNTY
CALIFORNIA	SONOMA COUNTY
NEVADA	CLARK COUNTY

**NORTHWEST/ALASKA FIELD OFFICES**

OREGON	CLACKAMAS COUNTY
OREGON	MARION COUNTY
OREGON	WASHINGTON COUNTY
WASHINGTON	CLARK COUNTY
WASHINGTON	KING COUNTY
WASHINGTON	PIERCE COUNTY
WASHINGTON	SNOHOMISH COUNTY

WASHINGTON

SPOKANE COUNTY

**ATTACHMENT C**

**COUNTIES SCHEDULED TO REQUALIFY IN 2024 FOR FYs 2025-2027**

<b>NEW ENGLAND FIELD OFFICES</b>	
MAINE	CUMBERLAND COUNTY
<b>NEW YORK/NEW JERSEY FIELD OFFICES</b>	
NEW JERSEY	ATLANTIC COUNTY
NEW YORK	DUTCHESS COUNTY
NEW YORK	WESTCHESTER COUNTY
<b>MID-ATLANTIC FIELD OFFICES</b>	
PENNSYLVANIA	LEHIGH COUNTY
PENNSYLVANIA	NORTHAMPTON COUNTY
VIRGINIA	CHESTERFIELD COUNTY
VIRGINIA	LOUDOUN COUNTY
VIRGINIA	PRINCE WILLIAM COUNTY
<b>SOUTHEAST/CARIBBEAN FIELD OFFICES</b>	
FLORIDA	BREVARD COUNTY
FLORIDA	COLLIER COUNTY
FLORIDA	JACKSONVILLE-DUVAL COUNTY
FLORIDA	OSCEOLA COUNTY
FLORIDA	PASCO COUNTY
FLORIDA	SEMINOLE COUNTY
FLORIDA	ST. JOHNS COUNTY
GEORGIA	CLAYTON COUNTY
GEORGIA	GWINNETT COUNTY
NORTH CAROLINA	CUMBERLAND COUNTY
NORTH CAROLINA	MECKLENBURG COUNTY
NORTH CAROLINA	UNION COUNTY
NORTH CAROLINA	WAKE COUNTY
SOUTH CAROLINA	SPARTANBURG COUNTY

TENNESSEE	SHELBY COUNTY
<b>MIDWEST FIELD OFFICES</b>	
ILLINOIS	KANE COUNTY
ILLINOIS	MCHENRY COUNTY
INDIANA	HAMILTON COUNTY
INDIANA	LAKE COUNTY
MINNESOTA	RAMSEY COUNTY
MINNESOTA	WASHINGTON COUNTY
<b>SOUTHWEST FIELD OFFICES</b>	
TEXAS	BEXAR COUNTY
TEXAS	BRAZORIA COUNTY
TEXAS	FORT BEND COUNTY
TEXAS	MONTGOMERY COUNTY
TEXAS	WILLIAMSON COUNTY
<b>GREAT PLAINS FIELD OFFICES</b>	
KANSAS	JOHNSON COUNTY
MISSOURI	JEFFERSON COUNTY
<b>ROCKY MOUNTAIN FIELD OFFICES</b>	
COLORADO	ADAMS COUNTY
COLORADO	ARAPAHOE COUNTY
<b>PACIFIC/HAWAII FIELD OFFICES</b>	
ARIZONA	PINAL COUNTY
CALIFORNIA	MONTEREY COUNTY
CALIFORNIA	SANTA BARBARA COUNTY
CALIFORNIA	VENTURA COUNTY

<b>NORTHWEST/ALASKA FIELD OFFICES</b>	
OREGON	MULTNOMAH COUNTY
WASHINGTON	THURSTON COUNTY



**ATTACHMENT D**

**COUNTIES SCHEDULED TO REQUALIFY IN 2025 FOR FYs 2026-2028**

**NEW YORK/NEW JERSEY FIELD OFFICES**

NEW JERSEY	GLOUCESTER COUNTY
NEW JERSEY	OCEAN COUNTY
NEW JERSEY	PASSAIC COUNTY
NEW JERSEY	SOMERSET COUNTY

**MID-ATLANTIC FIELD OFFICES**

MARYLAND	HOWARD COUNTY
PENNSYLVANIA	CUMBERLAND COUNTY
PENNSYLVANIA	DAUPHIN COUNTY
VIRGINIA	HENRICO COUNTY

**SOUTHEAST/CARIBBEAN FIELD OFFICES**

ALABAMA	MOBILE COUNTY
FLORIDA	LEE COUNTY
FLORIDA	MANATEE COUNTY
FLORIDA	MARION COUNTY
FLORIDA	SARASOTA COUNTY
SOUTH CAROLINA	HORRY COUNTY
SOUTH CAROLINA	RICHLAND COUNTY

**MIDWEST FIELD OFFICES**

MINNESOTA	ANOKA COUNTY
MINNESOTA	DAKOTA COUNTY
MINNESOTA	ST LOUIS COUNTY
OHIO	BUTLER COUNTY

WISCONSIN  
WISCONSIN

DANE COUNTY  
WAUKESHA COUNTY

**SOUTHWEST FIELD OFFICES**

LOUISIANA

ST. TAMMANY PARISH

OKLAHOMA

TULSA COUNTY

**GREAT PLAINS FIELD OFFICES**

MISSOURI

ST. CHARLES COUNTY

**ROCKY MOUNTAIN FIELD OFFICES**

UTAH

UTAH COUNTY

**PACIFIC/HAWAII FIELD OFFICES**

ARIZONA

PIMA COUNTY

CALIFORNIA

STANISLAUS COUNTY

**NORTHWEST/ALASKA FIELD OFFICES**

WASHINGTON

KITSAP COUNTY

**ATTACHMENT E**

**COUNTIES QUALIFIED THROUGH 2024 OR 2025 THAT CONTAIN  
NON-PARTICIPATING COMMUNITIES**

**NEW ENGLAND FIELD OFFICES**

CUMBERLAND COUNTY MAINE

**NEW YORK/NEW JERSEY FIELD OFFICES**

ATLANTIC COUNTY NEW JERSEY

WESTCHESTER COUNTY NEW YORK

**MID-ATLANTIC FIELD OFFICES**

DAUPHIN COUNTY PENNSYLVANIA

LEHIGH COUNTY PENNSYLVANIA

**SOUTHEAST/CARIBBEAN FIELD OFFICES**

MOBILE COUNTY ALABAMA

BREVARD COUNTY FLORIDA

COLLIER COUNTY FLORIDA

JACKSONVILLE-DUVAL COUNTY FLORIDA

MANATEE COUNTY FLORIDA

MARION COUNTY FLORIDA

PASCO COUNTY FLORIDA

SARASOTA COUNTY FLORIDA

ST. JOHNS COUNTY FLORIDA

CLAYTON COUNTY GEORGIA

GWINNETT COUNTY GEORGIA

MECKLENBURG COUNTY NORTH CAROLINA

UNION COUNTY NORTH CAROLINA

WAKE COUNTY NORTH CAROLINA

HORRY COUNTY SOUTH CAROLINA

RICHLAND COUNTY  
SPARTANBURG COUNTY

SOUTH CAROLINA  
SOUTH CAROLINA

**MIDWEST FIELD OFFICES**

KANE COUNTY  
MCHENRY COUNTY

ILLINOIS  
ILLINOIS

HAMILTON COUNTY

INDIANA

RAMSEY COUNTY  
ST. LOUIS COUNTY  
WASHINGTON COUNTY

MINNESOTA  
MINNESOTA  
MINNESOTA

BUTLER COUNTY

OHIO

DANE COUNTY  
WAUKESHA COUNTY

WISCONSIN  
WISCONSIN

**SOUTHWEST FIELD OFFICES**

TULSA COUNTY

OKLAHOMA

BEXAR COUNTY  
BRAZORIA COUNTY  
FORT BEND COUNTY  
MONTGOMERY COUNTY  
WILLIAMSON COUNTY

TEXAS  
TEXAS  
TEXAS  
TEXAS  
TEXAS

**GREAT PLAINS FIELD OFFICES**

JEFFERSON COUNTY  
ST. CHARLES COUNTY

MISSOURI  
MISSOURI

**ROCKY MOUNTAIN FIELD OFFICES**

ARAPAHOE COUNTY

COLORADO

UTAH COUNTY

UTAH

**PACIFIC/HAWAII FIELD OFFICES**

PIMA COUNTY  
PINAL COUNTY

ARIZONA  
ARIZONA

MONTEREY COUNTY  
SANTA BARBARA COUNTY

CALIFORNIA  
CALIFORNIA

**NORTHWEST/ALASKA FIELD OFFICES**

MULTNOMAH COUNTY

OREGON

KITSAP COUNTY  
THURSTON COUNTY

WASHINGTON  
WASHINGTON

ATTACHMENT F  
 LIST OF COUNTIES THAT MAY QUALIFY AS URBAN COUNTIES  
 IF METROPOLITAN CITIES RELINQUISH THEIR STATUS

State	Name	POP21
<b>AL</b>	<b>Madison County</b>	<b>395,211</b>
AL	Huntsville city (pt.)	212,359
<b>AL</b>	<b>Montgomery County</b>	<b>227,434</b>
AL	Montgomery city	198,665
<b>AL</b>	<b>Tuscaloosa County</b>	<b>227,007</b>
AL	Tuscaloosa city	100,618
<b>AR</b>	<b>Benton County</b>	<b>293,692</b>
AR	Bentonville city	56,734
AR	Rogers city	71,112
AR	Springdale city (pt.)	12,106
<b>AR</b>	<b>Pulaski County</b>	<b>397,821</b>
AR	Jacksonville city	29,305
AR	Little Rock city	201,998
AR	North Little Rock city	64,162
<b>AR</b>	<b>Washington County</b>	<b>250,057</b>
AR	Fayetteville city	95,230
AR	Springdale city (pt.)	75,503
<b>AZ</b>	<b>Yavapai County</b>	<b>242,253</b>
AZ	Prescott city	46,833
<b>AZ</b>	<b>Yuma County</b>	<b>206,990</b>
AZ	Yuma city	97,093
<b>CA</b>	<b>Butte County</b>	<b>208,309</b>
CA	Chico city	102,338
CA	Paradise town	5,268
CA	Springdale city (pt.)	75,503
<b>CA</b>	<b>Merced County</b>	<b>286,461</b>
CA	Merced city	89,308
<b>CA</b>	<b>Placer County</b>	<b>412,300</b>
CA	Rocklin city	72,975
CA	Roseville city	151,901
<b>CA</b>	<b>Santa Cruz County</b>	<b>267,792</b>
CA	Santa Cruz city	61,950
CA	Watsonville city	52,067

State	Name	POP21
<b>CA</b>	<b>Solano County</b>	<b>451,716</b>
CA	Fairfield city	119,705
CA	Vacaville city	103,078
CA	Vallejo city	124,886
<b>CA</b>	<b>Yolo County</b>	<b>216,986</b>
CA	Davis city	66,799
CA	West Sacramento city	53,637
CA	Woodland city	61,398
<b>CO</b>	<b>Boulder County</b>	<b>329,543</b>
CO	Boulder city	104,175
CO	Longmont city (pt.)	99,463
<b>CO</b>	<b>Larimer County</b>	<b>362,533</b>
CO	Fort Collins city	168,538
CO	Loveland city	77,194
<b>FL</b>	<b>Alachua County</b>	<b>279,238</b>
FL	Gainesville city	140,398
<b>FL</b>	<b>Leon County</b>	<b>292,817</b>
FL	Tallahassee city	197,102
<b>FL</b>	<b>Okaloosa County</b>	<b>213,255</b>
FL	Crestview city	27,820
FL	Fort Walton Beach city	20,879
<b>FL</b>	<b>St. Lucie County</b>	<b>343,579</b>
FL	Fort Pierce city	47,927
FL	Port St. Lucie city	217,523
<b>GA</b>	<b>Chatham County</b>	<b>296,329</b>
GA	Savannah city	147,088
<b>GA</b>	<b>Hall County</b>	<b>207,369</b>
GA	Gainesville city	43,417
<b>IA</b>	<b>Linn County</b>	<b>228,939</b>
IA	Cedar Rapids city	136,467
<b>ID</b>	<b>Ada County</b>	<b>511,931</b>
ID	Boise City city	237,446
ID	Meridian city	125,963
<b>ID</b>	<b>Canyon County</b>	<b>243,115</b>
ID	Caldwell city	63,629
ID	Nampa city	106,186
<b>IL</b>	<b>Champaign County</b>	<b>205,943</b>
IL	Champaign city	89,114
IL	Rantoul village	12,119
IL	Urbana city	38,681

<b>State</b>	<b>Name</b>	<b>POP21</b>
<b>IL</b>	<b>Winnebago County</b>	<b>283,119</b>
IL	Rockford city (pt.)	147,711
<b>IN</b>	<b>Allen County</b>	<b>388,608</b>
IN	Fort Wayne city	265,974
<b>IN</b>	<b>Elkhart County</b>	<b>206,921</b>
IN	Elkhart city	53,949
IN	Goshen city	34,756
<b>IN</b>	<b>St. Joseph County</b>	<b>272,212</b>
IN	Mishawaka city	51,074
IN	South Bend city	103,353
<b>KS</b>	<b>Sedgwick County</b>	<b>523,828</b>
KS	Wichita city	395,699
<b>LA</b>	<b>Caddo Parish</b>	<b>233,092</b>
LA	Shreveport city (pt.)	181,146
<b>LA</b>	<b>Calcasieu Parish</b>	<b>205,282</b>
LA	Lake Charles city	81,097
<b>ME</b>	<b>York County</b>	<b>214,591</b>
ME	Biddeford city	22,569
<b>MI</b>	<b>Ingham County</b>	<b>284,034</b>
MI	East Lansing city (pt.)	44,417
MI	Lansing city (pt.)	107,653
<b>MI</b>	<b>Kalamazoo County</b>	<b>261,108</b>
MI	Kalamazoo city	73,257
MI	Portage city	48,844
<b>MO</b>	<b>Clay County</b>	<b>255,518</b>
MO	Kansas City city (pt.)	139,432
<b>MO</b>	<b>Greene County</b>	<b>300,865</b>
MO	Springfield city (pt.)	169,722
<b>MO</b>	<b>Jackson County</b>	<b>716,862</b>
MO	Blue Springs city	59,430
MO	Independence city (pt.)	122,088
MO	Kansas City city (pt.)	314,956
MO	Lee's Summit city (pt.)	100,061
<b>MS</b>	<b>Harrison County</b>	<b>209,396</b>
MS	Biloxi city	49,241
MS	Gulfport city	72,105
<b>MS</b>	<b>Hinds County</b>	<b>222,679</b>
MS	Jackson city (pt.)	149,387
<b>NC</b>	<b>Buncombe County</b>	<b>271,534</b>
NC	Asheville city	94,067



<b>State</b>	<b>Name</b>	<b>POP21</b>
NC	<b>Cabarrus County</b>	<b>231,278</b>
NC	Concord city	107,697
NC	Kannapolis city (pt.)	43,875
NC	<b>Durham County</b>	<b>326,126</b>
NC	Chapel Hill town (pt.)	2,847
NC	Durham city (pt.)	285,115
NC	Raleigh city (pt.)	1,540
NC	<b>Forsyth County</b>	<b>385,523</b>
NC	High Point city (pt.)	80
NC	Winston-Salem city	250,320
NC	<b>Gaston County</b>	<b>230,856</b>
NC	Gastonia city	81,161
NC	<b>Guilford County</b>	<b>542,410</b>
NC	Burlington city (pt.)	1,892
NC	Greensboro city	298,263
NC	High Point city (pt.)	107,265
NC	<b>New Hanover County</b>	<b>229,018</b>
NC	Wilmington city	117,643
NC	<b>Onslow County</b>	<b>206,160</b>
NC	Jacksonville city	72,876
NE	<b>Douglas County</b>	<b>585,008</b>
NE	Omaha city	487,300
NE	<b>Lancaster County</b>	<b>324,514</b>
NE	Lincoln city	292,657
NM	<b>Bernalillo County</b>	<b>674,393</b>
NM	Albuquerque city	562,599
NM	Rio Rancho city (pt.)	5
NM	<b>Doña Ana County</b>	<b>221,508</b>
NM	Las Cruces city	112,914
NV	<b>Washoe County</b>	<b>493,392</b>
NV	Reno city	268,851
NV	Sparks city	109,796
NY	<b>Niagara County</b>	<b>211,653</b>
NY	Niagara Falls city	48,360
NY	<b>Oneida County</b>	<b>230,274</b>
NY	Rome city	31,974
NY	Utica city	64,501
OH	<b>Lorain County</b>	<b>315,595</b>
OH	Elyria city	52,816
OH	Lorain city	65,430

State	Name	POP21
<b>OH</b>	<b>Lucas County</b>	<b>429,191</b>
OH	Toledo city	268,508
<b>OH</b>	<b>Mahoning County</b>	<b>226,762</b>
OH	Alliance city (pt.)	46
OH	Youngstown city (pt.)	60,268
<b>OH</b>	<b>Trumbull County</b>	<b>201,335</b>
OH	Warren city	39,020
OH	Youngstown city (pt.)	2
<b>OK</b>	<b>Cleveland County</b>	<b>297,597</b>
OK	Moore city	63,462
OK	Norman city	128,097
OK	Oklahoma City city (pt.)	78,976
<b>OK</b>	<b>Oklahoma County</b>	<b>798,575</b>
OK	Edmond city	95,341
OK	Midwest City city	58,145
OK	Oklahoma City city (pt.)	527,861
<b>OR</b>	<b>Deschutes County</b>	<b>204,801</b>
OR	Bend city	102,059
OR	Redmond city	35,582
<b>OR</b>	<b>Jackson County</b>	<b>223,734</b>
OR	Ashland city	21,607
OR	Medford city	86,367
<b>OR</b>	<b>Lane County</b>	<b>383,189</b>
OR	Eugene city	175,096
OR	Springfield city	62,256
<b>PA</b>	<b>Erie County</b>	<b>269,011</b>
PA	Erie city	93,999
<b>PA</b>	<b>Lackawanna County</b>	<b>215,663</b>
PA	Scranton city	75,874
<b>SC</b>	<b>Anderson County</b>	<b>206,908</b>
SC	Anderson city	29,284
<b>TN</b>	<b>Hamilton County</b>	<b>369,135</b>
TN	Chattanooga city	182,113
<b>TN</b>	<b>Montgomery County</b>	<b>227,900</b>
TN	Clarksville city	170,957
<b>TN</b>	<b>Rutherford County</b>	<b>352,182</b>
TN	Murfreesboro city	157,519
<b>TN</b>	<b>Williamson County</b>	<b>255,735</b>
TN	Franklin city	85,469

State	Name	POP21
<b>TX</b>	<b>Bell County</b>	<b>379,617</b>
TX	Killeen city	156,261
TX	Temple city	85,416
<b>TX</b>	<b>Brazos County</b>	<b>237,032</b>
TX	Bryan city	86,866
TX	College Station city	120,019
<b>TX</b>	<b>Cameron County</b>	<b>423,029</b>
TX	Brownsville city	187,831
TX	Harlingen city	71,925
TX	San Benito city	24,780
<b>TX</b>	<b>El Paso County</b>	<b>867,947</b>
TX	El Paso city	678,415
<b>TX</b>	<b>Galveston County</b>	<b>355,062</b>
TX	Galveston city	53,219
TX	League City city (pt.)	113,073
TX	Texas City city (pt.)	54,247
<b>TX</b>	<b>Hays County</b>	<b>255,397</b>
TX	Austin city (pt.)	975
TX	San Marcos city (pt.)	68,577
<b>TX</b>	<b>Jefferson County</b>	<b>253,704</b>
TX	Beaumont city	112,556
TX	Port Arthur city (pt.)	55,645
<b>TX</b>	<b>Lubbock County</b>	<b>314,451</b>
TX	Lubbock city	260,993
<b>TX</b>	<b>McLennan County</b>	<b>263,115</b>
TX	Waco city	139,594
<b>TX</b>	<b>Nueces County</b>	<b>353,079</b>
TX	Corpus Christi city (pt.)	317,773
<b>TX</b>	<b>Smith County</b>	<b>237,186</b>
TX	Tyler city	107,192
<b>TX</b>	<b>Webb County</b>	<b>267,945</b>
TX	Laredo city	256,153
<b>UT</b>	<b>Weber County</b>	<b>267,066</b>
UT	Ogden city	86,798
<b>WA</b>	<b>Benton County</b>	<b>210,025</b>
WA	Kennewick city	84,488
WA	Richland city	61,929
<b>WA</b>	<b>Whatcom County</b>	<b>228,831</b>
WA	Bellingham city	92,289
<b>WA</b>	<b>Yakima County</b>	<b>256,035</b>
WA	Yakima city	96,578

<b>State</b>	<b>Name</b>	<b>POP21</b>
WI	<b>Brown County</b>	<b>269,591</b>
WI	Green Bay city	107,015

ATTACHMENT G

COUNTIES PREVIOUSLY IDENTIFIED AS ELIGIBLE BUT  
HAVE NOT ACCEPTED URBAN COUNTY STATUS

**NEW ENGLAND FIELD OFFICES**

NEW HAMPSHIRE

HILLSBOROUGH COUNTY  
ROCKINGHAM COUNTY

**NEW YORK/NEW JERSEY OFFICES**

NEW YORK

SARATOGA COUNTY

**MID-ATLANTIC FIELD OFFICES**

DELAWARE

SUSSEX COUNTY

MARYLAND

FREDERICK COUNTY

**SOUTHEAST/CARIBBEAN FIELD OFFICES**

ALABAMA

SHELBY COUNTY

FLORIDA

HERNANDO COUNTY

GEORGIA

FORSYTH COUNTY

TENNESSEE

SUMNER COUNTY

**MIDWEST FIELD OFFICES**

MICHIGAN

OTTAWA COUNTY

OHIO

DELAWARE COUNTY

**SOUTHWEST FIELD OFFICES**

TEXAS

COLLIN COUNTY  
DENTON COUNTY  
ELLIS COUNTY

**GREAT PLAINS FIELD OFFICES**

IOWA

POLK COUNTY

**ROCKY MOUNTAIN FIELD OFFICES**

UTAH

DAVIS COUNTY

**PACIFIC/HAWAII FIELD OFFICES**

ARIZONA

MOHAVE COUNTY\*

CALIFORNIA

TULARE COUNTY

\*Mohave County may only qualify as an urban county if the cities of Kingman and Lake Havasu both decide not to accept their entitlement status.

**AMENDMENT No. 1 to JOINT EXERCISE POWERS AGREEMENT AND COOPERATION AGREEMENT TO UNDERTAKE OR TO ASSIST IN THE UNDERTAKING OF ESSENTIAL ACTIVITIES PURUSANT TO TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, FOR THE PERIOD OF OCTOBER 1, 2017 TO SEPTEMBER 30, 2020 AND SUBSEQUENT AUTOMATIC RENEWALS UNLESS TERMINATED**

**This Amendment No.1 is entered into by and between the County of Santa Clara (“County”) and the City of “City Name” (“City”) as of August \_\_, 2023 (the “Effective Date”) in order to amend that certain above referenced Joint Exercise of Powers Agreement and Cooperation Agreement dated [July 19, 2017] (the “Agreement”).**

**The County and the City hereby agree that Section 10** of the Agreement is amended by deleting the entirety of Section 10 in the original Agreement and replacing it with the following:

**Section 10. ORIGINAL**

10. Compliance with Legislation and Regulations.

City and County agree, pursuant to 24 CFR 570.501(b) that cities are subject to the same requirements applicable to subrecipients, including the requirement of a written agreement between the County and the City specific to the proposed Proposal as set forth in 24 CFR 570.503. City understands and agrees that should it fail to comply with such requirements or with the terms of this Agreement, that funds which may be allocated to City during the term of this Agreement may be terminated or reduced or otherwise limited in accordance with the Urban County Program and Regulations.

City and County agree to undertake, or assist in the undertaking, community renewal and lower-income housing assistance activities.

County and City shall comply with all applicable requirements of the Urban County Program and associated regulations, in utilizing grant funds under legislation that created and govern these grants, and shall take all actions necessary to assure compliance with the urban county's certification under Section 104(b) of Title I of the Housing and Community Development Act of 1974, that the grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 CFR part 1, and the Fair Housing Act, and the implementing regulations at 24 CFR part 100, and will affirmatively further fair housing. (See 24 CFR § 91.225(a) and Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021), to be codified at 24 CFR 5.151 and 5.152, available at .) County and City shall comply with Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR part 6, which incorporates Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR part 8, Title II of the Americans with Disabilities Act, and the implementing regulations at 28 CFR part 35, the Age Discrimination Act of 1975, and the implementing regulation at 24 CFR part 146, and Section 3 of the Housing and Urban Development Act of 1968. The County and City shall comply with all other applicable laws.

The City agrees that use of Urban County Program funding for activities in or in support of City is prohibited if City does not affirmatively further fair housing within its own jurisdiction as defined by Federal law or impedes County actions to comply with its fair housing certification included with the Annual Action Plan. **If requested, the City shall execute assurances and certifications in HUD 424-B** to demonstrate how it complies with the fair housing requirement.

Furthermore, City hereby covenants by and for itself, its successors and assigns, and all persons claiming under or through it that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, familial status, disability, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any project funded by Urban County Program funds, nor shall City itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in any project funded as a result of this Agreement.

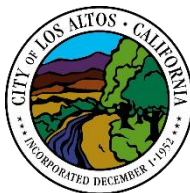
The City hereby covenants has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations. Furthermore, the City has adopted and is enforcing a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within such jurisdictions.

Except as herein modified, all other provisions of the Agreement, including any subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS THEREOF, the parties have by their duty authorized representatives executed this Amendment effective as of the Effective Date.

[insert signature blocks]





### AGENDA REPORT SUMMARY

**Meeting Date:** September 12, 2023

**Subject:** Introduce and waive further reading of an ordinance of bidding procedures under the California Uniform Public Construction Cost Accounting Act; find that the adoption of the ordinance is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061.

**Prepared by:** June Du, Finance Director  
**Approved by:** Gabriel Engeland, City Manager

**Initiated by:**  
City Council.

**Environmental Review:**  
The ordinance is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) in that the ordinance will merely affect administrative processes and will not have foreseeable environmental effects, and none of the circumstances in CEQA Guidelines Section 15300.2 applies.

**Fiscal Impact:**  
None.

- Attachments:**
1. Draft Ordinance
  2. Resolution

**Summary:**  
Adding a standalone chapter 3.16 to the Los Altos Municipal Code for bidding procedures under the Uniform Public Construction Cost Accounting Act. The proposed ordinance further defined the bidding procedures in the City’s purchasing policy and represents best practices for the construction bidding procedures.

**Staff Recommendation:**  
Introduce and waive further reading of an ordinance of the City Council of the City of Los Altos adding chapter 3.16 to the Los Altos municipal code to provide for bidding procedures under the Uniform Public Construction Cost Accounting Act.



**Subject:** Ordinance of Bidding Procedures under the Uniform Public Construction Cost Accounting Act

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**Background**

What is the Uniform Public Construction Cost Accounting Act (Act)?

The Act is legislation that was enacted in 1983 to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state” (Section 22001). The Act is a voluntary program available to all public entities in the State, but it applies only to those public agencies that have “opted in” to the provisions set forth by the Act using the processes outlined in the Act. The entirety of the Act is found at Sections 22000-22045. In exchange for opting voluntarily to comply with cost accounting requirements that establish best practices for local agencies to follow, local agencies benefit from the option to use informal bidding procedures for small- to mid-sized public works projects.

The Act allows for public project work in the amount of \$60,000 or less to be performed by a public agency’s force account using the public agency’s own resources, or by negotiated contract, or by purchase order (Section 22032(a)). Public projects in the amount of \$200,000 or less may use the informal or formal bidding procedures set forth in Section 22032(b) or (c) of the Act. Public projects at a cost of more than \$200,000 must use formal bidding procedures to let the contract pursuant PCC Section 22032(c).

Process:

At least once per calendar year, each participating public agency that has elected to become subject to the Act and intends to use the notice provisions outlined in Section 22034(a) must establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for that Agency under Section 22036. *Qualified contractors* are contractors licensed by the State to perform the subject work. The notice must invite all licensed contractors to submit the name of their firms to the Agency for inclusion on the Agency’s list of qualified bidders for the following twelve (12) months. Effective January 1, 2016, a participating agency can choose a specific date of their choice in which to renew its list of qualified contractors.

**Discussion**

Staff is recommending to “opt-in” to the Uniform Public Construction Cost Accounting Act. Many participating agencies appreciate the program because it has given them more leeway in the execution of public works projects under a certain dollar amount; speed up the award process; expedited project delivery; reduced the time, effort, and expense associated with bidding projects under \$200,000; and simplified administration for those projects. Moreover, adjustments, when



**Subject:** Ordinance of Bidding Procedures under the Uniform Public Construction Cost Accounting Act

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required, have been relatively simple; most required procedures were already in place, so there were few, if any, major changes to existing operations.

**RESOLUTION NO. 2023-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS  
ELECTING TO BECOME SUBJECT TO THE  
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

**WHEREAS**, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

**WHEREAS**, Public Contract Code Section 22000, et seq., which is known and cited as the Uniform Public Construction Cost Accounting Act (the “Act”), establishes such uniform cost accounting standards; and

**WHEREAS**, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects (the “Procedures”); and

**WHEREAS**, a local public agency is not subject to the Act unless its governing body voluntarily elects to become subject to the Act and the Procedures; and

**WHEREAS**, for local public agencies that are subject to the Act and the Procedures, the Act provides alternative processes that may be used for letting certain smaller public projects out to bid; and

**WHEREAS**, as set forth in the accompanying staff report, staff recommends the Procedures and the Act’s alternative processes for smaller public projects as best practices in the performance of or in the contracting for public projects.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council of the City of Los Altos hereby elects under Public Contract Code Section 22030 to become subject to the Act and the Procedures, as they may each from time to time be amended, and directs the City Manager or designee to notify the State Controller forthwith of this election at the following address or such other address as may be provided for by the State Controller for this purpose:

Office of the State Controller  
Local Government Programs & Services Division  
Local Government Policy Section  
3301 C Street, Suite 740  
Sacramento, CA 95816

**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 \_\_\_\_ day of \_\_\_\_, 2023 by the following vote:

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

\_\_\_\_\_  
Sally Meadows, MAYOR

Attest:

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

**ORDINANCE NO. 2023-\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS ADDING CHAPTER 3.16 TO THE LOS ALTOS MUNICIPAL CODE TO PROVIDE FOR BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

**WHEREAS**, the City Council of the City of Los Altos has elected for the City to become subject to the Uniform Public Construction Cost Accounting Act, Public Contract Code Section 22000, et seq. (the “Act”) and its implementing procedures; and

**WHEREAS**, the Act provides for the use of informal bidding procedures in connection with certain smaller public projects, but requires formal bidding procedures for larger projects; and

**WHEREAS**, the City Council desires to adopt the bidding procedures set forth in the Act; 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 CODE.** Chapter 3.16 is hereby added to the Los Altos Municipal Code, as follows:

**Section 3.16.010. Preliminary Matters.**

- A. This chapter is adopted pursuant to the Uniform Public Construction Cost Accounting Act, Public Contract Code Section 22000, et seq.
- B. As used in this chapter, the term “public project” has the meaning given in Public Contract Code Section 22002 or successor statute, as the same may be amended from time to time.
- C. Monetary thresholds set forth in this chapter are for ease of reference. If the monetary thresholds set forth in Public Contract Code Section 22032 or successor statute are amended or adjusted from time to time, then such amended or adjusted thresholds shall prevail over those specified herein.
- D. Any reference in this chapter to the city manager includes a designee of the city manager.
- E. If a contract for a public project is awarded by the city manager pursuant to this chapter, then, (i) the city manager shall make any and all findings for the project required under the California Environmental Quality Act, Public Resources Code Section 21000, et seq., (ii) the city manager shall be deemed to have approved the plans for the project, and (iii) the city manager shall consider and finally decide any protests. If the contract is awarded by the city council, then the city council shall be responsible for environmental review and

for deciding any protests, and it shall be deemed to have approved the plans for the project.

- F. A public project shall not be split into multiple contracts for the purpose of evading compliance with this chapter.

**Section 3.16.020. Minor Project Procedure.** Public projects of sixty thousand dollars (\$60,000) or less may be performed by force account, by negotiated contract, or by purchase order. Procedures for contracting by negotiated contract or purchase order shall be adopted by the city manager for inclusion in the city’s purchasing policy. Such procedures shall, except where sole source procurement is justified, require the solicitation of quotations from at least three qualified contractors prior to entering a contract or issuing a purchase order for the work.

**Section 3.16.030. Informal Bidding Procedure.**

- A. This section is intended to implement Public Contract Code Section 22034 or successor statute, as the same may be amended from time to time.
- B. Public projects of two hundred thousand dollars (\$200,000) or less may be let out to bid as set forth in this section.

C. Contractors List.

- 1. At least once a calendar year, the city manager shall establish a list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated under Public Contract Code Section 22036 or successor statute, as the same may be amended from time to time. The notice shall invite all licensed contractors to submit the name of their firm to the city for inclusion in the city’s list of qualified bidders pursuant to this section.
- 2. The notice shall require that the contractor provide:
  - a. The name and address to which a notice to contractors or proposal should be mailed, faxed, or emailed;
  - b. A phone number at which the contractor may be reached;
  - c. The type of work in which the contractor is interested;
  - d. The class of contractor’s license(s) held; and
  - e. The contractor license number(s).
- 3. If a contractor provides the information required above and is licensed to do the type of work in which the contractor is interested, then the contractor shall be added to the city’s list of qualified contractors. Other qualified contractors may also be added to the list in the city manager’s discretion.

4. A contractor may have his or her firm added to the list at any time by providing the information required.

D. Notice Inviting Informal Bids.

1. Where a public project is subject to this section, a notice inviting informal bids shall be circulated using one or both of the following alternatives:
  - a. Notices inviting informal bids may be mailed, faxed, or emailed, at a minimum, to all contractors for the category of work to be bid, as shown on the contractors list developed in accordance with this section.
  - b. Notices inviting informal bids may be mailed, at a minimum, to all construction trade journals as specified by the Uniform Construction Cost Accounting Commission in accordance with Public Contract Code Section 22036 or successor statute, as the same may be amended from time to time.
2. The notice inviting informal bids shall describe the project in general terms and shall indicate how to obtain more detailed information about the project. The notice shall also state the time and place for submission of bids and the manner in which bids shall be submitted to be considered.
3. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

- E. Following the deadline to receive bids, and unless all bids received are more than two hundred thousand dollars (\$200,000), the city manager shall award the contract for the public project to the lowest responsive, responsible bidder. If all bids received are more than two hundred thousand dollars (\$200,000), the city council may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand five hundred dollars (\$212,500) or less, to the lowest responsive, responsible bidder, if it determines that the city's cost estimate was reasonable.

**Section 3.16.040. Formal Bidding Procedure.** Except as otherwise set forth in this chapter, the formal bidding procedures set forth in Public Contract Code Section 22037, et seq. (or successor statutes, as the same may be amended from time to time) shall be used to award any contract for a public project in an amount more than two hundred thousand dollars (\$200,000). These formal bidding procedures may be supplemented by procedures set forth in the city's purchasing policy. In the city manager's discretion, smaller public projects may be let out to bid using formal bidding procedures in lieu of the informal procedures set forth in this chapter. When formal bidding procedures are used, the city council shall be the awarding body for the contract.

**Section 3.16.050. Emergency Procedure.** Notwithstanding anything to the contrary in this chapter, in an emergency, a public contract may be let out as set forth in Public Contract Code Section 22035 or successor statute, as the same may be amended from time to time.



**Section 3.16.060. Savings.** Any provision of this chapter that is inconsistent with state law shall be construed and applied in a manner that is consistent with state law while still best effectuating the objects and intent hereof.

**SECTION 2. CONSTITUTIONALITY.** 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.

**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 \_\_\_\_\_, 2023 and was thereafter, at a regular meeting held on \_\_\_\_\_, 2023 passed and adopted by the following vote:

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

\_\_\_\_\_  
Sally Meadows, MAYOR

Attest:

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



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject:** Los Altos History Museum Contract

**Prepared by:** Anthony Carnesecca, Assistant to the City Manager

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

- 1. Los Altos History Museum Agreement 6-10-2005
- 2. Los Altos History Museum Contract Agenda Report 8-22-23

**Initiated by:**

City Council

**Previous Council Consideration:**

May 23, 2023 & August 22, 2023

**Fiscal Impact:**

The current fiscal year budget includes \$120,000 in funding for the Los Altos History Museum. Of these funds, \$65,000 have been approved and \$55,000 are pending Council approval.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to direct the City Manager to sign a new funding contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years?

**Summary:**

- The City signed an agreement in 2005 with the Los Altos History Museum.
- The Los Altos History Museum proposed an adjustment to the agreement.
- The City Council directed City staff to meet with Los Altos History Museum representatives regarding their proposal.
- City staff and the Los Altos History Museum propose a new agreement where ownership costs are the responsibility of the City and program costs are the responsibility of the History Museum.

**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JD



**Subject:** Los Altos History Museum Contract

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**Purpose**

Direct the City Manager to sign a new contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years.

**Background**

In 1989, the Los Altos City Council approved conceptual plans presented for the construction of a museum on City property for the purpose of preserving and displaying local historical artifacts and to provide an historical and educational facility for the community.

After design approval, a fundraising campaign was started that ultimately led to the construction and opening of the museum in March 2001 on the Civic Center property. As part of the initial agreement, the museum building was gifted to the City and the City retains control of all areas of the museum building and land while the Association of the Los Altos Historical Museum manages and facilitates the programs and operations of the Los Altos History Museum.

Per the agreement from 2005, the City shall “maintain and repair the museum. This shall include the structure, roof, doors, security systems, lighting, irrigation, plumbing, pest control, painting, elevator and heating and ventilating systems; the City shall provide utilities including gas, electricity, water, telephone, data service, sewer and garbage collection.” In addition to maintaining and repairing the museum, the City shall “provide to the Museum a fixed annual contribution of sixty-five thousand dollars (\$65,000) for general support.”

The History Museum has taken on responsibilities outside of the contract, including landscaping, certain mechanical and maintenance tasks, and a cleaning contract.

Additionally, the Los Altos History Museum is responsible for managing the museum, the collection, and all associated exhibits. The Museum shall “purchase and maintain at its own expense a two million dollar (\$2,000,000) liability insurance policy, naming City and its officers, agents, and employees as additional insureds.”

These additional responsibilities and costs are necessary for the maintenance and care of the History Museum, but are not considered in the original contract. They are costs associated with the ownership of the Museum and are not covered under the \$65,000 contract.

The Los Altos History Museum requested additional funding through the City of Los Altos Non-Profit and Civic Organization Contribution application process in the amount of \$55,000 totaling \$120,000. City Council directed staff to work with the Los Altos History Museum to better articulate their request and return to the City Council for a review of their request while incorporating that \$120,000 in the budget moving forward.



**Subject:** Los Altos History Museum Contract

City staff met with Elisabeth Ward and Larry Lang from the Los Altos History Museum to discuss their request for additional funding.

After meeting with them, City staff proposes that the City take full responsibility for all costs associated with owning and maintaining the structure of the building without having to directly manage those items. The Museum is the City’s building and City staff would be responsible for all associated cost with operations and maintenance if not for the Museum.

The Los Altos History Museum currently manages the gardening services and maintenance repairs with the use of staff and volunteers and contracts for cleaning services. These costs would be required of City staff if not for the Museum, so City staff proposes that these be incorporated into the contract moving forward because they are provided at a lower rate than the City could provide with staff time.

**Discussion/Analysis**

City Council directed City staff at their August 22 meeting to better identify the existing costs that are paid for by the City for operations and better articulate the funding request for programming as outlined in the previous proposal.

Moving forward, City staff and the Los Altos History Museum representatives propose the following structure that covers the expenses of operations while still providing the fixed contribution for program costs related to the Museum’s Collection and Oral History programs:

<b>Expenditure</b>	<b>Amount</b>
<b>Operations</b>	
Cleaning Services (Contract)	\$10,000
Gardening Services (Hours and Plants)	\$20,000
Insurance	\$15,000
Small Maintenance/Mechanical Expenses (Hours and Items)	\$10,000
<b>Programming</b>	
Collection Processing (research, inventory, care)	\$28,000
Smith House Tours (training, set-up, scheduling)	\$10,500
Oral History Program (collecting, transcribing, indexing)	\$26,500
<b>Grand Total</b>	<b>\$120,000</b>

Programming

The City Council asked the History Museum to provide a specific breakdown of how the requested funds would be used.



**Subject:** Los Altos History Museum Contract

Under the new proposed contract, the contribution allocated towards programming would be used as follows:

<b>Expenditure</b>	<b>Time Costs</b>	<b>Direct Costs</b>	<b>Total Cost</b>
Collection Processing (research, inventory, care)	\$26,000	\$2,000	\$28,000
Smith House Tours (training, set-up, scheduling)	\$10,000	\$500	\$10,500
Oral History Program (collecting, transcribing, indexing)	\$26,000	\$500	\$26,500
		<b>Total</b>	<b>\$65,000</b>

The proposal is for a five-year contract with a three-year look-in to verify that the contract still works for both parties and an automatic renewal after five years if City Council does not wish to address the contract at that time.

Total Financial Support for Los Altos History Museum

At the previous City Council meeting, the City Council directed staff to provide the total financial support provided by the City of Los Altos to the History Museum. If the contract proposal is approved the total support for the History Museum will increase from the current level of \$210,000 to \$265,000 annually.

There are expenses covered by the City that are included in the contract but do not include a specific dollar value. These items include labor, maintenance, and care of the building, small equipment, and other repairs, in addition to utilities, phone, garbage collection, and water. The City Council directed staff to provide these items at the last meeting.

Over the past five complete fiscal years, the City has paid approximately \$175,000 in labor to complete repairs, maintenance, or provide some type of assistance to the History Museum and J. Gilbert Smith House. This averages roughly \$35,000 annually for staff time to repair the facilities of the History Museum. *This total does not include repair materials as this information was not broken out into a separate line item within our facilities budget.*

Over the past five complete fiscal years, the City paid an average of \$35,000 each year for utilities, which includes PG&E, Comcast, Mission Trails, and Cal Water.



**Subject:** Los Altos History Museum Contract

The utility expenditures are broken down in the chart below:

<b>Utility Expense</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>Total</b>
Gas & Electricity (PG&E)	\$17,141	\$12,051	\$10,720	\$14,624	\$17,474	\$72,009
Phone (Comcast)	\$5,877	\$5,345	\$4,575	\$3,929	\$4,199	\$23,926
Garbage (Mission Trails)	\$1,830	\$1,451	\$1,037	\$1,989	\$9,651	\$15,957
Water (Cal Water)	\$12,828	\$12,432	\$12,673	\$12,165	\$14,381	\$64,478
<b>Total</b>	<b>\$37,675</b>	<b>\$31,278</b>	<b>\$29,004</b>	<b>\$32,707</b>	<b>\$45,704</b>	<b>\$176,369</b>
					<b>Average</b>	<b>\$35,000</b>

Additionally, the City Council approved a contract for \$75,000 annually for orchard maintenance with the Los Altos History Museum.

The total breakdown of current and proposed expenditures for the History Museum are in the chart below:

<b>Expenditure</b>	<b>Annual Cost</b>
Current Contract	\$65,000
Maintenance Labor	\$35,000
Utilities	\$35,000
Orchard Maintenance Contract	\$75,000
<b>Current Total Provided by City</b>	<b>\$210,000</b>
Additional Request by History Museum	\$55,000
<b>Total Proposed Financial Support</b>	<b>\$265,000</b>

**Recommendation**

Staff recommends the City Council approve the drafting and execution of a new contract, based on the responsibilities outlined in this report.



**AGENDA REPORT SUMMARY**

**Meeting Date:** August 22, 2023

**Subject:** Los Altos History Museum Contract

**Prepared by:** Anthony Carnesecca, Assistant to the City Manager

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

- 1. Los Altos History Museum Agreement 6-10-2005

**Initiated by:**

City Council

**Previous Council Consideration:**

May 23, 2023

**Fiscal Impact:**

The current fiscal year budget (1110-5400) includes \$120,000 in funding for the Los Altos History Museum. Of these funds, \$65,000 have been approved and \$55,000 are pending Council approval.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to direct the City Manager to sign a new funding contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years?

**Summary:**

- The City signed an agreement in 2005 with the Los Altos History Museum.
- The Los Altos History Museum proposed an adjustment to the agreement.
- The City Council directed City staff to meet with Los Altos History Museum representatives regarding their proposal.
- City staff and the Los Altos History Museum propose a new agreement where ownership costs are the responsibility of the City and operational costs are the responsibility of the History Museum.

**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JD



**Subject:** Los Altos History Museum Contract

**Purpose**

Direct the City Manager to sign a new contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years.

**Background**

In 1989, the Los Altos City Council approved conceptual plans presented for the construction of a museum on City property for the purpose of preserving and displaying local historical artifacts and to provide an historical and educational facility for the community.

After design approval, a fund-raising campaign was started that ultimately led to the construction and opening of the museum in March 2001 on the Civic Center property. As part of the initial agreement, the museum building was gifted to the City and the City retains control of all areas of the museum building and land while the Association of the Los Altos Historical Museum manages and facilitates the programs and operations of the Los Altos History Museum.

Per the agreement from 2005, the City shall “maintain and repair the museum. This shall include the structure, roof, doors, security systems, lighting, irrigation, plumbing, pest control, painting, elevator and heating and ventilating systems; the City shall provide utilities including gas, electricity, water, telephone, data service, sewer and garbage collection.” In addition to maintaining and repairing the museum, the City shall “provide to the Museum a fixed annual contribution of sixty-five thousand dollars (\$65,000) for general support.”

The History Museum has taken on responsibilities outside of the contract, including landscaping, certain mechanical and maintenance tasks, and a cleaning contract.

Additionally, the Los Altos History Museum is responsible for managing the museum, the collection, and all associated exhibits. The Museum shall “purchase and maintain at its own expense a two million dollar (\$2,000,000) liability insurance policy, naming City and its officers, agents, and employees as additional insureds.”

These additional responsibilities and costs are necessary for the maintenance and care of the History Museum, but are not considered in the original contract. They are costs associated with the ownership of the Museum and are not covered under the \$65,000 contract.

The Los Altos History Museum requested additional funding through the City of Los Altos Non-Profit and Civic Organization Contribution application process in the amount of \$55,000 totaling \$120,000. City Council directed staff to work with the Los Altos History Museum to better articulate their request and return to the City Council for a review of their request while incorporating that \$120,000 in the budget moving forward.





**Subject:** Los Altos History Museum Contract

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**Discussion/Analysis**

City staff met with Elisabeth Ward and Larry Lang from the Los Altos History Museum to discuss their request for additional funding.

After meeting with them, City staff proposes that the City take full responsibility for all costs associated with owning and maintaining the structure of the building without having to directly manage those items. The Museum is the City’s building and City staff would be responsible for all associated cost with operations and maintenance if not for the Museum.

The Los Altos History Museum currently manages the gardening services and maintenance repairs with the use of staff and volunteers and contracts for cleaning services. These costs would be required of City staff if not for the Museum, so City staff proposes that these be incorporated into the contract moving forward because they are provided at a lower rate than the City could provide with staff time.

Moving forward, City staff and the Los Altos History Museum representatives propose the following structure that covers the expenses of operations while still providing the fixed contribution for programming purposes:

Expenditure	Amount
<b>Operations</b>	
Cleaning Services (Contract)	\$10,000
Gardening Services (Hours and Plants)	\$20,000
Insurance	\$15,000
Small Maintenance/Mechanical Expenses (Hours and Items)	\$10,000
<b>Programming</b>	
History Museum Programming	\$65,000
<b>Grand Total</b>	<b>\$120,000</b>

The chart illustrates rough estimates based upon the expenditures and will adjust based upon increases for contracts or goods over time.

The proposal is for a five-year contract with a three-year look-in to verify that the contract still works for both parties and an automatic renewal after five years if City Council does not wish to address the contract at that time.



**Subject:** Los Altos History Museum Contract

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**Recommendation**

Staff recommends the City Council approve the drafting and execution of a new contract, based on the responsibilities outlined in this report.

**AGREEMENT BETWEEN THE  
CITY OF LOS ALTOS, CALIFORNIA,  
AND THE ASSOCIATION OF THE LOS ALTOS HISTORICAL MUSEUM FOR THE  
OPERATION OF THE LOS ALTOS HISTORY HOUSE AND MUSEUM**

**THIS AGREEMENT** ("Agreement") is made and entered into as of the 10<sup>th</sup> day of JUNE, 2005, by and between the CITY OF LOS ALTOS, a municipal corporation ("CITY"), and the Association of the Los Altos Historical Museum ("ASSOCIATION").

**RECITALS**

**WHEREAS**, in 1989, the Los Altos City Council approved conceptual plans presented by the ASSOCIATION for the construction of a museum on CITY property, the construction of which would be financed by private donations and the operations of which would be the responsibility of the ASSOCIATION. Construction and operations of the museum by the ASSOCIATION are for the purpose of preserving and displaying local historical artifacts and to provide an historical/educational facility for the community; and

**WHEREAS**, in 1996, after design approval by both the CITY and ASSOCIATION, a fund raising campaign was started that ultimately led to the construction and opening of the museum in March, 2001; and

**WHEREAS**, the museum building is located on CITY land within the Civic Center on San Antonio Road in Los Altos, California, and the building will be gifted to the CITY by ASSOCIATION by a separate instrument upon execution of the Agreement, and

**WHEREAS**, CITY retains control of all areas of the museum building and land, and except as set forth in the Agreement, reserves the right to determine the use of all of the museum building, History House, and surrounding grounds, landscaping and patio areas, and referred to as the MUSEUM; and

**WHEREAS**, the ASSOCIATION exists for the sole purpose of managing, facilitating and funding the programs and operations of MUSEUM for which purpose all funds raised by ASSOCIATION are designed to be used unless otherwise stated in the Agreement; and

**WHEREAS**, the purpose of this Agreement is to authorize ASSOCIATION to operate and maintain CITY'S building as a MUSEUM as a service to the general public and schools, to set forth responsibilities between CITY and ASSOCIATION and usage under which MUSEUM is to be operated and maintained.

**NOW, THEREFORE**, in consideration of the covenants, conditions and promises hereinafter contained, to be kept and performed by then parties hereto, **IT IS AGREED AS FOLLOWS:**

**CITY'S RESPONSIBILITIES**

1. CITY shall allow ASSOCIATION to use CITY'S building as a MUSEUM for ASSOCIATION'S exhibits exclusively for the preservation, education and development of the history of Los Altos, Los Altos Hills and the surrounding areas, unless otherwise stated in this Agreement. If ASSOCIATION ceases to operate MUSEUM under the terms of this Agreement, CITY reserves the right to use the structure or grounds for other civic purposes.
2. CITY authorizes ASSOCIATION to use CITY'S collection of historical artifacts, consisting of historical documents, pictures, furniture, equipment and exhibits ("COLLECTION"), as long as ASSOCIATION operates MUSEUM under the terms of this Agreement, it being understood that items in CITY'S possession shall be made available in CITY'S reasonable discretion.
3. CITY authorizes ASSOCIATION to hold public and private events, which are of benefit to the MUSEUM and to hold fund-raisers and events for the purpose of supporting the development and operation of the MUSEUM.
4. CITY authorizes ASSOCIATION to use MUSEUM for the purpose of: 1) restoration and maintenance of CITY'S COLLECTION, 2) development of MUSEUM'S exhibits and facilities, and 3) presenting MUSEUM collection, MUSEUM'S exhibits, educational programs, services, and facilities for the general public and school groups.
5. CITY, except as otherwise provided in this Agreement, in connection with ASSOCIATION'S responsibilities, shall provide, and maintain and repair MUSEUM. This shall include the structure, roof, floors, security systems, lighting, irrigation, plumbing, pest control, painting, elevator and heating and ventilating systems; CITY shall provide utilities including gas, electricity, water, telephone, data service, sewer and garbage collection. All of the foregoing shall be subject to funding designated for such purposes in CITY'S Service and Financial Plan. CITY shall maintain reserves to be increased by no less than ten thousand dollars (\$10,000) annually in CITY'S Facility Replacement Fund.
6. CITY shall provide to the MUSEUM a fixed annual contribution of sixty-five thousand dollars (\$65,000) for general support of the MUSEUM.

**ASSOCIATION RESPONSIBILITIES**

1. ASSOCIATION shall be solely responsible for management operations and maintain the MUSEUM (except as provided in CITY'S Responsibilities set out in Paragraph 5 above) through fund raising activities and the use of volunteers.
2. ASSOCIATION shall provide personnel to design, fabricate, install and maintain exhibits, develop MUSEUM programs, staff MUSEUM (tour docents) and its store during open hours and assist in carrying out the general MUSEUM administration. ASSOCIATION shall be responsible for recruitment, training, supervision and scheduling of all volunteers.

- 3. ASSOCIATION shall hire a Chief Executive Officer who shall report to ASSOCIATION'S Board of Director or to a designated member of the Board. The ASSOCIATION will hire other staff and independent contractors who shall report to the Chief Executive Officer.
- 4. ASSOCIATION shall be responsible for scheduling all events at MUSEUM. ASSOCIATION shall be responsible for planning all museum-related events held at MUSEUM, providing for all necessary equipment and staffing, and seeing that all necessary permits and/or licenses required by law are obtained. Scheduling priorities shall be opening MUSEUM for general public and school groups (first priority), revenue generating events (second priority) and CITY events (third priority). ASSOCIATION shall not charge CITY for CITY events as long as CITY provides its own set up, staffing and janitorial clean up after the event. CITY in using MUSEUM for events shall abide by all regulations established by ASSOCIATION for use of MUSEUM.
- 5. ASSOCIATION shall provide CITY with an annual financial report ninety (90) days after the close of ASSOCIATION'S fiscal year. CITY shall have the right to examine the financial records of ASSOCLATION at any time upon ten (10) days' notice.
- 6. ASSOCIATION shall utilize all funds received by ASSOCIATION for development and operations of MUSEUM and its programs. ASSOCIATION shall hold such funds in accounts designated for such purposes.
- 7. ASSOCIATION shall maintain 501(c)(3) status as a charitable non-profit association.
- 8. ASSOCIATION shall not commit, suffer, permit, allow or authorize any of the following acts during the term of this Agreement:
  - a. Transfer, sell or assign its rights or obligations under this Agreement or any interest herein to any person or entity without prior written approval of CITY. ASSOCIATION may utilize persons or organizations at ASSOCIATION'S expense for services that are the responsibility of ASSOCIATION such as janitorial and creation or rental of exhibits.
  - b. Change or alter MUSEUM without prior written approval of CITY.
  - c. Construct or install any permanent fence, barrier, sign, exterior exhibit, or structure without prior written approval of CITY.
  - d. Perform any work such as plumbing, electrical, floor repair, interior and exterior painting without the prior written approval of CITY.
  - e. Accept or remove valuable (defined as any item in excess of \$10,000.00) MUSEUM acquisitions or any part of CITY'S COLLECTION without prior written approval of CITY.
- 9. ASSOCIATION shall cooperate with and keep CITY informed of all ASSOCIATION programs and activities.
- 10. ASSOCIATION shall purchase and maintain at its own expense a two million dollar (\$2,000,000) liability insurance policy, naming CITY and its officers, agents, and employees as additional insureds. CITY shall be provided with a contractual liability endorsement

specifically referencing this Agreement. If required by law, ASSOCIATION shall provide workers' compensation insurance for ASSOCIATION'S volunteers and staff.

- 11. ASSOCIATION shall purchase, maintain and provide all furniture, equipment, including office equipment, computers, exhibit cases, exhibit furniture, office supplies, printed materials, postage and MUSEUM store inventory.
- 12. ASSOCIATION shall be entitled to exclusive use of the MUSEUM logo and other copyrighted protected products or designs obtained by ASSOCIATION for the use of MUSEUM or MUSEUM store.

**GENERAL PROVISIONS**

- 1. **RESOLUTION OF DISPUTES. Mediation.** Should any dispute arise out of this Agreement, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached, neither party shall be deemed the prevailing party for purposes of the settlement, and each party shall bear its own legal costs and fees. Neither party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution.
- 2. **TERMINATION OF AGREEMENT.**
  - a. Except for breach of any of the terms and conditions as set forth in the Agreement, this Agreement may be terminated at any time by mutual consent by both parties, expressed in writing.
  - b. Additional grounds for termination include:
    - (i) If ASSOCIATION shall become bankrupt or insolvent, or if there shall be any default in the terms of this permit by ASSOCIATION, CITY may, if it is meeting all of the CITY'S RESPONSIBILITIES as set forth in this Agreement, cancel and terminate this Agreement by the following procedure:
    - (ii) CITY shall give ASSOCIATION written notice of the particulars of the default. If ASSOCIATION fails to remedy the default within a period of ninety (90) days, or within such greater time as CITY may approve, then this Agreement shall automatically terminate and all rights of ASSOCIATION shall cease and terminate.
  - c. If this Agreement is terminated, MUSEUM related structures and installed improvements shall remain the property of the CITY. The Collections shall also remain the property of CITY.
- 3. **SPONSORSHIP AGREEMENTS.** ASSOCIATION may enter into sponsorship agreements with individuals or companies to place structures, improvements, and facilities at MUSEUM with prior approval of CITY.
- 4. **ANNUAL MEETING.** CITY and ASSOCIATION shall meet each year and cooperatively develop their respective operations, maintenance, and capital improvements budgets for MUSEUM and related facilities subject to this Agreement.

- 5. **FURTHER ASSURANCES.** Both parties may enter into Letters of Understanding, as conditions warrant, pursuant to the foregoing terms and conditions, to further define the details of joint and shared responsibilities regarding the day-to-day operations of MUSEUM. Any such Letters of Understanding shall not alter, modify, or change any provision(s) of this Agreement. In case of conflict, this Agreement shall prevail.
- 6. **AMENDMENT.** No amendment to this Agreement shall be valid or binding unless made in writing and duly authorized on behalf of both parties.
- 7. **NOTICES.** Any notices to be given under this Agreement by either party to the other shall be in writing and may be effected either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

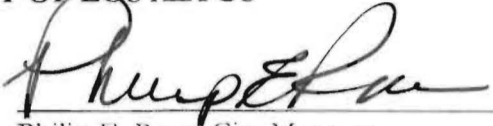
**CITY**  
 City Manager  
 City of Los Altos  
 One North San Antonio Road  
 Los Altos, CA 94022

**ASSOCIATION**  
 President  
 The Association of the Los Altos Historical Museum  
 51 South San Antonio Road  
 Los Altos, CA 94022

- 8. **PARTIAL INVALIDITY.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- 9. **BINDING.** This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors-in-interest to the parties hereto.
- 10. **NO IMPLIED WAIVERS.** The failure of either party at any time to require performance by the other party of any provisions hereof shall not affect in any way the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.
- 11. **APPLICABLE LAW AND FORUM.** This Agreement shall be construed and interpreted according to the laws of the State of California in any action to enforce the terms of this Agreement or for the breach thereof, and shall be brought and tried in the County of Santa Clara, California.
- 12. **CONSTRUCTION.** To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in the manner that avoids any violation of statute, ordinance, regulation or law.
- 13. **INTEGRATION.** This Agreement supersedes any and all agreements, either oral or written, between the parties hereto and contains all the covenants and agreements between the parties

with respect to the matters set out in this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement shall be effective only if it is in writing, signed by the party to be charged.

**CITY OF LOS ALTOS**

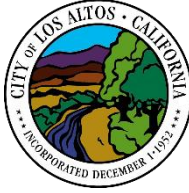
By:   
Philip E. Rose, City Manager

**ASSOCIATION OF LOS ALTOS HISTORICAL MUSEUM**

By:   
Lynne McCreight

Its: President





**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject** Potential Gateway Sculptures

**Prepared by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

- 1. Proposed gateway sculptures by Matthew Duffy
- 2. Proposed locations for sculptures

**Initiated by:**

Public Arts Commission

**Previous Council Consideration:**

None

**Fiscal Impact:**

Each of the proposed sculptures costs approximately \$20k - \$25k. There are sufficient funds in the Annual Public Arts Project CIP (CD-01003). These funds are Public Art Funds.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to approve the purchase and placement of sculptures by artist Matthew Duffy at three locations within the City?

**Summary:**

- The Public Arts Commission has recommended the purchase and installation of three sculptures for placement at gateway locations within the City
- The three proposed locations do not have the City’s standard granite entry markers

**Staff Recommendation:**

Consider the Public Arts Commission recommendation to purchase and place three sculptures by artist Matthew Duffy at locations within the City

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**Reviewed By:**

City Manager

GE

City Attorney

JH

Finance Director

JD



**Subject:** Potential Gateway Sculptures

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**Purpose**

To consider a proposal by the Public Arts Commission for the purchase and placement of three gateway sculptures

**Background**

Currently, the City has a number of granite markers at various entry points or gateways to the City. These markers are standard in size and have the words “Los Altos” written on them. Many of the markers have a tree planted in them.

One of the roles of the former Public Arts Commission (PAC) was to act in an advisory capacity to the City Council on matters pertaining to public arts programs sponsored by the City. One item on the former PAC’s work plan was to explore the possibility of gateway art sculptures.

On June 22, 2023, the PAC discussed an item regarding potential gateway art in the City. The Commission voted 5-1 to recommend that the City Council approve the purchase and placement of three sculptures by artist Matthew Duffy. The installation of these sculptures would be a deviation from the City’s standard granite markers that are located at various entrances to the City.

**Discussion/Analysis**

The sculptures “Low-Poly Open Heart (REDI)” (Attachment 1) measure 5’ x 5’ x 2.5’ and are proposed for three locations: Arboretum Drive/Grant Road, Main Street/First Street and Covington Road/Riverside Drive. The PAC recommends the use of Public Art Funds for the purchase of these sculptures. The cost of each sculpture would be approximately \$20k - \$25k plus any costs for transportation and installation, including construction of concrete pillars to support the sculptures.

The proposed locations do not have the City’s standard granite entry marker.

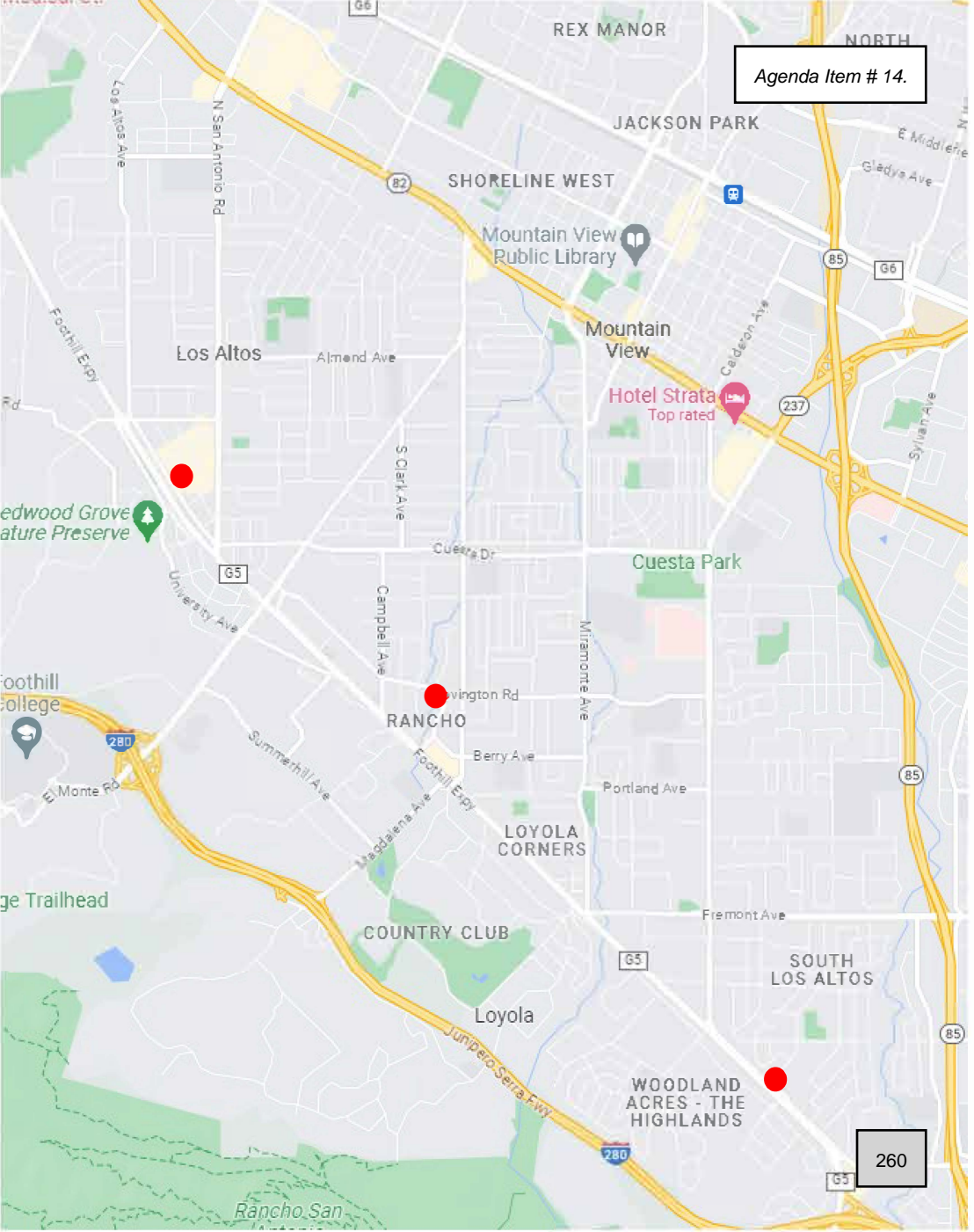
**Recommendation**

The staff recommends Council consider the proposal by the Public Arts Commission to purchase three sculptures for placement at entrances to the City.

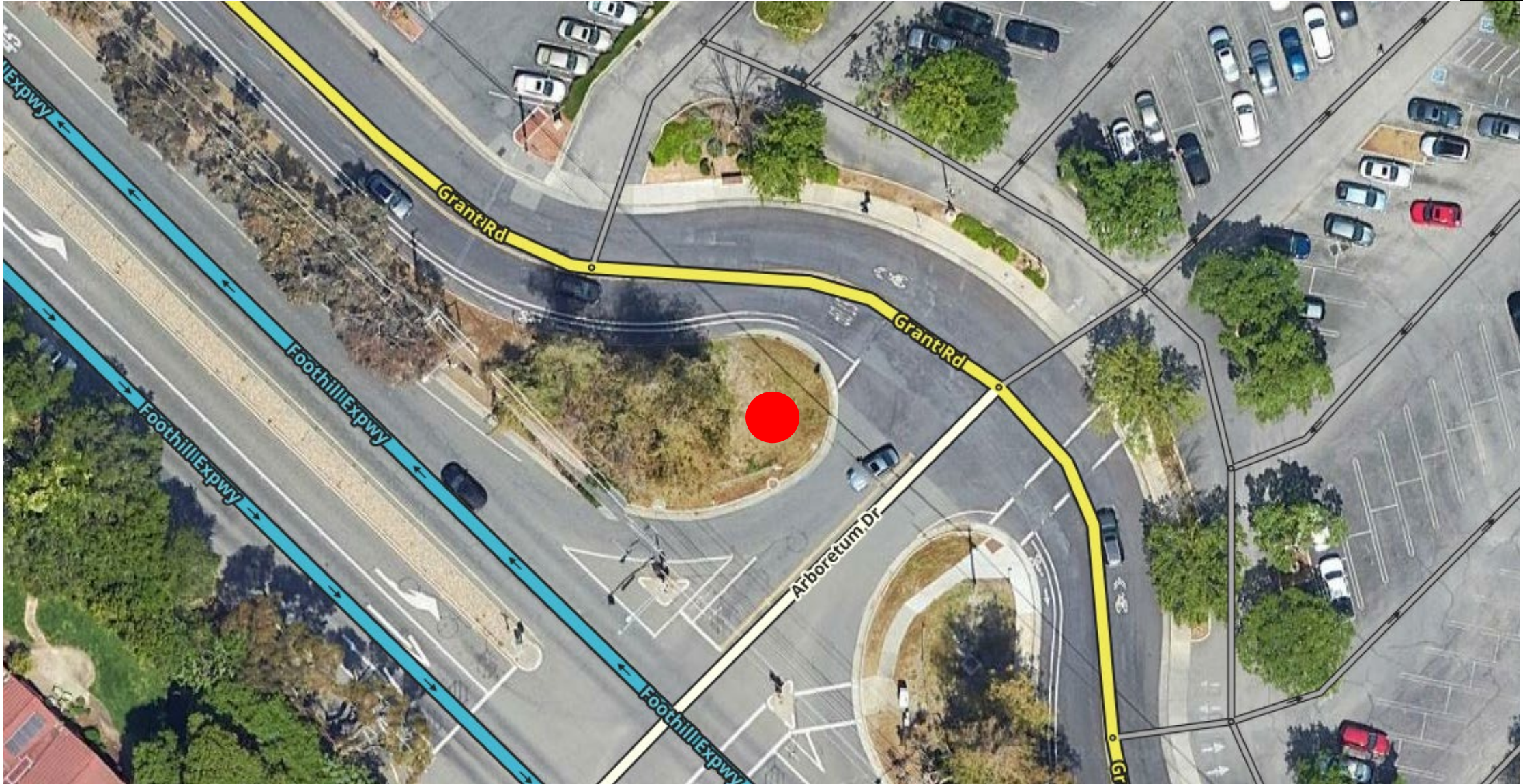


"Low-Poly Open Heart (RED)" 2016. Hydro-Cut Aluminum Diamond Plate,  
Tractor Paint. (AP) 5ft x 5ft x 2.5 ft.

Agenda Item # 14.



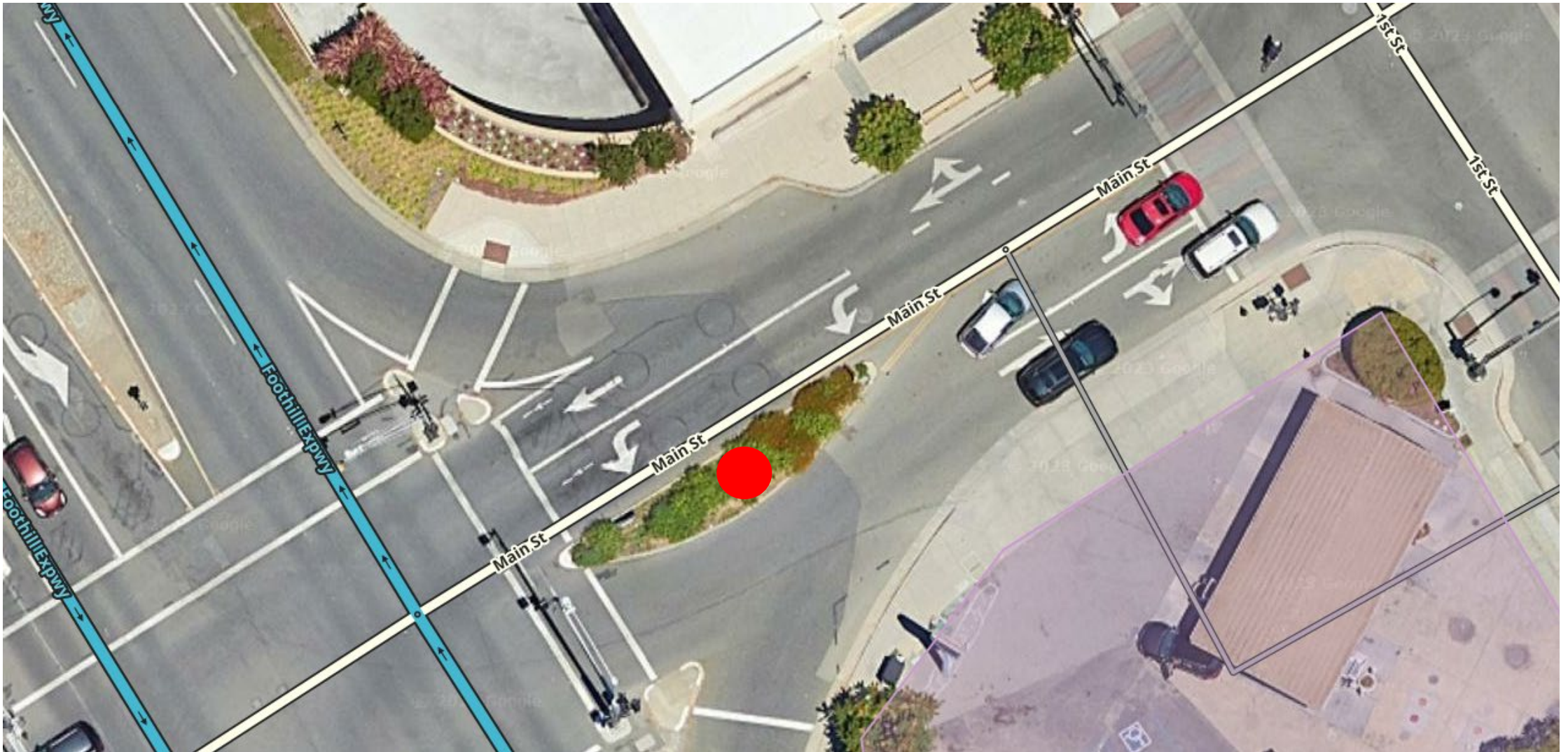
260



Location 1: Arboretum Dr/Grant Rd



Location 2: Riverside Dr/Covington Rd



Location 3: Main St/Foothill Expwy



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject** Los Altos Commissioner Appointment Process and Schedule

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

**Initiated by:**

City Council

**Previous Council Consideration:**

N/A

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to make changes to the proposed process for Commissioner appointments and schedule as outlined in the staff report?

**Summary:**

Staff proposes the following appointment process and schedule for the upcoming Commissioner appointments:

- The City Council will hold a special meeting on September 19<sup>th</sup>, beginning at 5 pm to interview Commission applicants.
- Each applicant for Commissioner vacancies will be asked three questions, provided ahead of the interviews, and allowed five minutes to answer.
- City Councilmembers may ask follow-up questions.
- Appointments to Commissions will be ratified by written ballot at the regular meeting on September 26<sup>th</sup>, beginning at 7 pm.
- Newly appointed Commissioners will be sworn in at the Council meeting on October 10<sup>th</sup>.
- Departing Commissioners will be honored at the Council meeting on October 10<sup>th</sup>.
- The City Council will hold joint meetings with Commissions in the first quarter of 2024.

**Staff Recommendation:**





**Subject: Los Altos Commissioner Appointment Process and Schedule**

Staff recommends the City Council discuss the recommended appointment process and schedule and make changes as appropriate.

**Discussion/Analysis**

City Council regularly appoints Commissioners to Los Altos City Commissions. Recently the City Council made changes to the Commission recruitment process to increase the number of applications received. In total, the City received 50 applications to serve on a Los Altos Commission. Of these, three applicants are not residents of Los Altos and three applied for a Commission that the City is not currently recruiting for. In addition, one individual submitted two applications and one individual submitted four applications. Accordingly, there are 43 individual applicants for Commissions to be interviewed.

The applications received by Commission are as follows:

<b>Commission</b>	<b>Vacancies</b>	<b>Applications*</b>
Complete Streets	2	6
Financial	4	8
JVAC	3	2
Library	2	8
PARC	4	15
Senior	1	4

\*Applications listed includes individuals who submitted multiple applications, or expressed interest to serve on other Commissions

One of the applicants for PARC is not eligible to be appointed as that individual is completing their second term on the commission. However, they have indicated interest in serving on other commissions. In addition, many of the applicants also indicated interest in serving on other commissions.

In order for appointments to take place efficiently, staff is requesting the Council review and ratify or make changes to the following schedule.

The City Council will meet at a special meeting on September 19<sup>th</sup>, beginning at 5 P.M. to interview Commissioner applicants.

Each applicant will be given the following questions to answer, provided to them before the interviews:

1. Please tell us why you would like to serve on the Commission you applied to.



**Subject: Los Altos Commissioner Appointment Process and Schedule**

- 
2. Please tell us about your background and experience and how you will apply that to your service on a Los Altos Commission.
  3. Please tell us the names of any additional boards, commissions, civic organizations, or non-profits that you currently serve on.

Each applicant will be given five minutes total (timed) to respond to the questions. City Councilmembers may ask follow-up questions if they desire.

Each Councilmember will provide staff with their preferred candidates by written ballot at the conclusion of the interview process for each Commission. Appointments will be made on September 26<sup>th</sup> during the regular agenda.

If the City Council has not appointed enough Commissioners to fill vacancies after the votes are tallied on September 19<sup>th</sup>, additional votes will take place on September 26<sup>th</sup>.

Newly appointed Commissioners will be sworn in at the Council meeting on October 10<sup>th</sup>, and outgoing Commissioners will be honored on the same date.

The City Council will hold joint meetings with Commissions in the first quarter of 2024.

If the City Council is satisfied with this process, please consider these additional points:

1. Should the City Council establish an alternative date for Commissioners to interview if they are unable to make the meeting on September 19<sup>th</sup>?
2. Should the City Council allow applicants to appear for their interviews via zoom or teleconference?

**Recommendation**

Staff recommends the City Council discuss the recommended appointment process and schedule and make changes as appropriate.



## AGENDA REPORT SUMMARY

**Meeting Date:** September 12, 2023

**Subject** Discuss the California Business Roundtable (CBRT) Measure and Provide Direction to the City of Los Altos Voting Delegate regarding potential petitioned resolutions at the CalCities Annual Conference in Sacramento, CA on September 20-22, 2023

**Prepared by:** Melissa Thurman, City Clerk

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

1. Legislative Analyst's Office (LAO) Letter of Summary of Taxpayer Protection Measure
2. Sample Resolution from City of Monterey Opposing CBRT Measure
3. Sample Resolution Supporting CBRT Measure

**Initiated by:**

City Council (S. Meadows and N. Fligor)

**Previous Council Consideration:**

None.

**Fiscal Impact:**

None

**Environmental Review:**

Not applicable

**Staff Recommendation:**

Discuss and take a position on the California Business Roundtable (CBRT) Measure and to Provide Direction to the City of Los Altos Voting Delegate, Mayor Sally Meadows, to vote on any potential petitioned resolutions at the CalCities Annual Conference in Sacramento, CA on September 20 – 22, 2023

January 19, 2022

Hon. Rob Bonta  
 Attorney General  
 1300 I Street, 17<sup>th</sup> Floor  
 Sacramento, California 95814

Attention: Ms. Anabel Renteria  
 Initiative Coordinator

Dear Attorney General Bonta:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional Taxpayer Protection and Government Accountability Act initiative (A.G. File No. 21-0042, Amendment #1).

## Background

### State Government

**Taxes and Fees.** This year’s state budget spends over \$255 billion in state funds. Over 90 percent of the state budget is funded with revenues from taxes. These include, for example, sales taxes paid on goods and income taxes paid on wages and other sources of income. Much of the rest of the state budget is funded by fees and other charges. Examples include: (1) charges relating to regulatory activities; (2) charges for specific government services or products, like fees charged to drivers to improve roads; (3) charges for entering state property, such as a state park; and (4) judicial fines, penalties, and other charges. The State Constitution requires the state to set fees at a reasonable level, generally reflecting the costs of the services or benefits provided. The state uses revenue from taxes and fees to fund a variety of programs and services, including education, health care, transportation, and housing and homelessness services.

**Current Requirements to Approve Taxes and Fees.** Under the State Constitution, state tax increases require approval by two-thirds of each house of the Legislature or a majority vote of the statewide electorate. The Legislature can reduce taxes with a majority vote of each house, provided the change does not result in an increase in taxes paid by any single taxpayer. In many cases, the Legislature has enacted statutes that delegate its authority to adjust fees and other

  
**Legislative Analyst’s Office**  
 California Legislature  
 Gabriel Petek, Legislative Analyst  
 925 L Street, Suite 1000, Sacramento, CA 95814  
 (916) 445-4656

charges to administrative entities, like state departments. In these cases, these charges can be increased or changed by the department within certain limits.

**Local Government**

*Taxes and Fees.* The largest local government tax is the property tax, which raises roughly \$75 billion annually. Other local taxes include sales taxes, utility taxes, and hotel taxes. In addition to these taxes, local governments levy a variety of fees and other charges. Examples include parking meter fees, building permit fees, regulatory fees, and judicial fines and penalties. In order to be considered a fee, the charge cannot exceed the reasonable costs to the local government of providing the associated product or service. Local governments use revenues from taxes and fees to fund a variety of services, like fire and police, public works, and parks.

*Current Requirements to Approve Taxes and Fees.* State law requires increases in local taxes to receive approval of the local governing body—for example, a city council or county board of supervisors—as well as approval of voters in that local jurisdiction. Most proposed taxes require a two-thirds vote of the local governing board before being presented to the voters. Special taxes (those used for a specific purpose) require a two-thirds vote of the electorate while other types of taxes require a majority vote of the electorate. The majority-vote general taxes can be used for any purpose. Recent case law suggests that citizen initiative special taxes may be approved by majority vote, rather than a two-thirds vote. Currently, local governing bodies have the ability to delegate their authority to adjust fees and other charges to administrative entities, like city departments. In these cases, these charges can be increased or changed by the department within certain limits.

**Proposal**

This measure amends the State Constitution to change the rules for how the state and local governments can impose taxes, fees, and other charges.

**State and Local Government Taxes**

*Expands Definition of Tax.* The measure amends the State Constitution to expand the definition of taxes to include some charges that state and local governments currently treat as fees and other charges. For example, certain charges imposed for a benefit or privilege granted to a payer but not granted to those not charged would no longer be considered fees. As a result, the measure could increase the number of revenue proposals subject to the higher state and local vote requirements for taxes discussed below.

*Requires Voter Approval for State Taxes.* The measure increases the vote requirements for increasing state taxes. Specifically, the measure requires that legislatively proposed tax increases receive approval by two-thirds of each house *and* a majority vote of the statewide electorate. Voters would still be able to increase taxes by majority vote of the electorate without legislative action, however. Any state tax approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

*Requirements for Approving Local Taxes.* Whether sought by the local governing body or the electorate, the measure establishes the same approval requirements for increasing local

special taxes. Any local tax approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

***Allowable Uses and Duration of State and Local Tax Revenues Must Be Specified.*** The measure requires state and local tax measures to identify the type and amount (or rate) of the tax and the duration of the tax. State and local government general tax measures must state that the revenue can be used for general purposes.

### **State and Local Government Fees**

***Requires the Legislature and Local Government Bodies to Impose State and Local Fees.*** Fees would have to be imposed by a majority vote of both houses of the Legislature or local governing bodies. The measure would restrict the ability of state and local governments to delegate fee changes to administrative entities. The extent of these restrictions would depend on future court decisions. Any fee approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

***Some New State and Local Fees Could Not Exceed Actual Costs.*** For some categories of fees, if the Legislature or a local governing body wished to impose a new fee or make changes to an existing fee, the measure generally would require that the charge be both reasonable and reflect the actual costs to the state or local government of providing the service. The measure also specifies that actual cost should not exceed “the minimum amount necessary.” In many cases, existing fees already reflect the government’s actual costs. In other cases, some fees would have to more closely approximate the payer’s actual costs in order to remain fees. If a fee payer challenged the charge, the state or local government would need to provide clear and convincing evidence that the fee meets this threshold. State and local governments also would bear the burden of providing clear and convincing evidence that the levy is a fee—which is not subject to a vote by the electorate—and not a tax under the new definition.

### **Fiscal Effects**

***Lower State Tax and Fee Revenue.*** By expanding the definition of a tax, increasing the vote requirements for approving taxes, and restricting administrative changes to fees, the measure makes it harder for the Legislature to increase nearly all types of state revenues. The extent to which revenues would be lower under the measure would depend on various factors, most notably future decisions made by the Legislature and voters. For example, requirements for legislative approval of fee increases currently set administratively could result in lower fee revenues, depending on future votes of the Legislature. That lower revenue could be particularly notable for some state programs largely funded by fees. Due to the uncertainty of these factors, we cannot estimate the amount of reduced state revenue, but it could be substantial.

***Lower Local Government Tax and Fee Revenue.*** Compared to the state, local governments generally face greater restrictions to raising revenue. By expanding the definition of taxes and restricting administrative changes to fees, the measure would make it somewhat harder for local governments to raise revenue. Consequently, future local tax and fee revenue could be lower than they would be otherwise. The extent to which revenues would be lower is unknown, but

Hon. Rob Bonta

4

January 19, 2022

fees could be more impacted. The actual impact on local government revenue would depend on various factors, including future decisions by the courts, local governing bodies, and voters.

**Possible Increased State and Local Administrative Costs to Change Some Fee Levels.** In some cases, state and local departments would need to develop methods for setting fees to reflect actual costs if the Legislature or local governing bodies wanted to change those fees in the future. Estimating actual costs by program and fee source could involve some added workload for those state and local departments, which likely would be supported by fee revenue. The extent of these administrative costs would depend on (1) whether the state and local governments determine a fee increase is needed in order to maintain their current level of programs and services funded through fee revenue and (2) future court decisions.

**Summary of Fiscal Effects.** We estimate that this measure would have the following major fiscal effects:

- Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and the courts.

Sincerely,

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for Gabriel Petek  
Legislative Analyst

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for Keely Martin Bosler  
Director of Finance

**RESOLUTION NO. 22-017 C.S.****A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY****OPPOSING THE  
“TAXPAYER PROTECTION AND GOVERNMENT ACCOUNTABILITY ACT”  
(INITIATIVE 21-0042A1)**

WHEREAS, the California Business Roundtable filed the Taxpayer Protection and Government Accountability Act (AG# 21-0042A1) to be considered for the November 2020 ballot, which would decimate vital local and state revenue-generating methods;

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 (“CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability;

WHEREAS, the measure creates barriers for cities to maintain and generate revenue to provide services to communities, including local infrastructure, protecting our environment, water quality, air quality, and natural resources;

WHEREAS, the measure includes undemocratic provisions that would make it more difficult for local voters to pass measures needed to fund local services and infrastructure;

WHEREAS, the League of California Cities’ Board of Directors voted unanimously to oppose the initiative. Following the Board’s unanimous decision, a coalition of public safety, labor, local government and infrastructure advocates have joined together to fight against this potential measure;

WHEREAS, according to Michael Coleman, a local government finance expert and advisor to the League of California Cities, should Initiative 21-0042A1 be placed on the ballot and passed by voters, billions of local government fee and charge revenues placed at heightened legal peril. Related public service reductions across virtually every aspect of city, county, special district, and school services especially for transportation, and public facility use;

WHEREAS, hundreds of millions of dollars of annual revenues from dozens of tax and bond measures approved by voters between January 1, 2022 and November 9, 2022 subject to additional voter approval if not in compliance with the initiative;



WHEREAS, this initiative would not affect City of Monterey’s potential future renewal of the Measure S and Measure G sales tax, and Measure Y hotel tax, since these taxes have had sunset dates. However, the initiative would directly affect the City of Monterey if the City Council decides to place a Cannabis Tax on the ballot in November 2022. In addition, this is a statewide policy that disadvantages the ability of cities to generate revenue to provide core services;

WHEREAS, the measure puts billions of dollars currently dedicated to state and local services at risk, and could force cuts to fire and emergency response, law enforcement, public health, parks, libraries, harbors, affordable housing, services to support homeless residents, mental health services, and more.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby opposes Initiative 21-0042A1, deceptively called the “Taxpayer Protection and Government Accountability Act,” and;

BE IT FURTHER RESOLVED that the City of Monterey will join the NO on Initiative 21-0042A1 coalition, a growing coalition of public safety, labor, local government, infrastructure advocates, and other organizations throughout the state.


PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 1st day of March, 2022, by the following vote:

AYES:	4	COUNCILMEMBERS:	Albert, Smith, Williamson, Roberson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	1	COUNCILMEMBERS:	Haffa
ABSTAIN:	0	COUNCILMEMBERS:	None

APPROVED:

ATTEST:

DocuSigned by:  
  
 FA1981217DEF4FB...  
 \_\_\_\_\_  
 Mayor of said City

DocuSigned by:  
  
 ED8453A4F62C4AA...  
 \_\_\_\_\_  
 City Clerk thereof

**RESOLUTION IN SUPPORT OF THE TAXPAYER PROTECTION AND GOVERNMENT ACCOUNTABILITY ACT**

**WHEREAS**, California has one of the highest tax burdens of any state in the United States and continued increases in taxes and fees are adding to the state’s sky-high cost of living, and

**WHEREAS**, California has the nation’s highest state income and sales taxes, second highest gasoline taxes as well as rising property and utility taxes, and

**WHEREAS**, The State Legislature has proposed billions in new taxes this year alone while local officials have enacted \$8.8 billion in annual general and special taxes from 2010 to 2020, and

**WHEREAS**, The Taxpayer Protection and Government Accountability Act gives voters the right to vote on all state and local taxes, and

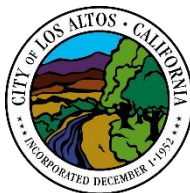
**WHEREAS**, The Taxpayer Protection and Government Accountability Act requires state legislation imposing any new or higher taxes to be approved by a majority of voters in a statewide election, and

**WHEREAS**, The Taxpayer Protection and Government Accountability Act closes tax loopholes at the local level, and

**WHEREAS**, The Taxpayer Protection and Government Accountability Act will reinstate the two-thirds approval requirement for any new or higher “special taxes” proposed by initiative in a local election, while still maintaining the current majority vote requirement for general tax increases, and

**WHEREAS**, With the cost-of-living skyrocketing, the City Council affirms its support for voters to have their voices heard on issues regarding taxation and for giving voters greater oversight in response to continued spending and corresponding tax increases.

**NOW, THEREFORE, BE IT RESOLVED** by the City of { }, that the City Council formally expresses support for the Taxpayer Protection and Government Accountability Act and the benefit that it provides to taxpayers and to the state’s overall economy.



**AGENDA REPORT SUMMARY**

**Meeting Date:** September 12, 2023

**Subject** Maui Wildfire Relief

**Prepared by:** Anthony Carnesecca, Assistant to the City Manager

**Reviewed by:** Jon Maginot, Assistant City Manager

**Approved by:** Gabriel Engeland, City Manager

**Attachment(s):**

- 1. City of Palo Alto Donation Staff Report

**Initiated by:**

City Council

**Previous Council Consideration:**

None

**Fiscal Impact:**

The fiscal impact will depend upon the donation.

**Environmental Review:**

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

**Policy Question(s) for Council Consideration:**

- Does the City Council wish to provide a donation to an organization in the wake of the wildfires in Maui?

**Summary:**

- On August 8, 2023, Maui experienced devastating wildfires that resulted in significant damage, loss of property, and displacement of residents and visitors, which has been recognized as one of the deadliest natural disasters in Hawaii's history.
- City Council directed staff to bring this item back for discussion.

**Purpose**

Discuss whether City should donate funds to an organization in the wake of the wildfires in Maui.

City Manager

GE

**Reviewed By:**

City Attorney

JH

Finance Director

JD



**Subject:** Maui Wildfire Relief

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**Background**

The wildfires that swept through the Island of Maui in the State of Hawai'i on August 8, 2023, resulted in a significant humanitarian crisis, with widespread devastation and displacement. In response to this emergency, multiple organizations have been actively working to provide immediate relief, support affected families, and address the long-term recovery needs of the community.

**Discussion/Analysis**

The Palo Alto City Council is currently planning to review a proposed donation to three organizations participating in the cross-sector Maui Nui Strong initiative, the Hawai'i Community Foundation Maui Strong Fund, Maui United Way, and Maui Humane Society, at their meeting on September 5, 2023. More information regarding their donation can be found in Attachment #1.



CITY OF  
**PALO  
ALTO**

## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: City Manager**

**Meeting Date: September 5, 2023**

Report #:2308-1955

### TITLE

Approval of a Donation of \$25,000 From the City Council Contingency Account to Support Maui Wildfire Relief and Recovery

### RECOMMENDATION

Approve a donation of \$25,000 from the City Council Contingency to support Maui Wildfire relief and recovery. The donation will be distributed to the Hawai'i Community Foundation Maui Strong Fund (\$10,000), the Maui United Way (\$10,000), and the Maui Humane Society (\$5,000).

### BACKGROUND

On August 8, 2023, the Island of Maui in the State of Hawai'i was devastated by wildfires driven by strong winds and dry conditions. The resulting tragedy has been recognized as the deadliest natural disaster in the state's history and among the worst in US history dating back to 1871<sup>1</sup>.

### ANALYSIS

Mayor Kou, Vice Mayor Stone, and Councilmember Lauing have proposed the recommended donations. The recommended funding level is consistent with prior donations for relief following 2017 Sonoma, Napa and Mendocino County fires and 2018 Butte County Camp Fire.

The recipient organizations are all participating in the cross-sector Maui Nui Strong initiative<sup>2</sup>:

- Hawai'i Community Foundation, Maui Strong Fund - <https://www.hawaiicommunityfoundation.org/maui-strong>
- Maui United Way, Maui Fire Relief Fund - <https://mauiunitedway.org/disasterrelief>

<sup>1</sup> <https://www.npr.org/2023/08/15/1193710165/maui-wildfires-deadliest-us-history#:~:text=Last%20week's%20wildfires%20%E2%80%94%20which%20destroyed,.%2C%20which%20killed%2085%20people.>

<sup>2</sup> <https://www.mauinuistrong.info/resource-categories/donate-money>

- Maui Humane Society - <https://www.mauihumanesociety.org/>

**FISCAL/RESOURCE IMPACT**

The Fiscal Year 2024 budget provides \$125,000 appropriated in the City Council Contingency account; this action will reduce the Contingency to \$100,000.

**ENVIRONMENTAL REVIEW**

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

**APPROVED BY:**

Ed Shikada, City Manager

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	
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		IN-PROGRESS
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	IN-PROGRESS
Program 1.H: Facilitate housing on City-owned sites.	Financial Analysis	July 1, 2023	December 31, 2023	DEVELOPING RFP
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		
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	IN-PROGRESS
Program 2.B: Establish an affordable housing in-lieu fee and commercial linkage fee.	Housing in-lieu fee.		December 31, 2023	IN-PROGRESS
Program 2.F: Water and Sewer Service Providers.			December 31, 2023	
Program 3.B: Modify building height in mixed-use zoning districts.	Downtown Districts		December 31, 2023	IN-PROGRESS
Program 3.E: Ensure that the density bonus ordinance remains consistent with State law.			December 31, 2023	ONGOING
Program 3.H: Amend design review process and requirements.	Code Amendments		December 31, 2023	COMPLETED

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>IN-PROGRESS</b>
Program 4.D: Allow transitional and supportive housing consistent with State law.			December 31, 2023	<b>IN-PROGRESS</b>
Program 4.E: Allow employee/farmworker housing consistent with State law.			December 31, 2023	<b>IN-PROGRESS</b>
Program 4.F: Reasonably accommodate disabled persons' housing needs.			December 31, 2023	<b>IN-PROGRESS</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	
Program 1.G: Rezone housing sites from previous Housing Elements.			January 31, 2024	
Program 3.G: Amend Conditional Use Permits findings applicable to housing developments.			March 31, 2024	<b>IN-PROGRESS</b>
Program 3.I: Allow residential care facilities consistent with State law.			March 31, 2024	
Program 3.J: Explicitly allow manufactured homes consistent with State law.			March 31, 2024	
Program 3.F: Reduce Conditional Use Permit requirement for residential mixed-use and multi-family.			September 31, 2024	<b>IN-PROGRESS</b>
Program 1.B: Facilitate higher density housing in the Commercial Thoroughfare (CT) District.			December 31, 2024	
Program 1.C: Allow housing in the Office Administrative (OA) District.			December 31, 2024	
Program 1.E: Update the Loyola Corners Specific Plan.			December 31, 2024	



Program 2.D: Encourage and streamline Accessory Dwelling Units (ADUs).	Adopt-Permit Ready ADU Plans		December 31, 2024	
Program 3.A: Prepare a Downtown parking plan and update citywide parking requirements.			December 31, 2024	<b>UNDER REVIEW</b>
Program 3.B: Modify building height in mixed-use zoning districts.	Neighborhood (CN) District		December 31, 2024	<b>IN-PROGRESS</b>
Program 3.C: Remove floor-to-area ratio (FAR) restriction at Rancho Shopping Center and Woodland Plaza.			December 31, 2024	<b>IN-PROGRESS</b>
Program 3.M: Modify parking requirements for emergency shelters consistent with State law.			December 31, 2024	
Program 2.B: Establish an affordable housing in-lieu fee and commercial linkage fee.	Commercial linkage fee.	December 31, 2025		
Program 1.D: Allow housing on certain Public and Community Facilities District sites and facilitate housing on religious institution properties.			December 31, 2025	
Program 1.F: Rezone Village Court parcel.			December 31, 2025	
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	

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	
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	

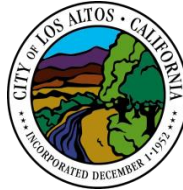
Program 6.A: Assist residents with housing discrimination and landlord-tenant complaints.			Ongoing	
Program 6.B: Maintain and expand an inventory of affordable housing funding sources.	Inform, Evaluate Apply/Submit		Ongoing	
Program 6.F: Affirmatively market physically accessible units.			Ongoing	
Program 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	



**City of Los Altos 2023 Tentative Council Agenda Calendar**

<b>September 19, 2023 – SPECIAL MEETING</b>	
<b>AGENDA TITLE:</b>	<b>DEPARTMENT:</b>
Interview with Commission Applicants	Clerk
<b>September 26, 2023 Closed Session: TBD Study Session: TBD</b>	
<b>AGENDA TITLE:</b>	<b>DEPARTMENT:</b>
<b>CONSENT:</b>	
Treasury Report	Finance
Adopt a resolution to authorize the City Manager to execute the First Amendment to the Agreement between the City of Los Altos and BKF Engineers to develop a streetscape concept plan for the southern segment of First Street, between Main Street and San Antonio Road	PW
1 <sup>st</sup> Round of Confirmation of Appointments to Commissions	Clerk
Record the Parcel Map of 705 Vista Grande Ave	Dev. Svcs.
Waive Second Reading and Adopt Ordinance of bidding procedures under the California Uniform Public Construction Cost Accounting Act; find that the adoption of the ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061	Finance
<b>PUBLIC HEARING:</b>	
Appeal – 5790 Arboretum Dr	Dev. Svcs.
HEU Implementing Ordinance	Dev. Svcs.
<b>DISCUSSION ITEMS:</b>	
Los Altos Special Events Policy Ordinance	CM

*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 2023 Tentative Council Agenda Calendar**

<b>October 10, 2023</b> <b>Closed Session: TBD</b> <b>Study Session: TBD</b>	
<b>AGENDA TITLE:</b>	<b>DEPARTMENT:</b>
<b><u>SPECIAL ITEMS:</u></b>	
Recognition of Outgoing Commissioners	Clerk
Swearing-In of Incoming Commissioners	Clerk
<b><u>CONSENT:</u></b>	
<b><u>PUBLIC HEARING:</u></b>	
<b><u>DISCUSSION ITEMS:</u></b>	

*Remaining 2023 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.*