



CITY COUNCIL MEETING AGENDA

7:00 PM - Tuesday, February 28, 2023
via Videoconference and In Person

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

Telephone: 1-669-444-9171 / Webinar ID: 847 3451 5040

<https://losaltosca-gov.zoom.us/j/84734515040?pwd=T0FsT0Zxcm1WM2I5WUdpUnRNVkQrZz09>

Passcode: 709226

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 PARTICPATE 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. 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.

SPECIAL ITEM

- i. 2023 March as Youth Arts Month Proclamation
- ii. Los Altos 2022 STEM Winners

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. **Minutes:** Approve Minutes of the City Council Regular Meeting of February 14, 2023. (A. Rodriguez)
2. **Commission Appointment Process:** Amend the "Membership of City Commissions" section from the Los Altos Commission Handbook (A. Carnesecca)
3. **Rescind the Los Altos Open Government Policy and terminate the City Council Legislative Subcommittee and the Council Open Government Subcommittee:** Adopt Resolution 2023-XX repealing Resolution No. 2019-30 regarding Open Government Policy in its entirety and terminate the City Council Legislative Subcommittee (A. Rodriguez)

PUBLIC HEARINGS

4. **Permanent Fenced-In Dog Park at Hillview:** Approve the use of \$75,000 from Park-In-Lieu Funds to Contract Design Consultant Services for the Permanent Fenced-In Dog Park at Hillview (M. Hernandez)
5. **Housing Element Update Ordinance:** Approve an ordinance of the City Council of the City of Los Altos amending chapters 2.08, 12.44, 13.04, 14.76, and 14.78 of the Los Altos municipal code to implement certain provisions of program 3.h of the sixth cycle Housing Element Update, 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. (N. Zornes)

DISCUSSION ITEMS

6. **Proposition 218 process/Sewer Rate Study Report:** Approve the Sewer Rate Study Report and direct staff to proceed with the Proposition 218 Notice Process (A. Fairman)

- 7. Automated License Plate Reader Cameras:** Approve a one year pilot program of Automated License Plate Readers for up to 25 cameras and up to \$75,000 (A. Averiett)

INFORMATIONAL ITEMS ONLY

- 8.** Tentative Council Calendar
- 9.** Neighborhood Safety and Infrastructure Committee

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.



Proclamation

Of the Mayor

Of the City of Los Altos, California

WHEREAS, YOUTH ART MONTH is an annual celebration supported through the Council for Art Education to emphasize the value of art education for all children and to encourage support for excellent school art programs;

WHEREAS, Santa Clara County Board of Education, along with the City of Los Altos, is committed to supporting the arts to inspire and prepare students for success in the 21st century and allowing them to develop as productive, contributing members of a strong community;

WHEREAS, The City of Los Altos shares the vision of ensuring that students have access to high-quality arts education that is culturally relevant and inclusive in all forms as part of a comprehensive education that sparks curiosity, imagination, creativity, and joy;

WHEREAS, while Youth Art Month supports many purposes, it exists primarily to direct attention to the value of art education; encourage commitment to the arts by students, community organizations, and individuals; increase community understanding and interest in art and art education through involvement in art exhibits, workshops, and other creative ventures; and increase community, business and governmental support for art education; and

WHEREAS, The City of Los Altos encourages commitment to the arts by students, businesses, community organizations, and individuals;

NOW THEREFORE BE IT RESOLVED that I, Sally Meadows, Mayor of the City of Los Altos, and on behalf of the entire Los Altos City Council and the people of Los Altos, do hereby proclaim the month of March to be

YOUTH ARTS MONTH

and encourage all residents of the City to join in this observance.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Los Altos this 28th day of February 2023.





Sally Meadows, **MAYOR**



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Siddhartha Daswani

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink, reading "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Yash Golwala

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink that reads "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Ajay Krishnan

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



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Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Philip Oberhart

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



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Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Aditya Shivakumar

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



Sally Meadows

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION


The City Council of the City of Los Altos hereby presents
this certificate to

Varun Thvar

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023





Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Solomon Wechter

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink that reads "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

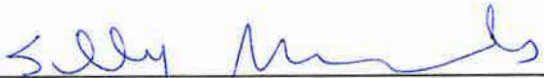
The City Council of the City of Los Altos hereby presents
this certificate to

Audrey Yang

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023




Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION


The City Council of the City of Los Altos hereby presents
this certificate to

Ruhi Yusuf

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023





Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Saarang Bondalapati

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Kallie Wang

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



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Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION


The City Council of the City of Los Altos hereby presents
this certificate to

Ada Tur

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023





Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Tara Pande

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink that reads "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION


The City Council of the City of Los Altos hereby presents
this certificate to

Parker Neugebauer

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023





Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Aidan Mitchell

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink, reading "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Alyssa Manche

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink that reads "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Alexandra Chatwin

In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink, reading "Sally Meadows".

Sally Meadows, MAYOR



City of Los Altos

CERTIFICATE OF RECOGNITION

The City Council of the City of Los Altos hereby presents
this certificate to

Tyler Chow

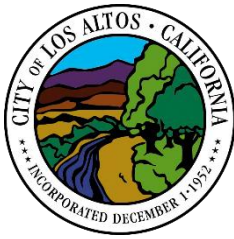
In recognition of the 2022 STEM Winners and
Participants from the City of Los Altos in the
Santa Clara County 2022 Synopsys Championship

Dated: February 28, 2023



A handwritten signature in blue ink, reading "Sally Meadows".

Sally Meadows, MAYOR



**CITY COUNCIL MEETING
MINUTES
7:00 PM - Tuesday, February 14, 2023
via Videoconference and In Person**

CALL MEETING TO ORDER

At 7:02 p.m. Mayor Meadows called the meeting to order.

ESTABLISH QUORUM

PRESENT: Councilmembers Fligor, Lee Eng (via Zoom), Dailey (via Zoom), Vice Mayor Weinberg, Mayor Meadows

ABSENT: None

PLEDGE ALLEGIANCE TO THE FLAG

Melissa Marti, Camila Lagar-Garcia, Krisha Diggi, and Eva Bruled with Troop 61911 led the pledge of allegiance.

REPORT ON CLOSED SESSION

There was no Closed Session.

CHANGES TO THE ORDER OF THE AGENDA

There were no changes.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

There were none.

SPECIAL ITEM

- i. Black History Month Proclamation

Mayor Meadows presented the Black History Month Proclamation to the Council and the community.

CONSENT CALENDAR

1. **Notice of Completion:** Adopt Resolution No. 2023-XX for On-Call Sanitary Sewer Spot Repairs and CCTV Inspection Services for FY 21/22 (G. Grant)
2. **Emergency Declaration Resolution:** Adopt a Resolution terminating the local emergency declaration due to the COVID-19 pandemic (J. Maginot)

3. **Amendment No. 3 to the Contract with Bear Electrical Solutions, Inc. for Traffic Signal and Streetlight Maintenance Services:** Adopt a resolution to authorize the City Manager to execute contract Amendment No. 3 with Bear Electrical Solutions, Inc. to extend the term through FY 22/23 and add funds in the amount of \$75,000 for a total not to exceed maintenance budget of \$381,000 for on-call traffic signal and streetlight maintenance services. (N. S. Majd)
4. **Approve the Updated Fiscal Year 2022/23 Pay Schedule:** Adopt Resolution 2023-XX to adopt the Updated Fiscal Year 2022/23 Pay Schedule to Comply with California Public Employees' Retirement System (CalPERS) Statutory and Regulatory Requirements for Compensation Earnable and Publicly Available Pay Schedules (I. Silipin)
5. **Minutes:** Approve Minutes of the City Council Regular Meeting of January 24, 2023. (A. Rodriguez)

A motion by Councilmember Fligor, seconded by Councilmember Dailey, to approve the consent calendar as presented was approved with the following roll call vote:

AYES: Councilmembers Fligor, Lee Eng, Dailey, Vice Mayor Weinberg, Mayor Meadows
 NOES: None
 ABSENT: None
 ABSTAIN: None

PUBLIC HEARINGS – NONE

DISCUSSION ITEMS

6. **Consider a Resolution to Adopt a Policy Implementing SB 743 and Finding the Council's Action Exempt from Review Under the California Environmental Quality Act (CEQA):** Adopting a resolution that would implement a policy establishing thresholds of significance, using Vehicle Miles Travelled (VMT), to analyze transportation impacts under CEQA, consistent with SB 743; consider a finding that the City Council's action in adopting the resolution is not subject to review under CEQA pursuant to Public Resources Code Section 21065 (definition of a CEQA "project"), CEQA Guidelines Section 15064.7 (requirements for adopting thresholds of significance), and CEQA Guidelines Section 15061(b)(3) (commonsense exemption).

Erik Ramakrishnan, Assistant City Attorney, and Stephanie Williams, Planning Services Manager, presented to Council.

There was no public comment.

The Council engaged in discussions.

A motion by Vice Mayor Weinberg, seconded by Councilmember Fligor, to adopt a policy the implementing California Senate Bill No. 743 regarding transportation analysis under the California Environmental Quality Act (CEQA), and finding that the adoption of this resolution is exempt from review under CEQA was approved with the following roll call vote:

AYES: Councilmembers Fligor, Lee Eng, Dailey, Vice Mayor Weinberg, Mayor Meadows
 NOES: None

ABSENT: None
 ABSTAIN: None

7. FY22/23 Budget Appropriations: Approve and Adopt a Resolution for Adjustments to FY22/23 Budget Appropriations (J. Du)

Finance Director June Du presented to Council.

Councilmembers Dailey, Fligor and Lee Eng asked clarifying questions and Director Du and City Manager Engeland responded.

The following members of the public spoke: Terry Couture, and Jeanine Valadez.

A motion by Councilmember Fligor, seconded by Vice Mayor Weinberg, to approve the recommended adjustments to Fiscal Year 22/23 budget appropriations as presented and adopt the Fiscal Year 2022/23 Final Operating Budget was approved with the following roll call vote:

AYES: Councilmembers Fligor, Lee Eng, Dailey, Vice Mayor Weinberg, Mayor Meadows
 NOES: None
 ABSENT: None
 ABSTAIN: None

8. Housing Element Implementing Resolutions: Elimination of Third Party Independent Architectural Review and Elimination of Story Pole Requirement. The proposed resolutions are exempt from environmental review pursuant to General Rule, 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. (N. Zornes)

Development Services Director Nick Zornes presented to Council.

Councilmembers Lee Eng and Fligor asked clarifying questions and Director Zornes and City Attorney Houston responded.

The following member of the public spoke: Joe Beninato.

A motion by Vice Mayor Weinberg, seconded by Mayor Meadows, to adopt a resolution eliminating the requirement for third party independent architectural review for projects in the downtown and finding that the adoption of this resolution is exempt from review under the California Environmental Quality Act passed with the following roll call vote:

AYES: Councilmembers Fligor, Dailey, Vice Mayor Weinberg, Mayor Meadows
 NOES: None
 ABSENT: None
 ABSTAIN: Councilmember Lee Eng

A motion by Vice Mayor Weinberg, seconded by Mayor Meadows, to adopt a resolution amending the Open Government Policy and finding that the adoption of this resolution is exempt from review under the California Environmental Quality Act passed with the following roll call vote:

AYES: Councilmembers Fligor, Dailey, Vice Mayor Weinberg, Mayor Meadows
 NOES: None

ABSENT: None
ABSTAIN: Councilmember Lee Eng

At 8:10 pm, Mayor Meadows called for a recess and reconvened the meeting back to order at 8:20 pm.

9. Commission Appointment Process: Amend the "Membership of City Commissions" section from the Los Altos Commission Handbook (A. Carnesecca)

Economic Development Administrator Anthony Carnesecca presented the item to Council.

Councilmembers Lee Eng, Fligor and Mayor Meadows asked clarifying questions and Mr. Carnesecca responded.

The was no public comment.

The Council engaged in discussion. City Manager Engeland provided additional comments.

A motion was made by Vice Mayor Weinberg, seconded by Councilmember Dailey, to continue this item until after the Council retreat.

Council provided direction to staff and wants further direction from the Council retreat to be reflected on the final version and to be brought back on the consent calendar.

Vice Mayor Weinberg withdrew his former motion.

INFORMATIONAL ITEMS ONLY

10. Tentative Council Calendar

Mayor Meadows reminded the public about the upcoming Council retreat on February 21, 2023.

COUNCIL/STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

The Council reported out on several events that they attended or took part of.

ADJOURNMENT

Mayor Meadows adjourned the meeting at 9:09 pm.

Sally Meadows, MAYOR

ATTEST:

Angel Rodriguez, INTERIM CITY CLERK



AGENDA REPORT SUMMARY

Meeting Date: February 28, 2023

Subject: Los Altos Commission Appointment Process

Prepared by: Anthony Carnesecca, Economic Development Administrator

Reviewed by: Jon Maginot, Assistant City Manager

Approved by: Gabriel Engeland, City Manager

Attachment(s):

None

Initiated by:

City Council

Previous Council Consideration:

January 10, 2023 & February 14, 2023

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- How does the Council wish to appointment individuals to serve on commissions?

Summary:

- City Council directed city staff to come back with an analysis of the commission appointment policy.
- City staff has incorporated feedback from the January 10, 2023 Study Session and February 14, 2023 Regular Meeting.

Staff Recommendation:

City staff recommends amending the “Membership on City Commissions” section from the Los Altos Commission Handbook.

Reviewed By:

City Manager

GE

City Attorney

JH

Finance Director

JD



Subject: Los Altos Commission Appointment Process

Purpose

Provide direction on the commission appointment process that governs the process for individuals to be appointed to serve on a City of Los Altos Commission so staff can return with an updated policy.

Background

The City of Los Altos has guidelines on the procedures for the appointment process. These procedures for commissions have changed at the direction of the City Council to improve the appointment process for Council, commissioners, applicants, and staff.

The current commission appointment process is the following:

- “The City Council accepts applications for Commission positions year-round. Two times per year, formal recruitments are conducted for those positions which are or will become vacant (including those for which an incumbent is eligible for reappointment). With the exception of the Youth Commission, interviews are scheduled before the entire City Council at a special meeting. Between the two formal recruitments, the City may conduct recruitments for vacant positions as they arise. Interviews for these positions may be held either immediately before or during a regular Council meeting. Appointments are made by written ballot during a regular City Council meeting.

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.”

Discussion/Analysis

City staff presented a number of proposed improvements to the above process for review by City Council at the January 10, 2023 Study Session and February 14, 2023 Regular Meeting. City staff has taken that feedback and incorporated it into the below amended section from the Los Altos Commission Handbook.

During the study session with City Council, there was some confusion regarding the frequency of current appointments for commissions. Under the current process, there is only one recruitment for each commission annually with half of the commissions in March and the other half of commissions in September. Previously the City had done one recruitment annually for all commissions, but shifted to two recruitments due to the large number of commissions and commissioners. This proposal aims to consolidate the two periods of recruitment into one without changing the quantity of annual recruitments for any commission.



Subject: Los Altos Commission Appointment Process

The updated process allows flexibility for future unexpected vacancies as a commission chair or commission liaison is able to request a specific vacancy recruitment.

City staff has added some elements to the outreach component of the recruitment process outlined below and plans to provide a FAQ on commissions for residents to easily understand what commissions do, how to apply for commissions, and how they can stay engaged in the commission process within Los Altos.

After the February 14, 2023 meeting, City staff has incorporated the following edits:

- Adding additional clarity in sentence one of paragraph two.
- Removing the plus-one applicant requirement.
- Same allotted time for free-form in-person interviews.

The proposed commission appointment process is the following:

- “The City Council accepts applications for Commission positions only 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).



Subject: Los Altos Commission Appointment Process

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.”

Recommendation

City staff recommends amending the “Membership on City Commissions” section from the Los Altos Commission Handbook.



AGENDA REPORT SUMMARY

Meeting Date: February 28, 2023

Subject Adopt Resolution 2023-XX repealing Resolution No. 2019-30 regarding Open Government Policy in its entirety and terminating the City Council Legislative Subcommittee

Prepared by: Angel Rodriguez, Interim City Clerk

Reviewed by: Gabriel Engeland, City Manager

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Resolution 2023-XX Repealing Resolution No. 2019-30 regarding Open Government Policy in its entirety and terminating the City Council Legislative Subcommittee

Initiated by:

City Council

Previous Council Consideration:

Discussed at the 2/21/23 Council Retreat

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Does the Council wish to repeal Resolution No. 2019-30 regarding Open Government Policy in its entirety and terminate the City Council Legislative Subcommittee?

Summary:

- At the 2/21/23 Council Retreat, Council reviewed it standing and ad hoc subcommittees.
- Council gave direction to staff to repeal the Open Government Policy, Council Open Government Subcommittee and the Council Legislative Subcommittee.
- Formal action taken on repealing the Open Government Policy, Council Open Government Subcommittee and the Council Legislative Subcommittee will be recorded on the minutes resulting from this meeting.

Reviewed By:

City Manager

GE

City Attorney

JH

Finance Director

JD



Subject: Repealing Resolution No. 2019-30 regarding Open Government Policy and terminating the City Council Legislative Subcommittee

Staff Recommendation:

Adopt Resolution 2023-XX repealing Resolution No. 2019-30 regarding Open Government Policy in its entirety and terminating the City Council Legislative Subcommittee

RESOLUTION NO. 2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
REPEALING RESOLUTION NO. 2019-30 IN ITS ENTIRETY AND TERMINATING
THE CITY COUNCIL LEGISLATIVE SUBCOMMITTEE**

WHEREAS, on January 13, 2015, the City Council adopted Resolution No. 2015-02 establishing the Open Government Policy and subsequently adopted Resolution Nos. 2015-12, 2017-33, 2018-13 and 2019-30 amending the Open Government Policy (“Policy”); and

WHEREAS, the City Council has annually appointed an Open Government Subcommittee; and

WHEREAS, the Policy was originally formed as a Pilot Program; and

WHEREAS, on February 21, 2023, the City Council found and determined that the Open Government Committee was no longer necessary; and

WHEREAS, on February 21, 2023, the City Council further determined that the City Council Legislative Subcommittee was no longer necessary.

NOW, THEREFORE, BE IT RESOLVED

1. That the City Council hereby terminates the City Council Open Government Committee.
2. That the City Council hereby terminates the City Council Legislative Subcommittee.

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 this ____ day of _____, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: _____
Sally Meadows, MAYOR

Attest:

Angel Rodriguez, INTERIM CITY CLERK

**A POLICY OF THE CITY OF LOS ALTOS REGARDING
OPENNESS IN CITY GOVERNMENT**

Section 1

The Brown Act

All meetings of city policy bodies (City Council, Commissions, and Committees) shall be open and public, and governed by the provisions of the Ralph M. Brown Act (Government Code Sections 54950 et. seq.). The Brown Act serves as a floor, not a ceiling, for transparency and openness. Policies are provided here that go beyond the minimum requirements of law to instill public confidence and increase transparency.

The City will maintain an “Open Government” page on the City website. This policy will be available on that site as well as a brief summary of the Brown Act.

Section 2

Posting of Agendas

At least eight (8) calendar days before a regular City Council meeting, a final agenda and accompanying materials shall be posted on the City’s website. The agenda will be provided to the media. This final agenda shall contain a meaningful description of each item of business to be transacted or discussed at the meeting and all related items, including staff reports, proposals and contracts that will be considered for action. Agendas shall specify for each item of business the proposed action or a statement the item is for discussion only. The agenda shall also be made available for public inspection and copying at both public libraries and City Hall during normal business hours.

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Section 3

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Notices for single-family residential design reviews shall be provided in accordance with Los Altos Municipal Code Section 14.76. In addition, notices posted on the project site shall be no smaller than 11” x 17” and shall include a graphic representing the proposed project as well as allowed construction hours.

City of Los Altos

Open Government Policy – June 25, 2019

Notices for multiple-family, public and community facilities, office and administrative, commercial and mixed-use design reviews shall be provided in accordance with Los Altos Municipal Code Section 14.78 and shall be sent to all properties within 1,000 feet of the proposed development and to the media 14 days in advance of the meeting. Notices shall be mailed for Pre-application study session design review (14.78.040), if held, as well as the first public hearing of the Planning Commission and the first public hearing of the City Council (14.78.030). In addition, notices posted on the project site shall be no smaller than 4' x 6' and shall include a graphic representing the proposed project as well as allowed construction hours. Multiple-story multiple-family, commercial and mixed-use projects, and public facilities shall erect story poles which reflect the outline of the proposed building on the site. Story poles complying with the City's specifications must be erected at least 20 days in advance of the first public hearing for the project. No project shall have a hearing until proper story poles are installed. Story poles shall be removed within 30 days of the first public hearing of the City Council. If the project is withdrawn by the applicant for substantial revision, the poles shall be removed immediately and re-installed 20 days prior to the public hearing on the revised proposal.

Section 4
Recording of Meetings and Retention of Recordings

All Regular and Special Meetings of the City Council and Planning and Transportation Commission that are held in the Community Chambers shall be video recorded. All regular meetings of Commissions and Committees shall be audio recorded. All other public meetings of the City Council and other Commissions and Committees meetings shall be audio recorded as practical. Each such video and audio recording shall be a public record subject to inspection pursuant to the California Public Records Act. The video recording of meetings of the City Council and Planning and Transportation Commission shall be made available within one week of the meeting by webcast on the City's website and shall remain on the City's website permanently. The audio and video record of all meetings under this section shall be kept permanently.

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Section 6
Public Records Requests

City of Los Altos

Open Government Policy – June 25, 2019

Requests for public records, including a brief description of the request, identification of the requester, the date requested, whether the request was granted, partially granted or denied, and the date the request was fulfilled, shall be posted on the City’s website. This list shall be updated at least quarterly.

Section 7
Open Government Standing Committee

The Mayor shall appoint two City Council members to serve on an ad hoc Open Government Committee during the piloting of this Open Government policy. Upon adoption of a final policy or an ordinance, the Mayor shall. appoint two City Council members to serve on a standing Open Government Committee. The term of each appointed member shall. be two years. The Committee shall advise the City Council and provide information to the City Manager on potential ways in which to implement the Open Government Policy. The Committee shall develop appropriate goals to ensure practical and timely implementation of this Policy. The Committee shall propose to the City Council amendments to this Policy. The Committee shall report to the City Council at least once annually on any practical or policy problems encountered in the administration of this Policy.

Section 8
Open Government Policy Annual Review

This Open Government Policy will be reviewed by the City Council at the first meeting in May each year. The review may also be called earlier at the request of the Open Government Committee. The review will include discussion about the cost and impact on City staff of implementing this policy, consideration of additional open government and transparency sections to the policy, and a determination as to when it might be appropriate to adopt the policy as a City ordinance.



PUBLIC CORRESPONDENCE

The following is public correspondence received by the City Clerk’s Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov

From: [Roberta Phillips](#)
To: [City Council](#); [Public Comment](#)
Cc: [Roberta Phillips](#)
Subject: Item #3 Feb23 Council meeting / Rescind the Los Altos Open Government Policy
Date: Saturday, February 25, 2023 4:33:42 PM

Dear Council Members

On the Consent Calendar Item #3, you are asked to rescind the Los Altos Open Government Policy. Please pull this item for discussion.

The Policy is there "...to instill public confidence and increase transparency"

There are sections that are very important that should not be eliminated.

Section 2 : Posting of the Agendas allows time for the public to read agendas and reports 8 calendar days ahead of regular council meetings and post them on the city website.

Section 4 addresses recording of meetings and retention of recordings. Many residents look at recordings of meetings after and want to keep that ability.

Section 5 describes the Index of City Records. It is used by city staff, and the general public to learn and keep informed about city agencies, task forces, commissions and elected officials

Section 6 addresses requests for Public Records. These should be tracked as described in section 6.

I can't imagine that your desire is to reduce transparency and confidence from the public. It seems as though you are throwing away the baby with the bath water.

Please consider a revision of the Open Government Policy if some sections are no longer needed but keep what is valuable to the public

Sincerely

Roberta Phillips

[Redacted]

<https://www.losaltosca.gov/citycouncil/page/open-government-policy>

From: [Pat Marriot](#)
To: [Public Comment](#)
Subject: PUBLIC COMMENT ITEM #3 FEBRUARY 28, 2023
Date: Sunday, February 26, 2023 9:04:53 PM

Council Members:

I'm wondering why you would rescind the Open Government Policy vs. updating it. If there are sections that are not compliant with state law or other problems, fix them.

Transparency, public confidence, posting agendas, public records access are critically important.

What are residents left with if you revoke the entire policy?

Pat Marriott

RESOLUTION NO. 2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
REPEALING RESOLUTION NO. 2019-30 IN ITS ENTIRETY AND TERMINATING
THE CITY COUNCIL LEGISLATIVE SUBCOMMITTEE**

WHEREAS, on January 13, 2015, the City Council adopted Resolution No. 2015-02 establishing the Open Government Policy and subsequently adopted Resolution Nos. 2015-12, 2017-~~23~~3, 2018-~~31~~3 and 2019-30 amending the Open Government Policy (“Policy”); and

WHEREAS, the City Council has annually appointed an Open Government SubCommittee; and

WHEREAS, the Policy was originally formed as a Pilot Program; and

WHEREAS, on ~~January~~-February 21, 2023, the City Council found and determined that the Open Government Committee was no longer necessary; and many of the provisions of the Policy were no longer effective in promoting transparency as originally intended; and

WHEREAS, on ~~January~~-February 21, 2023, the City Council further determined that the City Council Legislative Subcommittee was no longer necessary.

NOW, THEREFORE, BE IT RESOLVED

1. That the City Council hereby terminates the City Council Open Governmemnt Committee. of the City of Los Altos hereby repeals Resolution No. 2019-30 in its entirety, which incorporated by reference the latest version of the “Policy of the City of Los Altos Regarding Openness in City Government” attached hereto as Exhibit A.
2. That the City Council hereby terminates the City Council Legislative Subcommittee.

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 this ____ day of _____, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: _____
Sally Meadows, MAYOR

Attest:

~~Jon Maginot~~Angel Rodriguez, INTERIM CITY CLERK

**A POLICY OF THE CITY OF LOS ALTOS REGARDING
OPENNESS IN CITY GOVERNMENT**

Section 1

The Brown Act

All meetings of city policy bodies (City Council, Commissions, and Committees) shall be open and public, and governed by the provisions of the Ralph M. Brown Act (Government Code Sections 54950 et. seq.). The Brown Act serves as a floor, not a ceiling, for transparency and openness. Policies are provided here that go beyond the minimum requirements of law to instill public confidence and increase transparency.

The City will maintain an “Open Government” page on the City website. This policy will be available on that site as well as a brief summary of the Brown Act.

Section 2

Posting of Agendas

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City of Los Altos

Open Government Policy – June 25, 2019

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City of Los Altos

Open Government Policy – June 25, 2019

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From: [Frank Martin](#)
To: [Public Comment](#)
Subject: Public Comments Item #3 - February 28 council meeting
Date: Tuesday, February 28, 2023 8:14:30 AM

I completely agree with Roberta Philips comments.

Frank Martin

Dear Council Members

On the Consent Calendar Item #3, you are asked to rescind the Los Altos Open Government Policy. Please pull this item for discussion.

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There are sections that are very important that should not be eliminated.

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Sincerely

Roberta Phillips

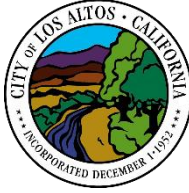


<https://www.losaltosca.gov/citycouncil/page/open-government-policy>

From: [Bill Hough](#)
To: [City Council](#); [Public Comment](#)
Subject: Public comment on agenda item #3 on 2/28/2023 agenda
Date: Monday, February 27, 2023 5:09:30 PM

I oppose this attempt to rescind the Los Altos Open Government Policy and terminate the City Council Legislative Subcommittee and the Council Open Government Subcommittee. This Policy exists "...to instill public confidence and increase transparency" and removing it will only encourage cynicism of government. This action will reduce transparency and wipe out confidence from the public. People don't believe anything government says, don't encourage this belief.

Bill Hough
resident and taxpayer of Los Altos



AGENDA REPORT SUMMARY

Meeting Date: February 28, 2023

Subject Request to use Park-In-Lieu Funds to Contract Design Consultant Services for the Permanent Fenced-In Dog Park at Hillview

Prepared by: Manny A. Hernandez, Parks & Recreation Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

- 1. None

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

The following agreement will cost \$75,000 for Design Consultant Services for the permanent dog park at Hillview Park.

- Breakdown of funds to be used:
 - o \$75,000.00 Park-In-Lieu
- Amount already included in approved budget: Yes
- Amount above budget requested: \$25,000

Environmental Review:

Categorically Exempt pursuant to CEQA section 15301 – Existing Facilities consisting of the operation, or minor alteration of existing public structures and facilities involving negligible or no expansion of existing or former use.

Policy Question(s) for Council Consideration:

- Does Council wish to appropriate funding for design consultant services on this project?
- Does Council feel there is an adequate amount of funding available in the Park-In-Lieu fund to use for this?

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JE



Subject: Title

Summary:

- Residents currently have two temporary fenced locations to run dogs off-leash in Los Altos.
- The plan for a permanent fenced off-leash dog park at Hillview Park was by City Council at the February 8, 2022 Council meeting.
- As directed by Council as the second phase of the Hillview Dog Park, staff is moving forward with the design process that includes public outreach conducted by an experienced landscape design professional.
- The location of the permanent dog park at Hillview is being planned for the parking lot space on the northwest of the Hillview soccer field.
- The cost of design services for the dog park will not exceed \$75,000.

Staff Recommendation:

- 1) Approve use of Park-In-Lieu funds to contract a park design consultant for the design of the permanent fenced off-leash dog park at Hillview Park.
- 2) Authorize the City Manager to execute an agreement with Verde Design for design consultant services in the planning of the permanent dog park at Hillview Park.

Purpose

To approve the use of Park-In-Lieu funds in the amount not to exceed \$75,000 to contract Verde Design as a consultant for the design process of the permanent dog park at Hillview Park.

Background

At the City Council’s February 8, 2022 meeting, staff was directed to begin the phased process of the fenced in dog park at Hillview. The first phase being the installation of the temporary dog park at the southeast end of the soccer field. The first phase was completed in the early Summer of 2022 and is currently being used at this time. The second phase, as recommended by staff and directed by Council, is to begin the process of the permanent dog park design in the recommended location on the northwest end of the Hillview soccer field. The location of the permanent dog park will encompass the auxiliary parking lot and landscape area, west of the Bus Barn Theatre. The area includes 16 parking spaces and the former location of the Friends of the Library work shed and adjacent landscape area.

There is currently a dog park located at the southeast end of the Hillview soccer field that was designated as a temporary location until the permanent location was opened. Once the design process is completed and the permanent park is constructed, the temporary fenced location can be removed as planned.

Discussion/Analysis

The Park-In-Lieu fund currently has funds available to cover the cost of contracting of a design consultant for the permanent dog park at Hillview Park. Through the 2022 budget process City



Subject: Title

Council approved \$50,000 for design services for the permanent dog park at the northwest location of the soccer field. The cost for dog park design services is \$75,000 and staff is requesting Park-In-Lieu funds in the amount to cover this cost.

The conceptual design and community outreach process will include several components including but not limited to:

- Staff/Consultant meetings
- Topical survey
- Underground utility review
- Design project scheduling
- Community meetings
- Online surveys
- Design alternatives
- Construction estimates
- PARC and Council meeting presentation of materials

Verde Design is an integrated landscape architecture and civil engineering firm staffed with multi-disciplinary, creative-types and problem-solving professionals that focus on recreation, sports, and the unique places that make neighborhoods special and communities thrive. Verde has an outstanding reputation working with Bay Area agencies on projects, including experience with Los Altos staff, working on projects in Los Altos. Verde is currently working with the City of Watsonville on their dog park project and previously worked with the City of Novato on the design of their Dog Bone Park.

The City Council finds that Park in Lieu fees may be used for the purpose of developing new or rehabilitating existing park or recreational facilities such as the design of a permanent fenced-in dog park within the City because: (1) the neighborhoods in which the fees are to be expended has fewer than three acres of park area per 1,000 members of the City; (2) is reasonably foreseeable that City residents will use the proposed park and recreational facilities where the fees are being used; (3) the use of the fees is consistent with the City's adopted general plan and park master plan; and (4) the fees are used in compliance Los Altos Municipal Code Section 13.24.010.

Recommendation

The staff recommends:

- 1) Council approve use of Park-In-Lieu funds for consult services for the design process of the permanent dog park at Hillview Park.



Subject: Title

-
- 2) Authorize the City Manager to execute an agreement with Verde Design for consultant services in the in the amount not to exceed \$75,000 for the design process of the permanent dog park at Hillview Park.

RESOLUTION NO. 2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
AUTHORIZING THE ALLOCATION OF PARK-IN-LIEU FUNDS TO HIRE
VERDE DESIGN FOR PROFESSIONAL CONSULTANT SERVICES ON A
PERMANENT DOG PARK, NOT TO EXCEED \$75,000**

WHEREAS, the City currently has \$4,319,881 in the Park-In-Lieu fund to cover the cost of park improvements in Los Altos; and

WHEREAS, City Council has directed staff to plan for the design of the permanent dog park at Hillview Park; and

WHEREAS, the City has determined that Hillview is the best option for a permanent dog park within the City of Los Altos; and

WHEREAS, this plan is Categorically Exempt pursuant to CEQA section 15301 – Existing Facilities consisting of the operation, or minor alteration of existing public structures and facilities involving negligible or no expansion of existing or former use; and

WHEREAS, The City Council of the City of Los Altos hereby authorizes the allocation of funding not to exceed \$75,000 from the City’s Park-In-Lieu fund for professional services for the design process of the permanent dog park, and

WHEREAS, Verde Design is the preferred design consultant to coordinate the initial design process and public outreach for the permanent dog park at Hillview Park.

NOW THEREFORE, BE IT RESOLVED,

- 1) The City Council finds that Park in Lieu fees may be used for the purpose of developing new or rehabilitating existing park or recreational facilities such as the design of a permanent fenced-in dog park within the City because: (1) the neighborhoods in which the fees are to be expended has fewer than three acres of park area per 1,000 members of the City; (2) is reasonably foreseeable that City residents will use the proposed park and recreational facilities where the fees are being used; (3) the use of the fees is consistent with the City's adopted general plan and park master plan; and (4) the fees are used in compliance with Los Altos Municipal Code Section 13.24.010.
- 2) The City Council of the City of Los Altos hereby authorizes the allocation of not to exceed \$75,000 from the City’s Park-In-Lieu fund to contract a professional consultant, Verde Design, for the design process and public outreach in planning for a permanent dog park at Hillview Park.

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 ____, 2022 by the following vote:

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

Sally Meadows, MAYOR

Attest:

Angel Rodriguez, INTERIM CITY CLERK



PUBLIC CORRESPONDENCE

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From: [DAVID STRUTHERS](#)
To: [Public Comment](#)
Cc: [David Smith](#)
Subject: Dog Park at Hillview
Date: Saturday, February 25, 2023 11:43:51 AM

As a constant user of the Los Altos Library and History Museum along with attending plays in the theatre, I urge you to seek a place for the Dog Park which does not reduce the number of parking spots near the Library. Parking is at a premium, as it stands today. A reduction in the number of spots would only make matters worse. I urge the Counsel to postpone the spending of money on a “design consultant” for a Dog Park until the impact of the loss of parking is clear.

David Struthers
[REDACTED]

From: [Roberta Phillips](#)
To: [City Council](#); [Public Comment](#)
Subject: Permanent Dog Park at Hillview Item #4 Council meeting Feb 28th
Date: Saturday, February 25, 2023 12:27:40 PM

Dear Council

Please move forward with implementing the permanent Dog Park at Hillview.

It is and has been a good plan that increases the size of the dog park and moves it to a better location.

Some residents are asking for two dog parks at Hillview (one for small dogs and one for big dogs) This ideas would put too big a burden on neighboring residents, who have not been consulted. Please stick with the agenda as posted and approve Item #4

Sincerely

Roberta Phillips



From: [Pat Marriot](#)
To: [Public Comment](#)
Subject: PUBLIC COMMENT ITEM #4 FEBRUARY 28, 2023 DOG PARKS
Date: Saturday, February 25, 2023 3:53:11 PM

Council Members:

I'm glad to see the Hillview dog park will finally be situated in the permanent place allocated for it. I'm told some residents are asking for two dog parks at Hillview, one for small dogs, one for large dogs.

After five or more long years of debate, we should be glad to have two fenced dog parks and not ask for a third. Setup and maintenance requires money and staff time. We don't have a lot of parkland compared to other cities.

If owners fear mixing small and large dogs, perhaps the Hillview space can be reserved for different sized dogs at different times.

Thanks for listening,

Pat Marriott

PROJECT: Los Altos Dog Park Community Outreach and Conceptual Design

CLIENT: City of Los Altos

PROJECT NUMBER: 23003002148M

	TASKS	ANDRES PD	DAN PD	BILL DOD	TODD SPM	COURTNEY PE	DEREK PIC	Verde Total Fees	Ifland Survey	TOTAL FEES
COMMUNITY OUTREACH & CONCEPTUAL DESIGN										
1	Establish Files & Admin. Procedures	1.0			1.0			\$415.00		\$415.00
2	KO meeting and Site Walk	5.0			4.0		2.0	\$2,355.00		\$2,355.00
3	Utility Company & Existing Utilities Review	2.0			2.0			\$830.00		\$830.00
4	Site Topographical Survey*	2.0			1.0			\$580.00	\$8,500.00	\$9,080.00
5	Project Schedule				1.0			\$250.00		\$250.00
6	Review City, Utility and Consultant Data	2.0			2.0			\$830.00		\$830.00
7	Preliminary Program & Use Relationship Graphics	12.0	8.0	4.0	4.0		1.0	\$5,565.00		\$5,565.00
8	Review Meeting with City Staff #2	5.0			4.0		2.0	\$2,355.00		\$2,355.00
9	Community Meeting #1	6.0			6.0		2.0	\$3,020.00		\$3,020.00
10	Community Pop-Up at Jade St Park	6.0			5.0			\$2,240.00		\$2,240.00
11	Online Survey #1	8.0	4.0		4.0		1.0	\$3,245.00		\$3,245.00
12	Develop Schematic Alternative Plans (2 total)	12.0	8.0	10.0	4.0		1.0	\$7,065.00		\$7,065.00
13	Staff Review Meeting #3	5.0			5.0		1.0	\$2,340.00		\$2,340.00
14	Revise Schematic Alternative Design	8.0	4.0	4.0	4.0		1.0	\$4,245.00		\$4,245.00
15	Community Meeting #2	6.0			6.0		2.0	\$3,020.00		\$3,020.00
16	Online Survey #2	8.0	4.0		4.0		1.0	\$3,245.00		\$3,245.00
17	Prepare Draft Alternative Conceptual Plans	12.0	8.0	8.0	4.0		1.0	\$6,565.00		\$6,565.00
18	Preliminary Construction Estimate	5.0			2.0		0.5	\$1,457.50		\$1,457.50
19	Review Meeting with City Staff #4	5.0			4.0		1.0	\$2,090.00		\$2,090.00
20	Presentation Materials for PRC Meeting	4.0			4.0		1.0	\$1,925.00		\$1,925.00
21	PRC Meeting #1				4.0			\$1,000.00		\$1,000.00
22	Prepare Final Preferred Alternative Plan	8.0	8.0	3.0	3.0		1.0	\$4,405.00		\$4,405.00
23	Update Preliminary Construction Estimate	3.0			2.0		1.0	\$1,260.00		\$1,260.00
24	Presentation Materials for City Council Meeting	3.0			3.0			\$1,245.00		\$1,245.00
25	City Council Meeting #1				4.0			\$1,000.00		\$1,000.00
26	Project Administration	6.0			6.0			\$2,490.00		\$2,490.00
Reimbursables								\$1,500.00		\$1,500.00
SUBTOTAL:		134.0	44.0	29.0	93.0	0.0	19.5	\$66,537.50	\$8,500.00	\$75,037.50



AGENDA REPORT SUMMARY

Meeting Date: February 28, 2023

Subject: Housing Element implementing ordinance for certain provisions of Housing Program 3.H of the Adopted 6th Cycle Housing Element.

Prepared by: Nick Zornes, Development Services Director

Reviewed by: Jolie Houston, City Attorney

Approved by: Gabe Engeland, City Manager

Attachment(s): 1. Draft City Council Ordinance with Appendix A, B, C, and D
2. Petition for Writ of Mandate – California Housing Defense Fund, Yes In My Back Yard v. City of Cupertino

Initiated by: Adopted 6th Cycle Housing Element 2023-2031

Fiscal Impact

No fiscal impacts to the City of Los Altos are associated with the draft ordinance. However, it is important to note that should the adoption of this ordinance not take place the City of Los Altos runs the risk of losing State funding (grants, etc.), and potential legal fees and penalties associated with housing element noncompliance.

Environmental Review

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

Staff Recommendation

- 1. Introduce An Ordinance of the City Council of the City of Los Altos Amending Chapters 2.08, 12.44, 13.04, 14.76, and 14.78 of the Los Altos Municipal Code to Implement Certain Provisions of Program 3.H of the Sixth Cycle Housing Element Update.

Summary and Key Considerations

The draft ordinance before the City Council is to implement adopted programs from the City’s 6th Cycle Housing Element 2023-2031. These actions are called out in the adopted housing element

Prepared By:

Development Services Director

NZ



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and were designed to remove any barriers or impediments to the creation of new housing within Los Altos. Additionally, there are amendments to the municipal which further clean up each Chapter which is required to be amended in order to implement the housing program.

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.

Analysis

The City’s adopted 6th Cycle Housing Element 2023-2031, included Program 3.H. The housing program contains several deliverables of those the following necessitate the proposed ordinance amendments: 1. Consolidation of the Design Review Commission and Planning Commission, 2. Designate the Development Services Director as the review authority for projects of five or fewer residential units, 3. Limit the Number of Public Hearing to no more than three (3) for Design Review projects only, 4. Designate the City Council only as the Appeal Authority for Land Use decisions, 5. Clarify that appeal of decisions on housing developments shall be only on objective standards and must be filed within 14 calendar days (this has been highlighted in yellow below). The draft ordinance included in this agenda packet effectively completes these deliverables as explicitly called out within the housing program.

Program 3.H: Amend design review process and requirements.

The City’s Design Review Commission and Planning Commission had previously been one commission with a Design Review Committee comprised of two assigned Planning Commissioners. In recent years the purview of land use and design review was split into two separate commissions, currently the Planning Commission and Design Review



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Commission. The current structure of the Design Review Commission is a five-person body appointed by the City Council, while the Planning Commission is a seven-person body. Recent changes in State law drastically reduced the Design Review Commission’s purview, and the City’s well-developed objective design standards for a variety of development types (adopted in 2021) effectively created an Administrative Design Review that has been well implemented by City staff. In order to remove constraints arising from design review, the City will:

- *Consolidate the Design Review Commission and Planning Commission into one body comprised of a maximum of seven appointed residents which will review mixed-use, multi-family and commercial developments, consistent with the majority of jurisdictions throughout the County of Santa Clara;*
- *Eliminate 3rd party independent architect review (which applies to projects in the downtown);*
- *Amend its Zoning Code to allow any design review and discretionary approvals for a project of five or fewer units to be approved by the Development Services Director;*
- *When hearings are required, limit the number of hearings for solely design review approval (i.e., not including subdivision maps or other applications that may be involved) to no more than three hearings;*
- *Develop standard conditions of approval to provide consistency and certainty to applicants and approving bodies;*
- *Modify its design review process and applicability thresholds so that City Council serves only as the decision-making authority for appeal of design review and land use decisions, consistent with the majority of jurisdictions throughout the County of Santa Clara;*
- *Clarify that decisions on appeals of housing developments must be based on objective standards consistent with State law and any appeal filed with the City shall be done within 14 calendar days post project approval; and*
- *Amend its Zoning Code to ensure that housing developments and emergency shelters are only subject to objective design standards consistent with State law.*

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

Funding Source: General Fund

Time Frame: Any code amendments required to be completed by December 2023; *Design Review Commission to be dismissed and duties reassigned to Development Services Director upon local adoption of the 6th Cycle Los Altos Housing Element or sooner.*



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Evaluate progress and take additional action if improvements in the design review process have not resulted by January 2027.

Objective: *The time for City review of and action on residential, mixed-use and multi-family developments will be shortened compared to typical processing times (see Appendix C, Table C-8) with the reduction of discretionary reviews and commissions.*

Discussion

The actions included within the attached draft ordinance are requirements pursuant to the City’s adopted 6th 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 1 of the 26 items or milestones to be achieved in the first 12-months.

Should the Los Altos City Council not introduce the draft ordinance the City will be vulnerable to penalties and consequences of housing element noncompliance. HCD is authorized to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local governments actions do not comply with state law. Examples of penalties and consequence of housing element noncompliance:

- **General Plan Inadequacy:** the housing element is a mandatory element of the General Plan. When a jurisdictions housing element is found to be out of compliance, its General Plan could be found inadequate, and therefore invalid. Local governments with an invalid General Plan can no longer make permitting decisions.
- **Legal Suites and Attorney Fees:** local governments with noncompliant housing elements are vulnerable to litigation from housing rights’ organization, developers, and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff’s attorneys in addition to the fees paid by its own attorneys. Potential consequences of lawsuits include: mandatory compliance within 120 days, suspension of local control on building matters, and court approval of housing developments.
- **Loss of Permitting Authority:** courts have authority to take local government residential and nonresidential permit authority to bring the jurisdiction’s General Plan and housing



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element into substantial compliance with State law. The court may suspend the locality’s authority to issue building permits or grant zoning changes, variances, or subdivision map approvals – giving local governments a strong incentive to bring its housing element into compliance.

- Financial Penalties: court-issued judgement directing the jurisdictions to bring its housing element into substantial compliance with state housing element law. If a jurisdictions housing element continues to be found out of compliance, courts can multiply financial penalties by a factor of six.
- Court Receivership: courts may appoint an agent with all powers necessary to remedy identified housing element deficiencies and bring the jurisdiction’s housing element into substantial compliance with housing element law.

Petition for Writ of Mandate – California Housing Defense Fund, Yes In My Back Yard v. City of Cupertino.

So that the City Council and public are well-informed the City of Los Altos has included this information with this agenda item so that all circumstances are understood as housing law is rapidly evolving.

As of Friday, February 3, 2023, Californians for Homeownership, California Housing Defense Fund, and YIMBY Law had filed 12 lawsuits in Contra Costa, Santa Clara, Marin, and San Mateo County Superior Courts with the intention to file more in the coming weeks. The cities and counties sued include: Belvedere, Burlingame, Cupertino, Daly City, Fairfax, Martinez, Novato, Palo Alto, Pinole, Pleasant Hill, Richmond, and Santa Clara County. Each municipality has been sued by one or two of the non-profits.

With the Bay Area’s 109 cities and counties at widely varied stages in the process of Housing Element adoption and compliance, these twelve lawsuits mark the first round of what will likely be many rounds of judicial review for noncompliance with state housing law in the Bay Area. The initial lawsuits focus on cities with a long history of exclusionary housing practices, cities that adopted housing elements unlawfully, and localities that have made little progress in developing their draft housing elements. The organizations will continue to file suits in the coming weeks, prioritizing cities with the most egregious violations in each organization’s judgment.

A Petition for Writ of Mandate in the State of California is used by superior courts, courts of appeal and the Supreme Court to command lower bodies (such as lower level of government agencies, in this case a city) to do or not do specific actions. In this case, a Writ of Mandate can result in the city being directed to adopt a compliant housing element or other associated actions in order to



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comply with State law. A Writ of Mandate could also be petitioned for and direct a city to specifically implement programs that were included in their adopted housing element.

Given the current legal climate around housing element law it is vital for the City of Los Altos to expeditiously implement the adopted 6th Cycle Housing Element 2023-2031. As noted above the potential legal risks associated with housing element noncompliance could be further enforced by similar legal actions.

Planning Commission Recommendation (February 16, 2023)

The Planning Commission considered this item on February 16, 2023, at its regularly scheduled meeting. During the consideration of this item the Planning Commission accepted the draft ordinance with staff recommended amendments as well as providing further clarifying amendments which have been incorporated into the draft ordinance.

Next Steps

The Los Altos City Council will conduct the second reading/adoption of the draft ordinance on March 14, 2023, which will become operative 30-days later on April 13, 2023.

ORDINANCE NO. 2023-__

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
AMENDING CHAPTERS 2.08, 12.44, 13.04, 14.76, AND 14.78 OF THE LOS ALTOS
MUNICIPAL CODE TO IMPLEMENT CERTAIN PROVISIONS OF PROGRAM 3.H
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, the Housing Element Update includes programs to eliminate unnecessary governmental constraints to housing development within the City of Los Altos; and

WHEREAS, Program 3.H of the Housing Element Update calls for the dissolution of the Design Review Commission, and indicates that housing development projects of five or fewer units should be subject to staff-level review and approval; and

WHEREAS, Program 3.H of the Housing Element Update calls for the modification of the design review process and applicability so that City Council serves only as the decision-making authority for appeal of design review and land use decisions; and

WHEREAS, Program 3.H of the Housing Element Update sets a maximum of 14 calendar days post project approval to file an appeal on decisions of housing developments, and sets forth that any appeal filed shall be on the basis of objective standards consistent with State law; and

WHEREAS, Program 3.K of the Housing Element Update calls for the standardization of multimodal transportation review to be incorporated into the Los Altos Zoning Code allowing for transparent and consistent application of the code; and

WHEREAS, Public Hearing Notice shall be consistent with Government Code Section 65091 to effectively further implement the Housing Element Update by eliminating impediments in the creation of housing; 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

WHEREAS, this Ordinance and Design Review Regulations shall be reviewed for its effectiveness no later than two (2) years post adoption;

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

SECTION 1. AMENDMENT OF CHAPTER 2.08 OF THE MUNICIPAL CODE. Certain provisions of Chapter 2.08 of the Los Altos Municipal Code are hereby amended as set forth in Appendix D to this Ordinance, ~~strikeout~~ indicating deletion and underline indicating addition.

SECTION 2. AMENDMENT OF CHAPTER 12.44 OF THE MUNICIPAL CODE. Certain provisions of Chapter 12.44 of the Los Altos Municipal Code are hereby amended as set forth in Appendix A to this Ordinance, ~~strikeout~~ indicating deletion and underline indicating addition. Except as otherwise shown in Appendix A, no other provision of Chapter 12.44 is amended hereby.

SECTION 3. AMENDMENT OF CHAPTER 13.04 OF THE MUNICIPAL CODE. Section 13.04.030 are hereby added to the Los Altos Municipal Code to read as follows: “Notwithstanding any other provision of this title, the approval authority for any tentative or parcel map for a housing development project of five or fewer units shall be the zoning administrator, as further set forth in section 14.78.020.D of this code.”

SECTION 4. AMENDMENT OF CHAPTER 14.76 OF THE MUNICIPAL CODE. Chapter 14.76 of the Los Altos Municipal Code are hereby amended as set forth in Appendix B to this Ordinance, ~~strikeout~~ indicating deletion and underline indicating addition.

SECTION 5. AMENDMENT OF CHAPTER 14.78 OF THE MUNICIPAL CODE. Chapter 14.78 of the Los Altos Municipal Code are hereby amended as set forth in Appendix C to this Ordinance, ~~strikeout~~ indicating deletion and underline indicating addition.

SECTION 6. 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 7. PUBLICATION. This Ordinance shall be published as provided in Government Code Section 36933.

SECTION 8. 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:

Angel Rodriguez, INTERIM City Clerk

**APPENDIX A
AMENDMENTS TO CHAPTER 12.44**

**APPENDIX B
AMENDMENTS TO CHAPTER 14.76**

**APPENDIX C
AMENDMENTS TO CHAPTER 14.78**

**APPENDIX D
AMENDMENTS TO CHAPTER 2.08**

Chapter 12.44 HISTORIC PRESERVATION¹

Sections:

Article 1. General Provisions

12.44.010 Purpose.

It is hereby declared as a matter of public policy that the recognition, preservation, enhancement and use of historic resources within the City of Los Altos is required in the interest of health, economic prosperity, cultural enrichment and general welfare of the people. The purpose of this chapter is to:

- A. Safeguard the heritage of the city by providing for the protection of irreplaceable historic resources representing significant elements of its history;
- B. Enhance the visual character of the city by encouraging the compatibility of architectural styles which reflect established architectural traditions;
- C. Encourage public knowledge, understanding and appreciation of the city's past, and foster civic and neighborhood pride and sense of identity based upon the recognition and use of the city's historic resources;
- D. Stabilize and improve property values within the city and increase the economic and financial benefits to the city and its inhabitants derived from the preservation, rehabilitation, and use of historic resources;
- E. Integrate the conservation of historic resources into the public and private development process and identify as early as possible and resolve conflicts between the preservation of such resources and alternative land uses; and
- F. Fulfill the city's responsibilities for Federal Section 106 reviews and for the California Environmental Quality Act.

(Ord. No. 2011-363, § 1, 3-8-2011)

12.44.020 Area of application.

This chapter shall apply to all historic resources listed in the historic resources inventory, historic landmarks and properties, and structures.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437, § 1, 3-13-2018)

¹Editor's note(s)—Ord. No. 2011-363, § 1, adopted March 8, 2011, amended Ch. 12.44 in its entirety to read as herein set out. The former Ch. 12.44, §§ 12.44.010—12.44.220, pertained to similar subject matter and derived from Ord. No. 04-257, § 1(part) and Ord. No. 08-324, § 2(part). Previously, said chapter derived from §§ 2-8.101, 2-8.102 and 2-8.301—2-8.504 of the prior code.

12.44.030 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them in this section, unless the context or the provision clearly requires otherwise:

"Alteration" means any act or process that changes any portion of the exterior architectural appearance of a structure or object, including, but not limited to, the erection, construction, reconstruction, removal of exterior architectural features or details, or the addition of new structures, but does not include painting, ordinary maintenance and landscaping.

"California Historical Building Code" is Part 8 of Title 24 (State Building Standards Code) and applies to all qualified historic structures and sites, designated under federal, state and local authority. It provides alternative building regulations for the rehabilitation, preservation, restoration or relocation of structures designated as qualified historic buildings.

"California Office of Historic Preservation" means the governmental agency primarily responsible for the statewide administration of the historic preservation program in California.

"California Register of Historical Resources" is a comprehensive listing of California's historical resources, including those of local, state and national significance.

"Character defining features" means the defining elements, such as prominent architectural features, materials, craftsmanship or other elements, that, individually or in combination, identify a historic property, building or landscape.

"Commission staff" means the staff liaison assigned to the historical commission.

"DPR 523" means the California Department of Parks and Recreation Historic Resource Inventory Forms used for historic evaluations. The DPR 523A form provides descriptive information about a resource. The DPR 523B form provides an evaluation of the resources and includes a determination as to whether the resource is eligible for the National or State Register of Historic Places or listing on the Los Altos Historic Resources Inventory.

"Exterior architectural feature" means the architectural elements embodying style, design, general arrangement and components of all the outer surfaces of an improvement, including but not limited to, the kind, size, shape and texture of building materials, and the type and style of windows, doors, lights, signs and other fixtures appurtenant to such improvement.

"Historic landmark" means a building, improvement, structure, natural feature, site or area of land, under single or common ownership that has significant historical, architectural, cultural, and/or aesthetic interest or value, and is designated as a historic landmark by the city council.

"Historic resource" is a property or structure that has been determined to be over fifty (50) years old, retains its physical integrity, has historical, architectural, cultural, and/or aesthetic value, and is listed on the historic resources inventory.

"Historic resources inventory" means the city's official inventory of the historic resources, as adopted and amended from time to time by resolution of the historical commission and/or the city council. A property or structure must be designated as a historic landmark or a historic resource in order to be listed.

"Historical commission" is a seven-member advisory commission appointed by the city council that is tasked with maintaining the historic resources inventory, making recommendations on historic landmarks, working with property owners on preservation, maintenance and other development activities related to historic resources, and other activities as identified in the municipal code.

"Improvement" means any building, structure, parking facility, wall, work of art or other appurtenance or addition thereto constituting a physical betterment of real property or any part of such betterment.

"Integrity" is the authenticity of the characteristics, also referred to as character defining features, from which resources derive their significance. Integrity is the composite of seven qualities: location, design, setting, materials, workmanship, feeling and association.

"Mills Act" is an economic incentive program in California for the restoration and preservation of qualified historic structures. Enacted in 1972, the Mills Act grants participating local governments the authority to enter into contracts with owners of qualified historic properties to reduce the property tax assessment in exchange for the restoration and maintenance of the historic resource.

"National Register of Historic Places" is the official inventory of districts, sites, buildings, structures and objects significant in American history, architectural, archeology and culture, maintained by the Secretary of Interior under the authority of the Historic Sites Act of 1935 and the National Historic Preservation Act of 1966.

"Preservation" means the act of identification, study, protection, reconstruction, restoration, rehabilitation or enhancement of historic and/or cultural resources.

"Reconstruction" means the act or process of reproducing by new construction, the exact form and detail of a vanished building, structure or any part thereof, as it appeared at a specific period of time.

"Rehabilitation" means the act or process of returning a property to a state of utility through repair or alteration that makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its historical, architectural and cultural value.

"Restoration" means the act or process of accurately recovering the form and details of a property and its setting as it appeared at a particular period of time by means of the removal of later work or by the replacement of missing earlier work.

"Secretary of Interior's Standards" are the Federal Standards for the Treatment of Historic Properties that are utilized in the identification, evaluation, registration and treatment of historic properties. The list of ten (10) Rehabilitation Standards, published as the Secretary of the Interior's Standards, is aimed at retaining and preserving those features and materials that are important in defining the historic character of a resource.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Article 2. Designation of Historic Resources

12.44.040 Criteria for designation.

A structure, property or object may be eligible for designation as a historic resource or historic landmark, if it/they satisfy each of the three criteria listed below:

- A. Age. A structure or property should be more than fifty (50) years in age. (Exceptions can be made to this rule if the building(s) or site(s) is/are truly remarkable for some reason - such as being associated with an outstanding architect, personage, usage or event).
- B. Determination of Integrity. A structure or property should retain sufficient historic integrity in most of the following areas:
 - 1. Design: The combination of elements that create the form, plan, space, structure and style of a property.
 - 2. Setting: The physical environment of a historic property.
 - 3. Materials: The physical elements that were combined or deposited during a particular period of time and in a particular pattern or configuration to form a historic property.

- 4. Workmanship: The physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.
- 5. Feeling: A property's expression of the aesthetic or historic sense of a particular period of time.
- C. Historic Significance. A structure or property should be clearly associated with one or more of the following areas of significance:
 - 1. Event: Associated with a single significant event or a pattern of events that have made a significant contribution to broad patterns of local or regional history, or cultural heritage of California or the United States;
 - 2. Person/People: Associated with the lives of persons important to the local, California or national history;
 - 3. Architecture/Design: Embodies the distinctive characteristics of a design-type, period, region or method of construction, or represents the work of a master or possesses high artistic value; or
 - 4. Archaeology: Yields important information about prehistory or history of the local area, California or the nation.

The city's historic resource evaluation methodology, which provides more details about the above listed criteria, is available from the planning division.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

12.44.050 Applications for designation.

- A. Applications for designation as a historic landmark, or listing a historic resource on the historic resources inventory may be initiated by the owner or owners of a building, improvement, structure, natural feature, site or area of land, requesting designation of their property as a historic resource or historic landmark.
- B. The city council or the planning commission may, by resolution or motion, refer a proposed designation to the historical commission. The historical commission may also consider a proposed designation upon its own initiative or by referral by the ~~community~~ development services director.
- C. Applications for designation as a historic landmark, or listing a historic resource on the historic resources inventory shall be made to the historical commission. Applications must be accompanied by such historical and architectural information as is required by the historical commission in order to make an informed recommendation concerning the request.

Applications for designation shall be acted on as set forth in sections 12.44.050, 12.44.060 and 12.44.070 of this chapter.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

12.44.060 Historic resource listing.

- A. Once the application for designating a property as a historic resource and listing it on the historic resources inventory has been received, the historical commission shall consider the request at its next available scheduled meeting.
- B. The commission shall conduct a public hearing to consider the proposed listing. Notice of the hearing shall be given at least ten (10) days prior to the date of the hearing by mail to the applicant, to the owner or owners of the property and to the owners of abutting properties, and by posting a notice on the property near the front property line in accordance with the standards set by commission staff.

- C. The commission shall consider the proposed historic resource and determine whether or not the property satisfies the three criteria outlined in Section 12.44.040. The commission shall by motion either approve or disapprove the designation of the property as a historic resource and listing it in the historic resources inventory.
- D. If the commission approves the historic resource for listing on the historic resources inventory, the listing shall become effective immediately and the designated property shall be subject to the regulations set forth in this chapter.
- E. Until final action has been taken by the commission on the request to list a property, no building, alteration, grading, demolition or tree removal permit(s) shall be issued for any work to be performed upon or within the subject property, unless approved by the historical commission or the community development services director. This restriction shall become effective as of the time the application is submitted, and shall extend until the commission has taken action.
- F. Within fifteen (15) days of the action taken by the historical commission, the decision may be appealed to the city council. The appeal may be filed by the applicant or any interested party.

(Ord. No. 2011-363, § 1, 3-8-2011)

12.44.070 Historic landmark designation.

- A. Once the application for the proposed designation has been received, the historical commission shall consider the request at its next available scheduled meeting.
- B. The commission shall conduct a public hearing to consider the proposed designation. Notice of the hearing shall be given at least ten (10) days prior to the date of the hearing by publication in at least one newspaper of general circulation within the city, by mail to the applicant, to the owner or owners of the property, and to the owners of abutting properties, and by posting a notice on the property near the front property line in accordance with the standards set by commission staff.
- C. The commission shall make a recommendation to the city council on the proposed designation. In order to make a positive recommendation, the commission shall make the following findings:
 - 1. That the proposed historic landmark satisfies the three criteria outlined in Section 12.44.040; and
 - 2. That the proposed landmark has special historical, cultural, archeological, scientific, architectural or aesthetic interest or value as part of the heritage or history of the city, the county, the state or the nation.
- D. The city council shall consider the proposed designation at its next available regular meeting and determine whether or not to accept the historical commission's recommendation. The city council shall by resolution either approve the proposed designation, in whole or in part or as modified, or shall, by motion, disapprove the proposal in its entirety.
- E. If the city council approves the landmark designation, the resolution shall become effective immediately and the designated property shall be subject to the regulations set forth in this chapter and to such further restrictions or controls as may be specified in the designating resolution.
- F. Adoption of a designating resolution by the city council shall be based upon the findings outlined in subsection (C) of this section.
- G. Until final action has been taken by the city council on the proposed landmark, no building, alteration, grading, demolition or tree removal permit(s) shall be issued for any work to be performed upon or within the subject property, unless approved by the historical commission or the city council. This restriction shall

become effective as of the time the application is submitted, and shall extend until the designating resolution becomes effective.

(Ord. No. 2011-363, § 1, 3-8-2011)

12.44.080 Notice of designation.

- A. Following adoption by the city council of a resolution designating a historic landmark, the commission staff shall send notice of the designation, together with a copy of the resolution or ordinance, to the owner or owners of the designated historic landmark. The city council also shall send notice of the designation to:
 - 1. The Santa Clara County Historical Heritage Commission; and
 - 2. The California State Historic Preservation Officer.
- B. The designating resolution or ordinance shall be recorded with the county clerk-recorder.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Ord. No. 2017-437 , § 1, adopted March 13, 2018, repealed § 12.44.080, which pertained to historic district designation, and derived from Ord. No. 2011-363, § 1, adopted March 8, 2011, and subsequently renumbered the remaining sections 12.44.090—12.44.220 as 12.44.080—12.44.210. Historical notations for former sections have been retained for reference.

12.44.090 Termination of designation.

The only legitimate reason for terminating the designation of a historic resource or historic landmark is when clear evidence is presented that shows the resource no longer meets the criteria of Section 12.44.040 due to loss of integrity and/or historic significance.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.100, see editor's note § 12.44.080.

Article 3. Permits

12.44.100 Applicability.

- A. For historic landmark properties, a historical alteration permit (Section 12.44.150) is required in order to alter, demolish, remove, relocate or change any exterior architectural features of the designated landmark structure(s), or remove or relocate any improvements, structures or natural features that contribute to the integrity or the historic significance of the historic landmark.
- B. For historic resources listed on the historic resources inventory, an advisory review (Section 12.44.140) is required in order to alter, demolish, remove, relocate or otherwise change in any manner any exterior architectural feature or natural feature that contributes to the integrity or the historic significance of a historic resource.
- C. For subsection (B) of this section, the historical commission's review will take into account whether or not the proposed work adversely affects the physical integrity or the historic significance of the resource. The historical commission's recommendation to the ~~community~~ development services director, ~~design review commission~~, planning commission, or city council, shall be advisory only.

- D. For non-residential properties that are historic landmarks or historic resources, non-permanent improvements such as signage, awnings and landscaping that do not adversely affect the physical integrity or the historic significance of the resource may be exempted from historical commission review by the community development services director.
- E. For residential properties that are historic landmarks or historic resources, improvements such as swimming pools, fences, minor accessory structures such as trellises or barbecues, and landscaping that do not adversely affect the physical integrity or the historic significance of the resource may be exempted from historical commission review by the community development services director.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.110, see editor's note § 12.44.080.

12.44.110 Applications.

Applications for historical alteration permits or advisory review shall be submitted to the community development services director. Applications shall include the following information:

- A. A clear statement of the proposed work;
- B. A site plan showing all existing buildings, structures, trees over six inches in diameter, property lines, easements and the proposed work;
- C. Detailed plans showing both the existing and proposed exterior elevations, including a street elevation, photographs of windows and/or special features, materials and grading;
- D. Specifications describing all materials to be used and all processes that would affect the appearance or nature of the materials;
- E. Notes indicating any deviation from the Secretary of the Interior's Standards for Historic Rehabilitation; and
- F. Such other information or documents as may be requested by the community development services director or the historical commission.

Applications shall be noticed as set forth in section 12.44.120 and shall be acted on as set forth in section 12.44.130 and 12.44.140 of this chapter.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.120, see editor's note § 12.44.080.

12.44.120 Notice of public meetings.

- A. Notification shall be provided when an application for a historical alteration permit is required for a historic landmark. Applicants shall be responsible for providing notification via first class mail to the adjoining property owners, in the manner set forth by the commission staff, at least ten (10) days prior to the meeting at which the application is to be reviewed. The property owners who shall be mailed notice include, but are not limited to, the following:
 - 1. The two adjoining property owners on each side;
 - 2. The three adjoining rear property owners; and
 - 3. The five adjoining front property owners across the street.

- 4. As deemed appropriate or necessary, the commission staff may require that notification be mailed to a greater or lesser number of property owner(s) than are identified above based on the configuration of the properties adjoining the site of the application.
- 5. Notice shall also be posted on the project site near the front property line in accordance with the standards set by the commission staff.
- B. Notice shall be provided when an application for an advisory review is required for a historic resource. Applicants shall be responsible for posting a notice on the project site near the front property line in accordance with the standards set by the commission staff.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437, § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.130, see editor's note § 12.44.080.

12.44.130 Advisory review.

- A. For projects that require an advisory review, the historical commission shall complete its review and issue a recommendation at its next available scheduled meeting. In order to recommend approval, the commission shall find that:
 - 1. The project complies with all provisions of this chapter; and
 - 2. The project does not adversely affect the physical integrity or the historic significance of the subject property.
- B. The historical commission recommendation shall be forwarded to the ~~community~~ development services director, ~~the design review commission~~, the planning commission, or the city council to be considered as part of their decision.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437, § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.140, see editor's note § 12.44.080.

12.44.140 Historical alteration permit.

- A. For projects that require a historical alteration permit, the historical commission shall complete its review and issue a decision at its next available scheduled meeting. In order to approve a permit, the commission shall find that:
 - 1. The project complies with all provisions of this chapter; and
 - 2. The project does not adversely affect the physical integrity or the historic significance of the subject property.
 - 3. The project is in compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties.
- B. If the historical commission approves the historical alteration permit, or approves such permit subject to conditions, the ~~community~~ development services director shall issue the permit in accordance with the recommendation, provided that no other approval is required under this code. In the event the historical commission recommends denial of the permit, the ~~community~~ development services director shall notify the applicant that the requested permit will not be granted.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437, § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.1500, see editor's note § 12.44.080.

12.44.150 Appeal.

Within ~~fifteen~~fourteen (154) days of any approval or denial by the historical commission, the decision may be appealed to the city council. The appeal may be filed by the applicant or any interested party and shall be accompanied by a fee to cover the administrative cost of handling the appeal as set by city council resolution.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.160, see editor's note § 12.44.080.

Article 4. Miscellaneous Provisions

12.44.160 Incentives for preserving historic resources.

- A. California Historical Building Code. It is the purpose of the state historical building code to provide regulations and standards for the rehabilitation, preservation, restoration (including related reconstruction) or relocation as applicable to all historical buildings, structures and properties deemed of importance to the history, architecture, or culture of an area by an appropriate local or state governmental jurisdiction. Such standards and regulations are intended to facilitate the restoration or change of occupancy so as to preserve their original or restored elements and features, to encourage energy conservation and a cost effective approach to preservation, and to provide for reasonable safety from fire, seismic forces or other hazards for occupants and users of such "buildings, structures and properties" and to provide reasonable availability and usability by the physically disabled. The state historical building code is defined in sections 18950 to 18961 of Division 13, Part 2.7 of Health and Safety Code (H&SC) Health and Safety Code, a part of California Law.
- B. Economic incentives. In order to carry out more effectively and equitably the purposes of this chapter, the city council may, by resolution, adopt a program of economic (i.e., Mills Act contracts) and other incentives to support the preservation, maintenance and appropriate rehabilitation of the city's historic resources.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.170, see editor's note § 12.44.080.

12.44.170 Hardship.

Notwithstanding the criteria of this chapter, the ~~community~~ development services director, on the recommendation of the historical commission ~~or design review commission~~, or the planning commission or city council on appeal, may approve an application for a permit to conduct any proposed work upon or within a historic resource or historic landmark if the applicant presents clear and convincing evidence demonstrating that a disapproval of the application will cause immediate and substantial hardship on the applicant because of conditions peculiar to the person seeking to carry out the proposed work or because of conditions peculiar to the particular improvement, building, structure, topography or other feature involved. If a hardship is found to exist under this section, the historical commission ~~or the design review commission~~ or the planning commission or city council shall make a written finding to that effect, and shall specify the facts and reasons relied upon in making such finding.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.180, see editor's note § 12.44.080.

12.44.180 Fees.

- A. No fee shall be charged for the filing, processing or public noticing of any application for designation.
- B. The city council shall by resolution adopt a schedule of fees to be charged for any application for termination of a designation, for the filing and processing of applications for any permit required under this chapter, and for appeals pursuant to this chapter.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.190, see editor's note § 12.44.080.

12.44.190 Ordinary maintenance and repair.

Nothing in this chapter shall be construed to prevent the ordinary maintenance, painting, landscaping or repair of any exterior feature in or upon any historic resource or historic landmark that does not involve a change in design, material or the external appearance thereof, nor does this chapter prevent the construction, reconstruction, alteration, restoration, demolition or removal of any historic resource or historic landmark which has been certified by the city building inspector, or fire chief, or other code enforcement officer as being in unsafe or dangerous condition which cannot be rectified through the use of the California State Historic Building Code.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.200, see editor's note § 12.44.080.

12.44.200 Duty to keep in good repair.

- A. The owner, occupant or the person in actual charge of a historic resource or a historic landmark shall keep and maintain in good condition and repair all exterior portions of the improvement or structure, and all interior portions thereof whose maintenance is necessary to prevent deterioration and decay of any exterior architectural feature or natural feature.
- B. It shall be the duty of the ~~development services director or their designee~~ **building official** to enforce this section.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.210, see editor's note § 12.44.080.

12.44.210 Enforcement.

The violation of any provision contained in this chapter is hereby declared to be unlawful and shall constitute a misdemeanor, subject to the penalties as prescribed in Title 1, Chapter 1.20 of this code.

(Ord. No. 2011-363, § 1, 3-8-2011; Ord. No. 2017-437 , § 1, 3-13-2018)

Editor's note(s)—Former § 12.44.220, see editor's note § 12.44.080.

Chapter 14.76 DESIGN REVIEW—SINGLE-FAMILY DISTRICTS¹

14.76.010 Purpose.

~~It is the policy of the city to review the proposed construction or exterior alterations of single-family dwellings and accessory structures under circumstances which include, but are not limited to, where such structures might constitute an unreasonable invasion of privacy, unreasonable interference with views, light and air, or create adverse impacts upon the aesthetic character of neighboring residential structures.~~ The purpose of this section is to establish a set of criteria, objectives and procedures to be followed with respect to the design review of any proposed single-family main or accessory structure, or addition or alteration thereto, and to insure that the new development occurs in a manner which is consistent with the objectives of this chapter, the objective design criteria of single-family residential objective design guidelines, and the goals and policies of the general plan.

(Ord. No. 2012-381, § 1, 5-22-2012)

14.76.020 Single-family residential objective design guidelines.

Any new main or accessory structure, or addition or alteration thereto, shall be consistent with the policies and implementation techniques described in the single-family residential objective design guidelines as adopted by the city council.

(Ord. No. 2012-381, § 1, 5-22-2012)

14.76.030 Requirement for administrative design review.

No building permit shall be issued for any new main or accessory structure, or addition or alteration thereto within a single-family district, until such construction has received administrative design review approval by the ~~community~~ development services director or their designee. Window replacements, reroofing and rooftop venting and exhausting equipment, ~~and~~ mechanical equipment, attached or detached accessory dwelling unit(s) and junior accessory dwelling unit(s) are exempt from this requirement.

(Ord. No. 2012-381, § 1, 5-22-2012; Ord. No. 2016-423 , §§ 1, 2, 9-27-2016)

14.76.040 Requirement for zoning administrator design review ~~commission design review~~.

In each of the following cases, no building permit shall be issued for the construction, addition or alteration of any main or accessory structure within a single-family district until the zoning administrator has approved such structure following a noticed public hearing, ~~has received design review approval by the design review commission~~ pursuant to this chapter:

¹Editor's note(s)—Ord. No. 2012-381, § 1, adopted May 22, 2012, amended Ch. 14.76 in its entirety, in effect repealing and reenacting said chapter to read as herein set out. Former Ch. 14.76, §§ 14.76.010—14.76.100, pertained to similar subject matter and derived from Ord. No. 04-261, § 1; Ord. No. 08-323, § 2; and Ord. No. 2011-368, § 1, adopted July 26, 2011.

- A. Any new two-story structure;
- B. Any conversion of a one-story structure to a two-story structure;
- ~~C. Any addition of habitable area to the second floor of an existing two-story structure;~~
- ~~D.C.~~ Any new one-story structure over twenty (20) feet in height;
- ~~E.D.~~ Whenever design review is specifically required under the terms or conditions of any tentative subdivision map, use permit, variance or conditional rezoning; and
- ~~F.E.~~ Whenever, as determined by the **community** development services director or their designee, the construction or expansion of a main or accessory structure may be in conflict with the design review findings contained in Section 14.76.050 of this chapter.

(Ord. No. 2012-381, § 1, 5-22-2012; Ord. No. 2016-423 , §§ 1, 2, 9-27-2016)

14.76.050 Initial application review.

All applications filed with the **community** development services department in compliance with this zoning code shall be accompanied by the payment of a processing fee in such amount as established by resolution of the city council and initially processed as follows:

- ~~A. Review for completeness. The community development director or their designee shall review all applications for completeness and accuracy before accepting them as complete. The determination of completeness shall be based on the city's list of required application contents as proscribed in the "submittal requirements" documents provided by the community development department.~~
- ~~B. Notification of applicant. The community development director or their designee shall notify the applicant in writing within thirty (30) days of the filing of the application with the community development department that either the application is complete and has been accepted for processing, or that the application is incomplete and that additional information, as specified in the letter, shall be provided. If subsequent written comments from the community development director or their designee identify deficiencies not initially raised within thirty (30) days of the filing of the application, then this subsequent letter will be considered the notification of incompleteness for the purposes of determining the application expiration date. The application shall be reviewed for completeness and processed in accordance with the Permit Streamlining Act, Government Code Section 65920, et seq.~~
- C. Appeals of administrative decisions. Determinations of incompleteness or denials of an extension request may be appealed to the city council pursuant to Chapter 1.12 (Appeals).
- D. Expiration of application. If the applicant does not provide the information and materials necessary for a complete application within one hundred eighty (180) days after notification of incompleteness, the application shall be deemed expired. After expiration of the application or extension, if granted, a new application, including fees, plans, exhibits, and other materials will be required to commence processing of any project on the same property.
- E. Extensions. The applicant may request, in writing, within the one hundred eighty (180) day time period, an extension of up to one hundred eighty (180) days to the **community** development services director or their designee. Approval of the extension is contingent on the applicant demonstrating that there are extenuating circumstances that have caused a delay in the submittal of the required information.
- F. Environmental information. After an application has been accepted as complete, the **community** development services director or their designee may require additional information as necessary for the project's environmental review.

(Ord. No. 2016-423 , § 3, 9-27-2016)

14.76.060 Design review findings.

In approving an application for design review, the approving authority shall make the following findings:

- A. The proposed structure or alteration complies with all provisions of this chapter;
- B. The height, elevations and placement on the site of the proposed main or accessory structure or addition, when considered with reference to the nature and location of residential structures on adjacent lots, ~~will avoid unreasonable interference with views and privacy,~~ and will consider the topographic and geologic constraints imposed by particular building site conditions;
- C. The natural landscape will be preserved insofar as practicable by minimizing tree and soil removal; grade changes shall be minimized ~~and will be in keeping with the general appearance of neighboring developed areas;~~
- D. The orientation of the proposed main or accessory structure or addition in relation to the immediate neighborhood will minimize ~~the perception of~~ excessive bulk;
- E. General architectural considerations, including the ~~character,~~ size, ~~and~~ scale ~~and quality of the design,~~ the architectural relationship with the site and other buildings, building materials and similar elements have been incorporated in order to insure the compatibility of the development with its design concept and the character of adjacent buildings on the same project site; and
- F. The proposed structures have been designed to follow the natural contours of the site with minimal grading, minimal impervious cover and maximum erosion protection. A stepped foundation shall ~~generally~~ be required where the average slope beneath the proposed structure is ten (10) percent or greater.

(Ord. No. 2012-381, § 1, 5-22-2012; Ord. No. 2016-423 , § 3, 9-27-2016)

Editor's note(s)—Ord. No. 2016-423, § 3, adopted September 27, 2016, enacted a new § 14.76.050 and renumbered §§ 14.76.050 and 14.76.060 as §§ 14.76.060 and 14.76.070. The historical notation has been retained with the amended provisions for reference purposes.

14.76.070 Variance findings.

- A. In order to avoid such practical difficulties, unnecessary physical hardships and results inconsistent with the objectives of the zoning plans stated in Article 1 of Chapter 14.02, as would result from a strict or literal application of the provisions of this chapter, the ~~design review planning~~ commission may grant variances to the regulations controlling site area, width, depth and coverage, yards and other open spaces, parking spaces, loading spaces, height of structures, allowable building floor area and fences for those properties located in single-family zoning districts.
- B. The ~~design review planning~~ commission may grant a variance as applied for if, on the basis of the application and the evidence submitted, the commission makes the following positive findings:
 - 1. That the granting of the variance will be consistent with the objectives of the zoning plan set forth in Article 1 of Chapter 14.02;
 - 2. That the granting of the variance will not be detrimental to the health, safety, or welfare of persons living or working in the vicinity or injurious to property or improvements in the vicinity; and

- 3. That variances from the provisions of this chapter shall be granted only when, because of special circumstances applicable to the property, including size, shape, topography, location, or surroundings, the strict application of the provisions of this chapter deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classifications.
- C. Any variance granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and district in which such property is situated.

(Ord. No. 2012-381, § 1, 5-22-2012; Ord. No. 2016-423 , § 3, 9-27-2016)

Editor's note(s)—See editor's note, § 14.76.060.

14.76.080 Notification.

Notification shall be provided whenever an application for ~~design review commission zoning administrator~~ design review or variance is required pursuant to this chapter via first-class mail to the adjoining property owners, in the manner set forth by the ~~community~~ development services director or their designee, at least ten (10) days prior to the meeting at which the application is to be reviewed. The property owners who shall be mailed notice include, but are not limited to, the following:

- A. The two adjoining property owners on each side;
- B. The three adjoining rear property owners; and
- C. The five adjoining front property owners across the street.
- D. As deemed appropriate or necessary, the ~~community~~ development services director ~~or their designee~~ may require that notification be mailed to a greater or lesser number of property owner(s) than are identified above based on the configuration of the properties adjoining the site of the application.
- E. Notice shall also be posted on the project site near the front property line in accordance with the standards set by the ~~community~~ development services director ~~or their designee~~.

(Ord. No. 2012-381, § 1, 5-22-2012; Ord. No. 2016-423 , § 1, 9-27-2016)

14.76.090 Expiration of design review and/or variance approval—Extensions.

- A. Design review and/or variance approvals granted pursuant to this chapter shall expire twenty-four (24) months from the date on which the approval became effective, unless prior to such expiration date a building permit is issued for the improvements constituting the subject of the design review and/or variance approval and construction thereof is commenced and prosecuted diligently toward completion.
- B. Design review and/or variance approvals may be granted a one-time extension~~ed~~ for a period of time not exceeding twelve (12) months. The application for extension shall be filed prior to the expiration date and shall be accompanied by the payment of a fee in such amount as established from time to time by resolution of the city council. Extensions of design review and/or variance approval are contingent on the ~~community~~ development services director ~~or their designee~~ finding that the project complies with all current zoning ordinance regulations.

(Ord. No. 2012-381, § 1, 5-22-2012; Ord. No. 2016-423 , § 1, 9-27-2016)

14.76.100 Appeals.

The basis for any appeal of a housing development shall only be allowed and based on objective standards consistent with State law.

- A. Within ~~fifteen~~fourteen (154) days of any denial of an administrative design review request, or of the approval or denial of a zoning administrator design review request, the decision may be appealed to the ~~design review planning~~ commission. Within fourteen (14) calendar days of the announcement of the planning commission’s decision on the record, the decision may be appealed to the city council.
- B. Within ~~fifteen~~fourteen (154) days of any approval or denial of a ~~design review commission design review and/or~~ variance request, the decision may be appealed to the city council.

14.76.110 Number of Hearings Allowed.

A. When public hearings are required, the number of hearings for solely design review approval shall be no more than three (3) public hearings.

(Ord. No. 2012-381, § 1, 5-22-2012)

Chapter 14.78 DESIGN AND TRANSPORTATION REVIEW—MULTIPLE-FAMILY, PUBLIC AND COMMUNITY FACILITIES, OFFICE AND ADMINISTRATIVE, AND COMMERCIAL DISTRICTS¹

14.78.010 Purpose.

The purpose of this chapter is to preserve and protect ~~the character and~~ public safety of the city and to enhance the aesthetic qualities and bicycle and pedestrian safety and functionality of its multiple-family, public and community facilities, office and administrative and commercial districts by requiring design and transportation review of new structures and certain expansions of existing structures.

(Ord. No. 2012-382, § 1, 5-22-2012)

14.78.020 Requirement for design review.

Any work that requires a building permit, including new building construction, existing building alterations and expansions, and site improvements, but excluding properties in an R1 or R3-4.5 district, shall be subject to design review pursuant to this chapter as follows:

- A. Administrative design review.
 - 1. Site improvements, exterior alterations or modification, or additions to existing buildings of up to five hundred (500) square feet require approval by the ~~community~~ development services director or their designee.
- B. Planning commission design review.
 - 1. ~~Additions to existing buildings that exceed five hundred (500) square feet but are equal to or less than 50 percent of the total floor area on the subject site and do not increase the existing height of the building(s) require approval by the planning commission at a public meeting.~~
- ~~C. City Council Design Review.~~
 - 1. ~~All new buildings, and additions to existing buildings that exceed five hundred (500) square feet or fifty (50) percent of the total floor area on the subject site and/or increase the height of the existing building(s), require approval by the ~~city council~~ planning commission at a public meeting.~~
 - 2. ~~Prior to consideration by the city council, the planning commission shall review the application at a public meeting and provide a recommendation to the city council.~~
- C. Zoning Administrator design review.

¹Editor's note(s)—Ord. No. 2012-382, § 1, adopted May 22, 2012, amended Ch. 14.78 in its entirety, in effect repealing and reenacting said chapter to read as herein set out. Former Ch. 14.79, §§ 14.78.010—14.78.050, pertained to similar subject matter and derived from Ord. No. 04-260, § 1; and Ord. No. 07-306, § 9.

Notwithstanding the foregoing, the development of a housing development project of five or fewer units that is not otherwise subject to design review pursuant to chapter 14.76 and 14.78 of this code or subsection (A) of this section shall be subject to design review by the zoning administrator following a noticed public hearing. Notwithstanding any other provision of this code, and unless otherwise required by state law, any additional planning applications for such a project including, without limitation, tentative or parcel maps, variance requests, or conditional use permits, shall be heard and decided by the zoning administrator concurrently with the design permit application. As used in this subsection, a "housing development project" includes a project to construct one or more dwelling units, including a mixed-use development project for which not more than one-third of total floor area is dedicated for commercial use.

D. Exempt from the requirements of Design Review.

1. Site improvements, exterior alterations or modification, or additions to existing buildings of up to one thousand (1,000) square feet in the Public/Community Facilities (PCF) District shall be exempt from the requirement of Design Review.

E. Authority of the Development Services Director.

1. The Development Services Director shall have the authority to require administrative design review to any improvement to a property or parcel of land that is determined to have special circumstances or potentially negative impacts on the community.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , § 1, 5, 9-27-2016; Ord. No. 2019-457 , § 1, 1-28-2020)

14.78.030 Public meeting requirements.

Notice of public meetings before the zoning administrator shall be provided pursuant to Government Code Section 65091. Notice of public meetings before the planning commission and/or city council shall be given at least ten (10) days prior to the date of the meeting by all of the following methods:

- A. Mailing of notices via first-class mail to all property owners within ~~one thousand three hundred (1,0300)~~ feet of the project site at the mailing address on record with the county assessor; and
- B. Mailing of notices via first-class mail to all commercial business tenants within ~~one thousand three hundred (1,0300)~~ feet of the project site at the addresses shown on the latest city business license records; and
- C. Posting of a notice on the project site in accordance with the standards set by the ~~city council and community~~ development services director ~~or their designee~~; and
- D. All meetings before the planning commission and/or city council conducted under this section, excluding study sessions, shall be noticed separately and conducted as public hearings and shall satisfy all notification requirements applicable to public hearings, including a notice published in a newspaper of general circulation within the city.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , § 5, 9-27-2016; Ord. No. 2019-457 , § 1, 1-28-2020)

14.78.040 Recommendation for pre-application study session design review.

Projects subject to design review pursuant to Section 14.78.030 of this chapter are eligible for pre-application design review before the planning ~~and transportation~~ commission. This review is in a study session format and is best served early in the design preparation process. This review is encouraged to receive early design

input from the commission. Study session review is also available at any point in the application process, and may be requested by an applicant or, subject to applicable state law, may be required by the ~~community~~ development ~~services~~ director ~~or their designee~~.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , § 1, 9-27-2016)

14.78.050 Initial application review.

All applications filed with the ~~community~~ development ~~services~~ department in compliance with this zoning code shall be accompanied by the payment of a processing fee in such amount as established by resolution of the city council and initially processed as follows:

- A. ~~The application shall be reviewed for completeness and processed in accordance with the Permit Streamlining Act, Government Code Section 95920, et seq. Review for completeness. The community development director or their designee shall review all applications for completeness and accuracy before accepting them as complete. The determination of completeness shall be based on the city's list of required application contents as proscribed in the "submittal requirements" documents provided by the community development department.~~
- ~~B. — Notification of applicant. The community development director or their designee shall notify the applicant in writing within thirty (30) days of the filing of the application with the community development department that either the application is complete and has been accepted for processing, or that the application is incomplete and that additional information, as specified in the letter, shall be provided. If subsequent written comments from the community development director or their designee identify deficiencies not initially raised within thirty (30) days of the filing of the application, then this subsequent letter will be considered the notification of incompleteness for the purposes of determining the application expiration date.~~
- ~~B.~~ Appeals of administrative decisions. Determinations of incompleteness or denials of an extension request may be appealed to the city council pursuant to Chapter 1.12 (Appeals).
- ~~C.~~ Expiration of application. If the applicant does not provide the information and materials necessary for a complete application within one hundred eighty (180) days after notification of incompleteness, the application shall be deemed expired. After expiration of the application or extension, if granted, a new application, including fees, plans, exhibits, and other materials will be required to commence processing of any project on the same property.
- ~~D.~~ Extensions. The applicant may request, in writing, within the one hundred eighty (180) day time period, an extension of up to one hundred eighty (180) days to the community development director or their designee. Approval of the extension is contingent on the applicant demonstrating that there are extenuating circumstances that have caused a delay in the submittal of the required information.
- ~~E.~~ Environmental information. After an application has been accepted as complete, the community development director or their designee may require additional information as necessary for the project's environmental review.

(Ord. No. 2016-423 , § 6, 9-27-2016)

14.78.060 Design review findings.

In approving applications for design review approval under this chapter, the ~~community development director or their designee, planning commission and the city council~~ approving authority shall make the following findings:

- A. The proposal meets the goals, policies and objectives of the general plan and any specific plan, objective design guidelines and ordinance design criteria adopted for the specific district or area.
- B. The proposal has architectural integrity and has an appropriate relationship with other structures in the immediate area in terms of height, bulk and design.
- C. Building mass is articulated to relate to the human scale, both horizontally and vertically. Building elevations have variation and depth and avoid large blank wall surfaces. Residential or mixed-use residential projects incorporate elements that signal habitation, such as identifiable entrances, stairs, porches, bays and balconies.
- D. Exterior materials and finishes convey high quality, integrity, permanence and durability, and materials are used effectively to define building elements such as base, body, parapets, bays, arcades and structural elements. Materials, finishes, and colors have been used in a manner that serves to reduce the perceived appearance of height, bulk and mass, and are harmonious with other structures in the immediate area.
- E. Landscaping is generous and inviting, and landscape and hardscape features are designed to complement the building and parking areas, and to be integrated with the building architecture and the surrounding streetscape. Landscaping includes substantial street tree canopy, either in the public right-of-way or within the project frontage.
- F. Signage is designed to complement the building architecture in terms of style, materials, colors and proportions.
- G. Mechanical equipment is screened from public view and the screening is designed to be consistent with the building architecture in form, material and detailing.
- H. Service, trash and utility areas are screened from public view, or are enclosed in structures that are consistent with the building architecture in materials and detailing.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , § 6, 9-27-2016; Ord. No. 2016-427 , § 3, 11-8-2016; Ord. No. 2019-457 , § 2, 1-28-2020)

Editor's note(s)—Ord. No. 2016-423, § 6, adopted September 27, 2016, enacted a new § 14.78.050 and renumbered the remaining §§ 14.78.050—14.78.080 as §§ 14.76.060—14.76.090. The historical notation has been retained with the amended provisions for reference purposes.

14.78.070 Variances.

- A. Purpose. In order to avoid such practical difficulties, unnecessary physical hardships and results inconsistent with the objectives of the zoning plans stated in article 1 of Chapter 14.02, as would result from a strict or literal application of the provisions of this chapter, the planning commission may approve or recommend variances to the regulations controlling site area, width, depth and coverage, yards, and other open spaces, parking spaces, loading spaces, height of structures, allowable building floor area and fences for a property located in any district, except for those located in an R1 or R3-4.5 district.
- B. Procedure. The approving authority for variance applications shall be as follows:
 - 1. The planning commission shall be the approving authority for all variance applications ~~that are not subject to city council design review~~ pursuant to Section 14.78.020.C.
 - 2. A public hearing shall be required. Notice of the meeting shall be given not less than ten (10) days prior to the date of the meeting by the methods required in Section 14.78.030

~~23. The city council shall be the approving authority for all variance applications that are subject to city council design review pursuant to Section 14.78.020.C. of the application and A variance request shall be granted if, based upon~~ the evidence submitted, the following positive findings can be made:

- a. That the granting of the variance will be consistent with the objectives of the zoning plan set forth in Article 1 of Chapter 14.02;
 - b. That the granting of the variance will not be detrimental to the health, safety, or welfare of persons living or working in the vicinity or injurious to property or improvements in the vicinity; and
 - c. That variances from the provisions of this chapter shall be granted only when, because of special circumstances applicable to the property, including size, shape, topography, location, or surroundings, the strict application of the provisions of this chapter deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classifications.
- D. Any variance granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and district in which such property is situated.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , §§ 6, 7, 9-27-2016; Ord. No. 2019-457 , § 2, 1-28-2020)

Editor's note(s)—See editor's note, § 14.78.060.

14.78.080 Expiration of design review and/or variance approval—Extensions.

- A. Design review and/or variance approvals granted pursuant to this chapter shall expire twenty-four (24) months from the date on which the approval became effective, unless prior to such expiration date a building permit is issued for the improvements constituting the subject of the approval and construction thereof is commenced and prosecuted diligently toward completion.
- B. Design review and/or variance approvals may be extended for a period of time not exceeding twelve (12) months. The application for extension shall be filed prior to the expiration date and shall be accompanied by the payment of a fee in such amount as established from time to time by resolution of the city council. Extensions of the approval are contingent on the community development director or their designee finding that the project complies with all current zoning ordinance regulations.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , §§ 6, 8, 9-27-2016)

Editor's note(s)—See editor's note, § 14.78.060.

14.78.090 Multimodal transportation review.

- A. An application for ~~city council-planning commission~~ design review pursuant to Section 14.78.020.C shall be subject to a multimodal transportation review as part of the approval process in order to assess potential project impacts to various modes of transportation such as but not limited to bicycle, pedestrian, parking, traffic impacts on public streets, and/or public transportation.
 - 1. When a multimodal transportation review is required by this code the complete streets commission shall only recommend improvements that are immediately adjacent to the subject site under consideration. Immediately adjacent to the subject site shall mean improvements along any property line of the subject site.
- B. Projects subject to a multimodal transportation review pursuant to this section shall be reviewed by the complete streets commission at a public meeting with the commission providing a recommendation to the

planning commission ~~and the city council~~ on the multimodal transportation impact analysis and on the elements of the project that pertain to bicycle, pedestrian, parking, traffic and public transportation issues.

1. When a multimodal transportation review is required by this code the complete streets commission shall provide their recommendations to the planning commission at a joint meeting.

C. Notice of an agenda item before the complete streets commission at which multimodal transportation review is conducted shall be per the public notice meeting requirements of Subsection 14.78.030.

D. EXCEPTIONS. All residential and/or mixed-use developments shall be exempt from review of the complete streets commission. No multimodal transportation review before the complete streets commission shall be required of any residential and/or mixed-use development.

(Ord. No. 2012-382, § 1, 5-22-2012; Ord. No. 2016-423 , § 6, 9-27-2016; Ord. No. 2019-457 , § 3, 1-28-2020)

Editor's note(s)—See editor's note, § 14.78.060.

14.78.100 Appeals.

The basis for any appeal of a housing development shall only be allowed and based on objective standards consistent with State law.

A. Within ~~fifteen~~fourteen (154) days of an action (approval or denial) on an administrative or zoning administrator design review application, the decision may be appealed to the planning commission by any interested party.

B. Within ~~fifteen~~fourteen (154) days of an action (approval or denial) on a design review and/or variance application by the planning commission, the decision may be appealed to the city council by any interested party.

C. Within ~~fifteen~~fourteen (154) days of an action (approval or denial) on a design review and/or variance application by the planning commission may be called up for review by the city council if two members of the city council submit requests to the city clerk pursuant to Section 1.12.040.

14.78.110 Number of Hearings Allowed.

A. When public hearings are required, the number of hearings for solely design review approval shall be no more than three (3) public hearings.

(Ord. No. 2016-423 , § 9, 9-27-2016; Ord. No. 2019-457 , § 3, 1-28-2020)

Chapter 2.08 CITY COMMISSIONS GENERALLY

Sections:

2.08.010 Creation of commissions.

There are hereby established the following commissions in the city, with the following regular voting members:

- A. Environmental commission: Seven members;
- B. Financial commission: Seven members;
- C. Historical commission: Seven members;
- D. Library commission: Seven members;
- E. Parks and recreation commission: Seven members;
- F. Planning ~~and transportation~~ commission: Seven members;
- G. ~~Design review commission: Five members;~~ Complete streets commission: Seven members;
- H. Youth commission: Eleven (11) members; from school grades seven through twelve (12);
- I. Senior Commission: Seven members, age fifty-five (55) or older. Exceptions may be made for individuals with special skills which may benefit seniors; and,
- J. Public arts commission: Seven members; ~~and~~,
- K. ~~Bicycle and pedestrian advisory commission: Seven members.~~

(Ord. 08-326 § 1)

(Ord. No. 2011-369, § 1, 8-23-2011; Ord. No. 2011-374, §§ 1, 2, 11-22-2011; Ord. No. 2012-379, §§ 1, 2, 5-22-2012; Ord. No. 2013-391, § 1, 3-26-2013; Ord. No. 2016-420, § 1, 6-28-2016)

2.08.020 Membership.

- A. All voting members shall be appointed by the council, with the following exceptions:
 - 1. Five members of the library commission shall be appointed by the council and two members of the library commission shall be appointed by the Town of Los Altos Hills city council; and
 - 2. Five members of the senior commission shall be appointed by the council and two members of the senior commission shall be appointed by the Town of Los Altos Hills City Council.
- B. All voting commissioners shall be residents of the city, except that:
 - 1. Three voting members of the library commission need not be residents;
 - 2. Two voting members of the historical commission need not be residents provided the criteria of Section 2.12.010 are met; and
 - 3. Two voting members of the senior commission need not be residents.

(Prior code § 2-5.02)

(Ord. No. 2011-369, § 2, 8-23-2011; Ord. No. 2013-391, §§ 2, 3, 3-26-2013)

2.08.030 Terms, appointments, and vacancies.

- A. Commissioners, with the exception of senior and youth commissioners, shall serve for a term of four years and may be reappointed to one additional four-year term. Terms shall be staggered and expire on the last day of March or September. A commissioner shall be appointed by a majority vote of the Council and may be removed prior to the expiration of his or her term by a majority vote of the Council, and such removal may be with or without cause.
- B. Senior commissioners shall serve two-year terms with incumbents eligible to serve a total of four, two-year terms, in addition to an unexpired term. Terms shall be staggered and expire on the last day of March.
- C. Youth commissioners shall be appointed from school grades seven through twelve (12) and shall serve two-year terms with incumbents eligible to reapply for appointment for terms through and including their senior year. Terms shall be staggered and expire on June 30th.
- D. A commissioner appointed to fill an unexpired term may be eligible for reappointment to an additional two terms.
- E. The two term limit shall apply to consecutive terms only. After a lapse of two years, a former commissioner may reapply for an appointment to any commission desired as a new applicant. The two-year lapse between appointments shall apply only to service on one commission. Upon leaving one commission, an individual may apply for an appointment to any other commission at any time.
- F. Appointments to each commission shall be made as terms expire or when unanticipated vacancies occur.
- G. Vacancies on any commission shall be filled by a majority vote of the council, except that the Town of Los Altos Hills City Council may fill two vacancies on the library commission and two vacancies on the senior commission. An individual appointed to fill a vacancy prior to the expiration of the term for which his or her predecessor was appointed shall serve for such unexpired term.

(Prior code § 2-5.03)

(Ord. No. 2011-369, § 3, 8-23-2011; Ord. No. 2013-391, § 4, 3-26-2013; Ord. No. 2016-420, § 2, 6-28-2016)

2.08.040 Compensation.

Commissioners shall serve without compensation. The council may approve payment to commissioners of expenses incurred by them in their official capacity.

(Prior code § 2-5.04)

2.08.050 Organization.

Annually, each commission shall elect one of its members as chair and one as vice-chair, each to serve a one-year term. Each commission shall provide the time, place, and manner for holding regular and special meetings. A majority of the authorized membership of a commission shall constitute a quorum of that commission. All meetings of the commission as a whole, or any standing subcommittees, shall be open to the public and noticed in accordance with the California "Ralph M. Brown Act."

(Prior code § 2-5.05)

(Ord. No. 2011-369, § 4, 8-23-2011)

2.08.060 Powers and duties of the planning commission.

The planning commission shall have those powers and duties given it by the State Planning Act (Title 7 of Chapter 3 of the Government Code of the state, commencing with Section 65100), as amended from time to time, and such other powers as granted it by the other provisions of this Municipal Code, or as may be entrusted to it by the council from time to time, and shall submit an annual report to the council.

(Prior code § 2-5.06)

(Ord. No. 2012-379, § 3, 5-22-2012; Ord. No. 2017-434 , § 1, 9-26-2017)

2.08.070 Powers and duties of the library commission.

The library commission shall act in an advisory capacity to the council in all matters pertaining to the city library, shall cooperate with other governmental agencies and civic groups in the promotion of adequate and efficient library service to the citizens of the community, shall make budget recommendations to the council with regard to the library, and shall submit an annual report to the council.

(Prior code § 2-5.07)

2.08.080 Powers and duties of the parks and recreation commission.

The parks and recreation commission shall act in an advisory capacity to the council in all matters pertaining to parks and public recreation and shall cooperate with all other governmental agencies and civic groups in the advancement of sound parks and recreational planning and programming, shall make budget recommendations to the council with regard to parks and recreation, and shall submit an annual report to the council.

(Ord. 00-388 § 2: prior code § 2-5.08)

(Ord. No. 2011-374, § 3, 11-22-2011)

2.08.090 Powers and duties of the historical commission.

The historical commission shall have those powers and duties granted it by Section 2.12.030 of the Los Altos Municipal Code and/or as may be entrusted to it by the council from time to time and shall submit an annual report to the council.

(Prior code § 2-5.09)

2.08.100 Powers and duties of the youth commission.

The youth commission shall act in an advisory capacity to the city council on matters relating to youth interests, youth concerns, and the need for outreach services. The city council's youth commission interview committee shall interview commission applicants and recommend appointments.

(Prior code § 2-5.10)

(Ord. No. 2016-420 , § 3, 6-28-2016)

~~2.08.110 Powers and duties of the design review commission.~~

~~The design review commission shall have those powers and duties granted it by other provisions of this Municipal Code, or as may be entrusted to it by the council from time to time, and shall submit an annual report to the council.~~

(Ord. 03-255 § 2)

(Ord. No. 2012-379, § 4, 5-22-2012)

~~2.08.120~~ **2.08.110 Powers and duties of the environmental commission.**

The commission shall have those powers and duties entrusted to it by the council from time to time, and shall submit an annual report to the council. The environmental commission studies and makes recommendations to council on issues that affect the natural and built environment in the city and the region. Additional duties include special projects as directed by the council.

(Ord. 08-326 § 2)

~~2.08.130~~ **2.08.120 Powers and duties of the financial commission.**

The commission shall have those powers and duties entrusted to it by the council including:

- A. Annual review of the investment policy;
- B. Annual review of independent financial audit;
- C. Review of auditor selection process;
- D. Review of financial projections and assumptions. This especially relates to review of revenue projections provided in the annual mid-year report which are used biennially as the basis for the service and financial plan;
- E. Special projects as directed by the council, city manager or finance director; and
- F. Submission of an annual report to the council.

The financial commission provides resident input to the council and staff regarding financial policy issues, and promotes resident participation and understanding regarding the financial condition of the city.

(Ord. 08-326 § 3)

~~2.08.140~~ **2.08.130 Powers and duties of the senior commission.**

The joint Los Altos/Los Altos Hills senior commission shall act in an advisory capacity to the council in all matters relating to senior interests and concerns, shall make recommendations aimed at improving the life of seniors, and shall submit an annual report to the council.

(Ord. No. 2011-369, § 5, 8-23-2011; Ord. No. 2016-420 , § 4, 6-28-2016)

~~2.08.150~~ 2.08.140 Powers and duties of the public arts commission.

- A. The public arts commission shall act in an advisory capacity to the council in all matters pertaining to public arts programs sponsored by the city. It shall take an active role in bringing about public awareness of the visual arts as well as in the definition, execution and promotion of those programs which include, but are not limited to, exhibition of sculpture, paintings, photography, video and other visual arts. The commission shall submit an annual report to the council.
- B. The primary focus of the commission is the public outdoor sculpture loan program. The commission will conduct sculpture searches, evaluate and recommend sculptures, identify sculpture locations and work with city staff on placement and maintenance of sculptures. The commission will also assist the city with ensuring that all conditions and agreements are being met. In addition, the commission will promote artists' works through media exposure of the sculpture program.

(Ord. No. 2011-374, § 4, 11-22-2011)

~~2.08.160~~ 2.08.150 Powers and duties of the complete streets commission.

- ~~A.~~ Help to create multi-modal transportation solutions and policies that enable safe, attractive, comfortable and independent access and travel for pedestrians, bicyclists, transit users, and motorists of all ages and abilities, including connectivity across jurisdictional boundaries.
- ~~B.~~ Shall advise the council on existing and proposed city policies related to traffic calming and traffic enforcement.
- ~~C.~~ Shall advise the council on projects and budget priorities for transportation-related capital improvements.
- ~~D.~~ Provide for community engagement and serve as a conduit for community input.

(Ord. No. 2012-379, § 5, 5-22-2012; Ord. No. 2017-434 , § 1, 9-26-2017)

~~2.08.170~~ 2.08.160 Role of staff liaison.

The city manager, or his/her designee, shall appoint an individual to serve as liaison to each commission. The role of the staff liaison is to assist the commission in carrying out its responsibilities. Duties of the staff liaison shall include attending all meetings of the commission, preparing agendas in collaboration with the chair, ensuring agendas and reports are posted in compliance with state law and city protocols, researching and preparing reports for the commission, as is consistent with the work plan and/or council direction, preparing action minutes for approval by the commission, preparing reports from the commission to the council, serving as the liaison between the commission and other city staff, communicating directions from the city council to the commission, and staying apprised of new laws and city protocols related to their assigned commission or commissions generally.

(Ord. No. 2016-420 , § 5, 6-28-2016)

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

15 CALIFORNIA HOUSING DEFENSE FUND, a
16 California nonprofit public benefit corporation;
17 and YES IN MY BACK YARD, a California
18 nonprofit public benefit corporation;
19
20 Petitioners,
21
22 v.
23
24 CITY OF CUPERTINO,
25
26 Respondent.

Case No.: 23CV410817

**VERIFIED PETITION FOR WRIT OF
MANDATE**

(Code Civ. Proc. § 1085; Gov. Code §§ 65587,
65751)

22 Petitioners CALIFORNIA HOUSING DEFENSE FUND and YES IN MY BACK YARD allege as
23 follows:

24 1. “California has a housing supply and affordability crisis of historic proportions.” (Gov. Code
25 § 65589.5, subd. (a)(2).)¹

26 2. To address this crisis, the State’s Housing Element Law (Gov. Code §§ 65580 *et seq.*) required
27 Bay Area cities and counties to adopt the sixth revisions of their housing elements by January 31, 2023.

28 _____

¹ Subsequent references are to the Government Code unless otherwise specified.

1 3. The City of Cupertino did not meet this deadline.

2 4. On behalf of the public interest in alleviating the housing crisis, the California Housing Defense
3 Fund and Yes In My Back Yard petition the Court for a writ of mandate compelling the City to adopt a
4 revised housing element.

5 **PARTIES**

6 5. Petitioner California Housing Defense Fund (“CalHDF”) is a California nonprofit public benefit
7 corporation.

8 6. CalHDF’s mission is to promote housing growth and affordability in California through
9 education and legal advocacy. As part of this mission CalHDF monitors local government policies
10 related to the availability and growth of housing.

11 7. Petitioner Yes In My Back Yard is a California nonprofit public benefit corporation.

12 8. Yes In My Back Yard litigates for housing through its project YIMBY Law, whose mission is to
13 end the housing shortage and achieve affordable, sustainable, and equitable housing for all.

14 9. Respondent City of Cupertino (“the City”) is an incorporated city in Santa Clara County.

15 **JURISDICTION AND VENUE**

16 10. The Court has subject matter jurisdiction under Sections 65587 and 65751 of the Government
17 Code and Section 1085 of the Code of Civil Procedure.

18 11. The Court has personal jurisdiction over the City consistent with Section 410.10 of the Code of
19 Civil Procedure.

20 12. Venue is proper under Sections 394–395 of the Code of Civil Procedure.

21 **STATUTORY BACKGROUND**

22 13. California’s Housing Element Law (Gov. Code §§ 65580 *et seq.*) is the State’s main policy for
23 addressing the housing crisis.

24 14. A “housing element” is a mandatory element of a county’s or city’s general plan. (§ 65302, subd.
25 (c).)

26 15. “Notwithstanding subdivision (a)” of Section 65700, *all* the provisions of the Housing Element
27 Law apply to general-law and charter cities alike. (§ 65700, subd. (b).)

28 //

1 16. The Department of Housing and Community Development (“HCD”) is the State agency that
2 administers the Housing Element Law. (See Health & Saf. Code §§ 50400, 50459.)

3 17. The driving mechanism of the Housing Element Law is known as the “regional housing need
4 allocation” or “RHNA.” (Gov. Code §§ 65584.03, subd. (d); 65584.04, subd. (g)(2); 65584.05, subd.
5 (e)(1); 65584.06, subd. (f); 65584.07, subd. (b)(1); 65584.08, subd. (a)(4)–(5); 65584.09, subd. (a).)

6 18. Housing elements are updated on a cyclical basis. (See § 65588.)

7 19. Bay Area governments are now entering their sixth cycle of housing-element revisions.

8 20. Each cycle, HCD “determine[s] the existing and projected need for housing for each region” in
9 the State. (§§ 65584, subd. (a)(1); 65584.01.)

10 21. HCD allocates this RHNA to the regional council of governments, as applicable. (See §§ 65584–
11 65584.02.)

12 22. The regional council of governments then distributes its RHNA among its local governments.
13 (See §§ 65584.04–.05.)

14 23. HCD distributes the RHNA among local governments where no council exists. (§ 65584.06.)

15 24. With its share of the RHNA assigned, a locality must revise its housing element with a plan to
16 “make adequate provision for the [housing] needs of all economic segments of the community.”
17 (§ 65583.)

18 25. A housing element must provide “[a]n inventory of land” with zoned capacity “to meet the
19 locality’s housing need for [each] designated income level” by the end of the cycle. (§§ 65583, subd.
20 (a)(3).)

21 26. The site inventory must meet detailed and justiciable statutory requirements. (See § 65583.2.)

22 27. Where existing zoned capacity is insufficient to meet the RHNA, the locality must rezone for
23 sufficient capacity within three years (if timely and adequately revised) or one year (if not). (§ 65583,
24 subd. (c)(1)(A).)

25 28. A housing element must, in its site inventory and otherwise, “affirmatively further fair housing.”
26 (§§ 65583, subs. (a)(3), (b), (c)(1), (c)(5), (c)(10)(A); 65583.2, subd. (c); see § 8899.50 [definition].)

27 //

28 //

1 29. A housing element must also “remove governmental . . . constraints to the maintenance,
2 improvement, and development of housing . . . for all income levels” where “appropriate and legally
3 possible.” (§ 65583, subd. (c)(3).)

4 30. A revision to a housing element must be prepared long before its adoption.

5 31. Housing Element Law spells out detailed requirements for public and administrative review.

6 32. “[T]he first draft revision of a housing element” must be made “available for public comment for
7 at least 30 days.” (§ 65585, subd. (b)(1).)

8 33. “[I]f any comments are received, the local government shall take at least 10 business days after
9 the . . . public comment period to consider and incorporate public comments into the draft.” (*Ibid.*)

10 34. “At least 90 days prior to adoption of a revision of its housing element,” the locality must submit
11 the draft to HCD for administrative review. (*Ibid.*)

12 35. HCD then makes “written findings” as to whether the draft “substantially complies” with the
13 Housing Element Law. (*Id.*, subd. (d).)

14 36. Only after HCD has had time to review a draft may the locality adopt it.

15 37. If HCD finds that a draft “does not substantially comply,” the locality can either “[c]hange” its
16 draft to comply or “[a]dopt” with “written findings” rebutting HCD’s findings. (*Id.*, subd. (f).)

17 38. Housing Element Law specifies consequences for failure to substantially comply.

18 39. A locality without a “revised housing element . . . in substantial compliance” is prohibited from
19 using its general plan and zoning standards to “disapprove” or “render[] . . . infeasible” any housing
20 development project meeting certain affordability requirements. (§ 65589.5, subs. (d)(5), (h)(3).)

21 40. As described above, a locality that fails to obtain HCD’s finding of substantial compliance
22 within 120 days of the statutory deadline must complete all required rezoning within one rather than
23 three years. (§ 65583, subd. (c)(1)(A); see above ¶ 27.)

24 41. “[A]ny interested party” may petition for a writ of mandate compelling “compliance with the
25 provisions” of the Housing Element Law. (§ 65587, subd. (b); see also § 65751.)

26 42. “[I]f the court” in such a proceeding enters “final judgment in favor of the . . . petitioner,” then
27 the locality must “bring its . . . [housing] element . . . into compliance . . . within 120 days.” (§ 65754.)

28 //

1 43. “The court shall include” in such a judgment “one or more” additional specified provisions,
2 including suspension of nonresidential building permits and mandatory approval of residential building
3 permits, “until the [locality] has substantially complied.” (§ 65755, subs. (a)(1), (a)(4).)

4 44. “[T]he court may, upon a showing of probable success on the merits, grant the relief provided in
5 Section 65755 as temporary relief.” (§ 65757.)

6 45. “Notwithstanding . . . Section 65585,” a locality subject to a writ of mandate must submit a draft
7 revision of its housing element to HCD “at least 45 days prior to . . . adoption.” (*Id.*, subd. (a).)

8 46. The locality must then conform its zoning ordinance within 120 days of adoption. (*Id.*, subd. (b).)

9 47. “[A]ny action necessary” to comply with the writ is statutorily exempt from the California
10 Environmental Quality Act. (§ 65759, subd. (a); see also Pub. Res. Code §§ 21000 *et seq.*)

11 **STATEMENT OF FACTS**

12 48. Bay Area governments, including the City, were due to adopt the sixth revision of their housing
13 elements on January 31, 2023. (See HCD, *Housing Element Update Schedule*, [https://www.hcd.ca.gov/
14 community-development/housing-element/docs/6th-web-he-duedate.pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/6th-web-he-duedate.pdf), p.5.)

15 49. “At least 90 days prior” to this statutory deadline (Gov. Code § 65585, subd. (b); see above
16 ¶¶ 31–36), the City had not submitted a draft revision of its housing element to HCD.

17 50. The City has not adopted a sixth revision of its housing element.

18 51. Together with another housing organization, Petitioners contacted the City about its failure and
19 inability to comply with Housing Element Law.

20 52. In their letter to the City, Petitioners offered to “forgo immediate litigation” against the City if
21 the City would acknowledge in writing that it would:

- 22 a. “not be in substantial compliance” by the statutory deadline;
- 23 b. “be prohibited from rejecting any [affordable] housing development project based on
24 subdivision (d)(1) or (d)(5) of the Housing Accountability Act (HAA), Government Code
25 Section 65589.5,” from February 1, 2023, until such time as the City adopts a
26 substantially compliant housing element; and

27 //

28 //

1 c. “be estopped” from invoking those subdivisions in any litigation arising from “any such
2 project that is the subject of an application or preliminary application submitted” during
3 that same period of time.

4 53. This letter was sent by email on December 16, 2022, to the City’s manager, community
5 development director, attorney, and council.

6 54. The City’s attorney responded and engaged Petitioners’ counsel in settlement discussions, but
7 the parties did not reach an agreement.

8 **BENEFICIAL INTEREST**

9 55. “The availability of housing is of vital statewide importance” (§ 65580, subd. (a).)

10 56. The Legislature has declared that the City has a “responsibility” to “make adequate provision for
11 the housing needs of all economic segments of the community.” (*Id.*, subd. (d).)

12 57. Legalizing “the development of housing” is “essential” to achieving this goal. (*Id.*, subd. (f).)

13 58. The Legislature intends that housing elements “move toward” this goal. (§ 65581, subd. (b).)

14 59. The writ of mandate is sought in this action to enforce the City’s public duty.

15 **FIRST CAUSE OF ACTION**

16 **Writ of Mandate to Compel Compliance with Housing Element Law**

17 **(Gov. Code §§ 65587, 65751; Code Civ. Proc. § 1085)**

18 60. Petitioners incorporate and reallege all of the foregoing paragraphs.

19 61. Section 65587 of the Government Code, subdivision (b), provides that “any interested party”
20 may bring an action “to review the [City’s] conformity with the [Housing Element Law].”

21 62. Petitioners are “interested part[ies]” under the Housing Element Law. (*Ibid.*)

22 63. Section 65587, together with Section 65751, provides that such an action “shall be brought
23 pursuant to Section 1085 of the Code of Civil Procedure.” (*Ibid.*)

24 64. Because the City has not adopted a sixth revision of its housing element, and its statutory
25 deadline has passed, the City is out of compliance with the Housing Element Law.

26 65. Petitioners have no available administrative remedies.

27 66. Petitioners have no plain, speedy, or adequate remedy in the ordinary course of law, other than
28 those sought herein.

1 67. Petitioners are thus entitled to a writ of mandate.

2 **DEMAND FOR JUDGMENT**

3 WHEREFORE, Petitioners demand judgment against Respondent as follows:

4 1. A writ of mandate directing the City to adopt a sixth revised housing element according to the
5 schedule in Section 65754.

6 2. An injunction or order providing relief under Section 65755.

7 3. A declaration that:

8 a. the City is out of compliance with the Housing Element Law from February 1, 2023, until
9 the City lawfully adopts a sixth revision of its housing element that substantially
10 complies with the Housing Element Law;

11 b. the City must rezone as necessary to execute such sixth revision of its housing element by
12 the deadlines set forth in Articles 10.6 and 14 of Chapter 3 of Division 1 of Title 7 of the
13 Government Code;

14 c. the City may not rely on paragraphs (1) or (5) of subdivision (d) of Section 65589.5 of
15 the Government Code, also known as the Housing Accountability Act or “HAA,” to
16 disapprove a housing development project—or condition approval in a manner that
17 renders such project infeasible—so long as such project meets the affordability
18 requirements described in paragraph (3) of subdivision (h) of the HAA;

19 4. Costs of suit;

20 5. Attorneys’ fees under Code Civ. Proc. § 1021.5 and as otherwise allowed by law; and

21 6. Such further relief as the Court deems just and proper.

22


23 Dated: February 2, 2023.

CALIFORNIA HOUSING
DEFENSE FUND

YIMBY LAW

24

25



26

By: Dylan Casey
*Attorney for Petitioner California
Housing Defense Fund*

By: Keith E. Diggs
*Attorney for Petitioner Yes In My
Back Yard*

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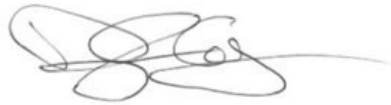
VERIFICATION

I, Dylan S. Casey, declare:

- 1. I am an employee of and hold the position of Executive Director at Petitioner California Housing Defense Fund, and am familiar with the matters discussed in the foregoing Petition.
- 2. I have read the Petition and know the contents thereof. The statements of fact therein are true and correct of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 2, 2023 at Alameda, California.



Dylan S. Casey

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VERIFICATION

I, Sonja K. Trauss, declare:

- 1. I am the Executive Director of Yes In My Back Yard, the Petitioner in this action.
- 2. I have read the foregoing Petition, and know the stated facts to be true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 2, 2023 at Oakland, California.



By: Sonja K. Trauss
Executive Director, Yes In My Back Yard



PUBLIC CORRESPONDENCE

The following is public correspondence received by the City Clerk's Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov



February 26, 2023

Re: Item # 5 - Housing Element Update Ordinance

Dear Mayor Meadows and Los Altos City Councilmembers:

As we wrote to the Planning Commission on February 15th, the LWV urges the Council to adopt the five proposed ordinance amendments included in the Housing Element in Program 3.H. Together these modifications to our design review process will remove constraints to building housing and should significantly streamline the building approval process. We supported these changes as part of the Housing Element and are pleased to see Staff proceeding quickly with implementation.

(Please send any questions about this email to Sue Russell at housing@lwvlamv.org)

Karin Bricker, President LWV of Los Altos/Mountain View Area

Cc: Gabe Engeland Nick Zornes Angel Rodriguez Jolie Houston
PublicComment@losaltosca.gov



February 27, 2023

Dear Mayor Meadows and Councilmembers,

The Los Altos Affordable Housing Alliance urges the City Council to implement certain provisions of the Housing Element adopted last month to

- Dissolve the Design Review Commission (Program 3.H);
- Allow staff-level review of housing projects of five or fewer units (Program 3.H);
- Reform the appeal process for decisions on housing developments (Program 3.H);
- Reform the process for multimodal transportation design review for development processes (Program 3.K)

We are pleased to see programs from the Housing Element being brought forward so promptly, and look forward to more Housing Element programs being implemented in the near future.

Respectfully,
LAAHA Steering Committee

Los Altos Affordable Housing Alliance
Committed to educating and inspiring the Los Altos community to build housing that is affordable for those who live and work in Los Altos
<https://losaltosaffordablehousing.org/>



PUBLIC CORRESPONDENCE

The following is public correspondence received by the City Clerk’s Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

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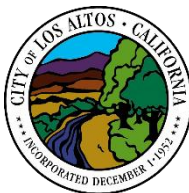
From: [DWIGHT WRENCH](#)
To: [Public Comment](#); [DWIGHT WRENCH](#); [Nick Zornes](#)
Subject: Public Comment Agenda Item #5 Feb 28, 2023
Date: Tuesday, February 28, 2023 4:49:15 PM

Chapter 14.78 Design and Transportation Review
14.78.020 Requirement for Design Review
Paragraph D Exempt from the Requirements of Design Review

We strongly oppose the addition of Paragraph D titled "Exempt from the Requirements of Design Review" to the document which exempts PCF facilities from the Design Review process for modifications less than 1000 square feet. This was not in the original document and was never opened up for discussion. There is no supporting or valid reason to add this to the document now without community input. PCF should not be exempt from the requirements of Design Review for changes of up to 1000 square feet which allows for excessive modifications to the property with no oversight. They should meet the same design review requirements as stated in Paragraph B Planning Commission Design Review as specified in Item 1 of 500 square feet. Recommend deletion of newly proposed Paragraph D.

Also please consider adding a constraint to prohibit use of this requirement for sequential modifications of under 500 feet that in totality could quickly exceed the 500j feet limitation.

Dwight and AnnaBelle Wrench



AGENDA REPORT SUMMARY

Meeting Date: February 28, 2023

Subject Proposition 218 process/Sewer Rate Study Report

Prepared by: NBS (Jordan Taylor and Allan Highstreet)

Reviewed by: Aida Fairman, Environmental Services and Utilities Director

Approved by: Gabriel Engeland, City Manager

Attachments:

- 1. Sewer Rate Study Report + Appendices
- 2. Prop. 218 Frequently Asked Questions

Initiated by:

Staff

Previous Council Consideration:

July 10, 2018

Fiscal Impact:

If a rate increase is approved, there will be an impact to ratepayers and sewer reserve funds when rates go into effect on July 1, 2023. If the rate increase is not approved, then to meet contractual and other legal obligations to provide wastewater service, the City would be required to spend funds from the general fund.

Environmental Review:

Not applicable

Policy Questions for Council Consideration:

- None

Summary:

This meeting is an informational presentation followed by questions from the Council members. A public hearing and protest balloting process at a future Council Meeting are the next steps required to adopt new sewer rates.

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



Subject: Proposition 218 process/Sewer Rate Study Report

Purpose & Background

The main purpose of this presentation is to provide information regarding the Proposition 218 process and the role of the City Council. Proposition 218 created a new subset of fees and charges known as “property-related fees.” Sewer service charges are property-related fees. “Property-related service” means a public service having a direct relationship to property ownership. City sewer rates are property-related services. Prop. 218 provides that a property-related fee may not be extended, imposed, or increased by any agency unless it meets a list of requirements, including an engineer’s rate study.

Discussion/Analysis

The rates included in the engineer’s study prepared by NBS were calculated using State standards to meet the City of Los Altos’ contractual obligations with the City of Palo Alto and to meet regulatory compliance.

The procedural requirements for the Prop. 218 protest ballot procedure include sending a Notice of public hearing to all customers/property owners, holding a public hearing no sooner than 45-days after mailing notices, and if no majority protest (50%+1), new rates can be adopted.

Based on successfully meeting Proposition 218 balloting requirements, the City Council should proceed with implementing the rates included in the engineer’s sewer rate report for the next five years. These rates are intended to ensure the continued financial health of the City’s sewer utility.

If the sewer rates are not increased, the City of Los Altos won’t meet its contractual obligations to the cities of Palo Alto and Mountain View in which case the City of Los Altos can get sued and/or will not be able to discharge its sewage into the Palo Alto Treatment Plant. Or if the City of Los Altos cannot pay for needed upgrades, Palo Alto and Mountain View may abandon those upgrades. The system would eventually fail, which would have consequences to the environment and public health, and state and federal agencies would issue fines and other sanctions to bring the cities into compliance.



Subject: Proposition 218 process/Sewer Rate Study Report

OVERVIEW OF PROPOSITION 218 PROCESS

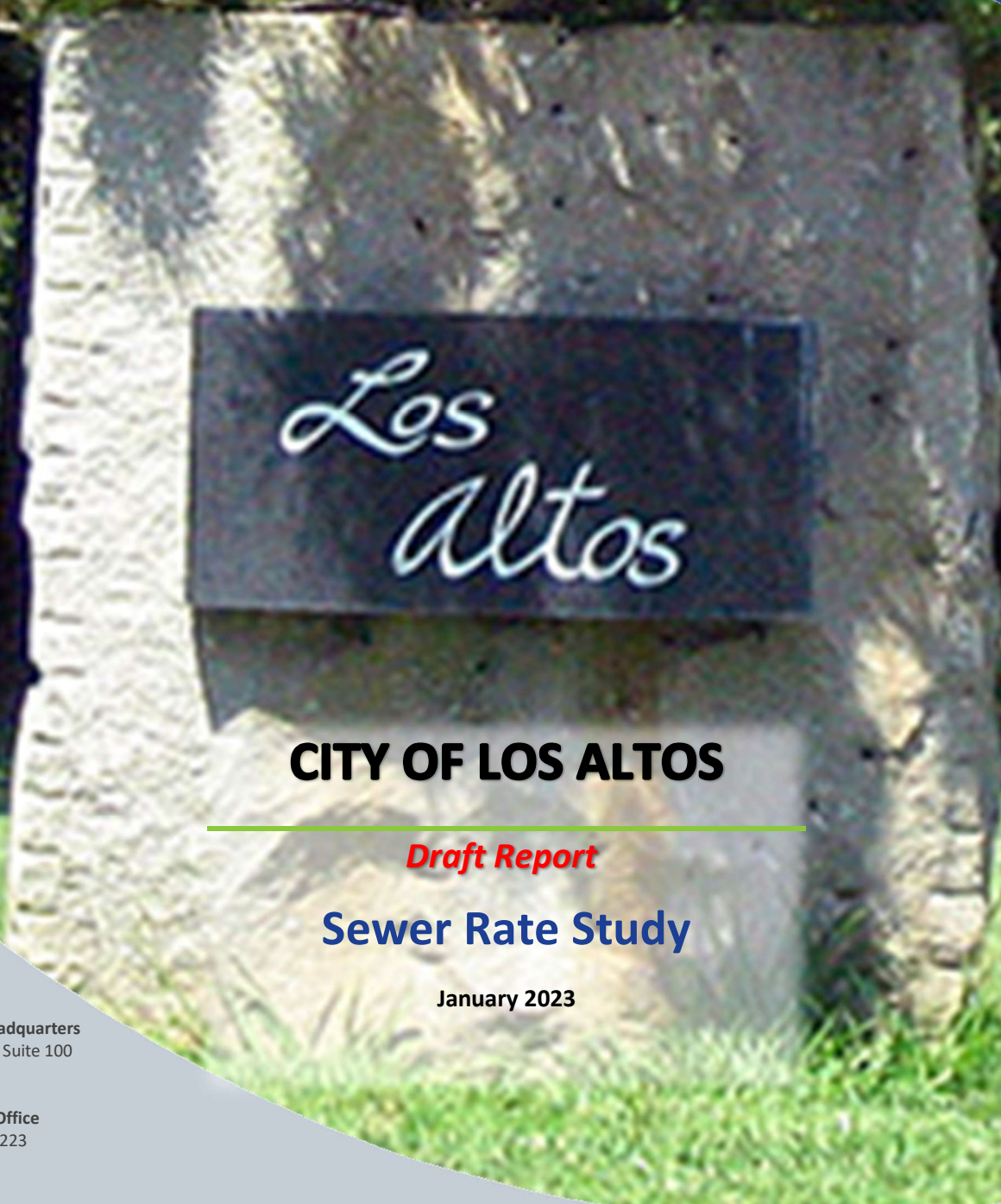
Procedural Requirements for the Prop. 218 Protest Ballot Procedure:

1. Send Notice of Public Hearing to all customers/property owners
2. Hold Public Hearing (June 13, 2023)
3. If no majority protest (50% + 1), new rates can be adopted
4. Rates go into effect on July 1, 2023.

22

Recommendation

City Council to approve the Sewer Rate Study Report and direct staff to proceed with the Proposition 218 Notice Process



CITY OF LOS ALTOS

Draft Report

Sewer Rate Study

January 2023

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



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Section 1. EXECUTIVE SUMMARY

Background

The City of Los Altos has a sewer collection system that serves the residents and businesses within the City, as well as a portion of the Town of Los Altos Hills. The sewer collection system has 140 miles of pipes; wastewater is then conveyed via a sewer trunk line to the Palo Alto Regional Water Quality Control Plant (RWQCP) for treatment. The City is one of several partner agencies that send wastewater to the RWQCP for treatment and disposal.

Purpose

The City of Los Altos (City) retained NBS in 2022 to perform a comprehensive sewer rate study for a number of reasons, including developing rates that support the sewer utility’s long-term financial health, reflect the cost of providing service to each customer class, and are defensible and equitable. This report is provided in part to assist the City in its effort to communicate transparently with the residents and businesses it serves.

In developing new sewer rates, NBS worked cooperatively with City staff in selecting appropriate rate alternatives. Based on input from City staff, the proposed rates are summarized in this study.

Key Findings

REVENUE REQUIREMENTS

As a part of this rate study, NBS projected revenues and expenditures on a cash flow basis for the next twenty years. Future system rehabilitation and replacement projects are expected to draw down existing reserves and affect annual sewer rates. Capital and operational reserve funding targets are intended to meet the utility’s specific financial objectives and the rate adjustments aim to meet those minimum levels. The amount of rate revenue required, that will allow reserves to be maintained at the recommended levels, is known as the *net revenue requirement*.

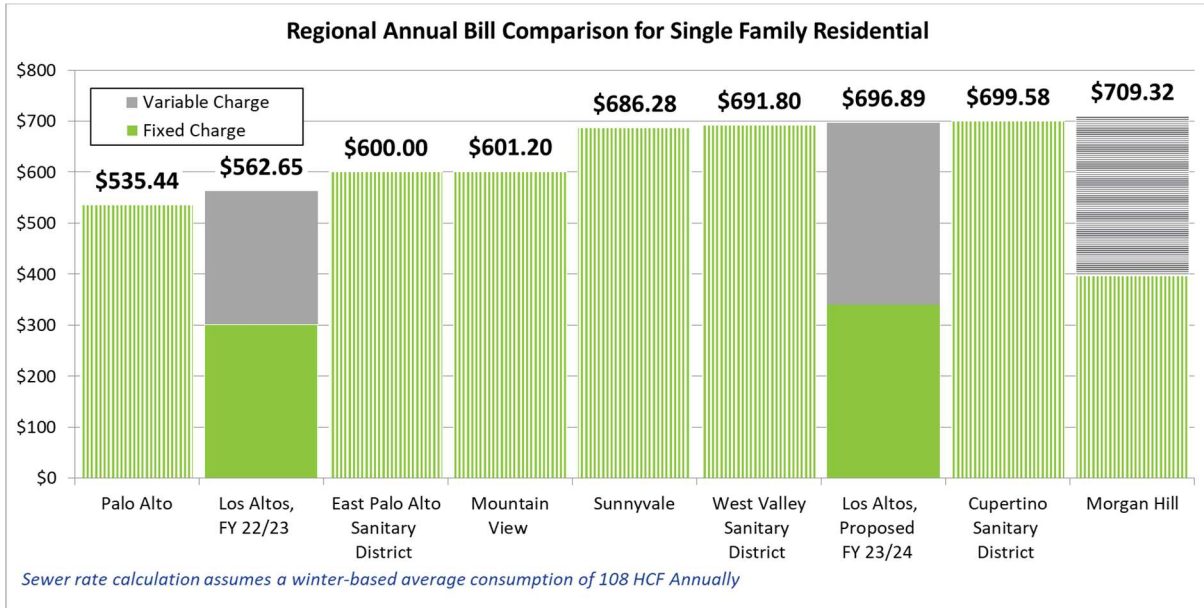
To keep meeting net revenue requirements, critical rate adjustments – or more accurately, adjustments in the total revenue collected from rates – are recommended over the next five years.

SEWER RATES

The current sewer rate design includes an annual fixed service charge per equivalent dwelling unit (EDU) and a single volumetric rate based on average winter water consumption (monthly average of lowest consecutive three months). After discussion and review of rate alternatives, City staff decided to maintain the existing rate structure.

Figure 1 below shows the estimated annual sewer bill for a typical single-family customer in the City compared to annual bills in other nearby communities. Even after rates are adjusted, residential customer bills in Los Altos still compare favorably with other communities in the region. Many of these other communities may have or may currently be going through a rate study process; and as such, sewer rates in these communities may be higher in the future.

FIGURE 1. REGIONAL ANNUAL SEWER BILL COMPARISON FOR SFR CUSTOMERS



FIXED CHARGES

Fixed charges can be called base charges, minimum charges, etc. Although fixed charges are typically a significant percentage of a utility’s overall costs, utilities rarely collect 100 percent of their fixed costs through fixed charges. In general, customers prefer that charges include a volumetric component, as there is an inherent and widely recognized equity in a “pay-for-what-you-use” philosophy. Fixed charges are often charged on a per equivalent dwelling unit (EDU).

VARIABLE CHARGES

In contrast, variable costs such as the cost of electricity and chemicals used in the treatment facilities tend to change with the quantity of wastewater treated. For sewer utilities, variable charges are often based on winter water consumption and charged on a dollar-per-unit cost (per 100 cubic feet, or hcf, in the City’s case). Variable sewer rate structures typically include one rate (\$/hcf); sometimes variable rates are specific to customer classes (i.e., residential, commercial, etc.). The intent with a rate structure that varies by customer class is to reflect the cost of service differences between customer classes in rates, with respect to the amount of wastewater treated (flow based costs) as well as the costs of treating the level of sewer “strength” (i.e., the amount of chemical oxygen demand (COD) and total suspended solids (TSS) components). The cost per unit does not change with consumption and provides a simple and straightforward approach from the perspective of customer understanding, rate administration, and customer billing.

Study Recommendations

A public hearing and protest balloting process are the next steps required to adopt new sewer rates. As a part of this process, NBS recommends the City take the following actions:

- **Approve and Accept This Study Report:** NBS recommends the City Council formally approve and adopt this report and its recommendations. This will provide the documentation and administrative record necessary to adopt and implement the proposed sewer rates.
- **Implement Proposed Rates:** Based on successfully meeting Proposition 218 balloting requirements, the City Council should proceed with implementing the rates proposed in this report for the next five years. These rates are intended to ensure the continued financial health of the City's sewer utility.

Section 2. SEWER RATE STUDY

Key Sewer Rate Study Issues

The sewer rate study was undertaken with the goal of maintaining the strong financial health of the City’s sewer utility. Additional study goals included reviewing the existing sewer rate structure and developing rate alternatives that promote equity among customer classes. The City has had various types of sewer rates over the last two decades – 100% fixed, 100% volumetric, and now a combination of the two.

NBS recommends the City maintain the existing rate structure of a single fixed charge and a variable charged based on the customer’s previous year’s average monthly winter water usage (lowest consecutive three months). The fixed and variable charges were developed based on the net revenue requirements, number of customer accounts and EDU’s, water consumption and other City-provided information. Detailed tables showing the systematic development of the analysis are presented in Appendix B – Sewer Rate Study Summary Tables.

Financial Plan

To identify the sewer utility’s long-term financial needs, including funding for capital improvement projects, NBS developed a 10-year financial plan that forecasts sewer revenues, expenditures, and projected reserves. This plan is based on the City’s current operating budget for the utility, discussions with City staff, and related information such as capital improvement plans and financial statements.

KEY ASSUMPTIONS

The following are the key assumptions used in the rate analysis:

- **Funding Capital Projects** – The analysis assumes that capital project costs will be funded with reserves and sewer rates over the next five years.
- **Reserve Targets** – NBS has maintained reserve targets that are based on the City’s specific needs and accommodate the timing of annual billing on the tax roll.
- **Inflation and Growth Projections** – The following inflation factors were applied to revenues and expenditures in the analysis, based on data from City staff as well as inflation averages from the Bureau of Labor Statistics:
 - General inflation is 4.0 percent annually.
 - Labor cost inflation is 5.0 percent annually.
 - PERS Obligation inflation is 5.57 percent based on City trends annually.
 - Energy cost inflation is 5.0 percent annually.
 - Palo Alto RWQCP cost inflation is approximately 6.76 percent annually.
 - No customer growth is anticipated in order to remain conservative.

The City of Palo Alto also provided a 10-year projection of costs for the Regional Water Quality Control Plant (RWQCP). The RWQCP cost projection includes the City’s share of annual operating costs, debt service payments and capital improvement costs. RWQCP costs are allocated to the City of Los Altos based on annual metered flow sent to the treatment plant; typically, the City represents around 10 percent of total RWQCP flows.

KEY OBJECTIVES

This financial plan addresses three primary objectives:

1. **Meeting Operating Costs:** The sewer utility must generate enough revenue to cover the expenses of sewer operations, including administration, maintenance of the collection system, and RWQCP treatment costs. Operating costs are approximately \$7.38 million in FY 2023/24.
2. **Meeting Capital Improvement Costs:** The sewer utility plans to adequately fund necessary capital improvements, which includes roughly \$24 million in planned capital improvements for the current fiscal year through the end of FY 2027/28.
3. **Maintaining Reserve Funds:** Currently, the sewer utility’s reserves are higher than target levels. Recommended rate adjustments will help maintain unrestricted and restricted reserve fund balances over the next ten years, but due to the capital costs, the balances will fall below target levels in three years of the Prop 218 rate period. After discussions with City staff, the following reserve targets were maintained for this analysis:
 - **Operating Reserve** equals about 50 percent of the utility’s budgeted annual operating expenses. This reserve target is equal to a six-month (or 180-day) cash cushion for normal operations. In FY 2023/24 the operating reserve target is \$3.69 million. This reserve is intended to ensure financial stability in the event of any short-term fluctuation in revenues and/or expenditures. Also of note, since the City collects sewer rates on the tax roll (and not on a monthly billing cycle), a higher reserve fund level will help carry the utility through semi-annual payments from Santa Clara County.
 - **Capital Rehabilitation and Replacement (R&R) Reserve** equal to annual capital expenditures serves as a starting point for supporting long-term capital needs. For FY 2023/24, this reserve target is \$3.18 million and is inflated by CPI estimates each year thereafter. The primary purpose of capital reserves is to set aside a cash resource to address long-term capital rehabilitation and replacement needs.
 - **City of Palo Alto RWQCP Reserve** is intended to accumulate funds equal to the average 5-year CIP costs that the City pays to Palo Alto (for RWQCP costs). Target reserve level is initially set at \$700,000.
 - **Debt Reserves** for the sewer utility’s existing debt obligations has a target level of about \$500,000 from FY 2023/23-27/28. Starting in 2028, the City will have a new debt service payment to the City of Palo Alto for about an additional \$685,000 annually. Debt reserves increase in anticipation of new bonds being issued for projects at the RWQCP. Debt reserve funds are typically considered restricted funds.

Figure 2 summarizes the sources and uses of funds and net revenue requirements for the next five years. Without proposed rate increases, the City is estimated to fall to a total deficit of about \$20.3 million through 2028. **Figure 3** summarizes the utility’s projected reserve funds and target balances for the next five years.

FIGURE 2. SUMMARY OF SEWER REVENUE REQUIREMENTS

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget		Projected			
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Wastewater Funds						
Rate Revenue Under Prevailing Rates	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000
Sewer Service Charge not on Tax Roll	600,000	600,000	600,000	600,000	600,000	600,000
Non-Rate Revenues	55,000	84,563	69,972	49,071	59,435	62,077
Total Sources of Funds	\$ 8,565,000	\$ 8,594,563	\$ 8,579,972	\$ 8,559,071	\$ 8,569,435	\$ 8,572,077
Projected Annual Rate Increase	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Additional Rate Revenue from Increases ¹	-	1,186,500	2,550,975	4,120,121	5,924,639	7,999,835
Rate Revenue with Annual Rate Increases	\$ 7,910,000	\$ 9,096,500	\$ 10,460,975	\$ 12,030,121	\$ 13,834,639	\$ 15,909,835
Uses of Wastewater Funds						
Los Altos Operating Expenses	\$ 3,908,587	\$ 4,102,113	\$ 4,305,256	\$ 4,518,498	\$ 4,742,340	\$ 4,977,314
Palo Alto Operating Expenses	3,142,000	3,278,000	3,382,000	3,471,000	3,549,000	3,617,000
Palo Alto Debt Service	468,090	468,007	492,102	492,306	491,782	491,477
Rate-Funded Capital Expenses	-	2,151,973	5,509,254	3,057,450	5,503,738	3,310,887
Total Use of Funds	\$ 7,518,678	\$ 10,000,092	\$ 13,688,611	\$ 11,539,254	\$ 14,286,861	\$ 12,396,677
Net Revenue Requirement²	\$ 6,863,678	\$ 9,315,529	\$ 13,018,639	\$ 10,890,182	\$ 13,627,425	\$ 11,734,600
Reserves Used for Capital Expenses	3,084,000	1,507,617	-	-	-	-
<i>Surplus (Deficiency) before Rate Increase</i>	<i>1,046,322</i>	<i>(1,405,529)</i>	<i>(5,108,639)</i>	<i>(2,980,182)</i>	<i>(5,717,425)</i>	<i>(3,824,600)</i>
<i>Surplus (Deficiency) after Rate Increase³</i>	<i>1,046,322</i>	<i>(219,029)</i>	<i>(2,557,664)</i>	<i>1,139,939</i>	<i>207,214</i>	<i>4,175,235</i>

1. Assumes new rates are implemented July 1, 2023.
2. Total Use of Funds less non-rate revenues. This is the annual amount needed from wastewater rates.
3. The surplus/deficiency represents the dollar amount that is contributing or using reserves.

FIGURE 3. SUMMARY OF SEWER RESERVE FUNDS

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		Projected			
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Un-Restricted Reserves						
Operating Reserve						
Ending Balance	\$ 3,525,300	\$ 3,310,235	\$ 752,571	\$ 1,876,172	\$ 2,088,080	\$ 4,297,200
<i>Recommended Minimum Target</i>	<i>\$ 3,525,300</i>	<i>\$ 3,690,100</i>	<i>\$ 3,843,600</i>	<i>\$ 3,994,700</i>	<i>\$ 4,145,700</i>	<i>\$ 4,297,200</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ 4,687,617	\$ 3,180,000	\$ 3,270,000	\$ 3,370,000	\$ 3,470,000	\$ 5,260,586
<i>Recommended Minimum Target</i>	<i>\$ 3,084,000</i>	<i>\$ 3,180,000</i>	<i>\$ 3,270,000</i>	<i>\$ 3,370,000</i>	<i>\$ 3,470,000</i>	<i>\$ 3,580,000</i>
City of Palo Alto RWQCP R&R Reserve						
Ending Balance	\$ 700,000	\$ 700,000	\$ 610,000	\$ 510,000	\$ 410,000	\$ 590,000
<i>Recommended Minimum Target</i>	<i>\$ 700,000</i>	<i>\$ 700,000</i>	<i>\$ 600,000</i>	<i>\$ 600,000</i>	<i>\$ 600,000</i>	<i>\$ 700,000</i>
Restricted Reserves						
Debt Reserve						
Ending Balance	\$ 468,007	\$ 468,007	\$ 471,971	\$ 492,306	\$ 491,782	\$ 491,477
<i>Recommended Minimum Target</i>	<i>\$ 468,090</i>	<i>\$ 468,007</i>	<i>\$ 492,102</i>	<i>\$ 492,306</i>	<i>\$ 491,782</i>	<i>\$ 491,477</i>
Total Ending Balance	\$ 9,380,924	\$ 7,658,242	\$ 5,104,542	\$ 6,248,478	\$ 6,459,862	\$ 10,639,263
<i>Recommended Minimum Target</i>	<i>\$ 7,777,390</i>	<i>\$ 8,038,107</i>	<i>\$ 8,205,702</i>	<i>\$ 8,457,006</i>	<i>\$ 8,707,482</i>	<i>\$ 9,068,677</i>

A summary of the entire 10-year financial plan, showing revenue requirements, revenues, and recommended rate increases is presented in Appendix B, which includes a summary of the City’s capital improvement program, at the end of this report.

Cost-of-Service Summary

Once the revenue requirements are determined, the cost-of-service analysis distributes the revenue requirements to cost classification components. These include the estimated amount of effluent (flow or volume), effluent strengths (COD and TSS), and customer-related costs (e.g., billing and administrative costs). **Figure 4** shows the net revenue requirements of \$9,096,500 to be collected from sewer rates in the first year.

FIGURE 4. RATE REVENUE REQUIREMENTS BY COST CLASSIFICATION

Adjustment to Current Rate Level:	Total	Flow	COD	TSS	Customer
Adjusted Net Revenue Req'ts	\$ 9,096,500	\$ 4,505,760	\$ 1,714,007	\$ 1,714,007	\$ 1,162,726
Percent of Revenue		49.5%	18.8%	18.8%	12.8%

Actual sewer flow data from FY 2020/21 was used in the Study. The City uses average winter water consumption from the previous calendar year (lowest water consumption for three months) to estimate annual sewer usage¹.

Figure 5 shows winter-average flow by customer class. The City’s sewer customer classes are represented by the following types of customers: single-family residential, multi-family residential, commercial, and public/institutional.

FIGURE 5. SUMMARY OF FLOW TO TREATMENT PLANT

Customer Class ¹	Number of Accounts	Annual Winter-Average Based Volume (HCF)	Percentage of Adjusted Volume
Residential			
Single Family Home	10,363	1,062,455	80.3%
Multifamily Residence (2 units)	65	2,744	0.2%
Multifamily Residence (3-4 units)	11	475	0.0%
Multifamily Residence (5+ units)	68	60,592	4.6%
Condominium Unit	1,033	52,954	4.0%
Commercial			
Commercial/Industrial	458	41,829	3.2%
Church	22	4,001	0.3%
Restaurant	69	78,160	5.9%
Public/Institutional			
Government	10	3,207	0.2%
Institutional	3	10,369	0.8%
Parks	4	2,119	0.2%
School	10	3,991	0.3%
Total:	12,116	1,322,896	100%

1. Customer billing data summarized from data Source: ~Data for Report_2021.22_JT.xlsx

Figure 6 compares the total number of accounts and equivalent dwelling units (EDUs) by customer class. EDUs are assigned to customers based on average winter water consumption. Typically, a single-family residential customer represents one EDU. Multi-family residential customers are assigned one EDU per unit (i.e., a triplex would be equal to three EDUs). Commercial customer EDUs are recalculated annually based on water consumption data from California Water Company (Cal Water).

Figure 7 develops the strength allocation factors of chemical oxygen demand (COD) and total suspended solids (TSS). This represents the strain each customer class puts on the treatment plant based on what the customer puts into the sewer system for treatment. For example, the food waste discharge at restaurants

¹ The City bills sewer usage on a per unit basis; one estimated sewer unit is equal to 748 gallons or one (1) hundred cubic feet (hcf).

will take more effort for the plant to treat than a single family home, which mostly discharges water from toilets, sinks, etc. into the sewer system.

FIGURE 6. SUMMARY OF SEWER CUSTOMER ACCOUNTS AND EQUIVALENT DWELLING UNITS (EDU'S)

Customer Class	Number of Accounts ¹	Percent of Total	Number of Equivalent Dwelling Units ¹	Percent of Total
Residential				
Single Family Home	10,363	86.0%	10,363	74.6%
Multifamily Residence (2 units)	65	0.5%	130	0.9%
Multifamily Residence (3-4 units)	11	0.1%	34	0.2%
Multifamily Residence (5+ units)	68	0.6%	550	4.0%
Condominium Unit	1,033	8.6%	1,033	7.4%
Commercial				
Commercial/Industrial	458	3.8%	554	4.0%
Church	22	0.2%	77	0.6%
Restaurant	-	0.0%	770	5.5%
Public/Institutional				
Government	10	0.1%	89	0.6%
Institutional	3	0.0%	125	0.9%
Parks	4	0.0%	58	0.4%
School	10	0.1%	109	0.8%
Total:	12,047	100%	13,892	100%

1. Data Source: ~Data for Report_2021.22_JT.xlsx

FIGURE 7. SUMMARY OF STRENGTH ALLOCATION FACTOR FOR COD AND TSS

Customer Class	Adjusted Annual Volume Total (HCF)	Annual Flow (million gallons)	Chemical Oxygen Demand (COD)				Total Suspended Solids (TSS)		
			Average Strength Factor (mg/l) ¹	Calculated COD (lbs./yr.)	Adjusted COD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ¹	Adjusted TSS (lbs./yr.)	Percent of Total
Residential									
Single Family Home	959,544	717.79	622	3,723,506	4,049,292	72.0%	250	1,979,172	74.8%
Multifamily Residence (2 units)	2,478	1.85	622	9,617	10,458	0.2%	250	5,112	0.2%
Multifamily Residence (3-4 units)	429	0.32	622	1,664	1,809	0.0%	250	884	0.0%
Multifamily Residence (5+ units)	54,723	40.94	622	212,352	230,932	4.1%	250	112,873	4.3%
Condominium Unit	47,825	35.78	622	185,584	201,821	3.6%	250	98,644	3.7%
Commercial									
Commercial/Industrial	37,778	28.26	622	146,596	159,422	2.8%	250	77,921	2.9%
Church	3,614	2.70	622	14,023	15,250	0.3%	250	7,454	0.3%
Restaurant	70,589	52.80	1,888	831,453	904,200	16.1%	600	349,437	13.2%
Public/Institutional									
Government	2,896	2.17	419	7,570	8,233	0.1%	100	2,389	0.1%
Institutional	9,365	7.01	419	24,480	26,622	0.5%	100	7,727	0.3%
Parks	1,913	1.43	419	5,002	5,439	0.1%	100	1,579	0.1%
School	3,604	2.70	419	9,421	10,246	0.2%	100	2,974	0.1%
Total:	1,194,758	894		5,171,268	5,623,725	100%		2,646,165	100%

1. BOD strength factors (Source: Page G-21, SWRCB Revenue Program Guidelines Appendix G) converted to COD using formula referenced in Operation of Municipal Wastewater Treatment Plants, Chapter 17, pg. 9.

Fixed and Variable Charges

The City's sewer rates consist of a fixed annual base charge per equivalent dwelling unit (EDU), and a volumetric rate for water consumed. Water consumption charges are based on average winter water use from the prior year².

² Average winter consumption is recalculated each year using the most recent winter water consumption (lowest consecutive 3 months).

The existing rate structure collects 48 percent of revenue from volumetric charges and 52 percent of revenue from fixed charges; NBS recommends the City maintain this revenue allocation in the proposed rates. **Figure 8** calculates the fixed charge per EDU; and **Figure 9** calculates the volumetric charge per HCF for all customers. **Figure 10** shows the current and proposed sewer rates through FY 2027/28.

FIGURE 8. SEWER RATE CALCULATION – FIXED CHARGES

Fixed Charges (per EDU)	Total Revenue Requirements	% of Total Rev. Req't. from Fixed Charges	Fixed Charges	Number of Equivalent Dwelling Units	Rate per EDU
	<i>A</i>	<i>B</i>	<i>C = A * B</i>	<i>D</i>	<i>E = C / D</i>
All Customers	\$9,096,500	52%	\$4,730,180	13,892	\$340.49

FIGURE 9. SEWER RATE CALCULATION – VOLUMETRIC CHARGES

Volumetric Charges (per HCF)	Total Revenue Requirements	% of Total Rev. Req't. from Volumetric Charges	Volumetric Charges	Annual Billable Volume (hcf)	Rate per HCF
	<i>F</i>	<i>G = 1 - B</i>	<i>H = F * G</i>	<i>I</i>	<i>J = H / I</i>
All Customers	\$9,096,500	48%	\$4,366,320	1,322,896	\$3.30

FIGURE 10. CURRENT (FY 2022/23) AND PROPOSED SEWER RATES (FY 2023/24 – FY 2027/28)

Sewer Rate Schedule	Current Rates	Proposed Yearly Sewer Rates				
		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Fixed Service Charge per EDU	\$301.29	\$340.49	\$391.56	\$450.29	\$517.83	\$595.50
Volumetric Rate (\$/hcf) ^{1,2}	\$2.42	\$3.30	\$3.80	\$4.37	\$5.03	\$5.78

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
2. Rates are charged based on average winter water consumption (three lowest consecutive months from previous year).

Customer Bill Comparisons

RESIDENTIAL SEWER CUSTOMERS

Figure 11 compares typical single-family annual sewer bills over the next five years, under the current and proposed rates. Similarly, **Figure 12** compares typical multi-family annual sewer bills over the next five years, under the current and proposed rates.

FIGURE 11. ANNUAL SINGLE-FAMILY SEWER BILL COMPARISON

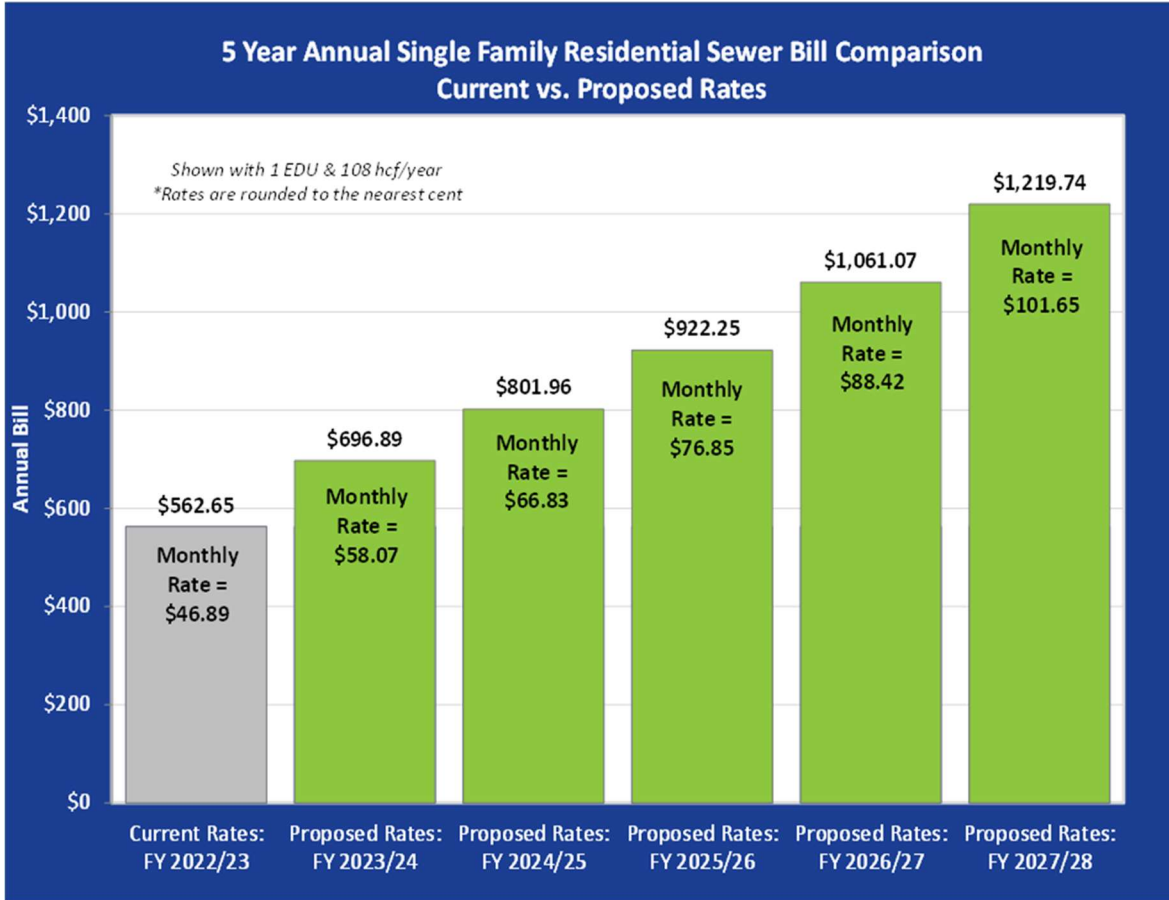
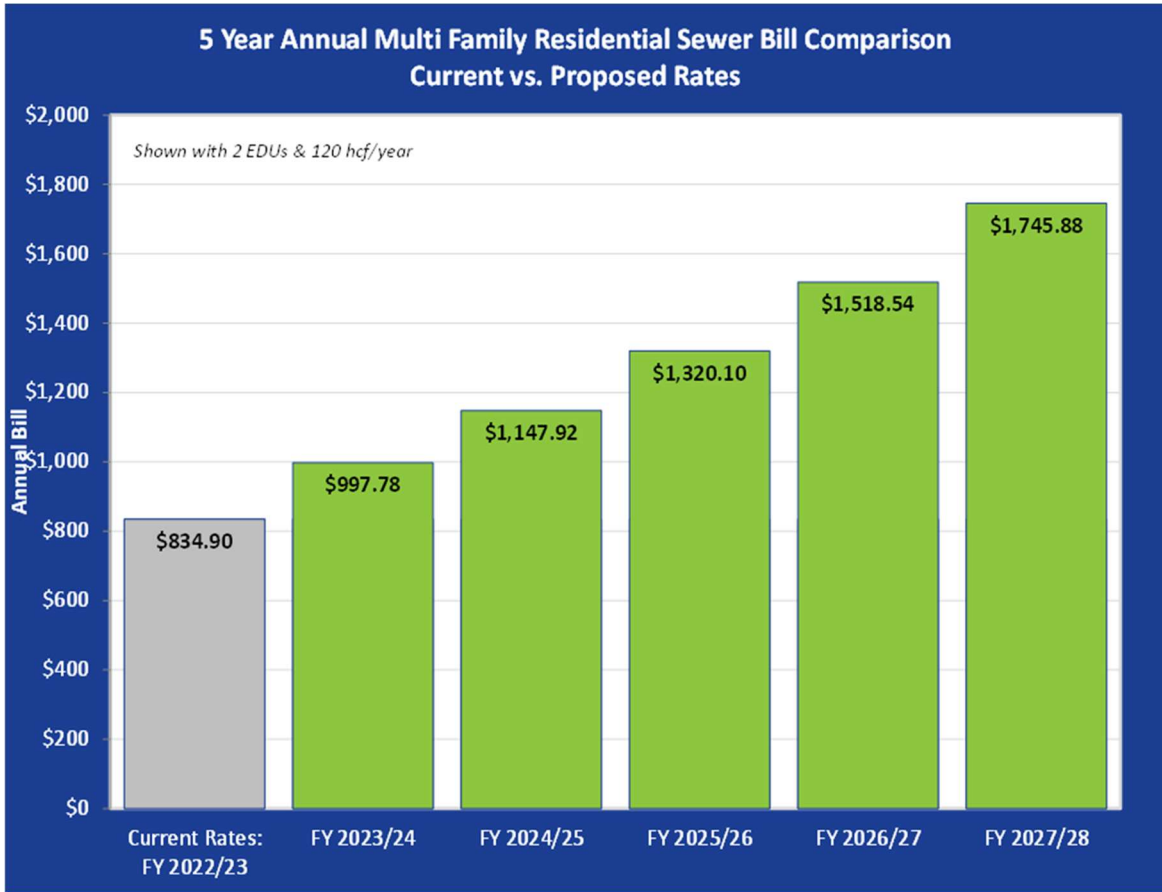


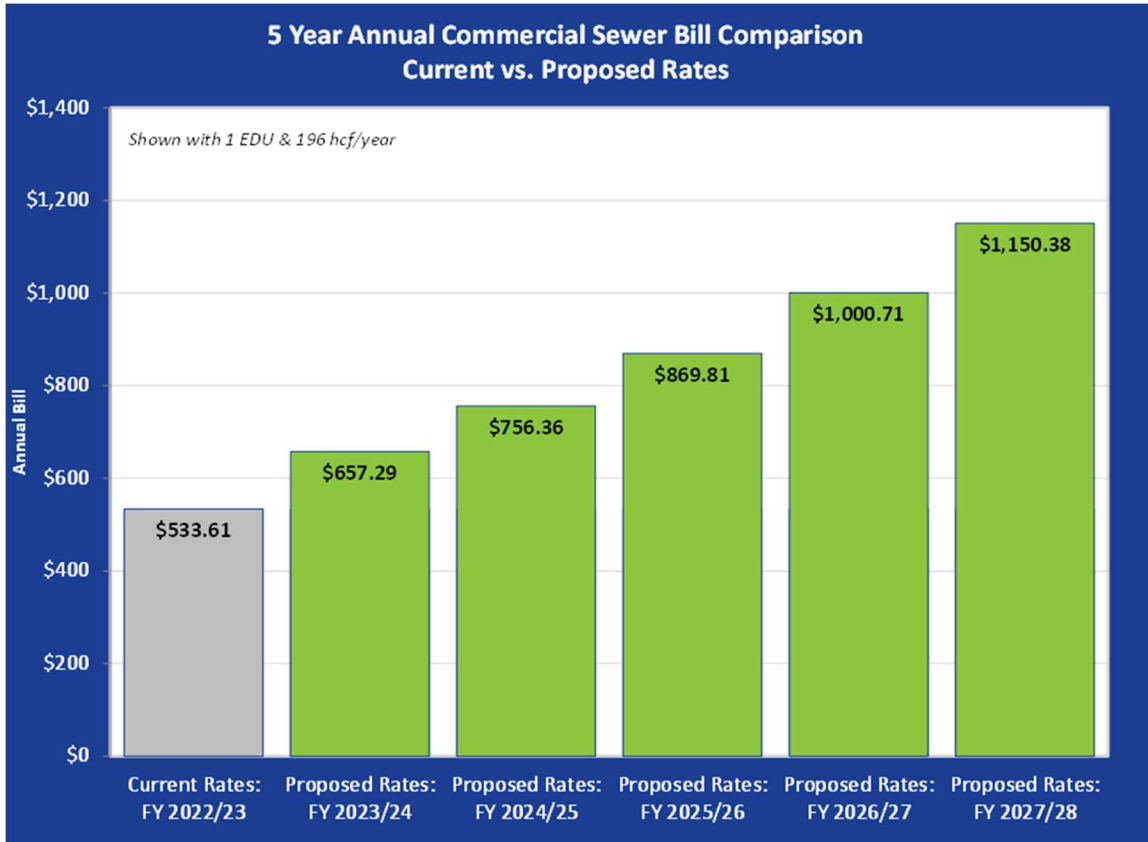
FIGURE 12. ANNUAL MULTI-FAMILY SEWER BILL COMPARISON (2 UNITS)



COMMERCIAL SEWER CUSTOMERS

Figure 13 compares typical commercial annual sewer bills over the next five years, under the current and proposed rates.

FIGURE 13. ANNUAL COMMERCIAL SEWER BILL COMPARISON



Section 3. NEXT STEPS

Next Steps

A public hearing and protest balloting process are the next steps required to adopt new sewer rates. As a part of this process, NBS recommends the City take the following actions:

- **Approve and Accept This Study Report:** NBS recommends the City Council formally approve and adopt this report and its recommendations. This will provide the documentation and administrative record necessary to adopt and implement the proposed sewer rates.
- **Implement Proposed Rates:** Based on successfully meeting Proposition 218 balloting requirements, the City Council should proceed with implementing the rates proposed in this report for the next five years. These rates are intended to ensure the continued financial health of the City’s sewer utility.

ANNUALLY REVIEW RATES AND REVENUE

Any time an agency adopts new utility rates, particularly when facing significant future capital costs, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements, particularly those related to capital improvement and repair and replacement costs that can significantly affect annual cash flows.

PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this report and the recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, including the City’s utility budgets, capital improvement plans, the number of customer accounts, water consumption records, and other conditions and events projected to occur in the future. This information and these assumptions were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS’ use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Section 4. APPENDIX A – ABBREVIATIONS & ACRONYMS³

AAF	Average Annual Flow
Alt.	Alternative
Avg.	Average
AWWA	American Water Works Association
BMP	Best Management Practice
BOD	Biochemical Oxygen Demand
CA	Customer
CAP	Capacity
CCI	Construction Cost Index
COD	Chemical Oxygen Demand
COM	Commodity
Comm.	Commercial
COS	Cost of Service
COSA	Cost of Service Analysis
CPI	Consumer Price Index
CIP	Capital Improvement Program
DU	Dwelling Unit
Excl.	Exclude
ENR	Engineering News Record
EDU	Equivalent Dwelling Unit
Exp.	Expense
FY	Fiscal Year (e.g., July 1st to June 30th)
FY 2022/23	July 1, 2022 through June 30, 2023
GPD	Gallons per Day
GPM	Gallons per Minute
HCF	Hundred Cubic Feet; equal to 748 gallons or 1 CCF
Ind.	Industrial
LAIF	Local Agency Investment Fund
Lbs.	Pounds
MFR	Multi-Family Residential
MGD	Million Gallons per Day
MG/L	Milligrams per Liter
Mo.	Month
Muni.	Municipal
NH3	Ammonia
N/A	Not Available or Not Applicable
O&M	Operational & Maintenance Expenses
Prop 13	Proposition 13 (1978) – Article XIII A of the California Constitution which limits taxes on real property to 1 percent of the full cash value of such property.
Prop 18	Proposition 218 (1996) – State Constitutional amendment expanded restrictions of local government revenue collections.
Req't	Requirement
Res.	Residential
Rev.	Revenue
R&R	Rehabilitation & Replacement
SFR	Single Family Residential
TSS / SS	Total Suspended Solids
V. / Vs. /vs.	Versus
WWTP	Waste Water Treatment Plant

3 This appendix identifies abbreviations and acronyms that may be used in this report. This appendix has not been viewed, arranged, or edited by an attorney, nor should it be relied on as legal advice. The intent of this appendix is to support the recognition and analysis of this report. Any questions regarding clarification of this document should be directed to staff or an attorney specializing in this particular subject matter.

Section 5. APPENDIX B – SEWER RATE STUDY SUMMARY TABLES

TABLE 1: FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Budget		Projected					Projected			
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Sources of Funds (Sewer Revenues)¹											
Rate Revenue:											
Sewer Service Charge on Tax Roll	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000
Revenue from Rate Increases ²	-	1,186,500	2,550,975	4,120,121	5,924,639	7,999,835	8,795,327	9,630,593	10,507,623	11,428,504	12,395,430
Subtotal: Rate Revenue After Rate Increases	7,910,000	9,096,500	10,460,975	12,030,121	13,834,639	15,909,835	16,705,327	17,540,593	18,417,623	19,338,504	20,305,430
Non-Rate Revenue:											
Sewer Service Charge not on Tax Roll	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other Revenues	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Interest Income ³	40,000	69,563	54,972	34,071	44,435	47,077	80,954	86,563	122,135	139,674	182,613
Subtotal: Rate Revenue After Rate Increases	655,000	684,563	669,972	649,071	659,435	662,077	695,954	701,563	737,135	754,674	797,613
Total Sources of Funds	\$ 8,565,000	\$ 9,781,063	\$ 11,130,947	\$ 12,679,192	\$ 14,494,075	\$ 16,571,912	\$ 17,401,282	\$ 18,242,157	\$ 19,154,758	\$ 20,093,178	\$ 21,103,042
Uses of Funds											
Operating Expenses ⁴											
Salaries and Benefits	\$ 2,165,070	\$ 2,274,400	\$ 2,389,258	\$ 2,509,924	\$ 2,636,691	\$ 2,769,869	\$ 2,909,783	\$ 3,056,772	\$ 3,211,196	\$ 3,373,432	\$ 3,543,874
Utilities	70,300	73,459	76,762	80,215	83,825	87,600	91,547	95,674	99,989	104,501	109,219
Repair and Services	1,673,218	1,754,254	1,839,236	1,928,359	2,021,824	2,119,844	2,222,643	2,330,454	2,443,522	2,562,105	2,686,475
City of Palo Alto RWQCP O&M	3,142,000	3,278,000	3,382,000	3,471,000	3,549,000	3,617,000	3,695,000	3,776,000	3,860,000	3,921,000	4,019,000
Subtotal: Operating Expenses	\$ 7,050,587	\$ 7,380,113	\$ 7,687,256	\$ 7,989,498	\$ 8,291,340	\$ 8,594,314	\$ 8,918,972	\$ 9,258,899	\$ 9,614,707	\$ 9,961,038	\$ 10,358,568
Other Expenditures:											
Existing Debt Service - Palo Alto RWQCP	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 491,477	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358
Rate-Funded Capital Expenses	-	2,151,973	5,509,254	3,057,450	5,503,738	3,310,887	4,267,882	1,645,355	525,788	-	-
Subtotal: Other Expenditures	\$ 468,090	\$ 2,619,979	\$ 6,001,355	\$ 3,549,756	\$ 5,995,520	\$ 3,802,363	\$ 5,446,528	\$ 2,823,537	\$ 1,651,471	\$ 1,125,477	\$ 1,125,358
Total Uses of Sewer Funds	\$ 7,518,678	\$ 10,000,092	\$ 13,688,611	\$ 11,539,254	\$ 14,286,861	\$ 12,396,677	\$ 14,365,501	\$ 12,082,436	\$ 11,266,178	\$ 11,086,516	\$ 11,483,926
Annual Surplus/(Deficit)	\$ 1,046,322	\$ (219,029)	\$ (2,557,664)	\$ 1,139,939	\$ 207,214	\$ 4,175,235	\$ 3,035,781	\$ 6,159,720	\$ 7,888,580	\$ 9,006,663	\$ 9,619,116
Net Revenue Req^t.	\$ 6,863,678	\$ 9,315,529	\$ 13,018,639	\$ 10,890,182	\$ 13,627,425	\$ 11,734,600	\$ 13,669,546	\$ 11,380,873	\$ 10,529,043	\$ 10,331,841	\$ 10,686,313
(Total Uses less Non-Rate Revenue)											
Total Rate Revenue After Rate Increases	\$ 7,910,000	\$ 9,096,500	\$ 10,460,975	\$ 12,030,121	\$ 13,834,639	\$ 15,909,835	\$ 16,705,327	\$ 17,540,593	\$ 18,417,623	\$ 19,338,504	\$ 20,305,430
Projected Annual Rate Revenue Increase	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cumulative Increase from Annual Revenue Increases	0.00%	15.00%	32.25%	52.09%	74.90%	101.14%	111.19%	121.75%	132.84%	144.48%	156.71%
Debt Coverage After Rate Increase	3.24	5.13	7.00	9.53	12.61	16.23	7.20	7.62	8.47	9.00	9.55

1. Revenues are budgeted for 2022/2023. Source: Multiyear Budget to Actual Sewer.pdf
 2. Revenue from rate increases assumes an implementation date of July 1, 2023 for new rates.
 For each year thereafter, the assumption is that new rates will be implemented on July 1st. Rate revenue collected on property tax bills.
 3. Interest earnings beginning in FY 2023/24 are calculated based on historical LAIF returns.
 4. Expenses are budgeted for 2022/2023. Source: Multiyear Budget to Actual Sewer.pdf

SUMMARY OF CASH ACTIVITY	Projected											
	Budget	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Total Beginning Cash¹												
Un-Restricted Reserves:												
Operating Reserve												
Beginning Reserve Balance ²	\$ 3,525,300	\$ 3,525,300	\$ 3,525,300	\$ 3,310,235	\$ 752,571	\$ 1,876,172	\$ 2,088,080	\$ 4,297,200	\$ 4,459,500	\$ 4,629,400	\$ 4,807,400	\$ 4,980,500
Plus: Net Cash Flow (After Rate Increases)	1,046,322	(219,029)	3,964	1,139,939	3,998	207,214	4,175,235	3,035,781	6,159,720	7,888,580	9,006,663	9,619,116
Plus: Transfer of Debt Reserve Surplus	4,048					4,694	4,471	4,163	10,448	62,478	9,740	9,652
Plus: Transfer of Capital R&R Reserve Surplus												
Less: Transfer Out to Debt Service Reserve					(20,335)			(687,170)				
Less: Transfer Out to Palo Alto RWQCP R&R Reserve	(400,000)						(290,000)	(110,000)				
Less: Transfer Out to Capital Replacement Reserve	(650,371)						(1,680,586)	(2,080,474)	(6,000,268)	(7,773,058)	(8,843,303)	(9,429,969)
Ending Operating Reserve Balance	\$ 3,525,300	\$ 3,690,100	\$ 3,310,235	\$ 752,571	\$ 1,876,172	\$ 2,088,080	\$ 4,297,200	\$ 4,459,500	\$ 4,629,400	\$ 4,807,400	\$ 4,980,500	\$ 5,179,300
Target Ending Balance (6 months of O&M)	\$ 3,525,300	\$ 3,690,100	\$ 3,310,235	\$ 752,571	\$ 1,876,172	\$ 2,088,080	\$ 4,297,200	\$ 4,459,500	\$ 4,629,400	\$ 4,807,400	\$ 4,980,500	\$ 5,179,300
Capital Rehabilitation & Replacement Reserve												
Beginning Reserve Balance ²	\$ 7,121,247	\$ 4,687,617	\$ 3,180,000	\$ 3,270,000	\$ 3,270,000	\$ 3,370,000	\$ 3,470,000	\$ 5,260,586	\$ 5,760,474	\$ 9,790,268	\$ 11,683,058	\$ 16,579,422
Plus: Grant Proceeds												
Plus: Transfer of Operating Reserve Surplus	650,371						1,680,586	2,080,474	6,000,268	7,773,058	8,843,303	9,429,969
Plus: Transfer of Palo Alto RWQCP R&R Reserve Surplus			90,000	100,000	100,000	100,000	110,000					
Less: Transfer Out to Operating Replacement Reserve												
Less: Transfer Out for Capital Projects	(3,084,000)	(1,507,617)						(1,580,586)	(1,970,474)	(5,880,268)	(3,946,939)	(8,461,566)
Ending Capital Rehab & Replacement Reserve Balance	\$ 4,687,617	\$ 3,180,000	\$ 3,270,000	\$ 3,370,000	\$ 3,470,000	\$ 3,470,000	\$ 5,260,586	\$ 5,760,474	\$ 9,790,268	\$ 11,683,058	\$ 16,579,422	\$ 17,547,824
Capital R&R Reserve (based on estimated annual CIP)	\$ 3,084,000	\$ 3,180,000	\$ 3,270,000	\$ 3,370,000	\$ 3,470,000	\$ 3,470,000	\$ 3,580,000	\$ 3,680,000	\$ 3,790,000	\$ 3,910,000	\$ 4,020,000	\$ 4,140,000
City of Palo Alto RWQCP R&R Reserve												
Beginning Reserve Balance ²	\$ 300,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 610,000	\$ 510,000	\$ 410,000	\$ 590,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Plus: Transfer of Operating Reserve Surplus	400,000						290,000	110,000				
Less: Transfer Out for Capital Projects					(100,000)	(100,000)	(110,000)					
Ending Capital Rehab & Replacement Reserve Balance	\$ 700,000	\$ 700,000	\$ 700,000	\$ 610,000	\$ 510,000	\$ 410,000	\$ 590,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
RWQCP R&R Reserve (average annual CIP costs)	\$ 700,000	\$ 700,000	\$ 700,000	\$ 610,000	\$ 510,000	\$ 410,000	\$ 590,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Ending Balance - Excl. Restricted Reserves	\$ 8,912,917	\$ 7,190,235	\$ 4,632,571	\$ 5,756,172	\$ 5,968,080	\$ 10,147,786	\$ 10,919,974	\$ 15,119,668	\$ 17,190,458	\$ 22,259,922	\$ 23,427,124	\$ 23,427,124
Min. Target Ending Balance - Excl. Restricted Reserves	\$ 7,309,300	\$ 7,570,100	\$ 7,713,600	\$ 7,964,700	\$ 8,215,700	\$ 8,577,200	\$ 8,839,500	\$ 9,019,400	\$ 9,217,400	\$ 9,300,500	\$ 9,519,300	\$ 9,519,300
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 1,603,617	\$ (379,865)	\$ (3,081,029)	\$ (2,208,528)	\$ (2,247,620)	\$ (1,570,586)	\$ 2,080,474	\$ 6,100,268	\$ 7,973,058	\$ 12,959,422	\$ 13,907,824	\$ 13,907,824

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Financial Plan and Reserve Projections
TABLE 3: RESERVE FUND SUMMARY

	Budget		Projected												
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33				
SUMMARY OF CASH ACTIVITY															
Restricted Reserves:															
Connection Fee Reserve															
Beginning Reserve Balance	\$ -	\$ 5,000	\$ 10,042	\$ 15,127	\$ 20,256	\$ 25,427	\$ 30,642	\$ 35,902	\$ 41,206	\$ 46,555	\$ 51,949	\$ 57,389	\$ -		
Plus: Interest Earnings	-	42	85	128	172	215	260	304	349	394	440	440	-		
Plus: Connection Fee Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-		
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	-		
Ending Connection Fee Fund Balance	\$ 5,000	\$ 10,042	\$ 15,127	\$ 20,256	\$ 25,427	\$ 30,642	\$ 35,902	\$ 41,206	\$ 46,555	\$ 51,949	\$ 57,389	\$ -	\$ -		
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Debt Reserve															
Beginning Reserve Balance	\$ 468,090	\$ 468,007	\$ 468,007	\$ 471,971	\$ 492,306	\$ 491,782	\$ 491,477	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358	\$ 1,125,477		
Plus: Reserve Funding from Operating Reserve	-	-	-	20,335	-	-	687,170	-	-	-	-	-	-		
Plus: Reserve Funding from Future Debt Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-		
Plus: Interest Earnings	3,965	3,964	3,964	3,998	4,170	4,165	4,163	9,983	9,979	9,535	9,533	9,533	-		
Less: Transfer of Surplus to Operating Reserve	(4,048)	(3,964)	-	(3,998)	(4,694)	(4,471)	(4,163)	(10,448)	(62,478)	(9,740)	(9,740)	(9,652)	-		
Ending Debt Reserve Balance	\$ 468,007	\$ 468,007	\$ 471,971	\$ 492,306	\$ 491,782	\$ 491,477	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358	\$ 1,125,358	\$ 1,125,477		
Target Ending Balance	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 491,477	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,477	\$ 1,125,358	\$ 1,125,477		
Ending Balance - Restricted Reserves	\$ 473,007	\$ 478,049	\$ 487,098	\$ 512,561	\$ 517,209	\$ 522,119	\$ 1,214,549	\$ 1,219,388	\$ 1,172,238	\$ 1,177,427	\$ 1,174,277	\$ 1,182,747	\$ 1,182,747		
Min. Target Ending Balance - Restricted Reserves	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 491,477	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,477	\$ 1,125,358	\$ 1,125,477		
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 4,917	\$ 10,042	\$ (5,003)	\$ 20,256	\$ 25,427	\$ 30,642	\$ 35,902	\$ 41,206	\$ 46,555	\$ 51,949	\$ 57,389	\$ -	\$ -		
Annual Interest Earnings Rate³	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%		

1. The Beginning Cash balance is equal to the amount in the Sewer Fund, Claim on Cash per source file: Beginning balance of FY22.xlsx
 2. NBS assumes total unrestricted cash of \$11,414,637 is first used to fully fund operating reserve. The remainder is placed in Capital Rehabilitation & Replacement Reserve and City of Palo Alto R&R Reserve.
 3. Historical interest earnings rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings are historical 10 year average interest earnings rate.

CHART 1

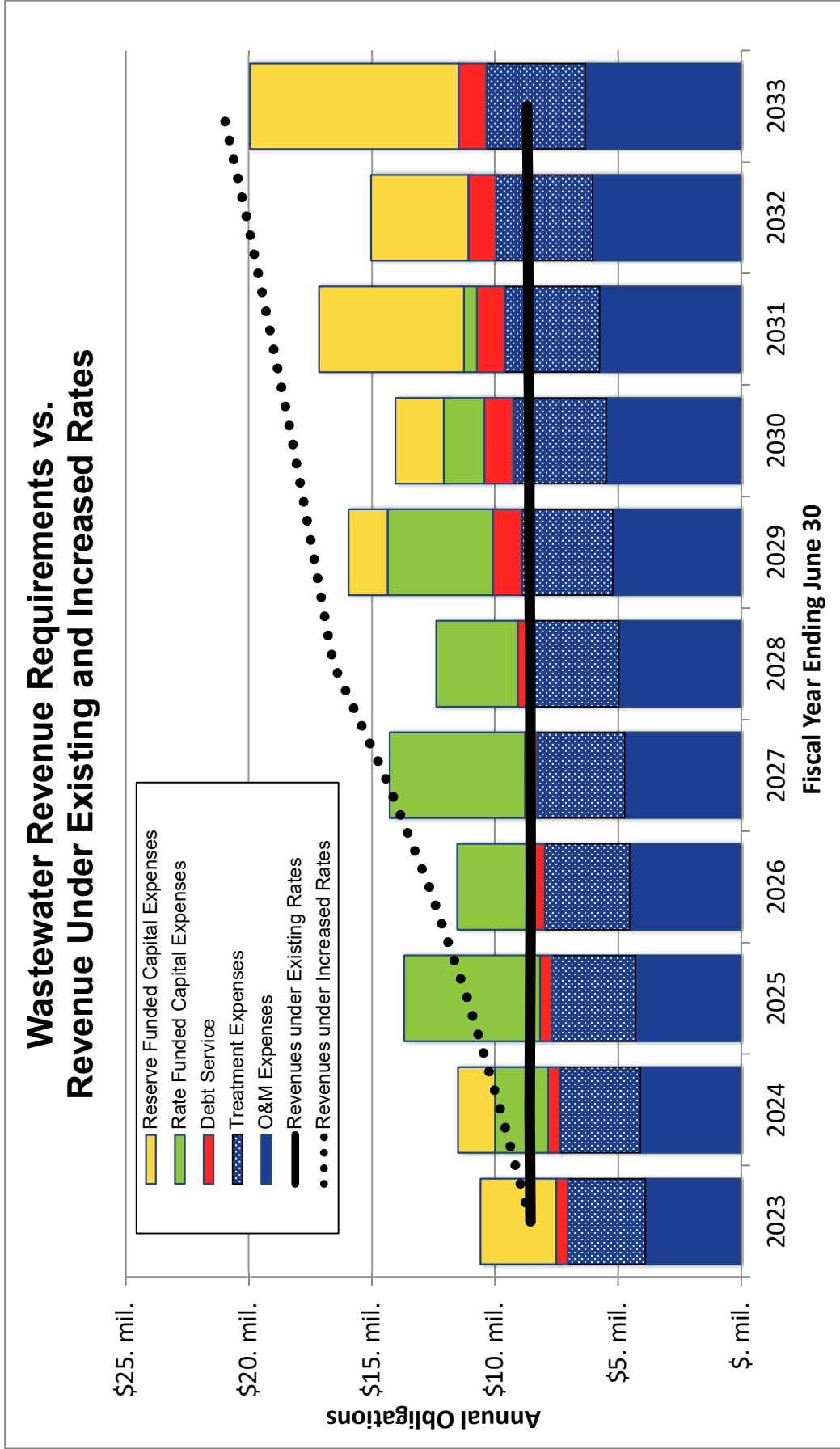


CHART 2

Ending Cash Balances vs. Recommended Reserve Targets *Wastewater Fund - Un-Restricted Reserves*

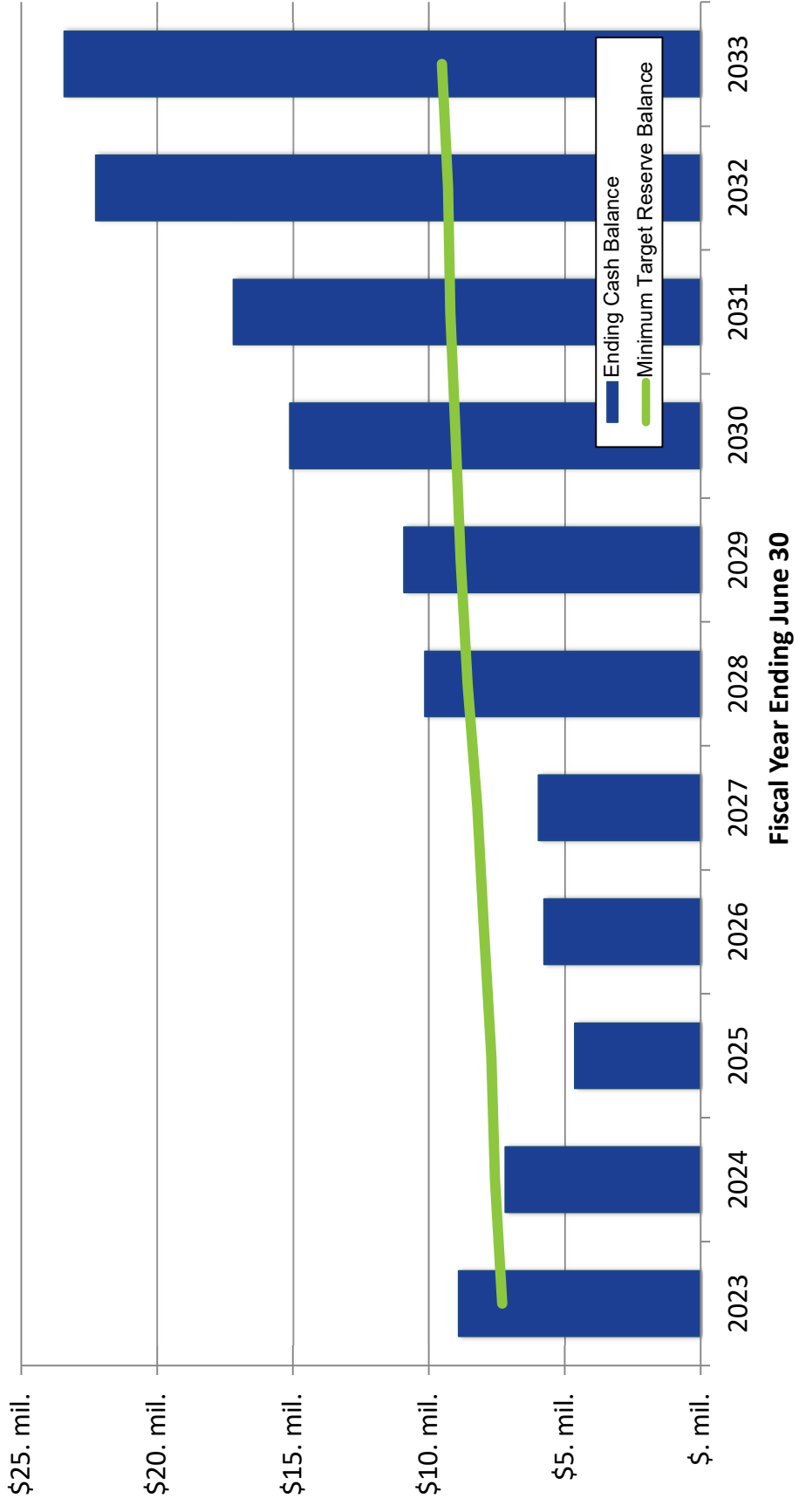


CHART 3

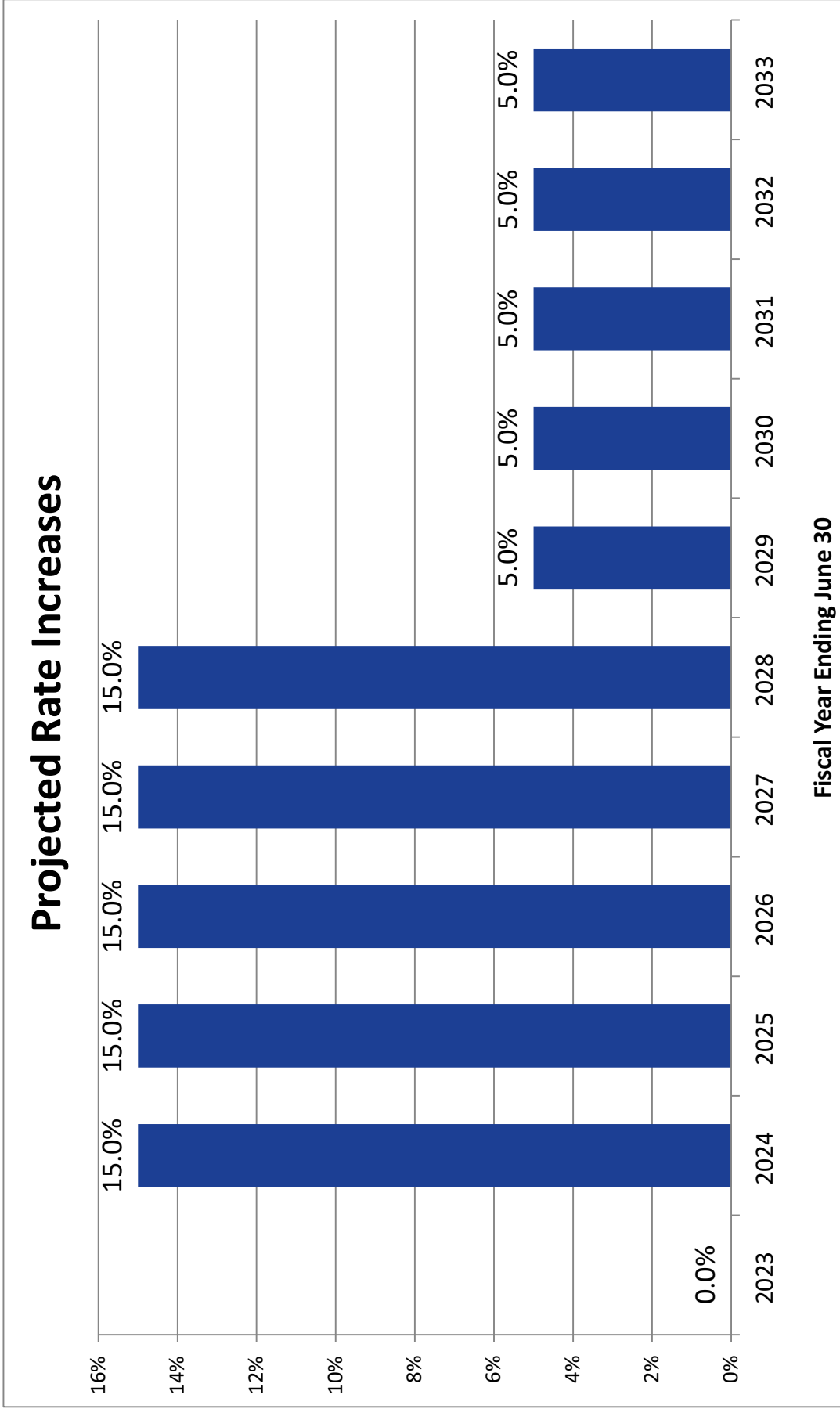


TABLE 4: REVENUE FORECAST

Budget

DESCRIPTION	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
SEWER REVENUE¹												
Interest Income	FP	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Fees- Tax Roll	1	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000	7,910,000
Sewer Fees- Not on Tax Roll	1	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Sewer Connection Fees	1	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Misc. Sewer Fees	1	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL: REVENUE		\$ 8,570,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000

TABLE 5: REVENUE SUMMARY

SEWER REVENUE¹												
Sewer Service Charges		\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000	\$ 7,910,000
Sewer Service Charges - Not on Tax Roll		600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Sewer Connection Fee		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Interest Earnings		40,000	-	-	-	-	-	-	-	-	-	-
Other Revenues		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL: REVENUE		\$ 8,570,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000	\$ 8,530,000

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Operating Revenue and Expenses

EXHIBIT 1

TABLE 6: SEWER FUND OPERATING EXPENSE FORECAST

DESCRIPTION ¹	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Administration												
Salaries and Benefits	3	\$ 697,845	\$ 732,738	\$ 769,374	\$ 807,843	\$ 848,235	\$ 890,647	\$ 935,179	\$ 981,938	\$ 1,031,035	\$ 1,082,587	\$ 1,136,716
Salaries	3	5,339	5,606	5,886	6,180	6,489	6,814	7,154	7,512	7,888	8,282	8,696
Overtime	3	3,125	3,281	3,445	3,618	3,799	3,988	4,188	4,397	4,617	4,848	5,090
Special Pay	3	68,782	72,221	75,832	79,623	83,604	87,785	92,174	96,783	101,622	106,703	112,038
Retirement	4	73,368	77,451	81,762	86,313	91,117	96,189	101,543	107,194	113,161	119,459	126,108
Pers Unfunded Liability	3	6,894	7,238	7,600	7,980	8,379	8,798	9,238	9,700	10,185	10,695	11,229
Deferred Comp	3	8,398	8,818	9,259	9,722	10,208	10,718	11,254	11,817	12,408	13,028	13,679
Quality of Life	3	15,887	16,681	17,515	18,391	19,310	20,276	21,290	22,354	23,472	24,645	25,878
Health Insurance	3	102,783	107,922	113,318	118,984	124,933	131,180	137,739	144,626	151,857	159,450	167,423
Dental Plan	2	3,409	3,546	3,688	3,835	3,988	4,148	4,314	4,486	4,666	4,853	5,047
Uniforms	3	1,501	1,576	1,655	1,737	1,824	1,915	2,011	2,112	2,217	2,328	2,445
Life Insurance	3	34,895	36,639	38,471	40,395	42,415	44,535	46,762	49,100	51,555	54,133	56,840
Workers Comp Insurance	3	10,462	10,985	11,535	12,111	12,717	13,353	14,020	14,721	15,457	16,230	17,042
Medicare Tax												
Utilities												
Telephone	2	500	520	541	562	585	608	633	658	684	712	740
Office Supplies	2	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708	1,776
Postal Services	2	3,400	3,536	3,677	3,825	3,978	4,137	4,302	4,474	4,653	4,839	5,033
Mileage	7	100	105	110	116	122	128	134	141	148	155	163
Training and Meetings	2	5,500	5,720	5,949	6,187	6,434	6,692	6,959	7,238	7,527	7,828	8,141
Repair and Services												
Special Departmental Supplies	2	3,500	3,640	3,786	3,937	4,095	4,258	4,429	4,606	4,790	4,982	5,181
Professional Services ²	3	335,000	351,750	369,338	387,804	407,195	427,554	448,932	471,379	494,948	519,695	545,680
City of Palo Alto RWQCP O&M	6	3,142,000	3,278,000	3,382,000	3,471,000	3,549,000	3,617,000	3,695,000	3,776,000	3,860,000	3,921,000	4,019,000
Other Services ²	3	772,151	810,758	851,296	893,861	938,554	985,482	1,034,756	1,086,494	1,140,818	1,197,859	1,257,752
Miscellaneous												
Liability Insurance	2	150,000	156,000	162,240	168,730	175,479	182,498	189,798	197,390	205,285	213,497	222,037
TOTAL: Sewer System Administration Expenses		\$ 5,446,037	\$ 5,695,979	\$ 5,919,574	\$ 6,134,104	\$ 6,343,864	\$ 6,550,163	\$ 6,773,327	\$ 7,006,699	\$ 7,250,636	\$ 7,479,516	\$ 7,753,734

15%

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Operating Revenue and Expenses

EXHIBIT 1

TABLE 7: SEWER FUND OPERATING EXPENSE FORECAST

DESCRIPTION ¹	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Maintenance												
Salaries and Benefits	3	\$ 635,330	\$ 667,096	\$ 700,451	\$ 735,473	\$ 772,247	\$ 810,859	\$ 851,402	\$ 893,973	\$ 938,671	\$ 985,605	\$ 1,034,885
Salaries	3	31,142	32,699	34,334	36,051	37,853	39,746	41,733	43,820	46,011	48,311	50,727
Overtime	3	41,011	43,062	45,215	47,476	49,850	52,342	54,959	57,707	60,592	63,622	66,803
Specialty Pay	3	89,172	93,631	98,312	103,228	108,389	113,809	119,499	125,474	131,748	138,335	145,252
Retirement	3	131,708	139,039	146,778	154,948	163,572	172,676	182,287	192,433	203,144	214,451	226,387
Pers Unfunded Liability	4	1,105	1,160	1,218	1,279	1,343	1,410	1,481	1,555	1,633	1,714	1,800
Deferred Comp	3	8,450	8,873	9,316	9,782	10,271	10,785	11,324	11,890	12,484	13,109	13,764
Quality of Life	3	25,711	26,997	28,347	29,764	31,252	32,815	34,456	36,178	37,987	39,887	41,881
Dental Plan	3	133,392	140,062	147,065	154,418	162,139	170,246	178,758	187,696	197,081	206,935	217,282
Health Insurance	2	4,965	5,163	5,370	5,585	5,808	6,040	6,282	6,533	6,795	7,066	7,349
Uniforms	3	1,724	1,810	1,900	1,996	2,095	2,200	2,310	2,426	2,547	2,674	2,808
Life Insurance	3	18,234	19,146	20,103	21,109	22,164	23,272	24,436	25,658	26,941	28,288	29,702
Workers Comp Insurance	3	10,439	10,961	11,509	12,084	12,688	13,323	13,989	14,688	15,423	16,194	17,004
Medicare Tax	3	10,400	10,920	11,466	12,039	12,641	13,273	13,937	14,634	15,366	16,134	16,941
Utilities												
Utilities	5	1,500	1,560	1,622	1,687	1,755	1,825	1,898	1,974	2,053	2,135	2,220
Telephone	2	3,350	3,484	3,623	3,768	3,919	4,076	4,239	4,408	4,585	4,768	4,959
Radio & Radar	2	850	884	919	956	994	1,034	1,076	1,119	1,163	1,210	1,258
Office Supplies	2	300	312	324	337	351	365	380	395	411	427	444
Postal Services	7	2,200	2,310	2,426	2,547	2,674	2,808	2,948	3,096	3,250	3,413	3,584
Mileage	2	7,000	7,280	7,571	7,874	8,189	8,517	8,857	9,212	9,580	9,963	10,362
Training and Meetings	2	12,000	12,480	12,979	13,498	14,038	14,600	15,184	15,791	16,423	17,080	17,763
Memberships	7	22,000	23,100	24,255	25,468	26,741	28,078	29,482	30,956	32,504	34,129	35,836
Gasoline & Oil												
Repair and Services												
Vehicle Maintenance/Repair	2	35,000	36,400	37,856	39,370	40,945	42,583	44,286	46,058	47,900	49,816	51,809
Equipment Repairs	2	7,000	7,280	7,571	7,874	8,189	8,517	8,857	9,212	9,580	9,963	10,362
Building & Grounds	2	7,000	7,280	7,571	7,874	8,189	8,517	8,857	9,212	9,580	9,963	10,362
Rentals	2	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	14,802
Special Departmental Supplies	2	50,000	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428	71,166	74,012
Professional Services	3	1,300	1,365	1,433	1,505	1,580	1,659	1,742	1,829	1,921	2,017	2,118
Other Services	3	302,267	317,380	333,249	349,912	367,407	385,778	405,067	425,320	446,586	468,915	492,361
TOTAL: Sewer System Maintenance Expenses		\$ 1,604,550	\$ 1,684,133	\$ 1,767,682	\$ 1,855,394	\$ 1,947,477	\$ 2,044,151	\$ 2,145,645	\$ 2,252,200	\$ 2,364,071	\$ 2,481,522	\$ 2,604,834
GRAND TOTAL: SEWER EXPENSES		\$ 7,050,587	\$ 7,380,113	\$ 7,687,256	\$ 7,989,498	\$ 8,291,340	\$ 8,594,314	\$ 8,918,972	\$ 9,258,899	\$ 9,614,707	\$ 9,961,038	\$ 10,358,568

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Operating Revenue and Expenses

EXHIBIT 1

TABLE 8: FORECASTING ASSUMPTIONS

INFLATION FACTORS ³	Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Customer Growth ⁴	1	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Cost Inflation	2	--	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Labor & Benefits Cost Inflation	3	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PERS Obligation Inflation ⁵	4	--	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
Energy	5	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
RWQCP Treatment ⁶	6	--	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%	6.76%
Fuel	7	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
No Escalation	8	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses are budgeted for 2022/2023. Source: *Multyear Budget to Actual Sewer.pdf*

2. Updated salaries and benefits from City staff in file: Sewer allocation.xlsx

3. Inflation factors developed with the City and from Bureau of Labor Statistics for the region.

4. Customer growth is assumed to be zero.

5. PERS Obligation data source: *los-altos-city-miscellaneous-2016.pdf*

6. Treatment Factor based on Palo Alto costs allocated to Los Altos; data project 10 years of O&M costs, which include inflation. From City staff on 11/14/22.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Capital Improvement Plan Expenditures

TABLE 9: CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Projected											
	Budget	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Funding Sources:												
Use of Capital Rehabilitation and Replacement Rese		3,084,000	1,507,617	-	-	-	-	1,580,586	1,970,474	5,880,268	3,946,939	8,461,566
Rate Revenue		-	2,151,973	5,509,254	3,057,450	5,503,738	3,310,887	4,267,882	1,645,355	525,788	-	-
Total Sources of Capital Funds		\$ 3,084,000	\$ 3,659,590	\$ 5,509,254	\$ 3,057,450	\$ 5,503,738	\$ 3,310,887	\$ 5,848,468	\$ 3,615,829	\$ 6,406,056	\$ 3,946,939	\$ 8,461,566
<i>Uses of Capital Funds:</i>												
Total Project Costs		\$ 3,084,000	\$ 3,659,590	\$ 5,509,254	\$ 3,057,450	\$ 5,503,738	\$ 3,310,887	\$ 5,848,468	\$ 3,615,829	\$ 6,406,056	\$ 3,946,939	\$ 8,461,566
Capital Funding Surplus (Deficiency)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TABLE 10: CAPITAL IMPROVEMENT PROGRAM COSTS (IN CURRENT YEAR DOLLARS)

Project Description ^{1,2}	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Repair Program	\$ 630,000	\$ 640,000	\$ 650,000	\$ 660,000	\$ 670,000	\$ 680,000	\$ 690,000	\$ 700,000	\$ 710,000	\$ 720,000	
Structural Reach Replacement	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	
Root Foaming	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
CIPP Corrosion Replacement	465,000	480,000	500,000	520,000	535,000	550,000	565,000	580,000	595,000	610,000	
Fats, Oils, Grease Program (FOG)	66,000	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	
GIS Updates	66,000	68,000	70,000	72,000	74,000	76,000	78,000	80,000	82,000	84,000	
Sewer System Management Plan Update	25,000	25,000	25,000	25,000	25,000	-	-	-	75,000	-	
Sanitary Sewer Video Inspection	430,000	-	440,000	-	-	-	-	-	-	-	
Adobe Creek Sewer Main Replacement	-	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000
City of Palo Alto RWQCP Minor CIP Fund ³	402,000	1,272,000	438,000	449,000	462,000	474,000	487,000	500,000	513,000	527,000	541,000
<i>Placeholder for Future Year Capital Projects⁴</i>	-	-	-	-	-	-	-	-	-	-	3,755,200
Total: CIP Program Costs	\$ 3,084,000	\$ 3,553,000	\$ 5,193,000	\$ 2,798,000	\$ 4,890,000	\$ 2,856,000	\$ 4,898,000	\$ 2,940,000	\$ 5,057,000	\$ 3,025,000	\$ 6,296,200

EXHIBIT 2

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Capital Improvement Plan Expenditures

TABLE 11: CAPITAL IMPROVEMENT PROGRAM COSTS (IN FUTURE YEAR DOLLARS)

Project Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Sewer System Repair Program	\$ 630,000	\$ 659,200	\$ 689,585	\$ 721,200	\$ 754,091	\$ 788,306	\$ 823,896	\$ 860,912	\$ 899,407	\$ 939,437	\$ -
Structural Reach Replacement	800,000	824,000	848,720	874,182	900,407	927,419	955,242	983,899	1,013,416	1,043,819	-
Root Foaming	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955	-
CIPP Corrosion Replacement	465,000	494,400	530,450	568,218	602,147	637,601	674,640	713,327	753,728	795,912	-
Fats, Oils, Grease Program (FOG)	66,000	70,040	74,263	78,676	83,288	88,105	93,136	98,390	103,875	109,601	-
GIS Updates	66,000	70,040	74,263	78,676	83,288	88,105	93,136	98,390	103,875	109,601	-
Sewer System Management Plan Update	25,000	25,750	26,523	27,318	84,413	-	-	-	95,008	-	-
Sanitary Sewer Video Inspection	430,000	-	466,796	-	-	-	-	-	-	-	-
Adobe Creek Sewer Main Replacement	-	-	2,121,800	-	2,251,018	-	2,388,105	-	2,533,540	-	2,687,833
City of Palo Alto RWQCP Minor CIP Fund	402,000	1,310,160	464,674	490,634	519,985	549,496	581,503	614,937	649,853	687,615	727,059
Total: Capital Improvement Program Costs <i>(Future-Year Dollars)</i>	\$ 3,084,000	\$ 3,659,590	\$ 5,509,254	\$ 3,057,450	\$ 5,503,738	\$ 3,310,887	\$ 5,848,468	\$ 3,615,829	\$ 6,406,056	\$ 3,946,939	\$ 8,461,566

TABLE 12: FORECASTING ASSUMPTIONS

Economic Variables	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Construction Cost Inflation, Per Engineering News Record ⁵	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2023	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
Inflation Factor for City of Palo Alto RWQCP Minor CIP Fund ³	0.00%	0.00%	2.84%	3.02%	2.93%	2.84%	3.00%	2.91%	2.83%	2.96%	0.00%
Cumulative Construction Cost Multiplier from 2023	1.00	1.00	1.03	1.06	1.09	1.12	1.16	1.19	1.22	1.26	1.26

- Capital project costs were provided by City Staff in source file: *fy_21-22_and_22-23_budget.pdf for the sewer fund*. City of Palo Alto Wastewater Treatment Plant Minor CIP Fund Source: 6.1.2022 Partners Meeting Presentation.pdf
- Future project costs are inflated by 3.0% per year.
- Inflation Factor determined based on file: *6.1.2022 Partners Meeting Presentation.pdf*
- NBS has initially estimated Future Projects based on average annual project expenditures for the previous five years; City needs to confirm this amount.
- For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2012-2022 (3.0%). Source: *Engineering News Record website (http://enr.construction.com)*.

TABLE 13: WASTEWATER UTILITY EXISTING DEBT OBLIGATIONS

Annual Repayment Schedules:	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
1999 Bond- New Money for Incinerator Rehabilitation Utility Revenue Bond- Los Altos Share is 9.47% ¹											
Principal Payment	\$ 45,456	\$ 47,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	\$ 4,897	\$ 2,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of Bond Discount and Issuance Cost of New Money Bonds ⁴	\$ 823	\$ 755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 51,176	\$ 51,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	0%	0%	0%	0%
Reserve Requirement (total fund balance)	\$ 18,262	\$ 10,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Palo Alto 1999 Refunding of 1990 Utility Revenue Bonds- Los Altos share 7.80% ²											
Principal Payment	\$ 19,772	\$ 20,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	\$ 2,132	\$ 1,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of Issuance Costs and Bond Discount of 1999 Refunding of 1990 Bonds ⁴	\$ 321	\$ 295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 22,226	\$ 22,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage Requirement (\$-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	0%	0%	0%	0%
Reserve Requirement (total fund balance)	\$ 7,938	\$ 4,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SWRCB SRF Loan- C-06-5044-110 UV Disinfection Facility- Los Altos share is 9.47% ³											
Principal Payment	\$ 42,858	\$ 43,972	\$ 45,116	\$ 46,289	\$ 47,492	\$ 48,727	\$ 49,994	\$ 51,294	\$ -	\$ -	\$ -
Interest Payment	\$ 9,769	\$ 8,655	\$ 7,512	\$ 6,339	\$ 5,135	\$ 3,900	\$ 2,633	\$ 1,334	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ 52,627	\$ -	\$ -	\$ -
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ 37,591	\$ 35,422	\$ 32,892	\$ 29,902	\$ 26,314	\$ 21,928	\$ 16,446	\$ 9,398	\$ -	\$ -	\$ -
California Clean Water SRF Payment Schedule Project No. 819D-110- Sludge Dewatering and Loadout Facility- Los Altos share is 9.47% ⁵											
Principal Payment	\$ 63,875	\$ 65,024	\$ 66,195	\$ 67,386	\$ 68,599	\$ 69,834	\$ 71,091	\$ 72,371	\$ 73,673	\$ 74,999	\$ 76,349
Interest Payment	\$ 39,525	\$ 38,375	\$ 37,205	\$ 36,013	\$ 34,800	\$ 33,565	\$ 32,308	\$ 31,029	\$ 29,726	\$ 28,400	\$ 27,050
Subtotal: Annual Debt Service	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399	\$ 103,399
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018A Wastewater Utility Revenue Bonds with Capitalized Interest First Bond Issuance ⁵											
Principal Payment	\$ -	\$ -	\$ 65,346	\$ 68,785	\$ 72,224	\$ 75,663	\$ 79,532	\$ 83,402	\$ 87,701	\$ 92,000	\$ 96,729
Interest Payment	\$ 156,249	\$ 156,249	\$ 154,615	\$ 151,262	\$ 147,737	\$ 144,040	\$ 140,160	\$ 136,086	\$ 131,809	\$ 127,316	\$ 122,598
Subtotal: Annual Debt Service	\$ 156,249	\$ 156,249	\$ 219,961	\$ 220,047	\$ 219,961	\$ 219,703	\$ 219,692	\$ 219,488	\$ 219,510	\$ 219,316	\$ 219,327
Coverage Requirement (%-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171	\$ 184,171

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Debt Service

TABLE 13: WASTEWATER UTILITY EXISTING DEBT OBLIGATIONS

Annual Repayment Schedules:	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
2018A Wastewater Utility Revenue Bonds with Capitalized Interest Second Bond Issuance ⁵											
Principal Payment	\$ -	\$ -	\$ 34,566	\$ 36,460	\$ 37,880	\$ 39,774	\$ 42,142	\$ 44,036	\$ 46,403	\$ 48,771	\$ 51,138
Interest Payment	\$ 82,413	\$ 82,413	\$ 81,549	\$ 79,773	\$ 77,914	\$ 75,973	\$ 73,925	\$ 71,771	\$ 69,510	\$ 67,130	\$ 64,633
Subtotal: Annual Debt Service	\$ 82,413	\$ 82,413	\$ 116,114	\$ 116,232	\$ 115,794	\$ 115,747	\$ 116,067	\$ 115,806	\$ 115,913	\$ 115,901	\$ 115,771
Coverage Requirement (\$-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ -	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210	\$ 97,210
CMSRF Loan with Palo Alto - Secondary Treatment Upgrades (STU) - Los Altos share is 9.47% ⁶											
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 686,861	\$ 686,861	\$ 686,861	\$ 686,861	\$ 686,861
Coverage Requirement (\$-Amount above annual payment)	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
Reserve Requirement (total fund balance)	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401	\$ 81,401
Grand Total: Existing Annual Debt Service (Palo Alto RWQCP)	\$ 468,090	\$ 468,007	\$ 492,102	\$ 492,306	\$ 491,782	\$ 491,477	\$ 1,178,647	\$ 1,178,182	\$ 1,125,683	\$ 1,125,477	\$ 1,125,358
Grand Total: Existing Annual Coverage Requirement	\$ 561,708	\$ 561,608	\$ 590,522	\$ 590,767	\$ 590,138	\$ 589,772	\$ 1,414,376	\$ 1,413,818	\$ 1,350,819	\$ 1,350,573	\$ 1,350,429
Grand Total: Existing Debt Reserve Target	\$ 145,192	\$ 413,479	\$ 499,073	\$ 496,083	\$ 492,495	\$ 488,109	\$ 482,627	\$ 475,579	\$ 466,181	\$ 466,181	\$ 466,181

152%

1. Debt Service Schedule from Bond Statement Source: Invoice_7800004388 (Oct 2016) Q2.pdf page 10 of 10 of pdf.
 2. Debt Service Schedule from Bond Statement Source: Invoice_7800004388 (Oct 2016) Q2.pdf page 9 of 10 of pdf.
 3. Debt Service Schedule from Bond Statement Source: Invoice_7800004388 (Oct 2016) Q2.pdf page 8 of 10 of pdf.
 4. Amortization of Issuance Costs and Bond Discounts share is same as share as bonds. Source: Invoice_7800004733.4 (Apr 2017) Q4.pdf and Invoice_7800004733.5 (Apr 2017) Q4.pdf
 5. Source: Estimated Debt Service Schedule v2017.9.25.pdf
 6. New bond service agreement with City of Palo Alto for STU project. From City staff on Oct. 24, 2022.

EXHIBIT 4

**CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Projected Sewer Rates Under Existing Rate Schedule**

TABLE 14: CURRENT WASTEWATER RATE SCHEDULE

Base Charges	Rate per Dwelling Unit	Quantity Charge (per HCF) ¹
FY 22/23 Per-Parcel Sewer Service Charge	\$301.29	\$2.42

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.
Source: sewer_service_charge_report_fy2122.pdf, signed_resolution_no._2021-28.pdf

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Cost of Service Analysis

TABLE 15: CLASSIFICATION OF EXPENSES

Budget Categories	Total Revenue Requirements		Flow		Strength		Customer		Basis of Classification			
	FY 2023/24	(VOL)	(VOL)	(COD)	(TSS)	(CA)	(VOL)	(COD)	(TSS)	(CA)		
Sewer System Administration												
Salaries and Benefits	\$	732,738	\$	219,821	\$	219,821	\$	36,637	35.0%	30.0%	30.0%	5.0%
Salaries		5,606	1,962	1,682	1,682	280	280	280	35.0%	30.0%	30.0%	5.0%
Overtime		3,281	1,148	984	984	164	164	164	35.0%	30.0%	30.0%	5.0%
Special Pay		72,221	25,277	21,666	21,666	3,611	3,611	3,611	35.0%	30.0%	30.0%	5.0%
Retirement		77,451	27,108	23,235	23,235	3,873	3,873	3,873	35.0%	30.0%	30.0%	5.0%
Pers Unfunded Liability		7,238	2,533	2,172	2,172	362	362	362	35.0%	30.0%	30.0%	5.0%
Deferred Comp		8,818	3,086	2,645	2,645	441	441	441	35.0%	30.0%	30.0%	5.0%
Quality of Life		16,681	5,838	5,004	5,004	834	834	834	35.0%	30.0%	30.0%	5.0%
Dental Plan		107,922	37,773	32,377	32,377	5,396	5,396	5,396	35.0%	30.0%	30.0%	5.0%
Health Insurance		3,546	1,241	1,064	1,064	177	177	177	35.0%	30.0%	30.0%	5.0%
Uniforms		1,576	552	473	473	79	79	79	35.0%	30.0%	30.0%	5.0%
Life Insurance		36,639	12,824	10,992	10,992	1,832	1,832	1,832	35.0%	30.0%	30.0%	5.0%
Workers Comp Insurance		10,985	3,845	3,296	3,296	549	549	549	35.0%	30.0%	30.0%	5.0%
Medicare Tax												
Utilities												
Telephone		520	182	156	156	26	26	26	35.0%	30.0%	30.0%	5.0%
Office Supplies		1,248	-	-	-	1,248	1,248	1,248	0.0%	0.0%	0.0%	100.0%
Postal Services		3,536	-	-	-	3,536	3,536	3,536	0.0%	0.0%	0.0%	100.0%
Mileage		105	37	32	32	5	5	5	35.0%	30.0%	30.0%	5.0%
Training and Meetings		5,720	2,002	1,716	1,716	286	286	286	35.0%	30.0%	30.0%	5.0%
Repair and Services												
Special Departmental Supplies		3,640	2,730	364	364	182	182	182	75.0%	10.0%	10.0%	5.0%
Professional Services		351,750	193,463	35,175	35,175	87,938	87,938	87,938	55.0%	10.0%	10.0%	25.0%
City of Palo Alto RWQCP O&M		3,278,000	1,966,800	655,600	655,600	-	-	-	60.0%	20.0%	20.0%	0.0%
Other Services ²		810,758	486,455	-	-	324,303	324,303	324,303	60.0%	0.0%	0.0%	40.0%
Miscellaneous												
Liability Insurance		156,000	85,800	31,200	31,200	7,800	7,800	7,800	55.0%	20.0%	20.0%	5.0%
SUB-TOTAL	\$	5,695,979	\$	3,117,114	\$	1,049,653	\$	479,559	54.7%	18.4%	18.4%	8.4%

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Cost of Service Analysis

TABLE 16: CLASSIFICATION OF EXPENSES

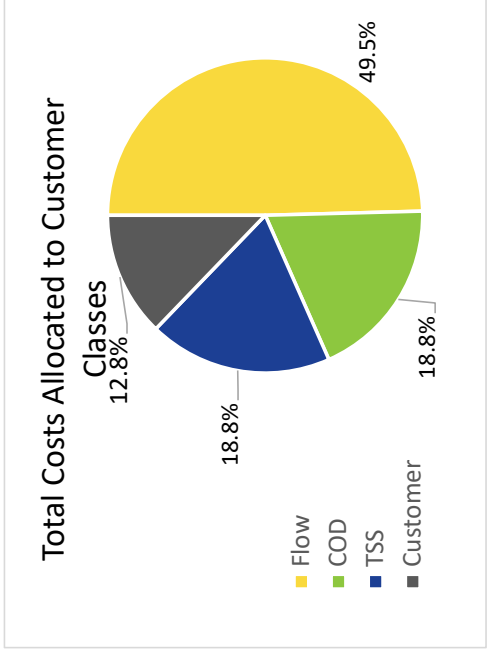
Budget Categories	Total Revenue Requirements		Flow		Strength		Customer		Basis of Classification			
	FY 2023/24	(VOL)	(VOL)	(COD)	(TSS)	(CA)	(VOL)	(COD)	(TSS)	(CA)		
Sewer System Maintenance												
Salaries and Benefits	\$ 667,096	\$ 233,484	\$ 200,129	\$ 200,129	\$ 200,129	\$ 33,355	35.0%	30.0%	30.0%	30.0%	5.0%	
Salaries	-	-	-	-	-	-	35.0%	30.0%	30.0%	30.0%	5.0%	
Vacation/Sick Leave Payout	32,699	11,445	9,810	9,810	9,810	1,635	35.0%	30.0%	30.0%	30.0%	5.0%	
Overtime	43,062	15,072	12,919	12,919	12,919	2,153	35.0%	30.0%	30.0%	30.0%	5.0%	
Specialty Pay	93,631	32,771	28,089	28,089	28,089	4,682	35.0%	30.0%	30.0%	30.0%	5.0%	
Retirement	139,039	48,664	41,712	41,712	41,712	6,952	35.0%	30.0%	30.0%	30.0%	5.0%	
Pers Unfunded Liability	8,873	3,105	2,662	2,662	2,662	444	35.0%	30.0%	30.0%	30.0%	5.0%	
Quality of Life	26,997	9,449	8,099	8,099	8,099	1,350	35.0%	30.0%	30.0%	30.0%	5.0%	
Dental Plan	140,062	49,022	42,018	42,018	42,018	7,003	35.0%	30.0%	30.0%	30.0%	5.0%	
Health Insurance	5,163	1,807	1,549	1,549	1,549	258	35.0%	30.0%	30.0%	30.0%	5.0%	
Uniforms	1,810	633	543	543	543	90	35.0%	30.0%	30.0%	30.0%	5.0%	
Life Insurance	19,146	6,701	5,744	5,744	5,744	957	35.0%	30.0%	30.0%	30.0%	5.0%	
Workers Comp Insurance	10,961	3,836	3,288	3,288	3,288	548	35.0%	30.0%	30.0%	30.0%	5.0%	
Medicare Tax												
Utilities												
Utilities	10,920	8,190	1,092	1,092	1,092	546	75.0%	10.0%	10.0%	10.0%	5.0%	
Telephone	1,560	546	468	468	468	78	35.0%	30.0%	30.0%	30.0%	5.0%	
Radio & Radar	3,484	1,219	1,045	1,045	1,045	174	35.0%	30.0%	30.0%	30.0%	5.0%	
Office Supplies	884	-	-	-	-	884	0.0%	0.0%	0.0%	0.0%	100.0%	
Postal Services	312	-	-	-	-	312	0.0%	0.0%	0.0%	0.0%	100.0%	
Mileage	2,310	809	693	693	693	116	35.0%	30.0%	30.0%	30.0%	5.0%	
Training and Meetings	7,280	2,548	2,184	2,184	2,184	364	35.0%	30.0%	30.0%	30.0%	5.0%	
Memberships	12,480	4,368	3,744	3,744	3,744	624	35.0%	30.0%	30.0%	30.0%	5.0%	
Gasoline & Oil	23,100	23,100	-	-	-	-	100.0%	0.0%	0.0%	0.0%	0.0%	
Repair and Services												
Vehicle Maintenance/Repair	36,400	27,300	3,640	3,640	3,640	1,820	75.0%	10.0%	10.0%	10.0%	5.0%	
Equipment Repairs	7,280	5,460	728	728	728	364	75.0%	10.0%	10.0%	10.0%	5.0%	
Building & Grounds	7,280	5,460	728	728	728	364	75.0%	10.0%	10.0%	10.0%	5.0%	
Rentals	10,400	7,800	1,040	1,040	1,040	520	75.0%	10.0%	10.0%	10.0%	5.0%	
Special Departmental Supplies	52,000	39,000	5,200	5,200	5,200	2,600	75.0%	10.0%	10.0%	10.0%	5.0%	
Professional Services	1,365	1,024	137	137	137	68	75.0%	10.0%	10.0%	10.0%	5.0%	
Other Services	317,380	174,559	31,738	31,738	31,738	79,345	55.0%	10.0%	10.0%	10.0%	25.0%	
SUB-TOTAL	\$ 1,682,973	\$ 717,371	\$ 408,998	\$ 408,998	\$ 408,998	\$ 147,606	42.6%	24.3%	24.3%	24.3%	8.8%	
GRAND TOTAL - Sewer System	\$ 7,378,952	\$ 3,834,485	\$ 1,458,651	\$ 1,458,651	\$ 1,458,651	\$ 627,165	52.0%	19.8%	19.8%	19.8%	8.5%	

TABLE 17: CLASSIFICATION OF EXPENSES

Budget Categories	Total Revenue Requirements		Flow		Strength		Customer		Basis of Classification				
	FY 2023/24	(VOL)	(COD)	(TSS)	(CA)	(VOL)	(COD)	(TSS)	(CA)	(VOL)	(COD)	(TSS)	(CA)
Debt Service Payments													
Existing Annual Debt Service	\$ 468,007	\$ -	\$ -	\$ -	\$ 468,007	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Future Annual Debt Service	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Total Debt Service Payments	\$ 468,007	\$ -	\$ -	\$ -	\$ 468,007	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Capital Expenditures													
Rate Funded Capital Expenses	\$ 2,151,973	\$ 1,118,276	\$ 425,396	\$ 425,396	\$ 182,904	52.0%	19.8%	19.8%	18.8%	19.8%	18.8%	19.8%	8.5%
TOTAL REVENUE REQUIREMENTS	\$ 9,998,932	\$ 4,952,761	\$ 1,884,047	\$ 1,884,047	\$ 1,278,076	49.5%	18.8%	18.8%	18.8%	49.5%	18.8%	18.8%	12.8%
Less: Non-Rate Revenues													
Sewer Service Charge not on Tax Roll	\$ (600,000)	(297,197)	(113,055)	(113,055)	(76,693)	49.5%	18.8%	18.8%	18.8%	49.5%	18.8%	18.8%	12.8%
Other Revenues	\$ (15,000)	(7,430)	(2,826)	(2,826)	(1,917)	49.5%	18.8%	18.8%	18.8%	49.5%	18.8%	18.8%	12.8%
Interest Income	\$ (69,563)	(34,457)	(13,107)	(13,107)	(8,892)	49.5%	18.8%	18.8%	18.8%	49.5%	18.8%	18.8%	12.8%
NET REVENUE REQUIREMENTS	\$ 9,314,368	\$ 4,613,677	\$ 1,755,059	\$ 1,755,059	\$ 1,190,574	49.5%	18.8%	18.8%	18.8%	49.5%	18.8%	18.8%	12.8%
Allocation of Revenue Requirements	100.0%	49.5%	18.8%	18.8%	12.8%	49.5%	18.8%	18.8%	18.8%	49.5%	18.8%	18.8%	12.8%

TABLE 18: ADJUSTMENT TO CLASSIFICATION OF EXPENSES

Adjustment to Current Rate Level:	Total	Flow	COD	TSS	Customer
Adjusted Net Revenue Req'ts	\$ 9,096,500	\$ 4,505,760	\$ 1,714,007	\$ 1,714,007	\$ 1,162,726
Percent of Revenue		49.5%	18.8%	18.8%	12.8%



Current Revenue	
Fixed	\$ 4,063,773
Variable	\$ 3,732,634
Total	\$ 7,796,408
	52%
	48%
	100%

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis

TABLE 19: DEVELOPMENT OF THE VOLUME ALLOCATION FACTOR

Customer Class ¹	Number of Accounts	Annual Winter-Average Based Volume (HCF)	Adjusted Annual Volume (HCF) ²	Percentage of Adjusted Volume
Residential				
Single Family Home	10,363	1,062,455	959,544	80.3%
Multifamily Residence (2 units)	65	2,744	2,478	0.2%
Multifamily Residence (3-4 units)	11	475	429	0.0%
Multifamily Residence (5+ units)	68	60,592	54,723	4.6%
Condominium Unit	1,033	52,954	47,825	4.0%
Commercial				
Commercial/Industrial	458	41,829	37,778	3.2%
Church	22	4,001	3,614	0.3%
Restaurant	69	78,160	70,589	5.9%
Public/Institutional				
Government	10	3,207	2,896	0.2%
Institutional	3	10,369	9,365	0.8%
Parks	4	2,119	1,913	0.2%
School	10	3,991	3,604	0.3%
Total:	12,116	1,322,896	1,194,758	100%
Vacant	4	-	-	0.0%
Grand Total:	12,120	1,322,896	1,194,758	Flow (hcf/yr.)
			0.90	Flow Adjust.

1. Customer billing data summarized from data source: "Data for Report_2021.22_IT.xlsx"
2. Actual plant data from source file: Los Altos Monthly Flow BOD TSS NH3 pounds FY 19 20 21.xlsx

TABLE 20: DEVELOPMENT OF THE STRENGTH ALLOCATION FACTOR

Customer Class	Adjusted Annual Volume Total (HCF)	Annual Flow (million gallons)	Chemical Oxygen Demand (COD)			Total Suspended Solids (TSS)			
			Average Strength Factor (mg/l) ¹	Calculated COD (lbs./yr.)	Adjusted COD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ¹	Adjusted TSS (lbs./yr.)	Percent of Total
Residential									
Single Family Home	959,544	717.79	622	3,723,506	4,049,292	72.0%	250	1,979,172	74.8%
Multifamily Residence (2 units)	2,478	1.85	622	9,617	10,458	0.2%	250	5,112	0.2%
Multifamily Residence (3-4 units)	429	0.32	622	1,664	1,809	0.0%	250	884	0.0%
Multifamily Residence (5+ units)	54,723	40.94	622	212,352	230,932	4.1%	250	112,873	4.3%
Condominium Unit	47,825	35.78	622	185,584	201,821	3.6%	250	98,644	3.7%
Commercial									
Commercial/Industrial	37,778	28.26	622	146,596	159,422	2.8%	250	77,921	2.9%
Church	3,614	2.70	622	14,023	15,250	0.3%	250	7,454	0.3%
Restaurant	70,589	52.80	1,888	831,453	904,200	16.1%	600	349,437	13.2%
Public/Institutional									
Government	2,896	2.17	419	7,570	8,233	0.1%	100	2,389	0.1%
Institutional	9,365	7.01	419	24,480	26,622	0.5%	100	7,727	0.3%
Parks	1,913	1.43	419	5,002	5,439	0.1%	100	1,579	0.1%
School	3,604	2.70	419	9,421	10,246	0.2%	100	2,974	0.1%
Total:	1,194,758	894		5,171,268	5,623,725	100%		2,646,165	100%

1. BOD strength factors (Source: Page G-21, SWRCB Revenue Program Guidelines Appendix G) converted to COD using formula referenced in Operation of Municipal Wastewater Treatment Plants, Chapter 17, pg. 9.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis

TABLE 21: DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Customer Class	Number of Accounts ¹	Percent of Total	Number of Equivalent Dwelling Units ¹	Percent of Total
Residential				
Single Family Home	10,363	85.5%	10,363	74.6%
Multifamily Residence (2 units)	65	0.5%	130	0.9%
Multifamily Residence (3-4 units)	11	0.1%	34	0.2%
Multifamily Residence (5+ units)	68	0.6%	550	4.0%
Condominium Unit	1,033	8.5%	1,033	7.4%
Commercial				
Commercial/Industrial	458	3.8%	554	4.0%
Church	22	0.2%	77	0.6%
Restaurant	69	0.6%	770	5.5%
Public/Institutional				
Government	10	0.1%	89	0.6%
Institutional	3	0.0%	125	0.9%
Parks	4	0.0%	58	0.4%
School	10	0.1%	109	0.8%
Total:	12,116	100%	13,892	100%

1. Data Source: ~Data for Report_2021.22_JT.xlsx

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis

TABLE 22: COST OF SERVICE ALLOCATIONS BY CUSTOMER CLASS

Cost Classification Components ¹	Volume	Treatment		Customer Related	Cost-of-Service Net Revenue Requirement	% of COS Net Revenue Req't.
		COD	TSS			
Net Revenue Requirements	\$ 4,505,760	\$ 1,714,007	\$ 1,714,007	\$ 1,162,726	\$ 9,096,500	--
<i>% of Net Revenue Requirements</i>	<i>49.5%</i>	<i>18.8%</i>	<i>18.8%</i>	<i>12.8%</i>	<i>100.0%</i>	
Residential						
Single Family Home	\$ 3,618,704	\$ 1,234,149	\$ 1,281,974	\$ 994,497	\$ 7,129,324	78.4%
Multifamily Residence (2 units)	9,346	3,187	3,311	6,238	22,082	0.2%
Multifamily Residence (3-4 units)	1,617	551	573	1,056	3,796	0.0%
Multifamily Residence (5+ units)	206,375	70,384	73,111	6,526	356,396	3.9%
Condominium Unit	180,360	61,511	63,895	99,133	404,900	4.5%
Commercial						
Commercial/Industrial	142,470	48,589	50,472	43,953	285,483	3.1%
Church	13,628	4,648	4,828	2,111	25,216	0.3%
Restaurant	266,212	275,583	226,342	6,622	774,758	8.5%
Public/Institutional						
Government	10,922	2,509	1,548	960	15,938	0.2%
Institutional	35,318	8,114	5,005	288	48,724	0.5%
Parks	7,216	1,658	1,023	384	10,280	0.1%
School	13,592	3,123	1,926	960	19,601	0.2%
Total	\$ 4,505,760	\$ 1,714,007	\$ 1,714,007	\$ 1,162,726	\$ 9,096,500	100%

1. Revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis

TABLE 23: SEWER RATE CALCULATION

Customer Class	Number of Accounts	No. of Equivalent Dwelling Units	Annual Billable Volume (hcf)	Annual Rev. Req't ¹			Annual Fixed Charge (\$ Per EDU) ²	Volumetric Charge Per hcf ³
				Total	Fixed	Volumetric		
Residential								
Single Family Home	10,363	10,363	1,062,455	\$7,129,324	3,707,249	3,422,076	\$340.49	\$3.30
Multifamily Residence (2 units)	65	130	2,744	\$22,082	11,483	10,599	\$340.49	\$3.30
Multifamily Residence (3-4 units)	11	34	475	\$3,796	1,974	1,822	\$340.49	\$3.30
Multifamily Residence (5+ units)	68	550	60,592	\$356,396	185,326	171,070	\$340.49	\$3.30
Condominium Unit	1,033	1,033	52,954	\$404,900	210,548	194,352	\$340.49	\$3.30
Commercial								
Commercial/Industrial	458	554	41,829	285,483	148,451	137,032	\$340.49	\$3.30
Church	22	77	4,001	25,216	13,112	12,104	\$340.49	\$3.30
Restaurant	69	770	78,160	774,758	402,874	371,884	\$340.49	\$3.30
Public/Institutional								
Government	10	89	3,207	15,938	8,288	7,650	\$340.49	\$3.30
Institutional	3	125	10,369	48,724	25,337	23,388	\$340.49	\$3.30
Parks	4	58	2,119	10,280	5,346	4,935	\$340.49	\$3.30
School	10	109	3,991	19,601	10,192	9,408	\$340.49	\$3.30
Total	12,116	13,892	1,322,896	\$9,096,500	\$4,730,180	\$4,366,320	--	--
				100%	52%	48%		

1. Annual revenue requirement adjusted to 52 percent collected from fixed rates and the rest from volumetric rates.

2. Annual fixed charge calculated by dividing the total fixed revenue by the total number of EDUs.

3. Volumetric charge per unit of usage (HCF) calculated by dividing the total variable revenue by the annual billable volume.

CITY OF LOS ALTOS
SEWER RATE STRUCTURE ANALYSIS
Sewer Cost of Service Analysis/Rate Design

TABLE 24: SEWER RATE CALCULATION FOR FIXED CHARGES

Fixed Charges (per EDU)		Total Revenue Requirements	% of Total Rev. Req't. from Fixed Charges	Fixed Charges	Number of Equivalent Dwelling Units	Rate per EDU
		A	B	C = A * B	D	E = C / D
All Customers		\$9,096,500	52%	\$4,730,180	13,892	\$340.49

TABLE 25: SEWER RATE CALCULATION FOR VOLUMETRIC CHARGES

Volumetric Charges (per HCF)		Total Revenue Requirements	% of Total Rev. Req't. from Volumetric Charges	Volumetric Charges	Annual Billable Volume (hcf)	Rate per HCF
		F	G = I - B	H = F * G	I	J = H / I
All Customers		\$9,096,500	48%	\$4,366,320	1,322,896	\$3.30

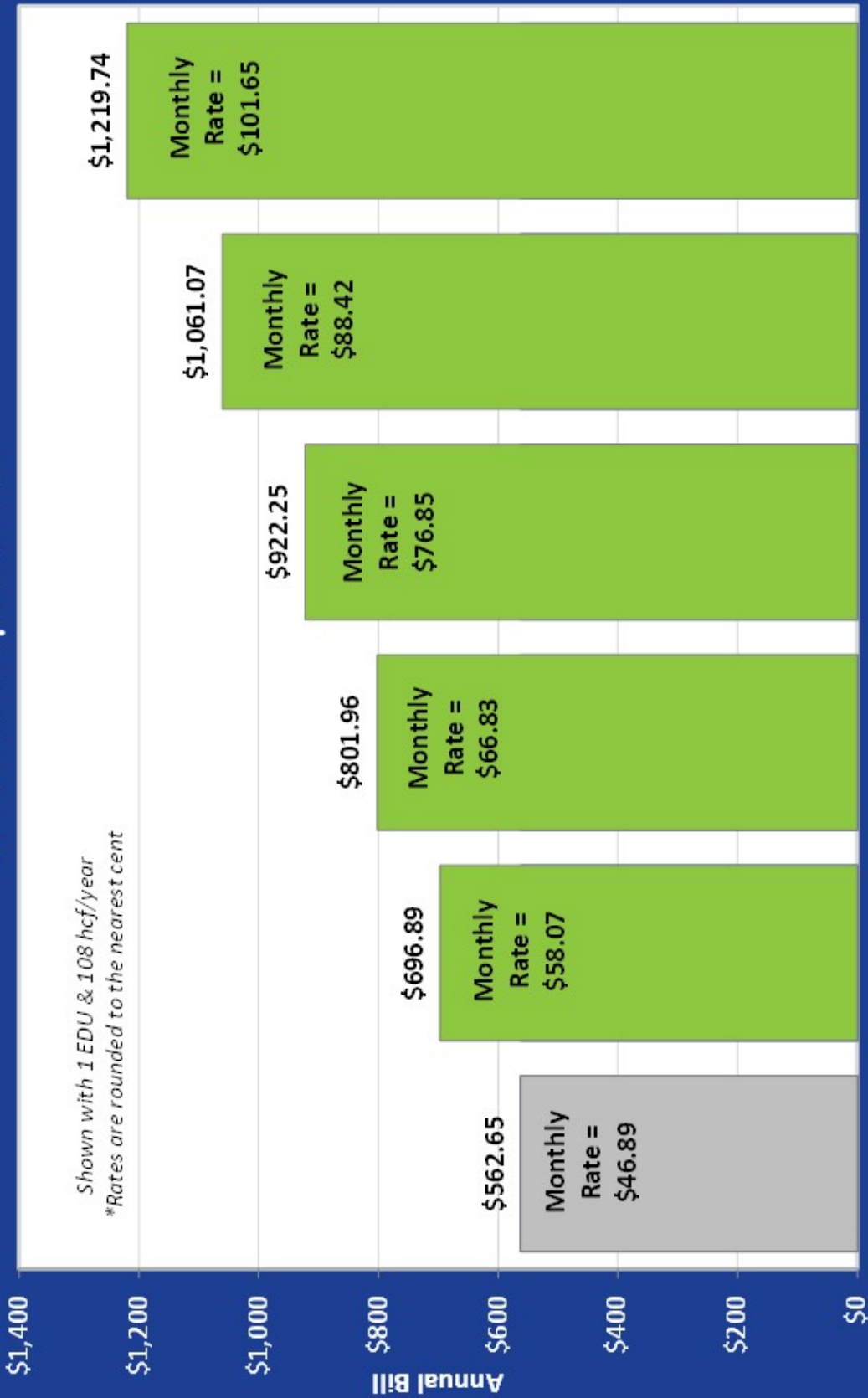
TABLE 26: CURRENT VS. PROPOSED SEWER RATES

Sewer Rate Schedule	Current Rates	Proposed Yearly Sewer Rates				
		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Fixed Service Charge per EDU	\$301.29	\$340.49	\$391.56	\$450.29	\$517.83	\$595.50
Volumetric Rate (\$/hcf) ^{1,2}	\$2.42	\$3.30	\$3.80	\$4.37	\$5.03	\$5.78

1. One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.

2. Rates are charged based on average winter water consumption (three lowest consecutive months from previous year).

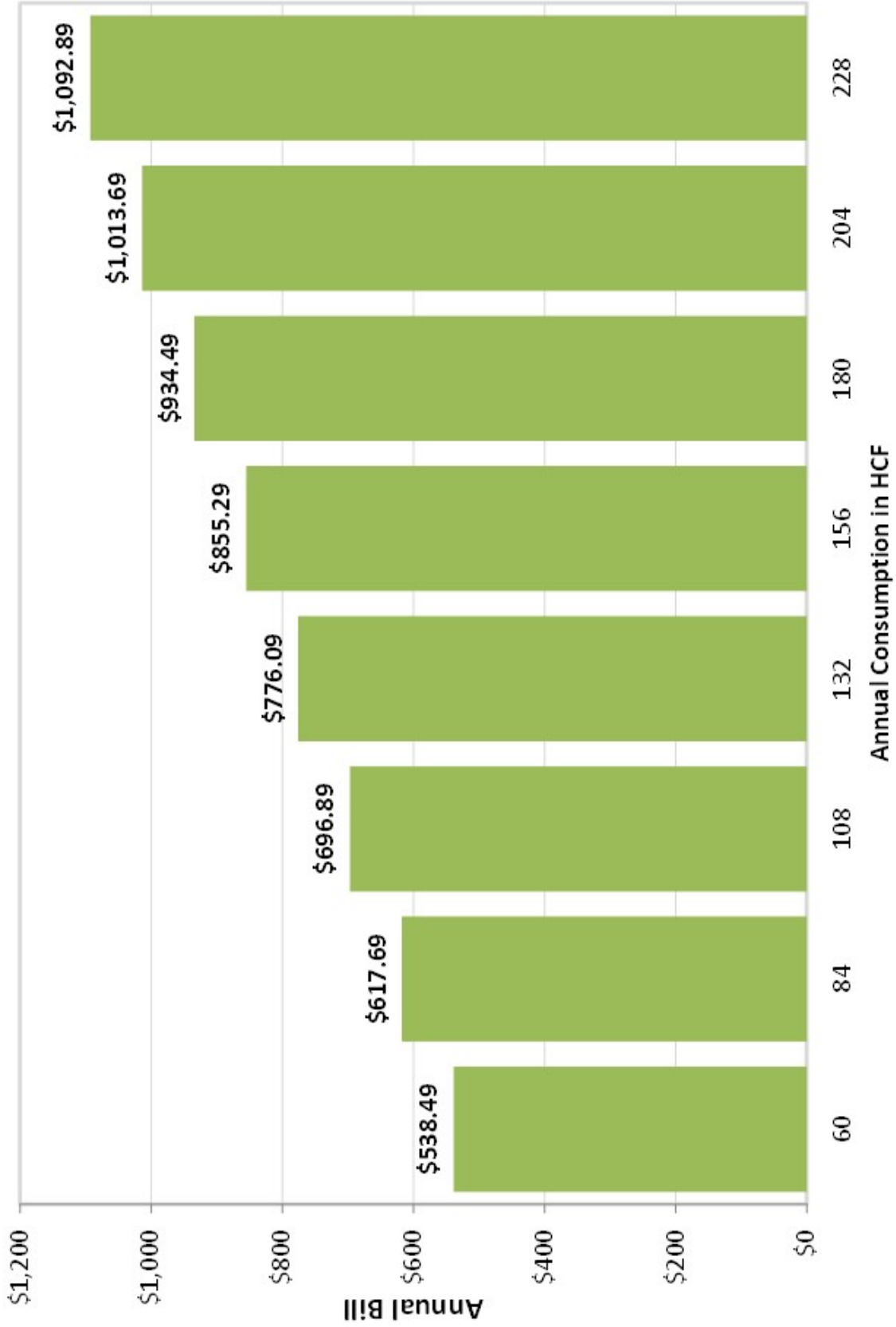
5 Year Annual Single Family Residential Sewer Bill Comparison Current vs. Proposed Rates



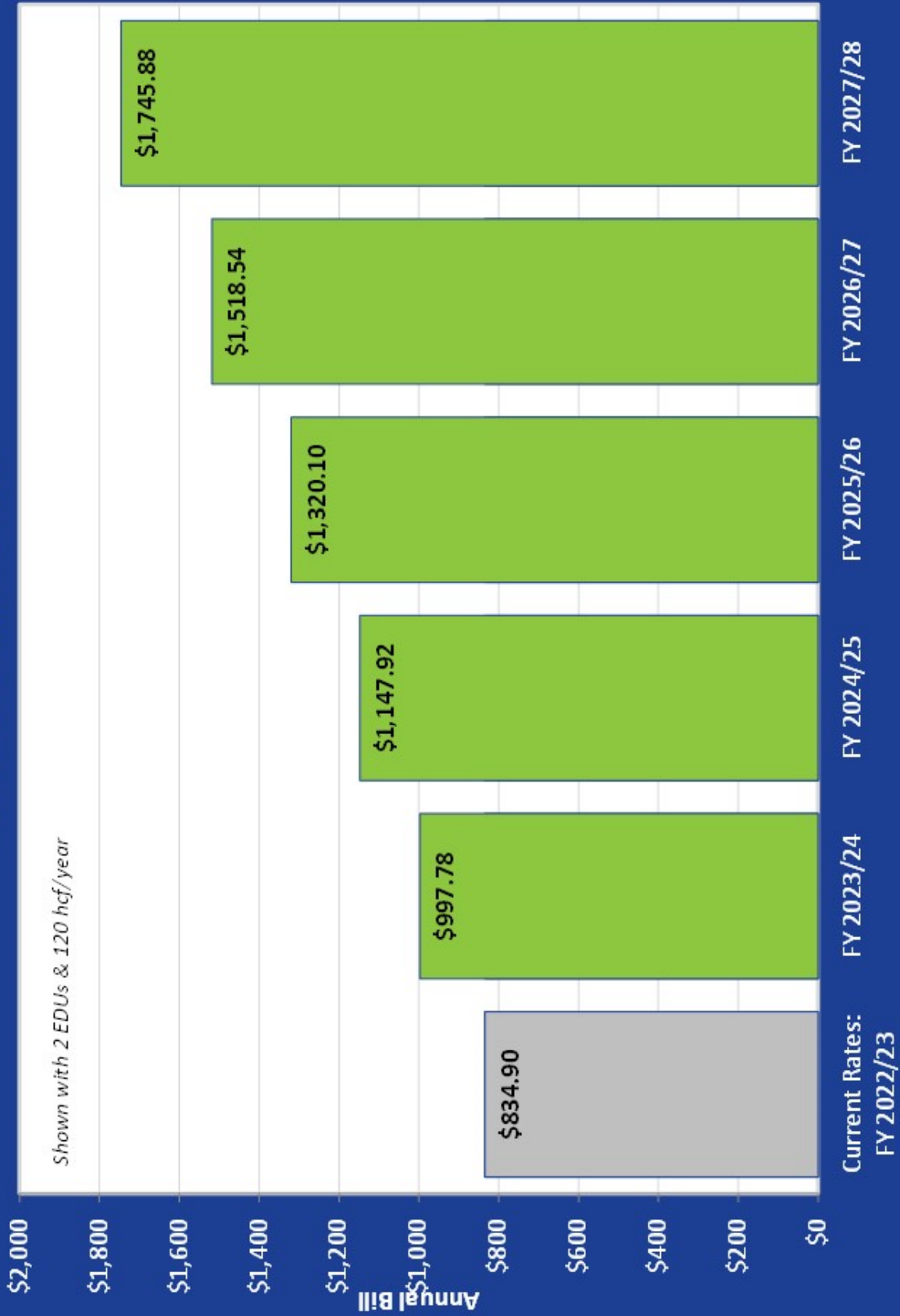
*Shown with 1 EDU & 108 hcf/year
Rates are rounded to the nearest cent

Current Rates: Proposed Rates: Proposed Rates: Proposed Rates: Proposed Rates:
FY 2022/23 FY 2023/24 FY 2024/25 FY 2025/26 FY 2026/27 FY 2027/28

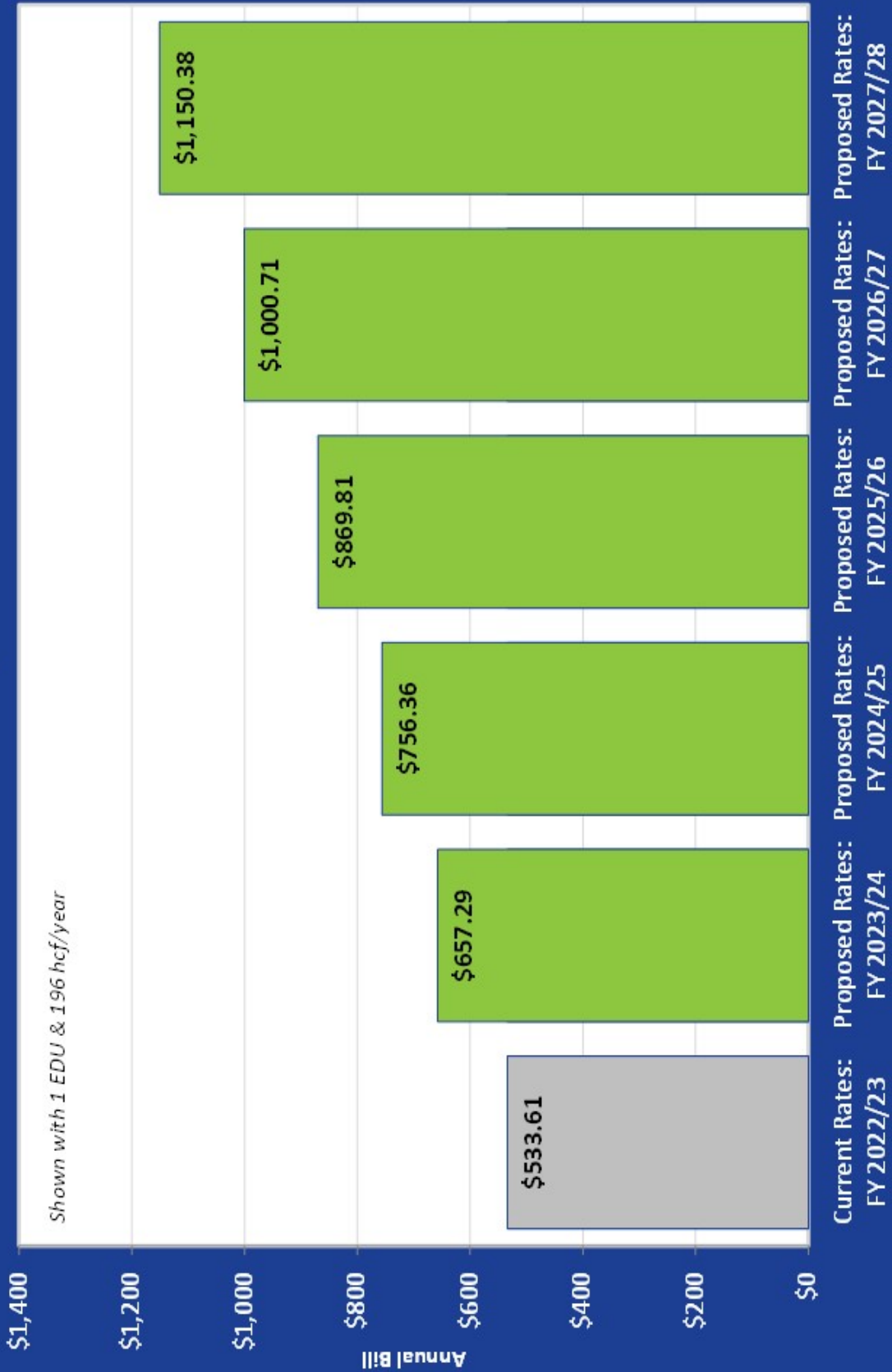
Annual Single Family Residential Sewer Bill Comparison Current vs. Proposed Rates with Various Consumption Levels



5 Year Annual Multi Family Residential Sewer Bill Comparison Current vs. Proposed Rates



5 Year Annual Commercial Sewer Bill Comparison Current vs. Proposed Rates



Frequently Asked Questions – Proposition 218

WHAT IS PROPOSITION 218?

Proposition 218 was a November 1996 voter initiative that added provisions to the California Constitution. To establish processes by which public agencies can raise fees for public services. It was designed to provide greater ratepayer involvement in the entire rate setting process.

WHAT DOES PROPOSITION 218 REQUIRE OF THE CITY?

Proposition 218 requires cities to mail a public hearing notice to every property owner regarding proposed rate changes 45 days prior to holding a public hearing during which the City Council considers whether to adopt the changes. It also establishes a protest process for account holders to follow if they wish to oppose the proposed rates.

WHO RECEIVES A PUBLIC HEARING NOTICE?

Every property owner receives a public hearing notice.

HOW DO I PROTEST THE RATES?

All written protests must, at a minimum, include the following information to be counted:

- (a) address or assessor parcel numbers of property subject to the new rates,
- (b) printed name and original signature of the protester, and
- (c) a clear statement protesting the rates proposed in this notice.

Each protest must be signed with an original signature. Therefore, written protests by electronic mail (email) or fax will not be accepted. Only one protest can be filed by an account holder per parcel (or service address) to count as a valid protest vote. Since all written protests must be received by the end of the public hearing, protests being sent by mail should allow sufficient time for delivery as they will not be counted if they are not received and processed by the City Clerk's office prior to the close of the public hearing.

WHAT CONSTITUTES THE MAJORITY NEEDED TO PROTEST THE PROPOSED RATES?

A majority of the property owners means more than one-half (50% plus one) of the properties in Los Altos.

WHAT HAPPENS IF THE CITY RECEIVES A MAJORITY OF PROTESTS?

If a majority of property owners protest the rate changes, City Council are provided copies of the ratepayer protests for their review and may: (1) request that staff make changes to be reintroduced through another 218 process before consideration of an adoption is entertained; (2), or, withhold adoption of the proposed rate changes altogether.

WHAT HAPPENS IF THE CITY DOES NOT RECEIVE A MAJORITY OF PROTESTS?

Without a majority protest, the City Council has the legal authority to adopt the proposed rate changes as dictated by Proposition 218. However, should a majority protest not be met, City Council is not automatically required to adopt the changes. Council may choose to withhold adoption or may request

staff to go back and make changes, requiring the proposal to be reintroduced through a new and separate Proposition 218 rate hearing process before consideration of adoption is entertained.

WHAT IF RATE INCREASES ARE NOT IMPLEMENTED?

The consequences of not implementing the proposed rates include potentially not meeting the contractual obligations that the City has with Palo Alto for sewer treatment, inability to maintain aging infrastructure and fines from federal agencies if systems fail to meet standards, at a minimum.



PUBLIC CORRESPONDENCE

The following is public correspondence received by the City Clerk’s Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov

From: [Roberta Phillips](#)
To: [City Council](#); [Public Comment](#)
Subject: Prop 218 Sewer Rate Study/ Agenda #6 Feb 28,2023 Council Meeting
Date: Sunday, February 26, 2023 10:57:41 AM

Dear Council Members

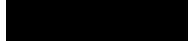
I am writing to oppose an increase in our sewer tax. Inflation has hit the senior community and people on fixed income very hard. I intend to vote against a sewer rate hike unless an exemption or a senior discount is offered.

Personally, I spend over \$7000.00 annually for my husband's medication alone, not counting medical and dental insurance. Seniors should not have to choose between getting their medication and buying food or transportation to medical appointments. Los Altos says they are an age friendly city and want to spend \$30,000 to get certified as an age friendly city. The money would be better spent on actually doing something for the senior community, rather than having a certificate in a draw.

I am also confused as to when the city will mail notification on a public hearing and how and when they can vote. Is this item #6 a discussion item or is it considered a public hearing?

Sincerely

Roberta Phillips



From: [Frank Martin](#)
To: [Public Comment](#)
Subject: PUBLIC COMMENT ITEM #6 - February 28 Council Meeting
Date: Monday, February 27, 2023 1:20:15 PM

Dear City Council and City Manager,

I am writing to strongly oppose an increase in our sewer tax. In the last 10 years my sewer tax has increased from a low of \$169 to a current 2022-23 property tax special item of \$804.62 – an increase of over 476%.

Now you are considering whether or not to increase this amount by another 75%.

Meanwhile my tax bill for most of the remaining property tax items will only increase by a maximum of 12.5% thanks to proposition 13.

So, if enacted, my sewer tax will increase from \$804.62 to \$1,408 – meaning the sewer tax will increase from 24.4% of my total property tax to 32.6%.

I find this recommendation to be unfair and hardly in the spirit of prop 13.

As a senior I believe this sewer tax increase is excessive and exorbitant. At the very least you should consider an exemption for seniors if you want to live up to your vision of being an age friendly city.

If the council approves this 75% tax increase, I will vote against it if given a chance.

In summary, you should reconsider this sewer tax increase and find a fairer solution.

Sincerely,

Frank Martin





PUBLIC CORRESPONDENCE

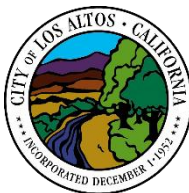
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To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov

From: [Bill Hough](#)
To: [City Council](#); [Public Comment](#)
Subject: Public comment on agenda item #6 on 2/28/2023 agenda
Date: Monday, February 27, 2023 6:26:14 PM

In this time of gas bans and never-ending inflation, the last thing we need is a sewer tax increase. I will vote no.

Bill Hough
Resident and angry taxpayer



AGENDA REPORT SUMMARY

Meeting Date: February 28th, 2023

Subject Automated license plate reader (ALPR) cameras

Prepared by: Angela Averiett, Chief of Police

Reviewed by: Gabriel Engeland, City Manager

Approved by: Gabriel Engeland, City Manager

Attachment(s):

- 1. Los Altos Police Department Policy 462 with proposed updates to reflect usage of stationary ALPR cameras.
- 2. Letter of support from Atherton Police Department Chief of Police Steven McCulley

Initiated by:
Police Department

Previous Council Consideration:
N/A

Fiscal Impact:
There is no fiscal impact at this time. If approved, the 23-24 fiscal year budget will fund a one-year pilot program of Automated License Plate Readers for up to 25 cameras and up to \$75,000. On-going budget costs will also be incurred in future fiscal years based on the number of cameras installed. It is anticipated future year on-going budget costs will be around \$75,000 if 25 cameras are installed.

Environmental Review:
N/A

- Policy Question(s) for Council Consideration:**
- Does the City Council wish to approve the acquisition of Automated License Plate Reader cameras for implementation in the 2023-24 Fiscal Year?
 - Does the Council wish to approve or make changes to the attached proposed policy?
 - Does the City Council wish to approve or make changes to the proposed pilot program?

City Manager
GE

Reviewed By:
City Attorney
JH

Finance Director
JD



Subject: Automated License Plate Reader Cameras

-

Summary:

The Los Altos Police Department is seeking resources to assist with its crime prevention and crime solving efforts. The use of this technology has the potential to increase our case solvability rates.

Staff Recommendation:

- Staff recommends the City Council authorize staff to implement a one-year pilot program beginning in the 2023-24 Fiscal Year, as described in this report, of ALPR technology of up to \$75,000 and up to 25 cameras.

Purpose

To obtain authorization to purchase ALPR cameras to act as an objective investigative tool for legitimate law enforcement purposes.

Background

The Los Altos Police Department seeks to utilize technologies that can assist our efforts to solve crime and locate at risk missing persons identified in Amber and Silver alerts. Finding technology that can meet our current and future needs is imperative to increase safety, efficiency and efficacy. Law enforcement agencies use Automated License Plate Reader (ALPR) systems for the purpose of rapidly identifying and locating vehicles of legitimate interest to law enforcement. ALPR cameras are currently being used extensively in the greater Bay Area and across California. In Santa Clara County, only three cities, Los Altos, Cupertino and Palo Alto, are not using ALPR technology. ALPR systems contain the data sets of license plate numbers, photos of vehicles, and geospatial locations from where the images were captured. There is no connectivity in the ALPR system to the vehicle’s registration information or the driver's license information of the owner.

Discussion/Analysis

ALPR systems function to capture an image of a vehicle (not the occupants), the vehicle’s license plate and geospatial location where the image was captured. The license plate is queried through various databases and compared to lists of vehicles of interest to law enforcement, also known as “hot lists.” When a vehicle of interest is located in the databases, such as a reported



Subject: Automated License Plate Reader Cameras

stolen vehicle, local law enforcement is alerted. The license plate is then verified by law enforcement before any enforcement action is taken.

Additionally, the stored license plate data provides law enforcement investigators with a pointer system that may help them identify vehicles associated with suspects, witnesses, or victims, and to develop exculpatory information that assists them with focusing their investigative resources. The data allows law enforcement to connect serial criminal activities that may have occurred in multiple law enforcement jurisdictions. The stored data is kept for a fixed retention period, though it is only accessible by law enforcement given a legitimate law enforcement purpose.

The ALPR system logs each user’s activity by unique log in identifier, date, time, and purpose of search associated with a case or incident number. Designated Los Altos Police Department personnel will perform random sample audits to the system to confirm it is functioning properly, and that required data is being appropriately accessed on a need to know right to know basis. Additionally, an outside law enforcement agency will conduct an annual ALPR system audit to ensure the Los Altos Police Department is in compliance with department policy and state law. Improperly accessing the ALPR systems for purposes of personal use, traffic enforcement or immigration enforcement is strictly prohibited per the proposed Los Altos Police Department policy #462.

The proposed one-year pilot program seeks to utilize ALPR technology to increase the solvability or clearance rate of specific property crimes, i.e. catalytic converter thefts (487 PC), stolen vehicles (10851 PC) and residential and commercial burglaries (459 PC), by 10% over the one-year period.

Los Altos Police Department’s ALPR policy, #462, addresses our single vehicle mounted ALPR unit. The mobile ALPR unit is currently not in use due to data no longer being processed through the Northern California Regional Intelligence Center (NCRIC), deeming it inoperable. The policy has not been updated to reflect handling of the data captured by the proposed fixed position ALPR cameras.

Los Altos Police Department’s current ALPR policy is severely lacking detail, legal consequences for unauthorized access, and transparency in the audit process. The proposed updated policy will address these gaps in accountability. The proposed policy was updated using guidelines from the Vallejo Police Department’s ALPR policy. It should be noted the Vallejo Police Department’s policy has been vetted by the ACLU and other local privacy advocacy



Subject: Automated License Plate Reader Cameras

groups. Language from this policy will be incorporated into Los Altos Police Department’s ALPR policy with the following revisions-

- ALPR data will only be accessed for legitimate law enforcement purposes
- ALPR data will not be used for traffic enforcement, immigration enforcement or personal use.
- It is expressly prohibited for members of the Los Altos Police Department to access ALPR data for the purposes of harassment/intimidation, use based upon a protected class or characteristic, to infringe upon First Amendment rights or as an invasion of privacy.
- ALPR data will not be shared with federal agencies to include Customs and Border Patrol (CBP) and Immigration and Customs Enforcement (ICE), pursuant to the California Values Act (Government Code 7282.5: Government Code 7284.2 et seq)
- ALPR data will only be accessed on a need-to-know, right-to-know basis. Unauthorized use is subject to criminal penalties, civil liability and administrative sanctions.
- All users of the ALPR system will be required to have individual credentials for access and use of the systems and/or data, which has the ability to be audited.
- Officers shall visually verify the license plate number of any license plate of interest the ALPR system has alerted law enforcement to, prior to enforcement action.
- Auditing- the Los Altos Police Department will conduct twice yearly audits of the ALPR system to ensure compliance with all applicable laws and policies. In addition, a designated outside law enforcement agency will conduct a separate, yearly audit of ALPR queries as an added measure to ensure compliance with all applicable Los Altos Police Department policies and applicable laws.

The incorporation of these changes into the existing policy are important and necessary supplemental procedures that aim to hold users of ALPR data accountable for its access. The additions also serve to address community concerns regarding transparency and privacy.

The Los Altos Police Department is seeking authorization to purchase an ALPR system for a one-year pilot to gauge its effectiveness as a resource multiplier. The goal is to increase our property crime solvability rates by 10%. The ALPR cameras will be placed throughout Los Altos in areas that are publicly accessible such as public roadways, public property and vehicles that are within public view. Furthermore, a transparency portal will be put in place to inform the community about the usage of the ALPR system.

Recommendation

Staff recommends City Council approve the acquisition of Automated License Plate Reader cameras.

Automated License Plate Readers (ALPRs)

462.1 PURPOSE AND SCOPE

Best Practice

The purpose of this policy is to provide guidance for the capture, storage and use of digital data obtained through the use of Automated License Plate Reader (ALPR) technology.

462.2 POLICY

Best Practice MODIFIED

The policy of the Los Altos Police Department is to utilize ALPR technology to capture and store digital license plate data and images while recognizing the established privacy rights of the public.

All data and images gathered by the ALPR are for the official use of this department. Such data is not open to public view, as it may contain confidential information. [The Los Altos Police Department does not permit the sharing of ALPR data gathered by the City or its subcontractors for the purpose of federal immigration enforcement, pursuant to the California Values Act \(Government Code 7282.5: Government Code 7284.2 et seq\) - these federal immigration agencies include Immigration and Customs Enforcement \(ICE\) and Customs and Border Patrol \(CBP\).](#)

462.3 ADMINISTRATION

Best Practice MODIFIED

The ALPR technology, also known as License Plate Recognition (LPR), allows for the automated detection of license plates [along with the vehicle make, model, color and unique identifiers through the Los Altos Police Department's ALPR system and the vendor's vehicle identification technology.](#) It is used by the Los Altos Police Department to convert data associated with vehicle license plates for official law enforcement purposes, including identifying stolen or wanted vehicles, stolen license plates and missing persons. It may also be used to gather information related to active warrants, homeland security, electronic surveillance, suspect interdiction and stolen property recovery.

All installation and maintenance of ALPR equipment, as well as ALPR data retention and access, shall be managed by the [Administrative Captain](#). Administration Division Commander. The Administration Division Commander [Administrative Captain](#) will assign members under his/her command to administer the day-to-day operation of the ALPR equipment, and data [access. The Custodian of Records will be responsible for data retention in accordance with applicable law.](#) -

462.3.1 ALPR ADMINISTRATOR

State MODIFIED

The Administration Division Commander [Administrative Captain](#) shall be responsible for [compliance with the requirements of](#) Civil Code § 1798.90.5 et seq. This includes, but is not limited to (Civil Code § 1798.90.51; Civil Code § 1798.90.53):

Automated License Plate Readers (ALPRs)

- (a) Ensuring that only properly trained sworn police officers, crime analysts and communication dispatchers are allowed access to the ALPR system or to collect ALPR information.
- (b) ~~A description of the job title or other designation of the members and independent contractors who are authorized to use or access the ALPR system or to collect ALPR information.~~
- (c) Ensuring that training requirements are completed for all authorized users.
- (d) ALPR system monitoring to ensure the security of the information and compliance with applicable privacy laws
- (e) ~~A description of how the ALPR system will be monitored to ensure the security of the information and compliance with applicable privacy laws.~~
- (f) ~~Procedures for system operators to maintain records of access in compliance with Civil Code § 1798.90.52.~~
- (g) Ensuring that procedures are followed for system operators and to maintain records of access in compliance with Civil Code 1798.90.52.
- (h) ~~The title and name of the current designee in overseeing the ALPR operation.~~
- (i) Continually working with the Custodian of Records on retention and destruction of ALPR data.
- (j) ~~Working with the Custodian of Records on the retention and destruction of ALPR data.~~
- (k) Ensuring this policy and related procedures are conspicuously posted on the department's website.

462.4 OPERATIONS

State **MODIFIED**

Use of an ALPR is restricted to the purposes outlined below. Department members shall not use, or allow others to use the equipment or database records for any unauthorized purpose (Civil Code § 1798.90.51; Civil Code § 1798.90.53).

- (a) An ALPR shall only be used for official law enforcement business.
- (b) An ALPR may be used in conjunction with any routine patrol operation or criminal investigation. Reasonable suspicion or probable cause is not required before using an ALPR.
- (c) ~~While an~~ ALPR may be used to canvass license plates around any crime scene, ~~particular consideration should be given to using ALPR-equipped cars to canvass areas around homicides, shootings and other major incidents.~~ Partial license plates and unique vehicle descriptions reported during major crimes should be entered into the ALPR system in an attempt to identify suspect vehicles.
- (d) No member of this department shall operate ALPR equipment or access ALPR data without first completing department-approved training.

Automated License Plate Readers (ALPRs)

- (e) Login/log out procedure. To ensure proper operation and facilitation of oversight of the ALPR system, all users will be required to have individual credentials for access and use of the systems and/or data, which has the ability to be fully audited.
- (f) No ALPR operator may access department, state or federal data unless otherwise authorized to do so.
- (g) If practicable, the officer should verify an ALPR response through the California Law Enforcement Telecommunications System (CLETS) before taking enforcement action that is based solely on an ALPR alert. Once an alert is received, the operator should confirm that the observed license plate from the ALPR system matches the license plate of the observed vehicle. Before any law enforcement action is taken due to an ALPR alert, the alert will be verified through a CLETS inquiry via MDC or through dispatch. Members will not take any police action that restricts the freedom of any individual based solely on an ALPR alert unless it has been validated.
- (h) Hot Lists- designation of hot lists to be utilized by the ALPR system shall be made by the ALPR Administrator or her/his designee. Occasionally, there may be errors in the LPR's system's read of a license plate. Therefore, an alert alone shall not be a basis for police action (other than following hte vehicle of interest). Prior to initiation of a stop of a vehicle or other intervention based on an alert, Los Altos Police Department members shall undertake the following steps:
 - 1.) Verification of status on a Hot List. An officer must receive confrimation from a communications dispatcher or other department computer device, that the license plate is still stolen, wanted or otherwise of interest before proceeding (absent exigent circumstances)
 - 2. Visual verification of license plate number. Officers shall visually verify that the license plate of interest matches identically with the image of the license plate number captured (read) by the LPR, including both the alphanumeric characters of hte license plate, state of issuance, and vehicle descriptors before proceeding. Officers alerted to the fact that an observed motor vehicle's license plate is entered as a "Hot plate" or "hit" in a specific BOLO (be on the lookout) list are required to make a reasonable effort to confirm that a wanted person is actually in the vehicle and/or that a reasonable basis exists before a Department member would have a lawful basis to stop the vehicle.
 - 3. Department members will clear all stops from hot list alerts by indicating the positive ALPR hit, i.e. with an arrest or other enforcement action. If it is not obvious in the text of the call as to the correlation of the ALPR hit and the arrest, then the Department member shall update the Communications Dispatcher.
 - 4. General Hot Lists will be automatically downloaded into the ALPR system a minimum of once a day with the most current data overwriting the old data.
 - 5. All entries and updates of specific Hot Lists within the ALPR system will be documented by the requesting Department member within the appropriate general offense report. - Hot Lists shall be approved by the ALPR Administrator (or her/his designee) before initial entry within the ALPR system. The updating of such a list within the ALPR system shall thereafter be accomplished pursuant to the approval of the Department member's immediate supervisor. The hits from

Automated License Plate Readers (ALPRs)

these data sources should be viewed as informational: created solely to bring the officers attention to specific vehicles that have been associated with criminal activity or missing persons. .

All Hot Plates and suspect information entered into the ALPR system will contain the following information at a minimum- Department member's name, related case number and a short synopsis describing the nature of the originating call for service.

Permitted?impermissible Uses. The ALPR system, and all data collected, is the property of the Los Altos Police Department. Department personnel may only access and use the ALPR system for official and legitimate law enforcement purposes consistent with this policy. The following uses of the ALPR system are specifically prohibited:

1.) Invasion of Privacy: Except when done pursuant to a court order such as a search warrant, it is a violation of this policy to utilize the ALPR system to record license plates except those of vehicles that are exposed to the public view (e.g., vehicles on a public road or street, or that are on private property but whose license plate (s) are visible from a public road, street or a place to which members of the public have access, such as the parking lot of a shop or other business establishment).

2.) Harassment or Intimidation: It is a violation of this policy to use the ALPR system to harass and/or intimidate any individual or group.

3.) Use based on a protected characteristic: It is a violation of this policy to use the ALPR system or associated files or Hot Lists solely because of a person's or group's race, gender, gender identity, religion, political affiliation, nationality, ethnicity, sexual orientation, disability, age or other classification protected by law.

4.) Personal Use: It is a violation of this policy to use the ALPR system or associated files or Hot Lists for any personal purpose.

5.) First Amendment Rights: It is a violation of this policy to use the ALPR system or associated files or Hot Lists for the purpose or known effect of infringing upon First Amendment rights.

Anyone who engages in an impermissible use of the ALPR system or associated files or Hot Lists may be subjected to:

- Criminal prosecution

- Civil liability, and/or

- Administrative sanctions, up to and including termination, pursuant to and consistent with the relevant collective bargaining agreements and Department policies.

462.5 DATA COLLECTION AND RETENTION

Best Practice **MODIFIED**

Automated License Plate Readers (ALPRs)

The Administration Division Commander is responsible for ensuring systems and processes are in place for the proper collection and retention of ALPR data. Data will be transferred from vehicles to the designated storage in accordance with department procedures.

All [vehicle mounted](#) ALPR data downloaded to the Santa Clara County server shall be stored for a maximum of one year (Government Code § 34090.6) and thereafter shall be immediately purged from any outside servers, including the Northern California Regional Intelligence Center and other governmental servers in accordance with the established records retention schedule, unless such data has become, or it is reasonable to believe it will become, evidence in a criminal or civil action or is subject to a discovery request or other lawful action to produce records. In those circumstances the applicable data should be downloaded from the server onto portable media and booked into evidence.

[ALPR vendor will store the fixed position ALPR data and ensure proper maintenance and security of data stored in their data towers. The vendor will purge their data at the end of 30 days of storage. However, this will not preclude Los Altos Police Department from maintaining any relevant vehicle data obtained from the system after that period pursuant to the City of Los Altos retention schedule.](#)

[Information gathered or collected and records retained by the vendor or any other Los Altos Police Department ALPR systems, will not be sold, accessed or used for any reason other than legitimate law enforcement or public safety purposes.](#)

462.6 ACCOUNTABILITY AND SAFEGUARDS

State **MODIFIED**

All data will be closely safeguarded and protected by both procedural and technological means. The Los Altos Police Department will observe the following safeguards regarding access to and use of stored data (Civil Code § 1798.90.51; Civil Code § 1798.90.53):

- (a) All ALPR data downloaded to the mobile workstation and in storage shall be accessible only through a login/password-protected system capable of documenting all access of information by name, date and time (Civil Code § 1798.90.52).
- (b) [All non-law enforcement requests for access to stored ALPR data will be processed in accordance with applicable law.](#)
- (c) Members approved to access ALPR data under these guidelines are permitted to access the data for legitimate law enforcement purposes only, such as when the data relate to a specific criminal investigation or department-related civil or administrative action.
- (d) [ALPR data may be released to other authorized and verified law enforcement officials and agencies for legitimate law enforcement purposes.](#)
- (e) [Every ALPR browsing inquiry must be documented by either the associated Los Altos Police Department case number or incident number, and the reason for the inquiry.](#)
- (f) ALPR system audits ~~shall~~ **shall** be conducted on an ~~an~~ **semi**-annual basis by the Administration Division Captain.

Automated License Plate Readers (ALPRs)

- (g) [Annual ALPR audits will be conducted by an outside law enforcement agency as an added measure of transparency and to ensure policy compliance by members of the Los Altos Police Department.](#)

For security or data breaches, see the Records Release and Maintenance Policy.

[It is the responsibility of the Administrative Division Captain, or her/his designee, to ensure that an audit is conducted of ALPR detection browsing inquiries at least twice during each calendar year. The Department will audit a sampling of the ALPR system utilization from the prior 6 month period to verify proper use in accordance with the above- authorized uses. The audit will randomly select at minimum 10 detection browsing inquiries conducted by department employees during the preceding 6 month period and determine if each inquiry meets the requirements established in this policy.](#)

[The audit will be documented in the form of an internal department memorandum to the Chief of Police. The memorandum will include any data errors found so that such errors can be corrected. After review by the Chief of Police, the memorandum and any associated documentation will be filed and retained by the Custodian of Records.](#)

[In addition, a designated law enforcement agency will do an annual audit of ALPR data, as an added layer of accountability, to ensure members of the Los Altos Police Department are in compliance with this policy.](#)

462.7 RELEASING ALPR DATA

Best Practice **MODIFIED**

The ALPR data may be shared only with other law enforcement or prosecutorial agencies for official law enforcement purposes or as otherwise permitted by law, using the following procedures:

- (a) The agency makes a written request for the ALPR data that includes:
 1. The name of the agency.
 2. The name of the person requesting.
 3. The intended purpose of obtaining the information.
- (b) The request is reviewed by the Administration Division Commander or the authorized designee and approved before the request is fulfilled.
- (c) The approved request is retained on file.
- (d) [The Chief of Police or the authorized designee will consider the California Values Act \(Government Code 7282.5; Government Code 7284.2 et seq\), before approving the release of ALPR data. The Los Altos Police Department does not permit the sharing of ALPR data gathered by the City or its contractors/subcontractors for purpose of federal immigration enforcement, these federal immigration agencies include Immigrations and Customs \(ICE\) and Customs and Border Patrol \(CBP\).](#)

Requests for ALPR data by non-law enforcement or non-prosecutorial agencies will be processed as provided in the Records Maintenance and Release Policy (Civil Code § 1798.90.55).

Automated License Plate Readers (ALPRs)

462.8 TRAINING

State **MODIFIED**

The Administration Division Captain should ensure that members receive department-approved training for those authorized to use or access the ALPR system (Civil Code § 1798.90.51; Civil Code § 1798.90.53).



Town of Atherton DEPARTMENT OF POLICE



February 17, 2023

Chief Angela Averiett
Los Altos Police Department
1 N San Antonio Road
Los Altos, CA 94022

Dear Chief Averiett: *Angela*

The Atherton Department of Police patterned with Flock to establish our Automated License Plate Reader (ALPR) program in 2019. We were the first law enforcement agency in San Mateo County to deploy Flock ALPR cameras and now most agencies in the county have done the same. Our program started with 2 ALPR cameras and quickly grew to a total deployment of 47 cameras based numerous crime fighting successes and the overwhelming support from our residents for the ALPR program.

The placement of ALPR cameras at strategic locations adds a significant investigative option that assist our Department in solving and deterring crime in Atherton’s neighborhoods. In my experience with our very successful program, one of the most important benefits is the real deterrence factor it provides. ALPRs provide law enforcement with a pointer system that can help identify vehicles associated with suspects, witnesses, or victims, and develop exculpatory information that assists with focusing investigative resources. The data allows law enforcement to connect serial criminal activities that may have occurred in disconnected law enforcement jurisdictions.

The Flock ALPR camera system is a cost-effective way to truly enhance the safety/security for your residents. The system improves officer safety and is a true force multiplier when it comes to criminal investigations, identification/apprehension of suspects involved in criminal activity, and in the identification of Amber, SILVER, and BLUE alert vehicles. I fully support the leveraging of this type of technology and have been able to advise numerous police chiefs around the country on the true and real benefits of the Flock ALPR system.

Sincerely,

SDM McCulley
Steven D McCulley
Chief of Police



PUBLIC CORRESPONDENCE

The following is public correspondence received by the City Clerk’s Office after the posting of the original agenda. Individual contact information has been redacted for privacy. This may *not* be a comprehensive collection of the public correspondence, but staff makes its best effort to include all correspondence received to date.

To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov

From: [Eugene M Hyman](#)
To: [Public Comment](#)
Subject: ALPR camera Feb 28 Council meeting
Date: Friday, February 24, 2023 4:46:44 PM

To the Los Altos City Council:

I write to you in support of Chief Averiett's request to approve a contract between the City and Flock Safety for the ALPR camera program.

I have been a resident of Lost Altos for over 30 years, living at 142 Mt Hamilton Ave, Los Altos, CA 94022.

Previously, I was a police officer for the City of Santa Clara for almost five years.

Lastly, I was a Superior Court Judge for Santa Clara County for twenty years.

I believe that my past employment is of assistance in the evaluation process of this program.

Los Altos is unable to hire as many police officers as we would ideally like to hire. The majority of police agencies in the county presently have this program and we would benefit from being part of this network.

The program will be helpful with auto theft, burglary, property crime, robberies, and other associated crimes. Statistics will be collected to assist in the evaluation of the program.

While Los Altos is a safe city and our police do a great job, the simple fact is that crime is always a concern and an issue.

Flock Safety has a great reputation and my understanding is there there are no major complaints of concern by any agency now using their program.

The proposed protocols for the use of the program are similar to the ones used by the City of Vallejo and the ACLU vetted them and is satisfied that the protocols protect citizens' privacy and other Constitutional rights. The data, once collected, will be deleted after 30 days, unless there is information that there is a connection to a crime.

It is my understanding that an individual person can request that a vehicle, registered to them, can be removed from the database.

There are protections, in the protocols, to reveal the users of the program listing the name and reason for the program's use.

The Chief has stated that there will be a full audit of the program, after six months, to provide transparency to the community.

Every program has the potential for abuse just as every drug has potential side effects. When a full examination is made of the proposal, I suggest that the benefits outweigh the negatives.

Thank you for this opportunity to express my support for the camera safety program.

Kind regards,

Eugene M. Hyman

From: [Roberta Phillips](#)
To: [City Council](#); [Public Comment](#)
Subject: Support License Plate Reader Cameras Item #7 Council meeting Feb 28
Date: Saturday, February 25, 2023 12:16:16 PM

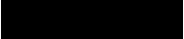
Dear City Council

I fully support implementing License Plate Reader Cameras for Los Altos. It is a tool that will help the police prevent and solve crimes. As I know you are aware, crimes in Los Altos are on the increase. This is just one tool that will not solve all the problems, but it will help the police protect us. We are one of only 3 cities that does not have cameras. The thieves know that and target us.

Some people are concerned about privacy, but the policy clearly states what the cameras can be used for and what is not allowed. Please support funding this item.

Thanks

Roberta Phillips



From: [Curtis Cole](#)
To: [Public Comment](#)
Subject: Agenda item #7. Automated License Plate Reader Cameras
Date: Saturday, February 25, 2023 2:17:14 PM

Agenda item #7, 28 February 2023 Automated License Plate Reader Cameras

City Mayor and Council Members,

I support the ALPR pilot project with the updated Los Altos police department policies. I think it is a wise and relatively low cost way to provide additional tools to our department for the deterrence and investigation of property crimes. In addition, **I encourage you to allow the department to access privately owned Flock cameras in Los Altos cost-free.**

Approximately one year ago, our neighborhood suffered multiple home burglaries and car break-ins. These events had limited data from home security systems and thus the police department was unable to solve those crimes. Consequently, our neighborhood of 100+ homes purchased two Flock ALPR cameras which we installed on private property to image cars entering our area. Currently, only I (the system administrator) have access to search the ALPR data stored on Flock’s system. The police department receives no hot-list alerts (stolen plates, Amber or Silver) from our system. They must contact me to search ALPR data within the 30 day retention window.

We support the pilot project proposed by the police department. To assist in their goal to improve crime solvability, we offer access to our cameras, subject to the updated police department policies. Flock readily enables sharing private camera systems with police departments via a simple MOU and at no cost. The cameras, their fees and maintenance remain our responsibility.

We are glad the department is updating their policies using guidance from the Vallejo Police Department, noting that those policies were vetted by the ACLU and other privacy advocates.

Finally, I believe a one year pilot is short and I’ll encourage a second year in the pilot study before making any final evaluations.

I’m happy to answer any questions.

--

- Curtis Cole



 *Think Green. Please print this email only when necessary*

From: [Cheryl Herms](#)
To: [Public Comment](#)
Subject: Automated License Plate Reader Cameras - Yes, Yes, Yes!
Date: Saturday, February 25, 2023 4:35:11 PM

6. Please approve the "Automated License Plate Reader Cameras - a one year pilot program of Automated License Plate Readers". Also make them permanent.

Los Altos Hills has it, and so should we. The break in crime rate is not acceptable in our quiet town and the criminals know they can get away with it, even though many of us have cameras and alarms that are managed. I get to read about it on Next Door!

Thank you,

Cheryl & Richard Herms

531 Hawthorne Court

Los Altos

From: [Webb McKinney](#)
To: [Public Comment](#)
Subject: Fwd: Agenda #7, ALPR License Plate Readers
Date: Sunday, February 26, 2023 12:12:09 PM

Sent from my iPhone

Begin forwarded message:

From: Webb McKinney [REDACTED]
Date: February 26, 2023 at 10:09:00 AM HST
To: council@losaltosca.gov
Subject: Agenda #7, ALPR License Plate Readers

Dear City Council,

I am writing to express my support for the ALPR pilot project, and for granting the police department access to our privately owned Flock cameras.

Best regards,

The McKinneys
484 Van Buren Street

Sent from my iPhone

From: [Myra & Carl Orta](#)
To: [City Council](#); [Public Comment](#)
Subject: License Plate Readers
Date: Sunday, February 26, 2023 6:54:02 PM

Honorable Mayor and City Council,

2/26/23

I wish to address this issue of license plate readers, item #7 on the agenda. Anyone who has had their home burglarized could have a different opinion about license plate readers from those who were not so unfortunately violated.

We are Los Altos residents for 55 years. Our home was broken into and robbed while we were away. Our burglar alarm went off, police were notified, and we were notified. They came around the back, entered the unlocked gate, smashed the family room glass door and entered our master bedroom. They were delighted to find a large free standing jewelry box containing my lifetime of treasures, in my closet which they grabbed and ran off with. Their getaway car was parked up the street so that our surveillance cameras could not catch their license plate. Perhaps they would have been caught if there was a license plate reader on St. Joseph Ave.

Shortley afterward I was approached by the mayor of Saratoga who informed us that they have license plate readers in Saratoga, and it has cut down on home burglaries significantly. I approached the Los Altos City Council with this idea, but it was defeated by those people who are afraid of the invasion of their privacy. If these same people were burglarized, I believe they would worry less about their privacy.

I urge the City of Los Altos to install license plate readers at the few arterial streets we have in our neighborhoods and hopefully spare others from our misfortune.

Myra Orta
1225 Via Huerta
Los Altos, CA 94024



From: [Sandeepan Banerjee](#)
To: [Public Comment](#)
Subject: Public Comment Agenda Item #7 ALPR for Feb 28th
Date: Sunday, February 26, 2023 8:58:06 PM

Dear Mayor Meadows, Vice Mayor Weinberg, and esteemed City Council members:

I am writing to express my deep concern regarding the proposal to install automated car license plate readers in our city. While I understand the need to maintain public safety, I believe that this technology poses serious risks to our privacy and civil liberties, which must take precedence in the policy if they are to be preserved.

Automated license plate readers are capable of capturing vast amounts of personal data, including the time and location of a person's movements. This data, invariably collected under bland assurances that it is strongly managed by well-trained custodians with privacy in mind, has failed tests of competent privacy-aware usage, time and again, creating around us big surveillance for small gain.

Chief McCulley of the Atherton Police Department has written in support of the cameras. Atherton has a population of under 7000 people. In response to a Right to Information from the Electronic Frontier Foundation in Nov 2022, Chief McCulley's department released an estimate that the cameras deployed in Atherton, would collect 54,642,156 yearly ALPR plate reads in the Town of Atherton. This is an astonishing number, one that essentially points to pervasive cameras monitoring the movement of the population.

The Atherton PD also reported to the Electronic Frontier Foundation that 3,913 search queries of the ALPR system by Atherton PD personnel for the calendar year of 2021. This amounts to over 10 searches every day by a single tiny police department. A California Auditor General's report found that three of the four agencies they reviewed, "share their ALPR images widely using features in the ALPR systems that enable convenient sharing of images with minimal effort. Fresno and Marin have each arranged to share their ALPR images with hundreds of entities and Sacramento with over a thousand entities across the United States. However, we did not find evidence that the agencies had always determined whether an entity receiving shared images had a right and a need to access the images or even that the entity was a public agency. We are concerned that unless an agency conducts verifying research, it will not know who is actually using the ALPR images and for what purpose." This also suggests a larger number - perhaps orders of magnitude - of searches against the ALPR data, with access, usage and retention policy not transparent or even auditable. While the present proposal restricts access to other police or prosecutorial departments, it must be emphasized that these are not validated to be legitimate, they are not restricted to 'hot-list' but also include any information on the behavior of any person (even if 99.9% of data has nothing to do with criminal behavior), and relies on any PD to self-certify their intent without oversight or validation.

In addition the auditor's report states, "Because an agency can enter personal information and criminal justice information into its ALPR system, either as part of a hot list or as a comment added as part of a license plate search, all ALPR data are sensitive and require appropriate safeguards." ALPR technology also requires contractual and auditable guarantees, backed by indemnification, from the ALPR vendor for data protection and other safeguards.

In a report by the Independent Institute (a non-profit, non-partisan, public-policy research and educational organization) an estimate is quoted that 1 out of 10 ALPR reads is wrong. The report says: "Given the error rate of ALPR systems, mistakes and misidentifications are frequent. Since vehicle stops by law enforcement sometimes are based on ALPR "hits," mistakes are magnified ... ALPR-related stops generally are not routine traffic stops, whereby an officer might pull over a car and issue a warning or a citation for speeding. Because ALPRs are intended to be a part of a department's strategy of fighting car theft, kidnappings, and so on, the stops that ALPR hits trigger frequently are considered felony or high risk traffic stops. In these situations, standard police procedures direct officers to respond with "guns at the ready" because the presumption is that the officers are dealing with known or suspected felons who may be armed and dangerous ... This can lead to frightening circumstances for victims of ALPR errors ..." The report also lists examples of lamentable use, such as Virginia State Police officers using ALPRs to scan the license plates of vehicles going to rallies for Barack Obama, and an officer in Washington DC accessing a license plate database for extorting people whose vehicles were parked outside a gay nightclub. This Independent report continues "But police departments appear to have few, if any, standards concerning another agency's request; access usually is granted, no questions asked." Also, "In 2018, it was discovered that the Bay Area Rapid Transit (BART) system had shared information with NCRIC that was accessible to ICE, despite BART's internal sanctuary policies." And "The use of government power to surveil, threaten, and extort or otherwise punish people for holding certain political beliefs or engaging in other perfectly legal activities is a frightening prospect that has only been made easier and more enticing by ALPR technology."

"Recording and retaining the geolocation of a car's whereabouts, however, which ALPR data amounts to, pose serious constitutional questions. The government cannot track a person or vehicle with GPS without a warrant, an issue the Supreme Court affirmed unanimously in [United States v. Jones \(2012\)](#). Justice Sonia Sotomayor's concurrence stressed that the government may violate an individual's expectation of privacy with many forms of surveillance, even when there is no physical intrusion.

ALPR systems are, thus, legally questionable because, while they are not technically the same as a GPS device, ALPR records effectively substitute for GPS by consistently recording a vehicle's location at various points in time. As a vehicle travels about and

passes ALPRs, the ALPR system notes the place and time and effectively tracks the vehicle. Legal scholars have suggested that the practice falls under a Fourth Amendment legal doctrine called “mosaic theory.” The mosaic theory holds that even if collecting an individual data point on a person’s location is not unconstitutional per se, when “many data points are collected over time”, that surveillance amounts to a Fourth Amendment search, which would require a warrant.

In a landmark 2018 case that dealt directly with the 1983 Knotts decision, the US Supreme Court in [Carpenter v. United States](#) took a step going beyond merely prohibiting real-time tracking as it did in Jones. In Carpenter, the Court held that the government may not even use historical information from a cell phone tower to “retrace the steps” of a person without first obtaining a warrant. The Court [belabored](#) the point that “a person does not surrender all Fourth Amendment [privacy] protection by venturing into the public sphere.”

The full report is at <https://www.independent.org/publications/article.asp?id=14254>.

The degree of surveillance-creep, and providing more coercive capability to PDs who often use excessive force, requires serious public debate. A 7-page boilerplate sourced from Lexipol with lines added here-and-there by our police department, is not adequate. It does not address many of the issues of substance. I am concerned that Chief Averiett, who was welcomed into our community on a premise of less-coercive, more community-service-oriented policing, is moving so fast, so enthusiastically on a profoundly regressive proposal.

I urge you to read the California Auditor general's report at <https://www.auditor.ca.gov/pdfs/reports/2019-118.pdf>; it is now a few years old, but perhaps the misuse of ALPR, along with surveillance, has become more acute, not less.

Privacy is a fundamental human right. Council must affirm that. It is not yours to give away.

Sincerely,
Sandeepan Banerjee.
Los Altos, CA.



PUBLIC CORRESPONDENCE

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To send correspondence to the City Council, on matters listed on the agenda please email PublicComment@losaltosca.gov

From: [Los Altos Racial Equity](#)
To: [Public Comment](#)
Subject: PUBLIC COMMENT AGENDA ITEM 7 - 2/28/2023
Date: Tuesday, February 28, 2023 12:24:33 PM
Attachments: [LARE ALPR Analysis & Recommendation.pdf](#)

Dear Mayor, Vice-Mayor & Councilmembers,

LARE has been doing a lot of research into Automated License Plate Readers (ALPRs), and we are sharing with you the findings of our research and our position on the proposal before the City Council today for ALPRs.

We apologize for the lateness of this document - we did not intend to send it at the last minute and would have preferred to give you more time to digest the contents and ask any questions, but the proposal and goals of the system have changed significantly since the initial public meeting held by Chief Averiett, so we wanted to address the updated proposal accurately.

Thank you for your thorough review of this important matter.

Renee Rashid
President, Los Altos for Racial Equity

Automated License Plate Readers in Los Altos

Brian Jones and Renee Rashid, Los Altos for Racial Equity

The Issue

Flock Automated License Plate Readers (ALPRs) are being proposed in Los Altos. We want to make sure that the City Council is clear on what problem we want to solve by using ALPRs, whether ALPRs have been shown to be effective in solving that problem, how we measure its effectiveness, and whether the benefits in using ALPRs outweigh the cost.

What problem are we trying to solve?

Chief Averiett has proposed ALPRs to “increase our property crime solvability rates by 10%.” The California DoJ defines a “cleared crime” as one for which an arrest has been made, or the culprit identified but cannot be brought before a judge. As you can see from the graph below, this increase is modest, considering the fraction of crimes that go unsolved.

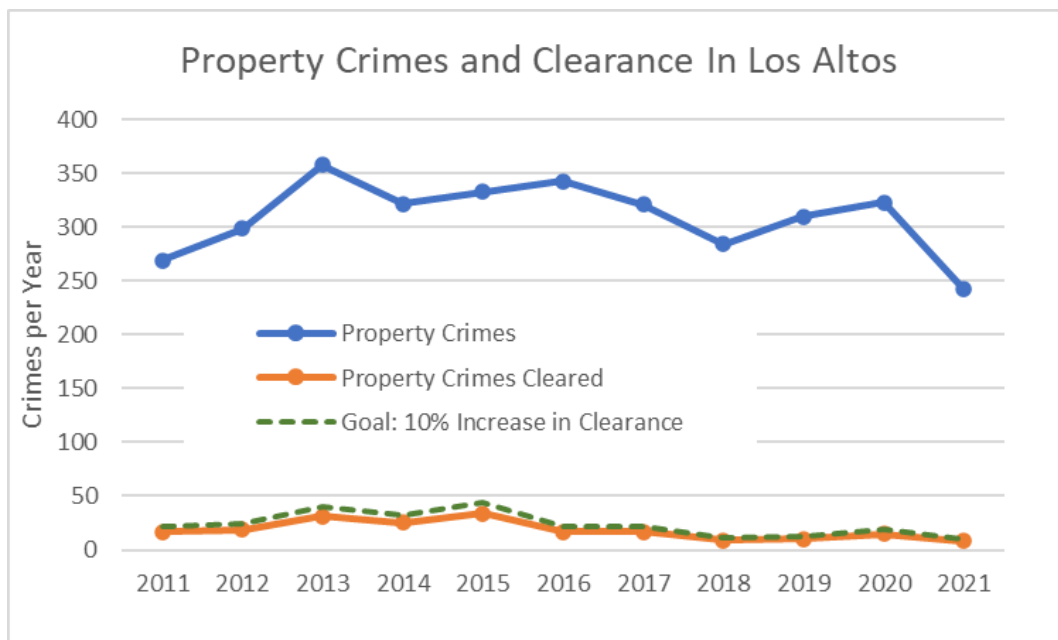


Figure 1: Property Crimes and Clearance in Los Altos. If “crime solvability” is interpreted as a 10% increase in the Los Altos clearance rate, the goal is shown above as the green dashed line. Data from California Department of Justice: <https://openjustice.doj.ca.gov/data>

Alternative goals have been proposed previously, including the reduction of property crime via the identification of stolen vehicles, or the reduction of property crime via a deterrence effect.

Conclusion: Increasing our clearance of property crimes is a good goal, but the 10% increase proposed is miniscule. Many cities have property crime clearance rates in the 10-20% range, while ours has been 4% over the last 6 years. Our goal should be to at least match the average city's clearance rate.

What is the proposed solution?

The Police Department would like to hire a private company called Flock to install and run ALPR cameras. The pilot would have up to 25 fixed cameras, placed around Los Altos.. Every car that passes by a camera would be photographed, and automatically placed into a database. The artificial intelligence system is supposed to identify the type of car, the color of the car, and whether it has roof racks or bumper stickers or other features. The system will only take pictures of the back of the car, so that the driver cannot be identified.

Once all of this information is stored, there are two ways the police can see it. The first is automatic. The Flock software would match detected license plates against "hotlists" such as the California list of stolen vehicles (SVS). If a license plate on any of those lists is seen by the Flock cameras, a "hit" occurs and an immediate notification goes to the police, so that they can send an officer.

The second way the police can see the data is by querying the database as they are investigating a crime. If the police know that a certain crime happened at a certain time, they can ask the database to tell them about all of the cars that drove by that location around that time. Or, they can search for a particular vehicle or license plate number. These searches are logged and can only be done with a reason typed in.

What is the monetary cost?

Each Flock camera costs \$2500/year. Our proposed system would be \$75,000/year plus a one-time setup cost. In addition, there would be a cost for police department staff time to operate the system. Los Altos Hills reported a cost of their 40-unit Flock system as \$110,000 in FY22-23, and an additional staffing cost of approximately \$114 000.

Conclusion: The ALPR system is expensive, so we may achieve better results in solving property crime cases by hiring a detective.

Do ALPRs increase solvability of property crimes?

There are conflicting results. One study that was done on ALPRs and vehicle theft in Arizona showed that ALPRs did help in returning stolen vehicles and led to more arrests[2], but made no difference in reducing vehicle theft. Another study on the efficacy of ALPRs showed lower vehicle theft after ALPRs, but only a weak correlation between vehicle recoveries and plate “hits”[3]. In both of these cases however, stolen vehicle recovery does not equate to case clearance.

In LAH, ALPRs did not clear a single residential burglary case.[Attachment 1]

We cannot rely on anecdotal data from various police departments that highlight examples of thieves caught for their crimes because there is also anecdotal data in the news that highlight examples of wrongful arrests, and situations with police drawing guns on innocent victims due to incorrect information from ALPRs.

Conclusion: Not enough data to support or refute that ALPRs increase clearance of property crimes.

Are ALPRs safe?

There are real concerns over personal privacy, data misuse, and data breaches. ALPRs have been used by police in illegal, biased, and questionable ways – to mine data and impose fines[30], spy on Muslim worshippers[31], track protesters[21][22], and share data with ICE[23][32]. There have also been large data breaches associated with ALPRs[33]. Most of these egregious occurrences have been with the Vigilant ALPR system; Flock has much better policies around data retention and data sharing, but strict local policies should be instituted as company policies could change at any time.

The other factor to consider for ALPR safety is their error rate. Flock safety touts a 93% read accuracy rate, but in the field, studies show much lower accuracy with the hotlists. A study in The Police Chief magazine found that 37% of fixed-position ALPR hits were erroneous.¹² Errors can happen in several ways. The system can misread a license plate, mistaking a 7 for a 2, for example.¹³ Or the system can read the plate correctly, but the hotlist can contain erroneous information; for example, a rental car was automatically reported stolen when it was returned late, and the license number was never cleared from the stolen vehicle list. We

don't have good data on how that 37% error rate breaks down between these kinds of errors. But it is these errors that can lead to life-threatening encounters of innocent civilians with the police and result in significant litigation[16][17][18]. Therefore, good policies to manually verify license plate numbers and handle ALPR hits as prone to error are crucial.

Conclusion: ALPRs have extremely high error rates in the field, which can make them ineffective as a policing tool. Strict policies on ALPR usage are critical to ensure privacy and safety for the community.

What are surrounding communities doing?

Los Altos Hills has had a Flock ALPR system of 40 cameras since April, 2021. Their ALPR system was renewed in 2022, and again in 2023. They fall under the Santa Clara County Sheriff's Office (SCCSO), and do not share data with any other agencies. On Feb. 16, 2023, the LAH City Council looked at a 1-year review of data from their ALPR system. Some key highlights are included in Attachment 1, but the full report can be found in the Feb. 16 Agenda Packet: <https://losaltoshillsca.portal.civicclerk.com/event/2742/files>

Saratoga had 7 Flock cameras installed in August 2022. They also fall under SCCSO, and do not share data with any other agencies.

Mountain View is investigating ALPRs, but don't have any proposal yet according to a call with their PD.

Palo Alto has had a single ALPR mounted on a patrol car for the past 10 years. They will be putting forth a proposal to their City Council on April 3rd for about 20 fixed ALPRs. They are a bit vague in their goals, but feel it would be a deterrence to crime in general and allow for better investigation after crimes have occurred.

Sunnyvale does not have any fixed ALPRs, although they have some on newer PD vehicles.

There is a private Flock system that has been in operation in Los Altos with 2 cameras for the past 8 months. This has cleared 0 cases so far.

Conclusion: Contrary to Flock's claim, some surrounding communities still are not using ALPRs. LAH, which had the highest number of Flocks, has had 0 burglary cases cleared by ALPRs. Mountain View does not have ALPRs, but was not listed in the staff report as one of the three cities in Santa Clara who do not have them.

What is LARE's position on ALPRs?

LARE does not support the proposed 1 year trial of 20 Flock ALPR cameras. We do not have any data that shows that ALPRs are an effective tool for property crime clearance. The system and its operation will be expensive, and it does not seem prudent to spend so much money on unproven systems – especially when there are clear priorities, like mental health responders and criminal analysts, that are currently unfunded.

Beyond these fundamental concerns, there are a number of concerning practical matters. The original plan presented to the public was for only 10 ALPR cameras and a cost of \$25,000. This change has tripled the cost and doubled the surveillance without public input, and we find this extremely worrisome.

In addition, the endorsement letter provided by Chief McCully of Atherton PD does not have a single data point, and instead gives vague reassurances of ALPR effectiveness. We would like to see the metrics that were used to measure the effectiveness of ALPRs in Atherton.

Lastly, the proposed ALPR policy changes are different from what was originally proposed in several areas, and do not add any 3rd party oversight.

- We were only supposed to subscribe to the Stolen Vehicle System (SVS), Amber Alert and Silver Alert hotlists. As written in the policy, the hotlists are at the discretion of the ALPR administrator. This is not acceptable. City Council should have final say on which hotlists we are subscribed to.
- ALPR data should only be stored for 30 days unless it is part of an ongoing investigation or required by law. This should apply to downloaded data as well. The proposed policy states that downloaded data can be stored for up to 1 year.
- The Lexipol-created ALPR policy leaves too many loopholes through the use of “exigent circumstances” or “when practicable” that render specific policy points unenforceable.
- A 3rd party Independent Police Auditor (IPA) should conduct a yearly ALPR audit, by taking a sampling of the search data, downloaded data, and privacy procedures to verify adherence to policy and prevent misuse. This would free up the PD's valuable time. There are some PDs already utilizing IPAs for ALPR audits, including Menlo Park, Shakopee (MN), and Austin (TX). There are many PDs utilizing IPAs for general purpose police audits, including Palo Alto.

Conclusion: We do not feel that the benefits of this ALPR proposal outweigh the costs – both fiscal and civil liberties – hence we can not support it.

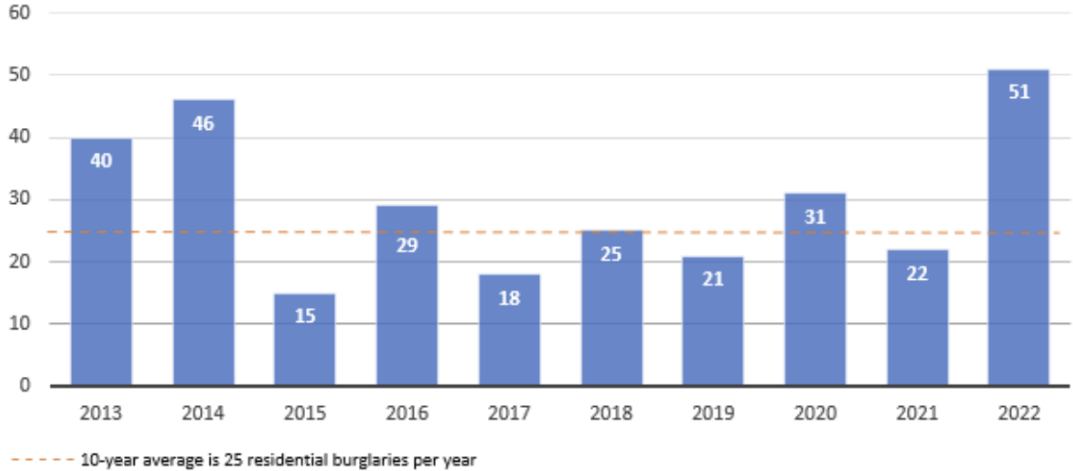
Endnotes

1. See, for example, Morgan Hill Transparency Portal, <https://transparency.flocksafety.com/morgan-hill-ca-pd>, where as of January 19, 2023, 422,619 vehicles detected lead to 3,950 hits.
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3. Study of efficacy of ALPRs https://www.independent.org/pdf/research_articles/2021_11_30_alpr.pdf
4. "Automatic License Plate Readers: Legal Status and Policy Recommendations for Law Enforcement Use," Ángel Díaz and Rachel Levinson-Waldman, Brennan Center, September 10, 2020. <https://www.brennancenter.org/our-work/research-reports/automatic-license-plate-readers-legal-status-and-policy-recommendations>
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6. NYU School of Law Policing Project, "10 Questions to Ask Your Law Enforcement Agency about ALPRs", February 7, 2020. <https://www.policingproject.org/news-main/2020/2/7/10-questions-to-ask-your-law-enforcement-agency-about-alprs>
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17. "Cops Terrorize Black Family but Blame License Plate Reader for Misidentifying 'Stolen' Vehicle," Matt Novak, Gizmodo, August 4, 2020. <https://gizmodo.com/cops-terrorize-black-family-but-blame-license-plate-reader-1844602731>

18. "San Francisco – Paying the Price for Surveillance without Safeguards," <https://www.aclunc.org/blog/san-francisco-paying-price-surveillance-without-safeguards>
19. "Automatic License Plate Readers: Legal Status and Policy Recommendations for Law Enforcement Use," Ángel Díaz and Rachel Levinson-Waldman, Brennan Center, September 10, 2020. <https://www.brennancenter.org/our-work/research-reports/automatic-license-plate-readers-legal-status-and-policy-recommendations>
21. *Ibid* Brennan Center, and references therein
22. Electronic Freedom Foundation, "Automated License Plate Readers," <https://www.eff.org/pages/automated-license-plate-readers-alpr>
23. Vasudha Talla, "Documents Reveal ICE Using Driver Location Data From Local Police for Deportations," March 13, 2019. <https://www.aclu.org/news/immigrants-rights/documents-reveal-ice-using-driver-location-data>
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29. LARE conversation with Chief Avierett, January 10, 2023
30. Data Mining & Debt collection through ALPRs <https://austincountynewsonline.com/no-cost-license-plate-readers-are-turning-texas-police-into-mobile-debt-collectors-and-data-miners/>
31. ALPRs used to surveil mosque worshippers by NYPD <https://www.ap.org/ap-in-the-news/2012/with-cameras-informants-nypd-eyed-mosques>
32. Data shared with ICE <https://www.theverge.com/2018/3/1/17067188/ice-license-plate-data-california-vigilant-solutions-alpr-sanctuary>
33. Data breaches <https://techcrunch.com/2019/01/22/police-alpr-license-plate-readers-accessible-internet/?mod=ajemCybersecurityPro&tpl=cy>
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Attachment 1: Los Altos Hills ALPR Data

Residential Burglaries in LAH



A summary of the data is seen below:

- 10,842,497 plates scanned by the cameras
- 2,018 plate hits where the Sheriff’s Office was notified
- 6,437 searches conducted by the Sheriff’s Office related to an active case
- 5 cases where the ALPR system resulted in solving open cases*
- 7 arrests were made in relation to the ALPR system*
- 10 wanted vehicles/plates located



*Staff would like to note that 0 (zero) residential burglary cases were solved by to the ALPR system. The cases/arrests in the list above include stolen vehicles, finding missing persons, and solving other crimes. A full list of major incidents utilizing the ALPR system can be seen in Attachment 6

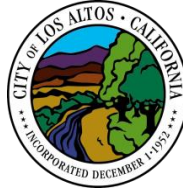
Section 4.0: Data Collection Statistics				
a. Number of license plates scanned by the system over 30 days	3/2/2022	Info	977,018 plate scans (as of 3/2/2022 @ 1450 LAH time)	N.A.
b. Number of license plates for which the Sheriff received hotlist hits over 30 days	3/2/2022	Info	254 hits as of 3/2/22 @ 1311 (LAH Time).	N.A.
c. Number of hotlist hits received (by category: stolen, felony warrant, etc.)	3/2/2022	Info	Lost/Stolen Plate: 249 Stolen Vehicle: 4 Felony Vehicle: 1 Amber Alert/Missing Child: 0 Of those, 2 stolen vehicles and 1 felony vehicle were plate misreads for an actual total of 2 stolen vehicle hits and 0 felony vehicle hits. In addition, 196 license plates of the total (254) were duplicate "hits" meaning that the plate received more than one "hit." In actually, 58 plates received "hit" notifications which means that 23% of all the "hits" were unique one time only "hits" and 77% were duplicate hits.	N.A.
d. How many vehicles were apprehended as a result of the Flock system?	3/2/2022	Info	2 vehicles (4 arrests).	N.A.
e. How many investigations Flock was involved in providing helpful and leading details?	3/2/2022	Info	34 investigations.	N.A.

f. Has the system resulted in the solving of any cases or the apprehension of any stolen vehicles?	3/2/2022	Info	2 cases resulting in 4 arrests: 1 - Stolen vehicle & mail theft (2) subjects arrested. 1 - carjacking & robbery. (2) subjects arrested.	N.A.
g. Is there a reduction in the number of crimes in Town by any measurable quantity?	3/2/2022	Info	Sample size (30 days) to small to see results. However, two suspects arrested in a stolen vehicle and with several pieces of mail from Town residents would have continued their crime spree in Town if not apprehended.	N.A.
h. How much additional time have deputies spend tracking, researching or managing the system?	3/2/2022	Info	112+ hours spent managing system by Sheriff Admin Staff between Feb 1 and Mar 2, 2022. This time does not include time spent by deputies training, using, or investigating crimes within the system. Nor does it include hours associated to our dispatch employees (different organization).	N.A.

From: [Bill Hough](#)
To: [Public Comment](#); [City Council](#)
Subject: Public comment on agenda item #7 on 2/28/2023 agenda
Date: Monday, February 27, 2023 6:38:34 PM

I oppose spending \$75,000 on Automated License Plate Readers due to privacy issues. Although you allege that the policy for these cameras is very specific on their use and lays out specific uses that are banned, There is no reason to believe that you are telling the truth.

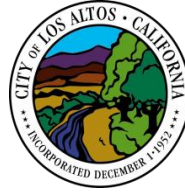
Bill Hough
Skeptical taxpayer



City of Los Altos 2023 Tentative Council Agenda Calendar

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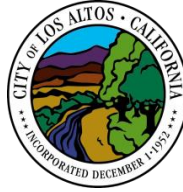
Date	Agenda Item (Date identified by Council)	Agenda Section (Consent, Discussion Item - note in red if Public Hearing)	Dept/ Date of request to add.
March 14, 2023	REGULAR COUNCIL MEETING		
	Downtown Theater Study Update	Discussion	Outside Group
	Treasury Report	Consent	June
	Code Enforcement (Leaf Blower) Enforcement	Discussion	Nick, Chief, Aida
	Award the sewer system repair program project	Consent	Aida
	Adoption Housing Element Implementing Ordinance	Consent	Nick
	Assembly Bill 1276 – Single-Use Foodware Accessories and Condiments Ordinance	Public Hearing	Aida
	Investment Policy	Consent	June
	Quarterly Investment Report	Consent	June
	FY 22 Audit	Consent	June
March 28, 2023	Study Session - Halsey House update	Info	Aida
March 28, 2023	REGULAR COUNCIL MEETING		
	Reach Codes; 1 st reading - ???	Public Hearing	Nick
	Military Equipment Use Report	Discission	Katie/ Angela
Assembly Bill AB 1276 – Adoption of the Single-Use Foodware Accessories and Condiments Ordinance	Public Hearing	Aida	



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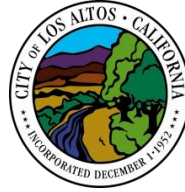
Date	Agenda Item (Date identified by Council)	Agenda Section (Consent, Discussion Item - note in red if Public Hearing)	Dept.
	Treasury Report	Consent	June
	SCVURPPP MOA (Fourth Amendment)	Consent	Aida
	Sewer Master Plans	Info	Aida
	Accept SVCE Grant	Consent	Aida
	Noise Ordinance	Discussion	Council
	Restriction of Firearms on Public Property (JW/NF/AE 7/12)	Discussion	Angela
	Outdoor dining program	Discussion	Anthony
	Future Agenda Item Policy Update	Discussion	Anthony
	Housing Element Annual progress report	Consent	Nick
April 11, 2023	REGULAR COUNCIL MEETING		
	Storm Water Master Plan	Info	Aida
	Reach Codes; 2 nd reading and adoption - ???	Public Hearing	Nick
	Housing Element Implementation ordinance; Program 4C-F	Public Hearings	Nick
April 25, 2023	REGULAR COUNCIL MEETING		
	Treasury Report	Consent	June
May 9, 2023	REGULAR COUNCIL MEETING		
	3rd Quarter Report		
May 23, 2023	REGULAR COUNCIL MEETING		
	Treasury Report	Consent	June
June 13, 2023	REGULAR COUNCIL MEETING		



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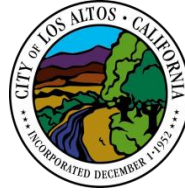
Date	Agenda Item (Date identified by Council)	Agenda Section (Consent, Discussion Item - note in red if Public Hearing)	Dept.
	Adopt Resolution No. 2022-XX approving the Report of Sewer Service Charges and directing the Filing of Charges for Collection by the Tax Collector	2 Printed Public Hearing - - not less than 10 days - published once a week for two consecutive weeks 5/11/2022 & 5/18/2022	
	Adopt 2024 Budget	Public Hearing	June
June 27, 2023	REGULAR COUNCIL MEETING		
	Treasury Report	Consent	June
	Adopt 2024 Budget	Consent	June
July 11, 2023	REGULAR COUNCIL MEETING		
August 22, 2023	REGULAR COUNCIL MEETING		
	Treasury Report	Consent	June
September 12, 2023	REGULAR COUNCIL MEETING		
September 26, 2023	REGULAR COUNCIL MEETING		
	Year End tentative report – September (if needed)		



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Date	Agenda Item (Date identified by Council)	Agenda Section (Consent, Discussion Item - note in red if Public Hearing)	Dept.
	Treasury Report	Consent	June
October 10, 2023	REGULAR COUNCIL MEETING		
October 24, 2023	REGULAR COUNCIL MEETING		
	Treasury Report	Consent	June
November 14, 2023	REGULAR COUNCIL MEETING		
	1st Quarter report FY 2021/2022		
November 28, 2023	REGULAR COUNCIL MEETING		
	Treasury Report	Consent	June
December 5, 2023	Council Reorganization		
December 12, 2023	REGULAR COUNCIL MEETING		
	(ACFR) and Year End – 1st meeting December		



City of Los Altos Tentative Council Agenda Calendar

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Date	Agenda Item (Date identified by Council)	Agenda Section (Consent, Discussion Item - note in red if Public Hearing)	Dept.
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Future Agenda Topics To Be Scheduled....

May is Bike Month	Special Item	Mayor
Comprehensive multi-modal traffic study (analysis of recent projects projected parking, trip generation, & traffic impacts to actuals; ECR impacts should include adjacent streets) – Jim		ES
PCI Report – Jim		
MWENDO – Council (with Env Commission)		
Dark Skies Ordinance (LLE/JW/NF/ 2/21/2023)		
Update to personnel rules– HR	Consent	HR
Cities Association JPA – Council	Discussion	Angel
Acceptance of the CCTV Video Inspection; Project WW01011	Consent	Aida
Flag Policy Pilot, 2 nd Nov Meeting 2023	Discussion	Council
City Council Norms and Procedures	Discussion	
SVCE Electrification Grant	Consent	Aida
Bicycle parking ratio ordinance (HEU)	Discussion	Nick
Acceptance of the Council Chamber AV project	Consent	Aida
City wide parking analysis – (HEU)	Study Session	Nick
Design Contract for S 1 st Street scape	Consent	Jim



AGENDA REPORT SUMMARY

Meeting Date: March 28, 2023

Subject: Neighborhood Safety and Infrastructure Subcommittee

Prepared by: Gabriel Engeland, City Manager

Attachment(s):
N/A

Initiated by:
City Council

Previous Council Consideration:
February 22, 2022, March 08, 2022, February 21, 2023

Fiscal Impact:
If approved, up to \$50,000 will be allocated from the City’s General Fund, and a budget adjustment of \$50,000 will be included in the current Fiscal Year budget.

The \$50,000 would be used to initially engage with a Municipal Advisor (final fee is contingent on work performed upon City direction), Bond Counsel (final fee is contingent on work performed upon City direction) Communications and municipal outreach Consultant, and a public opinion research Company. Additional outreach funds may be needed later in the fiscal year.

Environmental Review:
N/A

Background:
At the City Council retreat on February 21, 2023, the City Council was asked if it would authorize a subcommittee, consisting of Mayor Meadows and Vice Mayor Weinberg, to investigate community service priorities, including interest in increased neighborhood and public safety, and potential safety infrastructure projects and funding mechanisms. The City Council unanimously authorized the subcommittee.

The City would need to continue engagements with a Municipal Advisor, Bond Counsel, Communications and Municipal Outreach Consultant, and re-engage with the City’s long-time public option research professional company. Based on the direction of the City Council, each of these engagements has been authorized by the City Manager.

Reviewed By:

City Manager

City Attorney

Finance Director

GE

JH

JD



Subject: Neighborhood Safety and Infrastructure Subcommittee

Outreach to Los Altos residents will begin in March/April of 2023, including focused online, telephonic and mail outreach to residents. The results will be made publicly available and a recommendation to the Council on community interest and potential policy solutions will be presented, potentially at a study session or Council meeting in the second quarter of this year.

Staff Recommendation:

This report is for information only.