



**TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
AUGUST 15, 2023
110 EAST MAIN STREET AND TELECONFERENCE
TOWN COUNCIL CHAMBERS
LOS GATOS, CA
7:00 PM**

PARTICIPATION IN THE PUBLIC PROCESS

*Maria Ristow, Mayor
Mary Badame, Vice Mayor
Matthew Hudes, Council Member
Rob Moore, Council Member
Rob Rennie, Council Member*

How to participate: The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you wish to speak to an item on the agenda, please follow the participation instructions on page 2 of this agenda. If you wish to speak to an item NOT on the agenda, you may do so during the “Verbal Communications” period, by following the participation instructions on page 2 of this agenda. The time allocated to speakers may change to better facilitate the Town Council meeting.

Effective Proceedings: The purpose of the Town Council meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Town of Los Gatos asks that you follow the Town’s meeting guidelines while attending Town Council meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and in the Town Code. Disruptive conduct is not tolerated, including but not limited to: addressing the Town Council without first being recognized; interrupting speakers, Town Council or Town staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

Deadlines for Public Comment and Presentations are as follows:

- Persons wishing to make an audio/visual presentation on any agenda item must submit the presentation electronically, either in person or via email, to the Clerk’s Office no later than 3:00 p.m. on the day of the Council meeting.
- Persons wishing to submit written comments to be included in the materials provided to Town Council must provide the comments as follows:
 - For inclusion in the regular packet: by 11:00 a.m. the Thursday before the Council meeting
 - For inclusion in any Addendum: by 11:00 a.m. the Monday before the Council meeting
 - For inclusion in any Desk Item: by 11:00 a.m. on the day of the Council Meeting

Town Council Meetings Broadcast Live on KCAT, Channel 15 (on Comcast) on the 1st and 3rd Tuesdays at 7:00 p.m.

Rebroadcast of Town Council Meetings on the 2nd and 4th Tuesdays at 7:00 p.m.

Live & Archived Council Meetings can be viewed by going to:

www.LosGatosCA.gov/TownYouTube

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CLERK DEPARTMENT AT (408) 354-6834. NOTIFICATION 48 HOURS BEFORE THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28 CFR §35.102-35.104]

**TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
AUGUST 15, 2023
110 EAST MAIN STREET AND TELECONFERENCE
TOWN COUNCIL CHAMBERS
7:00 PM**

IMPORTANT NOTICE

This is a hybrid meeting and will be held in-person at the Town Council Chambers at 110 E. Main Street and virtually through the Zoom webinar application (log-in information provided below). Members of the public may provide public comments for agenda items in-person or virtually through the Zoom webinar by following the instructions listed below. The live stream of the meeting may be viewed on television and/or online at www.LosGatosCA.gov/TownYouTube.

This meeting will be teleconferenced pursuant to Government Code Section 54953(b)(3). Council Member Rob Rennie will be participating from a teleconference location at 16879 Prospect Avenue, Thousand Island Park, New York, 13693. The teleconference location shall be accessible to the public and the agenda will be posted at the teleconference locations 72 hours before the meeting.

PARTICIPATION

To provide oral comments in real-time during the meeting:

- Zoom webinar: Join from a PC, Mac, iPad, iPhone or Android device: Please click this URL to join: <https://losgatosca-gov.zoom.us/j/85379428243?pwd=b3QzdklOUXRxaG5XQ2dSN3c0U0NLdz09> Passcode: 192366 You can also type in 85379428243 in the “Join a Meeting” page on the Zoom website at <https://zoom.us/join>
 - When the Mayor announces the item for which you wish to speak, click the “raise hand” feature in Zoom. If you are participating by phone on the Zoom app, press *9 on your telephone keypad to raise your hand.
- Join by telephone: Join by Telephone: Dial: USA 877 336 1839 US Toll-free or 636 651 0008 US Toll. Conference code: 686100
If you are participating by calling in, press #2 on your telephone keypad to raise your hand.
- In-Person: If you wish to speak during the meeting, please complete a “speaker’s card” located on the back of the chamber benches and return it to the Town Clerk. If you wish to speak to an item on the agenda, please list the item number. If you wish to speak on an item NOT on the agenda, please list the subject and you may speak during the “Verbal Communications” period. The time allocated to speakers may change to better facilitate the Town Council meeting.

When called to speak, you may be asked to provide your full name and your town/city of residence. This identifying information is optional and not a requirement for participation. Please limit your comments to three (3) minutes, or such other time as the Mayor may decide, consistent with the time limit for speakers at a Council meeting. If you wish to speak to an item

or items on the Consent Calendar, please state which item number(s) you are commenting on at the beginning of your time.

If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #__" (insert the item number relevant to your comment) or "Verbal Communications – Non-Agenda Item." Comments received by 11:00 a.m. the day of the meeting will be reviewed and distributed before the meeting. All comments received will become part of the record.

MEETING CALL TO ORDER

ROLL CALL

APPROVE REMOTE PARTICIPATION *(This item is listed on the agenda in the event there is an emergency circumstance requiring a Council Member to participate remotely under AB 2449 (Government Code 54953)).*

RULES OF DECORUM AND CIVILITY

To conduct the business of the community in an effective and efficient manner, please follow the meeting guidelines set forth in the Town Code and State law.

The Town does not tolerate disruptive conduct, which includes but is not limited to:

- Addressing the Town Council Meeting without first being recognized;
- Interrupting speakers, Town Council Meeting, or Town staff;
- Continuing to speak after the allotted time has expired;
- Failing to relinquish the microphone when directed to do so;
- Repetitiously addressing the same subject.

Town Policy does not allow speakers to cede their commenting time to another speaker. Disruption of the meeting may result in a violation of Penal Code Section 403.

PLEDGE OF ALLEGIANCE

COUNCIL / MANAGER MATTERS

CONSENT ITEMS *(Items appearing on the Consent Items are considered routine Town business and may be approved by one motion. Any member of the Council may request to have an item removed from the Consent Items for comment and action. Members of the public may provide input on any or multiple Consent Item(s) when the Mayor asks for public comments on the Consent Items. If you wish to comment, please follow the Participation Instructions contained on Page 2 of this agenda. If an item is removed, the Mayor has the sole discretion to determine when the item will be heard.)*

1. Approve Closed Session Council Meeting Minutes of August 1, 2023.
2. Approve Council Meeting Minutes of August 1, 2023.
3. Adopt a Resolution to Extend the Term of the Housing Element Advisory Board.

4. Authorize the Town Manager to Execute the Third Amendment to the Consulting Services Agreement with ActiveWayz Engineering for Additional Engineering Services in an Amount of \$80,224, Resulting in a Total Agreement Amount Not to Exceed \$276,933, for the Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218).
5. Consider the Following Actions Regarding the Howes Play Lot Structure:
 - a. Authorize the Town Manager to Execute a Purchase and Service Agreement with Ross Recreation Equipment to Replace Play Structure Equipment in an Amount of \$115,884 Plus Five Percent for Unforeseen Repairs for a Total Agreement Amount not to Exceed \$121,678; and
 - b. Authorize an Expenditure Budget Adjustment in an Amount of \$121,678 From Available General Fund Special/Capital Projects Reserve.
6. Adopt a Resolution Granting an Appeal of a Planning Commission Decision to Approve a Fence Height Exception Request for Construction of an Automated Vehicular Gate Exceeding the Maximum Height and with Reduced Setbacks on Property Zoned R-1:8. **Located at 380 Blackwell Drive.** APN 424-12-027. Categorically Exempt Pursuant to CEQA Guidelines Section 15303 (e): New Construction or Conversion of Small Structures. Fence Height Exception Application FHE-23-002. PROPERTY OWNER: Larry Cesnik and Martha Johnson. APPELLANT: Larry Cesnik. APPLICANT: Ramin Zohoor. PROJECT PLANNER: Sean Mullin.
7. Adopt an Ordinance Titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Section 18.30.040, 'Penalties for Violations,' of Division 1, Article III, of Chapter 18 of the Town Code, 'Social Host Ordinance'."
8. Authorize the Town Manager to Execute the First Amendment to the Consulting Services Agreement with Nichols Consulting Engineers for Additional Engineering Services in an Amount of \$42,500, Resulting in a Total Agreement Amount Not to Exceed \$486,900, and an Extension of Time for the Shannon Road Repair Project (CIP No. 811-0008).
9. Receive Monthly Financial and Investment Reports (April Amended, May, and June 2023).

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda. To ensure all agenda items are heard and unless additional time is authorized by the Mayor, this portion of the agenda is limited to 30 minutes and no more than three (3) minutes per speaker. In the event additional speakers were not able to be heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment.)*

OTHER BUSINESS *(Up to three minutes may be allotted to each speaker on any of the following items.)*

10. Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to Waive the 180-Day Retiree Rehire Wait Period and to Appoint Sean Rose as the Temporary Capital Projects Manager in the Parks and Public Works Department.
11. Review the Library Board Work Plan for Calendar Year 2023.
12. a. Receive the Information Provided in the Police Services Report: January – June 2023;

and

- b. Approve the Technical Sharing of Information Obtained from the Town's Automated License Plate Reader (ALPR) Technology and Information Captured by the Flock Safety Technology with Other Law Enforcement Agencies in Santa Clara County.

13. Receive an Update on American Rescue Plan Act (ARPA) Public Safety Expenses and General Fund Council Priorities – Economic Recovery Reserve Tracking and Provide Direction for the Use of the Remaining Funds in this Reserve.

14. Receive the Report on Downtown Paid Parking Program Models and Consider the Following Actions:

- a. Direct Staff to Return to Council with an Updated Fee Resolution to:
 - i. Increase the Rates Effective January 1, 2024 for Residential Permit Parking to \$52 per Year for Vehicle One, and \$72, \$92, and \$112 for Vehicles Two, Three, and Four, Respectively;
 - ii. Set Rates for Residential Permits in the Olive Zone to Match Rates for the Town's Other Residential Parking Zones Effective January 1, 2024; and
 - iii. Eliminate the Annual Fee for Employee Parking in the Olive Zone Effective January 1, 2024;
- b. Provide Direction to Staff Regarding the Establishment of Residential Permit Rates for Low Income Residents Defined as Households with Income of Less than 80% of Area Median Income;
- c. Provide Direction to Staff Regarding the Two Free Visitor Passes that are Available to Each Household in the Residential Permit Parking Areas; and
- d. Provide Feedback and/or Direction on the Paid Parking Program Options, Pricing Models, Service Delivery Scenarios, and Staffing Alternatives Required to Support a Functioning and Effective Downtown Paid Parking Program.

15. Receive and Discuss a Status Update on the 2023-2031 Housing Element Process.

ADJOURNMENT *(Council policy is to adjourn no later than midnight unless a majority of Council votes for an extension of time).*

Writings related to an item on the Town Council meeting agenda distributed to members of the Council within 72 hours of the meeting are available for public inspection at the front desk of the Los Gatos Town Library, located at 100 Villa Avenue, and are also available for review on the official Town of Los Gatos website. Copies of desk items distributed to members of the Council at the meeting are available for review in the Town Council Chambers.

Note: In accordance with Code of Civil Procedure §1094.6; litigation challenging a quasi-adjudicatory decision of the Town Council must be brought within 90 days after the decision is final unless a shorter time is required by State or Federal law.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 1

**DRAFT
Minutes of the Town Council Special Meeting - Closed Session
Monday, August 1, 2023**

The Town Council of the Town of Los Gatos conducted a Special Meeting on Tuesday, August 1, 2023, to hold a Closed Session at 5:00 p.m.

MEETING CALLED TO ORDER AT 5:00 P.M.

ROLL CALL

Present: Mayor Maria Ristow, Vice Mayor Mary Badame, Council Member Matthew Hudes, Council Member Rob Moore, Council Member Rob Rennie.

Absent: None

VERBAL COMMUNICATIONS

None.

THE TOWN MOVED TO CLOSED SESSION ON THE FOLLOWING ITEM:

1. Conference with Legal Counsel - Anticipated Litigation (Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(3): One case.

Council Member Moore recused for a portion of the discussion.

2. Conference with Labor Negotiator (Government Code §54957.6)
To meet with Town Negotiators listed below in closed session pursuant to Government Code §54957.6 regarding negotiations with the Employee Organizations listed below:
Town Negotiators:
Lisa Charbonneau, Liebert Cassidy Whitmore
Katy Nomura, Assistant Town Manager
Salina Flores, Human Resources Director
Employee Organizations:
Town Employees Association (TEA)
Police Officers' Association (POA)

The Town Council reconvened in open session. The Town Attorney stated there was no reportable action under the Brown Act.

PAGE 2 OF 2

SUBJECT: Draft Minutes of the Town Council Special Meeting of Tuesday August 1, 2023

DATE: August 7, 2023

ADJOURNMENT

Closed Session adjourned at 6:35 p.m.

Attest:

Submitted by:

Jenna De Long, Deputy Clerk

Laurel Prevetti, Town Manager



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 2

**DRAFT
Minutes of the Town Council Meeting
Tuesday, August 1, 2023**

The Town Council of the Town of Los Gatos conducted a regular meeting in person and utilizing teleconferencing means on Tuesday, August 1, 2023, at 7:00 p.m.

MEETING CALLED TO ORDER AT 7:01 P.M.

ROLL CALL

Present: Mayor Maria Ristow, Vice Mayor Mary Badame, Council Member Matthew Hudes, Council Member Rob Moore, Council Member Rob Rennie.

Absent: None

PLEDGE OF ALLEGIANCE

Nika Spitzer led the Pledge of Allegiance. The audience was invited to participate.

PRESENTATIONS

Mayor Ristow accepted a ceremonial check on behalf of the Town, issued by the Friends of Los Gatos Library.

CLOSED SESSION REPORT

Gabrielle Whelan, Town Attorney, stated the Council met in closed session to discuss one item of anticipated litigation and labor negotiations pursuant to Government Code Sections 54956.9 and 54957.6, and there was no reportable action.

COUNCIL/TOWN MANAGER REPORTS

Council Matters

- Council Member Moore stated he attended the Drag Queen Story Time, the announcement of a historic investment into the Los Gatos-Saratoga Recreation 55+ Program secured by Assembly Member Gail Pellerin, a Ribbon Cutting for the Sutter Health Los Gatos campus, and a Recognition Luncheon of West Valley Sanitation Employees.
- Vice Mayor Badame stated she attended Symphony in the Park, and Music in the Park; met with Tom Picraux regarding senior activities; and met with community members regarding beach traffic, SB 330, and the Town's Housing Element.
- Council Member Rennie stated he attended a few Silicon Valley Clean Energy Authority meetings including the Risk Oversight Committee and a Ribbon Cutting of the Sutter Health Los Gatos campus; met with Gail Pellerin regarding the investment into the Los Gatos-Saratoga Recreation 55+ Program; and attended the Los Gatos-Saratoga Recreation Senior Luncheon.

- Council Member Hudes stated he met with Summerhill regarding the development of the Los Gatos Lodge; met with the Foundation for Seniors; attended the Seniors of Distinction Awards Ceremony, two committees of the Foundation for Seniors, Eden Affordable Housing's Celebration, and Symphony in the Park.

Council Member Hudes requested the Town's Housing Element to be placed on an agenda in August. Vice Mayor Badame seconded the request. The Mayor agreed to work with the Town Manager to place the item on the earliest possible agenda.

- Mayor Ristow stated she attended the Terrace's Seniors of Distinction Awards Ceremony; Los Gatos-Monte Sereno Police Department National Night Out at the Walker neighborhood, West Valley Mayors and Managers Meeting, Ribbon Cutting of Walnut Grove, and Symphony in the Park; and met with residents regarding the Housing Element, SB 330, and beach traffic.

Manager Matters

- Announced Summer Library Programs are underway.
- Announced the progress of the Town's Housing Element, including the rezonings of the Housing Element sites is scheduled to be heard by the Planning Commission on August 23.
- Announced beach traffic mitigations efforts are continuing, and more information can be found on the Town website.
- Announced a Joint Meeting with the Town Council and the Planning Commission will be held will be held on September 12, 2023 to discuss SB 330 and related laws.
- Announced Music in the Park will continue through August 27, 2023, and invited all to attend.

CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)

1. Approve Minutes of the June 13, 2023 Town Council Retreat.
2. Approve Minutes of the June 20, 2023 Closed Session Town Council Meeting.
3. Approve Minutes of the June 20, 2023 Study Session of the Town Council.
4. Approve Minutes of the June 20, 2023 Town Council Meeting.
5. Appoint Mayor Maria Ristow as the Town's Voting Delegate and Council Member Rob Moore as the Town's Alternate Voting Delegate for the League of California Cities Annual Conference Scheduled for September 20-22, 2023 in Sacramento.
6. Adopt an Ordinance Titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 18, Article VII, 'Weapons,' of the Town Code to Update the Town's Concealed Carry Firearm Licensing Ordinance and Prohibit the Carry of Firearms in Sensitive Places." **ORDINANCE 2341**
7. Adopt an Ordinance Titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, 'Zoning Regulations,' of the Town Code Regarding Land Use and Economic Recovery Amendments Related to Personal Service Businesses, Bars, Tap/Tasting

Rooms, Specialty Food Retail, Banks, Financial and Investment Services, Office Activities, Formula Retail, Group Classes, Veterinarians, and Definitions.” **ORDINANCE 2342**

8. Approve the Modification to Town Council Policy 2-17: Solicitation and Donation Policy as Recommended by the Policy Committee. **POLICY 2-17**
9. Authorize the Construction of the Los Gatos Creek Trail to Highway 9 Trailhead Connector Project (CIP No. 832-4505), Federal Project No. CML-5067(021), by taking the following actions:
 - a. Reject the bid from AB Construction Company received on April 6, 2023 for Construction of the Los Gatos Creek Trail to Highway 9 Trailhead Connector Project; and
 - b. Authorize the Town Manager to Execute a Construction Agreement with Granite Construction in the Amount of \$6,529,395.78 with a 10% Construction Contingency in the Amount of \$652,939.58 for a Total Contract Amount Not to Exceed \$7,182,335.36 for Construction of the Los Gatos Creek Trail to Highway 9 Trailhead Connector Project; and
 - c. Authorize Staff to Execute Contract Change Orders Up To and Within the Not to Exceed 10% Construction Contingency of \$652,939.58; and
 - d. Authorize the Town Manager to Execute the Second Amendment to the Agreement for Consultant Services with Mott MacDonald Group to Provide Design Consultant Construction Support Services in an Amount Not to Exceed \$206,371; and
 - e. Authorize the Town Manager to Execute an Agreement for Consultant Services with Zoon Engineering for Construction Management, Inspection, and Materials Testing Services in an amount not to exceed \$1,220,822.07 and also to encumber a 2% contingency in the amount of \$29,177.93 for a total agreement amount not to exceed \$1,250,000; and
 - f. Authorize Advances from the General Fund to the Town’s Grant Fund not to Exceed the Approved Grant Funding of \$8,054,305 to Bridge Expenses and Reimbursement Timing.
10. Adopt an Updated Police Officer Association Salary Schedule, Effective July 9, 2023, to Correct a Mathematical Error to the Police Sergeant Classification.

Opened public comment.

No one spoke.

Closed public comment.

MOTION: Motion by Vice Mayor Badame to approve consent items 1-10. Seconded by Council Member Moore.

VOTE: Motion passed unanimously.

VERBAL COMMUNICATIONS

Lynley Hogan

- Commented on concerns regarding Drag Story Time.

Albert Lustre

- Commented in support of local area labor standards for construction workers, including livable wage, local hire apprenticeship, and healthcare.

PUBLIC HEARINGS

11. Weed Abatement Program Public Hearing to Consider Objections to the 2023 Weed Abatement Program Assessment Report and Adopt a Resolution Confirming the Report and Authorizing Collection of the Assessment Charges.

Meredith Johnston, Administrative Technician, presented the staff report.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: Motion by Vice Mayor Badame to adopt a resolution confirming the report and authorizing collection of the assessment charges. **Seconded** by Council Member Rennie.

VOTE: Motion passed unanimously.

12. Introduce an Ordinance Titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Section 18.30.040, 'Penalties for Violations,' of Division 1, Article III, of Chapter 18 of the Town Code, 'Social Host Ordinance'."

Gabrielle Whelan, Town Attorney, presented the staff report.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: **Motion by Council Member Moore** to introduce an ordinance titled “An Ordinance of the Town Council of the Town of Los Gatos Amending Section 18.30.040, ‘Penalties for Violations,’ of Division 1, Article III, of Chapter 18 of the Town Code, ‘Social Host Ordinance’”. **Seconded by Council Member Hudes.**

VOTE: **Motion passed unanimously.**

OTHER BUSINESS

13. Receive the Fiscal Year 2022/23 Parks Commission Accomplishments and Provide Direction on the Fiscal Year 2023/24 Work Plan.

Nicolle Burnham, Parks and Public Works Director, introduced the Parks Commission Chair.

Rob Stephenson, Parks Commission Chair, presented the workplan.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item and provided feedback.

PUBLIC HEARINGS

14. Consider an Appeal of a Planning Commission Decision to Approve a Fence Height Exception Request for Construction of an Automated Vehicular Gate Exceeding the Maximum Height and with Reduced Setbacks on Property Zoned R-1:8. **Located at 380 Blackwell Drive.** APN 424-12-027. Categorically Exempt Pursuant to CEQA Guidelines Section 15303 (e): New Construction or Conversion of Small Structures. Fence Height Exception Application FHE-23-002. PROPERTY OWNER: Larry Cesnik and Martha Johnson. APPELLANT: Larry Cesnik. APPLICANT: Ramin Zohoor. PROJECT PLANNER: Sean Mullin.

Jennifer Armer, Planning Manager, presented the staff report.

Council Member Moore disclosed he lives near the property but is not within the 1,000 feet conflict-of-interest zone.

Mayor Ristow, Council Members Hudes and Moore, and Vice Mayor Badame disclosed they viewed the property.

Opened public comment.

Laurence Cesnik, Appellant, provided comments in support of the appeal.

Closed public comment.

Council discussed the item.

MOTION: **Motion by Council Member Hudes** to continue the application to the next meeting on August 15, 2023 and provide direction to staff to prepare a resolution to grant the appeal and the exception, and make the findings that the appeal is categorically exempt from CEQA and that a special security concern exists and special circumstances exist that would result in undue hardship, and in regard to the granting the appeal of the Planning Commission, there was no findings of error or abuse of discretion by the Planning Commission rather the Planning Commission was lacking some information that was important.
Seconded by Council Member Moore.

VOTE: **Motion passed unanimously.**

Recess 8:49 p.m.

Reconvene 8:57 p.m.

OTHER BUSINESS

15. Consider Adoption of a Resolution Modifying the Height Pole and Netting Policy for Additions and New Construction. The Proposed Modifications to Town Policy are Not Considered a Project Under the California Environmental Quality Act. Project Location: Town Wide. Applicant: Town of Los Gatos.

Jennifer Armer, Planning Manager, presented the staff report.

Opened public comment.

Lee Fagot

- Commented in support of story poles; stated online videos, renderings, and/or models should not replace story poles; suggested allowing less expensive materials such as flag lines instead of mesh netting; suggested providing an exception for 40% below market price housing units per project; and requested onsite viewing be available for the public.

Lisa Harris

- Commented in support of story poles.

Closed public comment.

Council discussed the item.

MOTION: Motion by Council Member Rennie to waive the story pole requirements for projects with 30% below market price as defined by the Town Code or provides 20% low income or very low income affordability, and require on-site signage with a QR code that links to renderings and videos of the proposed project. **AMENDMENT:** to include mixed-use projects with language stating the percentage is for the residential units. **Seconded by Council Member Moore.**

VOTE: Motion passed 3-2. Vice Mayor Badame and Council Member Hudes voted no.

MOTION: Motion by Council Member Moore to require story poles be installed for nonresidential projects if the project includes a request for variance or exception to physical development parameters which are defined as: height, setbacks, FAR (Floor Area Ratio), or lot coverage; or when the nonresidential addition exceeds 20% of the building's FAR. **Seconded by Council Member Rennie.**

VOTE: Motion passed 3-2. Vice Mayor Badame and Council Member Hudes voted no.

MOTION: Motion by Mayor Ristow to require story poles for all new nonresidential buildings. **Seconded by Council Member Rennie.**

VOTE: Motion passed unanimously.

MOTION: Motion by Council Member Moore to require story poles to be installed for properties in the hillside area, as defined in the Hillside Development Standards and Guidelines, if the project includes new buildings, or new second-story additions. **Seconded by Vice Mayor Badame.**

VOTE: Motion passed unanimously.

MOTION: Motion by Council Member Rennie to keep the story pole requirements for buildings in the historic districts as is (require story poles for properties on the Historic Resource Inventory if the project includes new buildings (excluding single-story accessory structures), residential second story additions, or non-residential additions exceeding 100 square feet). **Seconded by Council Member Moore.**

VOTE: Motion passed unanimously.

MOTION: **Motion by Council Member Moore** to require story poles for single family residential projects if the project includes a new two-story home or a second story addition where both of the adjacent neighbors on the same side of the street are single story homes, or there is a request for a variance or an exception from the development standards (parameters). **Seconded by Council Member Rennie.**

VOTE: **Motion passed 3-2. Vice Mayor Badame and Council Member Hudes voted no.**

MOTION: **Motion by Council Member Rennie** to amend the story pole requirements to eliminate the mesh netting and change it to double flagging up to 55 feet and above 55 feet have something indicating the height and something else indicating the massing. **AMENDMENTS:** to revise the motion as follows: “to amend the story pole requirements to allow either mesh netting or double flagging.” **Seconded by Mayor Ristow.**

VOTE: **Motion passed unanimously.**

MOTION: **Motion by Council Member Rennie** to approve language recommended by the Planning Commission for multi-building projects (For multi-building developments, story poles shall only be required for the tallest structures and those along the perimeter of the site). **Seconded by Council Member Moore.**

VOTE: **Motion passed 3-2. Vice Mayor Badame and Council Member Hudes voted no.**

16. Provide Direction on Legislative Priorities with Regard to State, Federal, and Regional Legislation and Town Council Policy #2-18: Legislative Policy.

Katy Nomura, Assistant Town Manager, presented the staff report.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: **Motion by Vice Mayor Badame** to extend the meeting to 12:06 a.m. **Seconded by Mayor Ristow.**

VOTE: **Motion passed unanimously.**

PAGE 9 OF 9

SUBJECT: Draft Minutes of the Town Council Meeting of August 1, 2023

DATE: August 1, 2023

Council provided direction to staff to return with modifications to the Legislative Policy and potential legislative priorities.

ADJOURNMENT

The meeting adjourned at 12:04 a.m.

Respectfully Submitted:

Jenna De Long, Deputy Town Clerk



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 3

DATE: August 10, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution to Extend the Term of the Housing Element Advisory Board

RECOMMENDATION:

Adopt a resolution to extend the term of the Housing Element Advisory Board.

BACKGROUND:

On August 3, 2021, Town Council adopted a resolution (Attachment 1) to establish the Housing Element Advisory Board (HEAB) for the 2023-2031 Housing Element update. This resolution stated that the HEAB would sunset on February 1, 2023, unless extended by the Town Council.

On January 17, 2023, Town Council adopted a resolution (Attachment 2) to extend the term of the HEAB to May 31, 2023, to allow them to continue their work.

On May 16, 2023, Town Council adopted a resolution (Attachment 3) to extend the term of the HEAB to August 30, 2023, to allow them to continue their work.

DISCUSSION:

The HEAB has been working diligently, and additional time is needed to complete the work on the Housing Element update. The remaining work will include review of future revisions in response to comments received from the California Department of Housing and Community Development (HCD) on May 30, 2023, and revisions in response to any future HCD comments. Attachment 4 contains a draft resolution to extend the term of the HEAB until January 31, 2024.

PREPARED BY: Jennifer Armer, AICP
Planning Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Community Development Director

PAGE 2 OF 2

SUBJECT: HEAB Extension

DATE: August 10, 2023

FISCAL IMPACT:

The General Plan Update Fund has monies available to cover the additional HEAB meetings, the overall Housing Element update, and its environmental review.

ENVIRONMENTAL ASSESSMENT:

This action will have no effect on the environment and is not subject to the California Environmental Quality Act.

Attachments:

1. Resolution 2021-032
2. Resolution 2023-003
3. Resolution 2023-029
4. Draft Resolution

RESOLUTION 2021-032

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ESTABLISHING THE HOUSING ELEMENT ADVISORY BOARD FOR THE 2023-2031 HOUSING ELEMENT UPDATE

WHEREAS, the existing (2015-2023) Housing Element was certified by the State Department of Housing and Community Development (HCD) on May 2015; and

WHEREAS, the Town of Los Gatos is required by the State Housing Laws to prepare an update of its existing State Certified Housing Element for the period of 2023-2031; and

WHEREAS, HCD requires communities to maximize public outreach and community involvement during the preparation and updates of housing elements; and

WHEREAS, the Housing Element Advisory Board (HEAB) is intended to be an advisory committee created for the purpose of advising Town staff, providing a forum for public involvement, and making recommendations to the Planning Commission and Town Council on updates to the Housing Element; and

WHEREAS, the Town Council of the Town of Los Gatos desires to formalize the creation of the HEAB, including its purpose, number, and terms, as set forth below, in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, the Town Council of the Town of Los Gatos establishes the HEAB, which shall be advisory to the Town Council and shall operate in the manner hereinafter prescribed:

1. Appointment

The HEAB shall consist of the nine members of the General Plan Committee as established by Council resolution and up to four “at-large” members of the public who will apply through the Boards and Commissions recruitment process and be appointed by the Town Council. The “at-large” members of the HEAB may not belong to any other established Town Board, Commission, or Committee. The HEAB shall sunset on February 1, 2023, unless extended by Town Council.

2. HEAB Role

The HEAB shall serve as an advisory body that provides input on specific tasks associated with the Housing Element update. Council input and direction will be sought at major milestones during the update. The role of the HEAB is to:

- Provide guidance on the development of the Housing Element update;
- Provide additional forum for public involvement;
- Forward milestone products to Town Council;
- Review the Draft Housing Element; and
- Make recommendations to the Planning Commission and Town Council.

3. Meetings

The HEAB shall elect a Chair and Vice Chair of the HEAB. The HEAB will determine its schedule (it is anticipated that the Committee will meet no more than twice a month).

HEAB members are expected to regularly attend meetings and public workshops.

However, it is understood that on occasion, a Board member may not be able to attend the meeting. Three absences in a consecutive twelve (12) month period may subject the member to expulsion from the HEAB.

4. Agendas

The HEAB meeting agendas shall allow for two opportunities for public comment, at the beginning and at the end of each meeting, to provide the public an opportunity to react to the topics proposed and discussed.

5. Public Outreach

Staff shall engage the public through the use of social media, regular updates at Town Council meetings, and public workshops.

6. Conflict of Interest

Upon appointment to the Board, members are required to file Conflict of Interest Form 700 with the Town Clerk for all Disclosure Categories as listed in Town Code Sec.

2.30.615. Failure to file the form may subject the member to expulsion from the HEAB.

7. Powers of Town Council and Planning Commission

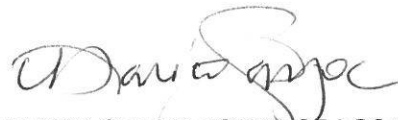
Nothing in this resolution shall be construed as restricting or curtailing any of the powers of the Town Council or Planning Commission, or as a delegation to the HEAB of any authority or discretionary powers vested and imposed by law in such bodies.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 3rd day of August, 2021, by the following vote:

COUNCIL MEMBERS:

AYES: Mary Badame, Matthew Hudes, Rob Rennie, Maria Ristow, Mayor Marico Sayoc
NAYS: None
ABSENT: None
ABSTAIN: None

SIGNED:



MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 8/11/2021

ATTEST:



TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 8/13/2021

***This Page
Intentionally
Left Blank***

RESOLUTION 2023-003

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS EXTENDING THE TERM OF THE HOUSING ELEMENT ADVISORY BOARD

WHEREAS, the Housing Element Advisory Board (HEAB) is intended to be an advisory committee created for the purpose of advising Town staff, providing a forum for public involvement, and making recommendations to the Planning Commission and Town Council on updates to the Housing Element; and

WHEREAS, the HEAB was established by Town Council on August 3, 2021, by Resolution 2021-032; and

WHEREAS, the HEAB has worked diligently on their progress in reviewing the updated Housing Element; and

WHEREAS, additional time is needed for the HEAB to complete their work including review of comments from California Department of Housing and Community Development (HCD) and development of revisions in response to those and any future comments.

NOW, THEREFORE, BE IT RESOLVED, the Town Council of the Town of Los Gatos extends the term of the General Plan Update Advisory Committee to May 31, 2023, unless extended by the Town Council.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 17th day of January, 2023, by the following vote:

COUNCIL MEMBERS:

AYES: Mary Badame, Matthew Hudes, Rob Moore, Rob Rennie, Mayor Maria Ristow

NAYS: None

ABSENT: None

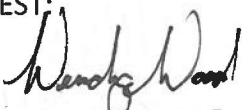
ABSTAIN: None

SIGNED: 

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 1-18-23

ATTEST:


TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 1-19-23

RESOLUTION 2023-029

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS EXTENDING THE TERM OF THE HOUSING ELEMENT ADVISORY BOARD

WHEREAS, the Housing Element Advisory Board (HEAB) is intended to be an advisory committee created for the purpose of advising Town staff, providing a forum for public involvement, and making recommendations to the Planning Commission and Town Council on updates to the Housing Element; and

WHEREAS, the HEAB was established by Town Council on August 3, 2021, by Resolution 2021-032; and

WHEREAS, the term of the HEAB was extended by Town Council on January 17, 2023, by Resolution 2023-003; and

WHEREAS, the HEAB has worked diligently on their progress in reviewing the updated Housing Element; and

WHEREAS, additional time may be needed for the HEAB to complete their work including review of comments from California Department of Housing and Community Development (HCD) and revisions in response to those and any future comments.

NOW, THEREFORE, BE IT RESOLVED, the Town Council of the Town of Los Gatos extends the term of the Housing Element Advisory Board to August 30, 2023, unless extended by the Town Council.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 16th day of May, 2023, by the following vote:

COUNCIL MEMBERS:

AYES: Mary Badame, Matthew Hudes, Rob Moore, Rob Rennie, Mayor Maria Ristow
NAYS: None
ABSENT: None
ABSTAIN: None

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: M. had Ristow

ATTEST:

Hendy Wood
TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

DRAFT RESOLUTION

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS EXTENDING THE TERM OF THE HOUSING ELEMENT ADVISORY BOARD

WHEREAS, the Housing Element Advisory Board (HEAB) is intended to be an advisory board created for the purpose of advising Town staff, providing a forum for public involvement, and making recommendations to the Planning Commission and Town Council on updates to the Housing Element; and

WHEREAS, the HEAB was established by Town Council on August 3, 2021, by Resolution 2021-032; and

WHEREAS, the term of the HEAB was extended by Town Council on January 17, 2023, by Resolution 2023-003; and

WHEREAS, the term of the HEAB was extended by Town Council on May 16, 2023, by Resolution 2023-029; and

WHEREAS, the HEAB has worked diligently in reviewing the updated Housing Element; and

WHEREAS, additional time needed for the HEAB to complete their work including review of comments received from California Department of Housing and Community Development (HCD) on May 30, 2023, and revisions in response to any future HCD comments.

NOW, THEREFORE, BE IT RESOLVED, the Town Council of the Town of Los Gatos extends the term of the HEAB to January 31, 2024, unless extended by the Town Council.

ATTACHMENT 4

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 15th day of August, 2023, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 4

DATE: August 4, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute the Third Amendment to the Consulting Services Agreement with ActiveWayz Engineering for Additional Engineering Services in an Amount of \$80,224, Resulting in a Total Agreement Amount Not to Exceed \$276,933, for the Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218)

RECOMMENDATION:

Authorize the Town Manager to execute the third amendment to the consulting services agreement with ActiveWayz Engineering for additional engineering services in an amount of \$80,224, resulting in a total agreement amount not to exceed \$276,933, for the Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218).

BACKGROUND:

The Shannon Road Pedestrian and Bikeway Improvements Project would provide pedestrian and bicycle safety improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane. This segment of Shannon Road is a two-lane neighborhood collector street with high volumes of bicycle and pedestrian traffic when schools are in session. The street is a popular route for students attending Blossom Hill Elementary, Louise Van Meter Elementary, and Raymond J. Fisher Middle schools. There are intermittent sections of sidewalk on both sides of the roadway. Currently, on-street parking is not allowed on Shannon Road between 7 a.m. and 6 p.m., except on Saturdays, Sundays, and holidays.

On November 5, 2019, the Town Council authorized the Town Manager to solicit design consultants and negotiate and execute a design consultant agreement in an amount not to exceed \$200,000. ActiveWayz Engineering was selected as the design consultant through the

PREPARED BY: Gary Heap
Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

SUBJECT: Third Amendment with ActiveWayz for the Shannon Road Pedestrian and Bikeway Improvements Project (CIP No. 813-0218)

DATE: August 4, 2023

BACKGROUND (continued):

procurement process. A consultant services agreement for an amount not to exceed \$126,631 was negotiated and executed with ActiveWayz Engineering to include project management, survey, alternative analysis and community outreach, utility coordination, final design, bid support, and construction administration support.

On March 1, 2022, Council authorized the Town Manager to execute the first amendment increase of \$44,840 with ActiveWayz Engineering for additional community outreach efforts and to develop an additional design option based on the community feedback received.

On April 18, 2023, the Town Council authorized the Town Manager to execute the second amendment to the consulting services agreement with ActiveWayz Engineering for additional engineering services during bid, award, and construction in an amount of \$25,238, resulting in a total agreement amount not to exceed \$196,709. Council further directed that that staff modify the design to minimize large asphalt buffers, remove parking spaces, add trees wherever possible; organize a community meeting; and prioritize returning this item to Council in as much of a timely manner as possible in order to maintain the grant funding.

On June 20, 2023, following input from the community, staff presented the Town Council with a new alternative option for the Shannon Road design. The Town Council provided direction to staff to complete the design for Modified Option 1 to reflect community input and the Town Council direction from the April 18, 2023, meeting.

DISCUSSION:

To modify the plans from the previous final design to the Modified Option 1 alternative, ActiveWayz needs to:

1. Redesign of the sidewalk, curb, gutter, and residential driveway transitions,
2. Redesign of the drainage improvements,
3. Design of new planter strips,
4. Redesign of the curb ramps and curb extensions,
5. Modifications to the signage and striping, and
6. Redesign of the utility relocations.

The cost of the additional work requires an amendment to the current contract with ActiveWayz. This amendment also includes costs for ActiveWayz to assist Town staff in acquiring the Construction Funding Authorization (E-76) from Caltrans for the project which is a requirement of the project grant funding.

SUBJECT: Third Amendment with ActiveWayz for the Shannon Road Pedestrian and Bikeway Improvements Project (CIP No. 813-0218)

DATE: August 4, 2023

DISCUSSION (continued):

This report recommends a third amendment to the agreement with ActiveWayz for additional engineering services (see Attachment 1).

The following is the updated anticipated schedule for the project, assuming receipt of the E-76 approval:

<u>Milestones</u>	<u>Anticipated Timeline</u>
Finalize design of Modified Option 1	October 20, 2023
Informal Coordination with Residents	September 2023
Coordinate E-76 with Caltrans	October – December 2023
Request Council Authorization to Bid	January 16, 2024
Advertise the Project for Bid	January 26, 2024
Bids Due	February 15, 2024
Council to Accept Lowest Bidder	March 5, 2024
Award and Execute Agreement	March 15, 2024
Start Construction	April 1, 2024
Anticipated Completion	August 2024

Upon completion of the design, staff will provide an opportunity for the Shannon Road residents to meet with staff to discuss specific project impacts to their properties.

CONCLUSION:

Staff recommends the Town Council authorize the Town Manager to execute the third amendment to the consulting services agreement with ActiveWayz Engineering for additional engineering services in an amount of \$80,224, resulting in a total agreement amount not to exceed \$276,933, for the Shannon Road Pedestrian and Bikeways Improvement Project (CIP No. 813-0218).

COORDINATION:

This project has been coordinated with the Complete Streets and Transportation Commission; significant public outreach has been conducted; and the preparation of this report has been coordinated with the Finance Department.

SUBJECT: Third Amendment with ActiveWayz for the Shannon Road Pedestrian and Bikeway Improvements Project (CIP No. 813-0218)

DATE: August 4, 2023

FISCAL IMPACT:

Following the funding allocation approved at the April 18 20, 2023 Town Council meeting, there are sufficient funds in the account to pay for this amendment. With this third amendment, the total cost for design remains less than 15% of the expected construction cost for the project. However, staff recognizes that the proposed design changes will result in changes to projected construction costs. Staff will provide an updated construction cost estimate in advance of bidding the project.

Staff costs are tracked for all projects. Tracking of staff costs allows for accountability in the costs of projects, recovery of costs from grant funded projects, and identification of future staffing needs. This project utilizes a combination of full-time budgeted staff and temporary staff that support fluctuating workloads. The costs for temporary staff will be directly associated with this project while full-time staff are accounted for in the Department's operating budget.

Shannon Road Pedestrian and Bikeway Improvements CIP No. 813-0218		
	Budget	
GFAR	\$ 741,296	
Grants	\$ 1,114,350	
Utility Undergrounding	\$ 119,204	
Storm Basin	\$ 200,000	
Traffic Mitigation Funds	\$ 133,380	
Total Budget	\$ 2,308,230	
		Costs
Misc. Expenses		\$ 500
Temporary Staff Charges		\$ 35,000
ActiveWayz Engineering Services Agreement (Previously Approved)		\$ 196,709
ActiveWayz Engineering Services Agreement Amendment No. 3 (Considered with this Staff Report)		\$ 80,224
Construction Management Services (7.5%)		\$ 127,391
Construction		\$ 1,698,550
Construction Contingency (10%)		\$ 169,856
Total Costs		\$ 2,308,230
Available Balance		\$ -

PAGE 5 OF 5

SUBJECT: Third Amendment with ActiveWayz for the Shannon Road Pedestrian and Bikeway Improvements Project (CIP No. 813-0218)

DATE: August 4, 2023

ENVIRONMENTAL ASSESSMENT:

This is a project defined under the California Environmental Quality Act (CEQA) as being Categorically Exempt per Section 15301(c) Existing streets, sidewalks, trails and similar facilities and 15304(h) Creation of bicycle lanes on existing rights-of-way. A Notice of Exemption will be filed. Under the National Environmental Policy Act (NEPA), the project is determined to be categorically excluded from a detailed environmental analysis.

Attachments:

1. Third Amendment - Agreement for Consultant Services - ActiveWayz Engineering with Exhibits A (Original Agreement and Previous Amendments) and Exhibit B (Updated Scope of Services)

THIRD AMENDMENT TO AGREEMENT

This THIRD AMENDMENT TO AGREEMENT is dated for identification this 15th day of August 2023 and amends that certain Second Amendment to Agreement for Consultant Services dated April 1, 2023, made by and between the Town of Los Gatos, ("Town") and the ActiveWayz Engineering ("Consultant") identified as an S Corporation and whose address is 2170 The Alameda Ste 200, San Jose, CA 95126

RECITALS

- A. Town and Consultant entered into an Agreement for Consultant Services on May 3, 2021 ("Agreement") and a First Amendment for Consultant Services Agreement on March 1, 2022, and a Second Amendment for Consultant Services Agreement on April 1, 2023 for the Shannon Road Pedestrian and Bikeway improvements Project (CIP No. 813-0218), copies of which are attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to add to the scope of services and for additional compensation.

AMENDMENT

- 1. 2.1 Scope of Services is amended to read as follows:

Consultant shall provide services as described in that certain Proposal sent to the Town on July 31, 2023, which is hereby incorporated by reference and attached as Exhibit B.

- 2. 2.6 Compensation is amended to read as follows:

Additional compensation for Consultant's professional services shall be increased by \$80,224. For a total agreement amount **not to exceed \$276,933**, inclusive of all costs. Payment shall be based upon Town approval of each task based on Exhibit B.

- 3. All other items and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

ActiveWayz Engineering:

Laurel Prevetti, Town Manager

Admas Zewdie, President

Department Approval:

Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Attest:

Gabrielle Whelan, Town Attorney

Wendy Wood, CMC, Town Clerk

SECOND AMENDMENT TO AGREEMENT

This SECOND AMENDMENT TO AGREEMENT is dated for identification this 1st day of April 2023 and amends that certain First Amendment to Agreement for Consultant Services dated March 1, 2022, made by and between the Town of Los Gatos, ("Town") and the ActiveWayz Engineering ("Consultant") identified as an S Corporation and whose address is 2170 The Alameda Ste 200, San Jose, CA 95126

RECITALS

- A. Town and Consultant entered into an Agreement for Consultant Services on May 3, 2021 ("Agreement") and a First Amendment for Consultant Services Agreement on March 1, 2022 for the Shannon Road Pedestrian and Bikeway improvements Project (CIP No. 813-0218), copies of which are attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to add to the scope of services and for additional compensation.

AMENDMENT

- 1. 2.1 Scope of Services is amended to read as follows:

Consultant shall provide services as described in that certain Proposal sent to the Town on March 8, 2023, which is hereby incorporated by referenced and attached as Exhibit B.

- 2. 2.6 Compensation is amended to read as follows:

Additional compensation for Consultant's professional services shall be increased by \$25,238. For a total agreement amount **not to exceed \$196,709**, inclusive of all costs. Payment shall be based upon Town approval of each task based on Exhibit B.

- 3. All other items and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

DocuSigned by:

Laurel Prevetti

853FEEA2EB39470...

Laurel Prevetti, Town Manager

ActiveWayz Engineering:

DocuSigned by:

Admas Zewdie

EG49C9B6AA4744E...

Admas Zewdie, President

Department Approval:

DocuSigned by:

Nicolle Burnham

8E97831349644C3...

Nicolle Burnham

Director of Parks and Public Works

Approved as to Form:

DocuSigned by:

Gabrielle Whelan

EFD0736A5534428...

Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:

Wendy Wood

BF0EBCBE2C214F6...

Wendy Wood, CMC, Town Clerk

FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES

This FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES is dated for identification this 1st day of March 2022 and amends that certain AGREEMENT FOR CONSULTANT SERVICES dated May 3, 2021, made by and between the **TOWN OF LOS GATOS**, ("Town,") and **ACTIVWAYZ ENGINEERING** ("Consultant").

RECITALS

- A. Town and Consultant entered into an Agreement for Consultant Services on May 3, 2021 ("Agreement"), for the Shannon Road Pedestrian and Bikeway Improvements Project (CIP No. 813-0218), a copy of which is attached hereto and incorporated by reference as Attachment 1 to this Amendment.
- B. Town desires to amend the Agreement for the additional design services need for the project as described in Exhibit B (Amendment Request from ActiveWayz Engineering dated February 18, 2022) attached hereto and incorporated by reference.

AMENDMENT

1. Section 2.1 Scope of Services is amended to read:

Consultant shall provide services as described in Exhibit A and Exhibit B (Amendment Request from ActiveWayz Engineering dated February 18, 2022), which are hereby incorporated by reference.


2. Section 2.6 Compensation is amended to read:

Compensation for Consultant's professional services **shall not exceed \$171,471.00**, inclusive of all costs as described in Exhibit A and Exhibit B. Payment shall be based upon Town approval of each task.


3. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

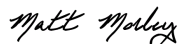
Town of Los Gatos by:

DocuSigned by:
 3/23/2022
853FEEA2EB39470...
Laurel Prevetti
Town Manager

Consultant by:

DocuSigned by:
 EC49C3B6AA4744E...
Admas Zewdie, President
Print Name/Title

Recommended by:

DocuSigned by:
 3/11/2022
BBA0B3B0D6F4484...
Matt Morley
Director of Parks and Public Works

Approved as to Form:

DocuSigned by:
 3/23/2022
2FE093835B744C...
Robert Schultz, Town Attorney

Attest:

DocuSigned by:
 3/23/2022
B9666F65B1F34F6...
Shelley Neis, MMC, CPMC, Town Clerk



AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on May 3, 2021 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and ACTIVEWAYZ ENGINEERING, ("Consultant"), whose address is 2170 The Alameda, Suite 200, San Jose, CA 95126. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 Town desires to engage Consultant to provide Consultant Services for Shannon Road Pedestrian and Bikeway Improvements Project (CIP No. 813-0218).
- 1.2 Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in Exhibit A, which is hereby incorporated by reference.
- 2.2 Term and Time of Performance. This contract will remain in effect from date of execution to December 31, 2023.
- 2.3 Compliance with Laws. Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any

individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$126,631.00**, inclusive of all costs as described in Exhibit A. Payment shall be based upon Town approval of each task.

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, Consultant may perform some obligations under this Agreement by subcontracting but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to

testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. The Consultant's insurance coverage shall be primary insurance in respect to the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

- 3.4 Indemnification. Consultant shall save, keep, hold harmless and indemnify and defend the Town, its officers, agent, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. Town and Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over \$1,000 which are defined as a "public work" by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.
- 4.4.1 The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.

- 4.4.2 Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime, weekend and holiday pay, and shift pay must be paid pursuant to applicable Labor Code section.
- 4.4.3 The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to \$200 per day per worker for each wage violations identified; \$100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and \$25 per day per worker for any overtime violation.
- 4.4.4 As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the Town, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.
- 4.4.5 In addition to submitting the certified payrolls and related documentation to the Town, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and final payment.
- 4.4.6 No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- 4.4.7 No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.
- 4.4.8 Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully

indemnify the Town for any fines assessed by the California Department of Industrial Relations against the Town for such violation, including all staff costs and attorney's fee relating to such fine.

- 4.4.9 Town shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., Town may continue to hold sufficient funds to cover estimated wages and penalties under the contract.
- 4.5 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.6 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.7 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

ACTIVWAYZ ENGINEERING
Attn: Admas Zewdie
2170 The Alameda, Suite 200
San Jose, CA 95126

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

- 4.8 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.9 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, Town and Consultant have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:



5/20/2021

Laurel Prevetti, Town Manager

Consultant, by:

DocuSigned by:

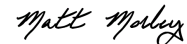


5/18/2021

EC49C3B6AA4744E...

Recommended by:

DocuSigned by:



5/19/2021

Matt Morley

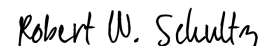
Director of Parks and Public Works

Admas Zewdie, President

Printed Name and Title

Approved as to Form:

DocuSigned by:



5/20/2021

Robert Schultz, Town Attorney

Attest:

DocuSigned by:



5/20/2021

Shelley Neis, MMC, CPMC, Town Clerk



2170 The Alameda, Suite 200
San Jose, CA 95126
www.activewayz.engineering

July 31, 2023

Gary Heap, P.E., Town Engineer
Town of Los Gatos, Parks & Public Works
41 Miles Ave, Los Gatos, CA 95030
(408) 399-5773

RE: Shannon Road Pedestrian and Bikeway Improvements Project – Amendment Request #3

Dear Gary,

Thank you for the opportunity to continue supporting the Town of Los Gatos in achieving the complete-street vision for Shannon Road. The Plans, Specification, and Estimate (PS&E) package for the Shannon Road Pedestrian and Bikeway Improvements Project was fully completed and ready to bid. This proposal is for the resign of the corridor based on Town Council direction to staff to accommodate recent resident requests for modification of the previous design. The proposed concept attempts to maximize placement of trees and reduce bicycle lane buffers to a minimum. We propose the following scope items to incorporate the desired changes and prepare contract package for the revised concept.

SCOPE OF SERVICES

Project Management

Communicate regularly with Town of Los Gatos project manager regarding project progress, challenges, and next action items; Prepare monthly invoices and progress reports; Prepare and maintain project schedule.

Utility Coordination

Review previously completed Notice to Owner (NTOs); coordinate with utility companies to update relocation plans if necessary; prepare amendment to previously approved utility and right of way certification documents in coordination with Caltrans.

Final Design

100% PS&E

Update the project geometric layout based on the Council-approved conceptual cross-sections; redesign driveways, curb ramps, drainage systems, and update relevant construction details accordingly; update project specifications and cost estimate.

Final PS&E

Review and respond to Town comments on the 100% PS&E package, update plans, specifications, and estimate to address Town comments.

OPTIONAL TASK - E-76 Construction Funding Authorizatoin Request

ActiveWayz will prepare construction funding application (E-76 package) to Caltrans Local Assistance. ActiveWayz will complete and submit the following forms for Caltrans review and approval:

- Exhibit 3a
- Exhibit 9d
- Exhibit 12d
- Exhibit 17-Ex-18
- Exhibit 12f

FTIP reference sheet, approved NEPA document (to be provided by Town), signed and sealed PS&E package will be included in the funding application package.

Project Budget Summary

The proposed fee for the abovementioned scope is \$70,688, excluding the optional task. The table below summarizes the overall project budget. A detailed breakdown of the proposed fee is included as Attachment A.

Original Contract	\$ 126,631
Amendment #1	\$ 44,840
Amendment #2 (Construction Support)	\$ 25,238
Contract Amount After Amendments	\$ 196,709
Current Amendment Request (Excluding Optional Task)	\$ 70,688
Contract Amount After Current Amendment	\$ 267,397
Optional Task	\$9,536
Contract Amount After Current Amendment (Including Optional Task)	\$ 276,933

I hope you find the above information helpful as you review our amendment request. Should you have any questions regarding the above, please contact me at admas@activewayz.engineering or at (408) 219-5678.

Sincerely,

ActiveWayz Engineering, Inc.



Admas Zewdie, P.E.

President

ATTACHMENT A

ActiveWayz Engineering
Fee Estimate

7/17/2023

TOWN OF LOS GATOS SHANNON ROAD PEDESTRIAN AND BIKEWAY IMPROVEMENTS (CIP No. 813-0218) AMENDEMENT #3

ActiveWayz Engineering								
Tasks	Project Manager	Design Engineer	Engineering Technician	Total	Project Manager	Design Engineer	Engineering Technician	Total
	Hours				\$220	\$136	\$109	Total Fee
	\$220	\$136	\$109					
1. Project Management	24	—	—	24	\$5,280	—	—	\$5,280
Sub-Task								
Project Management & Coordination	16	—	—	16	\$3,520	—	—	\$3,520
Project Schedule	—	—	—	—	—	—	—	—
Kick-Off Meeting	—	—	—	—	—	—	—	—
Project Coordination Meeting	8	—	—	8	\$1,760	—	—	\$1,760
Ourteach Meetings (4)	—	—	—	—	—	—	—	—
5. Utility Coordination	10	16	—	26	\$2,200	\$2,176	—	\$4,376
Sub-Task								
Utility Coordination	10	16	—	26	\$2,200	\$2,176	—	\$4,376
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
6. Final Design	66	342	—	408	\$14,520	\$46,512	—	\$61,032
Sub-Task								
65% PS&E	—	—	—	—	—	—	—	—
100% PS&E	52	264	—	316	\$11,440	\$35,904	—	\$47,344
Update Geometric Layout	10							
Prepare Demolition Xref File		8						
Prepare Demolition Plan Sheets		12						
Typical Cross Sections		8						
Profile Design	8	22						
Plan and Profile Sheets		28						
Curb Ramp and Driveway Design	10	40						
Improvement Detail Sheets		40						
Drainage System Design		32						
Drainage and Utility Xref File		12						
Drainage and Utility Plan Sheets		24						
Signing and Striping Sheets		16						
Quantity Calculation/Cost Estimate		22						
Specifications	12							
QC Review	12							
Final PS&E	12	70	—	82	\$2,640	\$9,520	—	\$12,160
Comment Review and Responses	3	4						
Update Xref Files (Geom, Prof, Demo, Drainage)		12						
Update Plan Sheets		46						
Update Estimate		8						
Update Specs	3							
QC Review	6							
E-76 Support to Town Staff	2	8		10	\$440	\$1,088	—	\$1,528
Total	100	358	—	458	\$22,000	\$48,688	—	\$70,688

Optional Task								
E-76 Construction Funding Authorizatoin Request	28	12	16	56	\$6,160	\$1,632	\$1,744	\$9,536



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 5

DATE: August 4, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Consider the Following Actions Regarding the Howes Play Lot Structure:
a. Authorize the Town Manager to Execute a Purchase and Service Agreement with Ross Recreation Equipment to Replace Play Structure Equipment in an Amount of \$115,884 Plus Five Percent for Unforeseen Repairs for a Total Agreement Amount not to Exceed \$121,678; and
b. Authorize an Expenditure Budget Adjustment in an Amount of \$121,678 From Available General Fund Special/Capital Projects Reserve

RECOMMENDATION:

Consider the following actions regarding the Howes Play Lot structure:

- a. Authorize the Town Manager to execute a purchase and service agreement with Ross Recreation Equipment to replace play structure equipment at Howes Play Lot in an amount of \$115,884 plus five percent for unforeseen repairs for a total agreement amount not to exceed \$121,678 (Attachment 1); and
- b. Authorize an expenditure budget adjustment in an amount of \$121,678 from available General Fund Capital/Special Projects Reserve

BACKGROUND:

Howes Play Lot is a neighborhood park situated between Thomas Drive and Howes Drive. The park is highly used by neighborhood families and school children as a stopping point between school and home travels. The park is equipped with a lighted pathway, large trees, benches, and play equipment. The play equipment consists of a tot swing, a tot slide, and youth playscape (intended for ages 5 to 12).

PREPARED BY: Jim Harbin
Superintendent

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

BACKGROUND (continued):

Beginning early January of 2023, the Town experienced torrential storms with extreme wind conditions after several years of drought in Northern California. As a result of these storms, tree damage occurred throughout the Town including two large Stone Pine trees that fell on the play structure at Howes Play Lot, destroying 70 percent of the equipment. Following the storms, Town contractors removed the fallen trees. Inspection revealed that the tot slide and swings were not damaged, but the youth play lot was a complete loss and could not be salvaged.

DISCUSSION:

Play lot equipment is highly regulated for safety and requires specially certified contractors to facilitate repair work to the play structures. The best practice and most efficient approach is to work with the original manufacturer to procure and install the equipment being replaced.

Town Code Section 2.50.130(b)(6) authorizes the use of the cooperative purchasing agreement pursuant to the guidelines set forth in the Purchasing Policy. *“When it is in the Town’s best interest, Departments may purchase goods or services through cooperative purchasing agreements of other governmental or public agencies. Use of cooperative purchasing agreements is encouraged as a way of obtaining goods and services by aggregating volume, securing value pricing, and reducing administrative overhead. Measured use of cooperative purchasing agreements can significantly reduce the time and resources needed to competitively bid goods and service contracts.”*

Using the National Purchasing Partners (NPPGov) cooperative procurement (Attachment 1), staff requested and received a quote from Ross Recreation Equipment, Inc. for the replacement of the youth lot equipment.

Staff has submitted a claim to the Town’s insurance carrier for reimbursement of costs related to the storm damage repairs at the Play Lot. The claim is pending. Staff is requesting to move forward at this time using Town resources while the claim is pending because delivery of the playground equipment is estimated to have a 27-week lead time.

CONCLUSION:

Staff recommends using Town funds to execute a contract for replacement of the youth play structure at Howe’s Play Lot while the insurance claim is pending. Funds received from insurance will reimburse the Town resources used.

PAGE 3 OF 3

SUBJECT: Howes Play Lot Structure

DATE: August 4, 2023

FISCAL IMPACT:

As it was mentioned before, funds received from insurance will reimburse the Town resources used. In addition to the budget adjustment recommended with this report, staff will bring forward a future budget adjustment action to Council to recognize the insurance reimbursement revenue.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Draft Purchase and Service Agreement with Exhibit A (NPPGov Cooperative Procurement Agreement)
2. Information on Ross Recreation Equipment from NPPGov

PURCHASE AND SERVICE AGREEMENT

THIS AGREEMENT is dated for identification this 15th day of August 2023 and is made by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Ross Recreation Equipment, ("Supplier"), identified as an S Corporation and whose address is 100 Brush Creek Road, Suite 206, Santa Rosa, CA 95404. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 Town reviewed potential suppliers through NPPgov, and Supplier was found to be an approved supplier for this purchase.
- 1.2 Supplier represents that it is a qualified and competent supplier of the items to be purchased under this Agreement.
- 1.3 The Town desires to engage Supplier to provide service to replace play structure equipment at Howes Play Lot.
- 1.4 The Supplier represents and affirms that it is qualified and willing to perform the desired work pursuant to this Agreement.

II. AGREEMENTS

- 2.1 Supplies and Terms. Supplier hereby agrees to deliver to Town the items and materials described in Exhibit A, which is attached hereto and incorporated by reference. The terms and conditions are as follows:
 - (1) Price. Town shall pay Supplier the amounts defined in Exhibit A \$115,884 plus five percent for unforeseen repairs for a total agreement amount not to exceed \$121,678, which include sales tax and delivery charges. Payment shall be net 30 days from delivery.
 - (2) Delivery. The delivery of the items and materials shall be on a mutually agreed upon date. Delivery shall be made between 8:00 a.m. and 5:00 p.m. on weekdays that are not Town holidays or furlough days.
- 2.2 Time of the Essence. Prompt delivery of the items and materials is essential to this Agreement.
- 2.3 Scope of Services. Supplier shall provide services as described in that certain Proposal sent to the Town on May 10, 2023, which is hereby incorporated by reference and attached as "Exhibit A."
- 2.4 Time of Performance. Notwithstanding Section 2.1(2), this agreement will remain in effect upon execution until December 31, 2024.

- 2.5 Compliance with Laws. The Supplier shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Supplier represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Supplier to practice its profession. Supplier shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.6 Sole Responsibility. Supplier shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.7 Information/Report Handling. All documents furnished to Supplier by the Town and all reports and supportive data prepared by the Supplier under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Supplier's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Supplier in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Supplier shall not make any of the these documents or information available to any individual or organization not employed by the Supplier or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Supplier pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Supplier in connection with other projects shall be solely at Town's risk, unless Supplier expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Supplier which is and has been confirmed in writing by Supplier to be a trade secret of Supplier.
- 2.8 Compensation. Compensation for the supplies and materials delivered and for supplier's professional services in the amount of \$115,884 plus five percent for unforeseen repairs for a **total agreement amount not to exceed \$121,678**, inclusive of all costs. Payment shall be based upon Town approval of each task. Subject to appropriation of funds, notwithstanding any other provision in this agreement.
- 2.9 Billing. Billing shall be by invoice within thirty (30) days of the rendering of the services and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.10 Availability of Records. Supplier shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Supplier shall make these records available to authorized personnel of the Town at the Supplier's offices during business hours upon written request of the Town.
- 2.11 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Supplier. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.12 Independent Contractor. It is understood that the Supplier, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Supplier may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Supplier agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Supplier shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Supplier or is based on allegations of Supplier's negligent performance or wrongdoing.
- 2.13 Conflict of Interest. Supplier understands that its professional responsibilities are solely to the Town. The Supplier has and shall not obtain any holding or interest within the Town of Los Gatos. Supplier has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Supplier warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Supplier shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Supplier discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Supplier shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.14 Equal Employment Opportunity. Supplier warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Supplier nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Supplier agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Supplier agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- iii. Supplier shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Supplier agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Supplier agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Supplier for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Supplier; products and completed operations of Supplier, premises owned or used by the Supplier. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. The Supplier's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Supplier's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

- iv. The Supplier's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk Administrator.
- 3.3 Workers' Compensation. In addition to these policies, Supplier shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Supplier shall ensure that all subcontractors employed by Supplier provide the required Workers' Compensation insurance for their respective employees.
- 3.4 Indemnification. The Supplier shall save, keep, hold harmless and indemnify and defend the Town its officers, agent, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Supplier, or any of the Supplier's officers, employees, or agents or any sub-contractor.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Severability. If any term of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in effect.
- 4.3 Warranty. Supplier shall remedy any defects due to faulty materials and/or workmanship and pay for any damages to other work and/or existing facilities resulting therefrom which shall appear within a period of one year from the date of recording of final acceptance.
- 4.4 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.5 Termination of Agreement. The Town and the Supplier shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of

termination. In the event of termination, the Supplier shall deliver to the Town all supplies and services scheduled to be delivered to Town within that fifteen (15) day period.

- 4.6 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over \$1,000 which are defined as a “public work” by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.
1. The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.
 2. Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime must be paid for work in excess of 8 hours per day or 40 hours per week pursuant to Labor Code Section 1811-1813.
 3. Special prevailing wage rates generally apply to work performed on weekends, holidays and for certain shift work. Depending on the location of the project and the amount of travel incurred by workers on the project, certain travel and subsistence payments may also be required. Contractors and subcontractors are on notice that information about such special rates, holidays, premium pay, shift work and travel and subsistence requirements can be found at www.dir.ca.gov.
 4. Only bona fide apprentices actively enrolled in a California Division of Apprenticeship Standards approved program may be employed on the project as an apprentice and receive the applicable apprenticeship prevailing wage rates. Apprentices who are not properly supervised and employed in the appropriate ratio shall be paid the full journeyman wages for the classification of work performed.
 5. The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to \$200 per day per worker for each wage violations identified; \$100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and \$25 per day per worker for any overtime violation.

6. As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the TOWN, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.
 7. In addition to submitting the certified payrolls and related documentation to the TOWN, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and final payment.
 8. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
 9. No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.
- 4.7 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Supplier.
- 4.8 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.9 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Ross Recreation Equipment
100 Brush Creek Road, Suite 206
Santa Rosa, CA 95404

ATTACHMENT 1

OR personally delivered to Supplier to such address or such other address as Supplier designates in writing to Town.

- 4.10 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

///

///

4.11 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Supplier. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Supplier have executed this Agreement.

Town of Los Gatos by:

Ross Recreation Equipment, by:

Laurel Prevetti, Town Manager

Heather Hailey, Contract Administrator

Recommended by:

Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Gabrielle Whelan, Town Attorney

Attest:

Wendy Wood, CMC, Town Clerk

ATTACHMENT 1



**National
Purchasing
Partners
Government**

ALL PURCHASE ORDERS, CONTRACTS, AND
CHECKS TO BE MADE OUT TO:
Ross Recreation Equipment, Inc.
100 Brush Creek Road, #206
Santa Rosa, CA. 95404
707.538.3800 - accounting@rossrec.com

PS21070

Prepared For:

Contact Name	Nicole Burnham	Phone	(408) 399-5774
Bill To Name	Los Gatos, Town of	Ship To Name	Los Gatos, Town of
Bill To	110 E Main Street Lobby Los Gatos, California 95030 United States	Ship To	41 Miles Ave Los Gatos, California 95030 United States
Quote Number	00041337	Quote Date	6/9/2023
Opportunity Name	Howes Damage Replacement	Quote Exp Date	7/7/2023
Quote Name	Howes Damage Replacement	Est Lead Time	Check with Sales Rep

Quantity	Product	Product Description	Sales Price	Total Price
1.00	Demolition	Removal and haul away of existing play equipment. Existing EWF will be pulled back and reinstalled.	\$14,467.00	\$14,467.00
1.00	PlayBooster, 5-12	Landscape Structures PlayBooster, ages 5-12. Design #1174773-01-01 Includes Spyroslide, Pinnacle, Chimney Climber, Loop seat, Vert Ladder, Cliff Climber, Balcony Deck, Peak Roof.	\$66,900.00	\$66,900.00
1.00	Install - Play Equipment	Installation of Landscape Structures PlayBooster design #1174773-01-01 by a manufacturer certified installer. Quote does not include removal of existing Youth playstructure or surfacing. *Project DIR # needed for State Prevailing Wage projects. *Installation price quoted for favorable working conditions. If rock, poor soil conditions, a high water table and/or other unforeseen site conditions exist requiring additional materials and labor, additional charges may be incurred. *Installation quoted includes standard manufacturer provided footing details. If different footing details are provided by the owner/specifier, a change order will be required. *Installation quoted includes installing footings through native soil or 95% compacted base rock. If installing through concrete, asphalt or through less compacted or permeable base or drain rock, or in other conditions, please provide additional details and a change order may be required.	\$20,274.00	\$20,274.00
1.00	NPP Ross Discount	Please Provide Customer NPP #	-\$3,345.00	-\$3,345.00
1.00	Bond	Payment & Performance Bonds	\$3,375.00	\$3,375.00

Credit Terms	Net 30 On Materials Shipment	Materials Amount	\$63,555.00
		Tax Amount	\$5,878.84
		Labor Amount	\$38,116.00
		Freight Amount	\$8,334.00
		Total	\$115,883.84

Notes to Customer

SIGNATURE BELOW ACCEPTING THIS PROPOSAL WILL CONSTITUTE A PURCHASE ORDER ONLY UPON APPROVAL BY ROSS RECREATION EQUIPMENT, INC. CUSTOMER RECEIPT OF AN ORDER ACKNOWLEDGEMENT CONSTITUTES SUCH APPROVAL.

New Section

Signature _____

Name _____

Title _____

Date _____

Note to Customer Thank you for the opportunity to quote your upcoming project. PLEASE NOTE: Quote does not include engineering calculations, security, storage, permits, inspection or safety surfacing, unless otherwise noted. Unless noted, freight costs are based on semi-truck access and do not include a lift-gate.

Deposits may be required before an order can be placed depending on customer credit terms. Your purchase is subject to the terms and conditions of this quote. Approval of this quote agrees to those terms.

If ordering materials after the quoted expiration date, please contact your sales representative for current pricing. Due to material cost increases and a fluid pricing environment, Ross Recreation cannot hold pricing past the stated Expiration Date on this quote. To secure current pricing, Ross Recreation will require the following:

- PO, signed quote or contract with approval for the order.
- Deposit if required by credit terms.
- Color selections and/or approved submittals.
- Acceptance of delivery when materials or equipment is ready to ship. Products cannot be held nor stored.

Sales tax will be based on the current rate at the time of shipping, not the order date. Customer will be expected to cover these, or any changes, to sales taxes.

Ross Recreation will provide labor using a subcontractor for all installation and labor quoted. Neither Ross Recreation, nor our subcontractors, are signatory to any unions; however, compliance with prevailing wage rate requirements will occur. If union enrollment is required by our subcontractor for completion of this project, Ross Recreation will require a Change Order to cover the costs of a per project enrollment and additional wage/benefit requirements.

Company Information

A family-owned business since 1973, Ross Recreation is a leader in providing premier commercial park and recreation equipment and construction services for communities in Northern California, Oregon and Nevada. Our products offer the highest level of craftsmanship, innovation, safety, accessibility and sustainable design. From research to ribbon-cutting, we guide our customers through every step of a project, helping to create unique and inspiring community spaces that will last for decades.

Products on Contract

- School Age Playgrounds and components
- Aquatic Playgrounds and splashpads
- Shelters and Shade Structures - metal roof shade structures and shelters, fabric shade structures and integrated shade with playground equipment.
- Outdoor Fitness equipment
- Installation and Construction services
- Site Amenities - benches, picnic tables, trash and recycling receptacles and other site amenities.
- Safety Surfacing - Rubberized poured-in-place, artificial turf, rubber tile surfacing and engineered wood.
- Athletic equipment, sports goals, drinking fountains and other park/recreational amenities.

Pricing Details

Members receive discounted pricing on these products.
For pricing and product details, log in to nppgov.com.

Contract Details

- Log into nppgov.com
- Forms, legal documentation, price lists and other information can be found on the vendor page
- Sign the Intergovernmental Agreement (IGA) and keep for your records
- Provide your NPPGov member number on the purchase order



Lead Public Agency: League of Oregon Cities

RFP #2060

CONTRACT TERM

Contract Number: PS21070

Effective Date: 03/22/21

Initial expiration: 03/22/24

Possible extensions through: 03/22/27

NPPGov

NPPGov is a national cooperative procurement organization based in Seattle, WA offering publicly solicited contracts to government entities nationwide. Our contracts are created through a public solicitation by a Lead Public Agency. Access to our cooperative contracts is free and there are no purchasing obligations.

Benefits of cooperative contracts:

- Competitively bid, no additional RFP necessary
- Saves time and money in your procurement process
- Live contract support



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 6

DATE: August 10, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution Granting an Appeal of a Planning Commission Decision to Approve a Fence Height Exception Request for Construction of an Automated Vehicular Gate Exceeding the Maximum Height and with Reduced Setbacks on Property Zoned R-1:8. **Located at 380 Blackwell Drive.** APN 424-12-027. Categorically Exempt Pursuant to CEQA Guidelines Section 15303 (e): New Construction or Conversion of Small Structures. Fence Height Exception Application FHE-23-002. PROPERTY OWNER: Larry Cesnik and Martha Johnson. APPELLANT: Larry Cesnik. APPLICANT: Ramin Zohoor. PROJECT PLANNER: Sean Mullin.

RECOMMENDATION:

Adopt a Resolution granting an appeal of a Planning Commission decision to approve a fence height exception request for construction of an automated vehicular gate exceeding the maximum height and with reduced setbacks on property Zoned R-1:8, located at 380 Blackwell Drive.

REMARKS:

On August 1, 2023, the Town Council considered the appeal of the Planning Commission decision and received testimony from the appellant/property owner, which included additional information not available to the Planning Commission. The Council found that a special security concern and special circumstances exist and that the Planning Commission decision was lacking important information. The Council continued the matter to the August 15, 2023, meeting with direction to staff to prepare a Resolution granting the appeal of the Planning Commission decision. This Resolution is included as Attachment 8.

PREPARED BY: SEAN MULLIN, AICP
Senior Planner

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Community Development Director

PAGE 2 OF 2

SUBJECT: 380 Blackwell Drive/FHE-23-002

DATE: August 10, 2023

ATTACHMENTS:

Attachments previously received with the August 1, 2023 Staff Report:

1. June 14, 2023, Planning Commission Staff Report, with Exhibits 1 through 10
2. June 14, 2023, Planning Commission Desk Item, with Exhibit 11
3. June 14, 2023, Planning Commission Action Letter
4. June 14, 2023, Planning Commission Verbatim Minutes
5. Appeal of the Planning Commission decision, received June 21, 2023
6. Annotated Driveway Exhibit Prepared by Staff
7. Draft Resolution to Deny the Appeal and Uphold the Planning Commission Decision

Attachment received with this Staff Report:

8. Draft Resolution to Grant the Appeal of the Planning Commission Decision

DRAFT RESOLUTION

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
GRANTING AN APPEAL OF THE PLANNING COMMISSION DECISION TO APPROVE A
FENCE HEIGHT EXCEPTION REQUEST FOR CONSTRUCTION OF AN AUTOMATED
VEHICULAR GATE EXCEEDING THE MAXIMUM HEIGHT AND
WITH REDUCED SETBACKS ON PROPERTY ZONED R-1:8.**

**APN 424-12-027
FENCE HEIGHT EXCEPTION APPLICATION: FHE-23-002
PROPERTY LOCATION: 380 BLACKWELL DRIVE
PROPERTY OWNERS: LARRY CESNIK AND MARTHA JOHNSON
APPELLANT: LARRY CESNIK
APPLICANT: RAMIN ZOHOOR**

WHEREAS, on September 13, 2022, the Town issued an administrative warning for a code violation at 380 Blackwell Drive for the unpermitted construction of a vehicular gate that exceeds the three-foot height limitation for a gate located in the required front yard and the traffic view area; and does not meet the required 18-foot setback from the edge of the street. The Town requested that the property owner apply for a Building Permit and indicated that the Town Code offers an exception process that allows for deviations from the Town's fence regulations if appropriate findings can be made; and

WHEREAS, on February 6, 2023, the property owner applied for an exception to the Town's fence regulations for the unpermitted construction of a vehicular gate on the subject property that does not comply with the Town Code fence regulations for height and setbacks; and

WHEREAS, on March 6, 2023, the Town denied the exception request because the findings listed in Town Code Section 29.40.0320 could not be made; and

WHEREAS, on March 8, 2023, the decision of the Community Development Director to deny the exception request was appealed to the Planning Commission; and

WHEREAS, on June 14, 2023, the Planning Commission held a duly-noticed public hearing and considered an appeal of the Community Development Director denial of an exception to the

ATTACHMENT 8

Town's fence regulations for unpermitted construction of a vehicular gate that exceeds the three-foot height limitation for a gate located in the required front yard and the traffic view area; and does not meet the required 18-foot setback from the edge of the street; and

WHEREAS, on June 14, 2023, the Planning Commission granted the appeal, approving an exception to the Town's fence regulations with additional conditions requiring that the vehicular gate be relocated to comply with the 18-foot setback required by the Town Code and that any additional fencing needed between the relocated vehicular gate and the existing property line fencing be no taller than the height of the existing adjacent fencing; and

WHEREAS, on June 21, 2023, the appellant, an interested person, filed a timely appeal of the decision of the Planning Commission approving the exception the Town's fence regulations with additional conditions; and

WHEREAS, this matter came before the Town Council for public hearing on August 1, 2023, and was regularly noticed in conformance with State and Town law; and

WHEREAS, the Town Council received testimony and documentary evidence from the appellant and all interested persons who wished to testify or submit documents. The Town Council considered all testimony and materials submitted, including the record of the Planning Commission proceedings and the packet of material contained in the Council Agenda Report for their meeting on August 1, 2023, along with any and all subsequent reports and materials prepared concerning this application, and

WHEREAS, the Town Council finds as follows:

- A. The Town Council finds that the project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15303: New Construction or Conversion of Small Structures.
- B. The Town Council finds the following, in accordance with Town Code section 29.40.0320 (b):
 1. A special security concern exists that cannot be practically addressed through alternatives.
 2. A special circumstance exists where strict enforcement of these regulations would result in undue hardship.

C. The Town Council finds the following, in accordance with Town Code section 29.20.275:

1. The Planning Commission decision was lacking important information. The appellant demonstrated that vehicles would not encroach upon the roadway or sidewalk when entering or exiting the driveway through the vehicular gate. Additionally, the appellant demonstrated that relocating the vehicular gate to meet the required setback from the roadway would make it difficult to park vehicles between the residence and the vehicular gate.

NOW, THEREFORE, BE IT RESOLVED:

1. The appeal of the decision of the Planning Commission decision to approve an exception the Town's fence regulations with additional conditions is granted. The conditions added in the Planning Commission's decision requiring that the vehicular gate be relocated to comply with the 18-foot setback required by the Town Code and that any additional fencing needed between the relocated vehicular gate and the existing property line fencing be no taller than the height of the existing adjacent fencing are removed.
2. The Town Council hereby approves the fence height exception with conditions of approval set forth in Exhibit A and the development plans in Exhibit B.
3. The decision constitutes a final administrative decision pursuant to Code of Civil Procedure section 1094.6 as adopted by section 1.10.085 of the Town Code of the Town of Los Gatos. Any application for judicial relief from this decision must be sought within the time limits and pursuant to the procedures established by Code of Civil Procedure section 1094.6, or such shorter time as required by state and federal Law.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the ____ day of _____, 2023, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

TOWN COUNCIL – August 15, 2023
CONDITIONS OF APPROVAL

308 Blackwell Drive
Fence Height Exception FHE-23-002

Consider an Appeal of a Community Development Director Decision to Deny a Fence Height Exception Request for Construction of an Automated Vehicular Gate Exceeding the Maximum Height and with Reduced Setbacks on Property Zoned R-1:8. Located at 380 Blackwell Drive. APN 424-12-027. Categorically Exempt Pursuant to CEQA Guidelines Section 15303 (e): New Construction or Conversion of Small Structures. Fence Height Exception Application FHE-23-002. PROPERTY OWNER: Larry Cesnik and Martha Johnson. APPELLANT: Larry Cesnik. APPLICANT: Ramin Zohoor. PROJECT PLANNER: Sean Mullin.

TO THE SATISFACTION OF THE DIRECTOR OF COMMUNITY DEVELOPMENT:

Planning Division

1. APPROVAL: This application shall be completed in accordance with all of the conditions of approval listed below.
2. EXPIRATION: The Fence Height Exception approval will expire two years from the approval date pursuant to Section 29.20.320 of the Town Code, unless the approval has been vested.
3. BUILDING PERMIT: The proposed vehicular gate requires a Building Permit.
4. VEHICULAR GATE: The vehicular gate must open inward, towards the residence or slide parallel to the street.
5. TOWN INDEMNITY: Applicants are notified that Town Code Section 1.10.115 requires that any applicant who receives a permit or entitlement (“the Project”) from the Town shall defend (with counsel approved by Town), indemnify, and hold harmless the Town, its agents, officers, and employees from and against any claim, action, or proceeding (including without limitation any appeal or petition for review thereof) against the Town or its agents, officers or employees related to an approval of the Project, including without limitation any related application, permit, certification, condition, environmental determination, other approval, compliance or failure to comply with applicable laws and regulations, and/or processing methods (“Challenge”). Town may (but is not obligated to) defend such Challenge as Town, in its sole discretion, determines appropriate, all at applicant’s sole cost and expense.

Applicant shall bear any and all losses, damages, injuries, liabilities, costs and expenses (including, without limitation, staff time and in-house attorney’s fees on a fully-loaded basis, attorney’s fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any Challenge (“Costs”), whether incurred by Applicant, Town, or awarded to any third party, and shall pay to the Town upon demand any Costs incurred by the Town. No modification of the Project, any application, permit certification, condition, environmental determination, other approval, change in applicable

EXHIBIT A

laws and regulations, or change in such Challenge as Town, in its sole discretion, determines appropriate, all the applicant's sole cost and expense. No modification of the Project, any application, permit certification, condition, environmental determination, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.

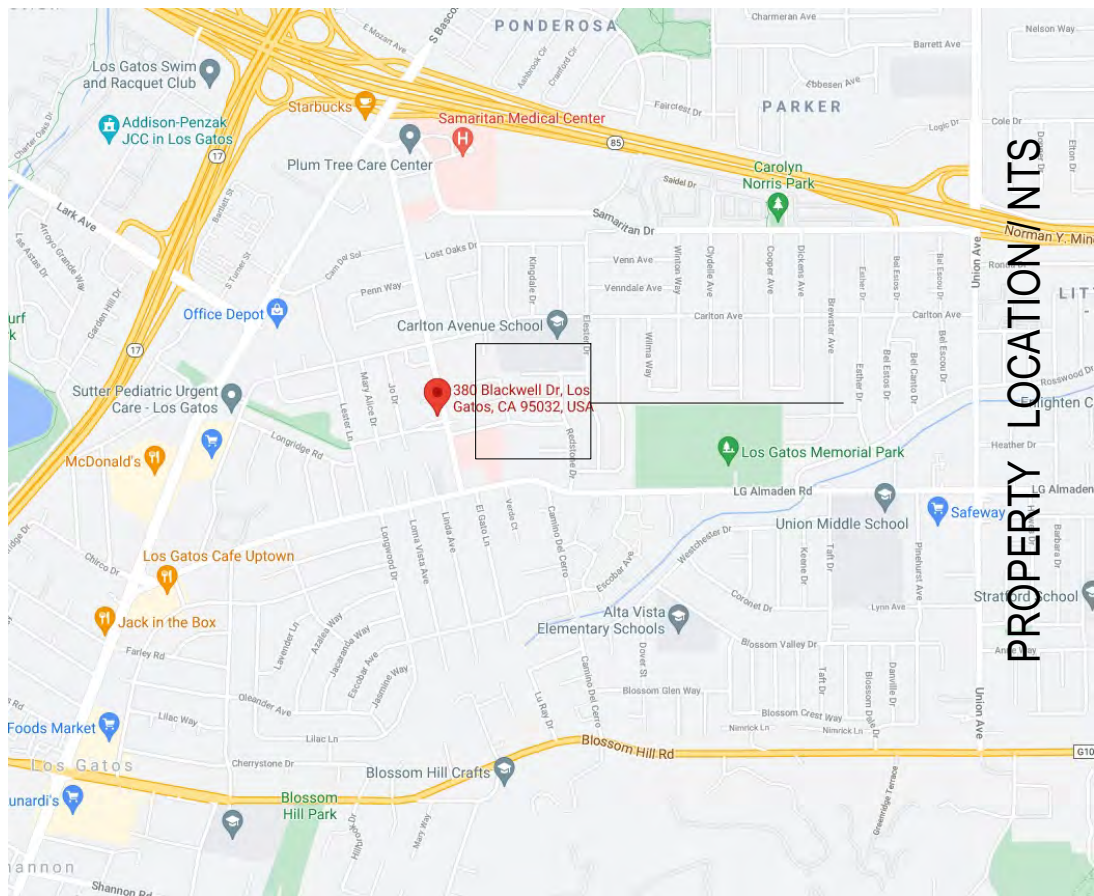
Building Division

6. PEDESTRIAN GATE REQUIRED: Identify the location of the required pedestrian gate.
7. PEDESTRIAN GATE: For pedestrian access in the vicinity of an automated gate, a separate pedestrian gate shall be provided. The pedestrian gate shall be installed in a location such that a pedestrian shall not come in contact with a moving vehicular access gate. A pedestrian gate shall not be incorporated into an automated vehicular gate panel.

BLACKWELL DR., RESIDENCE

LOS GATOS, CA

VICINITY MAP:



PROJECT DATA:

ASSESSOR'S PARCEL NUMBER:	424-12-027
PROJECT TYPE:	GARAGE CONVERSION
PROJECT LOCATION:	380 BLACKWELL DR., LOS GATOS, CA
ZONING:	R-1.8
OCCUPANCY GROUP:	R - 3
CONSTRUCTION TYPE:	V - B
NUMBER OF FLOORS:	MAIN HOUSE: 1 / ADU : 1
FIRE PROTECTION:	NON SPRINKLERED
BEDROOM NUMBER:	MAIN HOUSE: 3 / ADU: 1 (STUDIO)
BATHROOM NUMBER:	MAIN HOUSE: 2 / ADU: 1

CODE EDITIONS:

A. CALIFORNIA RESIDENTIAL	2019 EDITION
B. CALIFORNIA BUILDING	2019 EDITION
C. CALIFORNIA GREEN BUILDING	2019 EDITION
D. CALIFORNIA MECHANICAL	2019 EDITION
E. CALIFORNIA PLUMBING	2019 EDITION
F. CALIFORNIA ELECTRICAL	2019 EDITION
G. CALIFORNIA ENERGY:	2019 EDITION
H. CALIFORNIA FIRE:	2019 EDITION
ANY OTHER APPLICABLE LOCAL AND STATE LAWS AND REGULATIONS.	2019 EDITION

GENERAL NOTES:

ALL WORK DESCRIBED IN THE DRAWINGS SHALL BE VERIFIED FOR DIMENSION, GRADE, EXTENT AND COMPATIBILITY TO THE EXISTING SITE. ANY DISCREPANCIES AND UNEXPECTED CONDITIONS THAT AFFECT OR CHANGE THE WORK DESCRIBED IN THE CONTRACT DOCUMENTS SHALL BE BROUGHT TO THE DESIGNER' ATTENTION IMMEDIATELY. DO NOT PROCEED WITH THE WORK IN THE AREA OF DISCREPANCIES UNTIL ALL SUCH DISCREPANCIES ARE RESOLVED. IF THE CONTRACTOR CHOOSES TO DO SO HE SHALL BE PRECEEDING AT HIS OWN RISK.

OMISSIONS FROM THE DRAWINGS AND SPECIFICATIONS OR THE MIS-DESCRIPTION OF THE WORK WHICH IS MANIFESTLY NECESSARY TO CARRY OUT THE INTENT OF THE DRAWINGS AND SPECIFICATIONS, OR WHICH IS CUSTOMARILY REFORMED, SHALL NOT RELIEVE THE CONTRACTOR FROM PERFORMING SUCH OMITTED OR MIS-DESCRIBED DETAILS OF THE WORK AS IF FULLY AND COMPLETELY SET FORTH AND DESCRIBED IN THE DRAWINGS AND SPECIFICATIONS.

SITE CONDITIONS: ALL CONTRACTORS AND SUB-CONTRACTORS SHALL VERIFY DIMENSIONS AND CONDITIONS AT THE SITE PRIOR TO COMMENCEMENT OF THEIR WORK. FAILURE TO DO SO SHALL NOT RELEASE THEM FROM THEIR RESPONSIBILITY OF ESTIMATING THE WORK, IF ANY VARIATION, DISCREPANCY OR OMISSION (BETWEEN THE INTENT OF THESE CONTRACT DOCUMENTS AND THE EXISTING CONDITIONS ARE FOUND, THE CONTRACTOR OR SUB-CONTRACTOR SHALL NOTIFY DESIGNER IN WRITING AND OBTAIN WRITTEN RESOLUTION FROM DESIGNER PRIOR TO PROCEEDING WITH ANY RELATED WORK.

PROJECT CONTACT:

OWNER:	CESNIK LARRY W AND JOHNSON MARTHA C 380BLACKWELL DR., LOS GATOS, CA 95032 TEL : --- EMAIL: ---
DESIGNER:	RAMIN ZOHOOR DONE RIGHT HOME REMODELING 1825 DE LA CRUZ BLVD. #206 SANTA CLARA, CA 95050 TEL: 408.497.5071 EMAIL: ZOHOOR.RAMIN@GMAIL.COM LIC. 1002689
BUILDER:	DONE RIGHT HOME REMODELING 1825 DE LA CRUZ BLVD. #203 SANTA CLARA, CA 95050 TEL: 800-816-0000 LIC. 1002689 EMAIL: Donerightremodeling1@gmail.com

DRAWING INDEX:

A-00.01: COVER SHEET
BMP SHEET
A-01: ARCH. SITE PLAN

BUILDER NOTES

1) TO BE VERIFIED A BACKWATER VALVE IS INSTALLED DUE TO PLUMBING WORK. TOWN CODE SECTION 6.40.020 REQUIRED AN APPROVED BACKWATER VALVE ON DRAINAGE PIPING SERVING FIXTURES THAT HAVE FLOOD LEVEL RIMS LESS THAN 12-INCHES ABOVE THE ELEVATION OF THE NEXT UPSTREAM MANHOLE. CPC 710.0

2) BUILDER MUST PROVIDE THE HOMEOWNER WITH A LUMINARIES SCHEDULE (AS REQUIRED IN TITLE 24 CALIFORNIA CODE OF REGULATIONS, PART 1, 10-103(b)) THAT INCLUDES A LIST OF LAMPS INSTALLED IN THE LUMINARIES.

SCOPE OF WORK:

- LEGALIZING INSTALLATION OF UN-PERMITTED AUTOMATED SAFETY GATE AT THE FRONT OF THE PROPERTY.
- GATE AT HEIGHT OF 51 INCHES IN FRONT OF PROPERTY TO BE INSTALLED.

ABBREVIATIONS:

ABV.	Above	FDN.	Foundation	PLT.	Plate
A/C	Air Conditioner	FLR.	Floor	P.L.	Property line
A.D.	Access Door	FURN.	Furnace	PLYWD.	Plywood
ADD.	Addition	G.C.	General Contractor	PWR.	Power
A.F.F.	Above Finished Floor	G.F.C.I.	Ground Fault Circuit Interrupt	R.O.	Rough Opening
A.F.G.	Above Finished Grade	GYP.	Gypsum	R.O.W.	Right of way
B.L.	Building Line	H.B.	Hose bib	REFG.	Refrigerator
BLDG.	Building	HGT.	Height	REF.	Reference
B.O.	Bottom of	HR.	Hour	REV.	Revision
BTM.	Bottom	H.R.	Handrail	RMV.	Remove
CABT.	Cabinet	HTR.	Heater	S.C.	Self-Closing
C.D.	Construction document	H.V.A.C.	Heating, Venting and Air Conditioning	SCHED.	Schedule
C.L.	Center Line	INSUL.	Insulation	S.D.	Smoke detector
CL.	Closet	INT.	Interior	SECT.	Section
CLG.	Ceiling	LAM.	Laminate	SHT.	Sheet
C.O.	Clean Out	LAV.	Lavatory	T.O.C.	Top of curb
CONC.	Concrete	MAX.	Maximum	T.O.F.	Top of footing
D.S.	Down spout	MED.	Medium	TH.	Threshold
D/W	Dishwasher	MIN.	Minimum	TYP.	Typical
DBL.	Double	MTL.	Metal (steel)	UNF.	Unfinished
DEMO.	Demolition	MUL.	Mullion	W.C.	Toilet (water closet)
DIA.	Diameter	N.T.S.	Not to scale	WCT.	Wainscot
DR.	Door	N.F.C.	Not for construction	W.H.	Water Heater
ELEV.	Elevation	O.C.	On center	W.I.	Wrought Iron
EXIST.	Existing	O.H.	Overhead	W.I.C.	Walk In Closet
EXT.	Exterior	OPNG.	Opening	YD.	Yard

AREA CALCULATION:

EXISTING CONDITION: (NO WORK)		
"E" LIVING SPACE:	1350	SQF (MAIN HOUSE)
"E" ATTACHED ADU:	418	SQF (ATTACHED)

LOT AREA: 7895 SQF

SCOPE OF WORK:

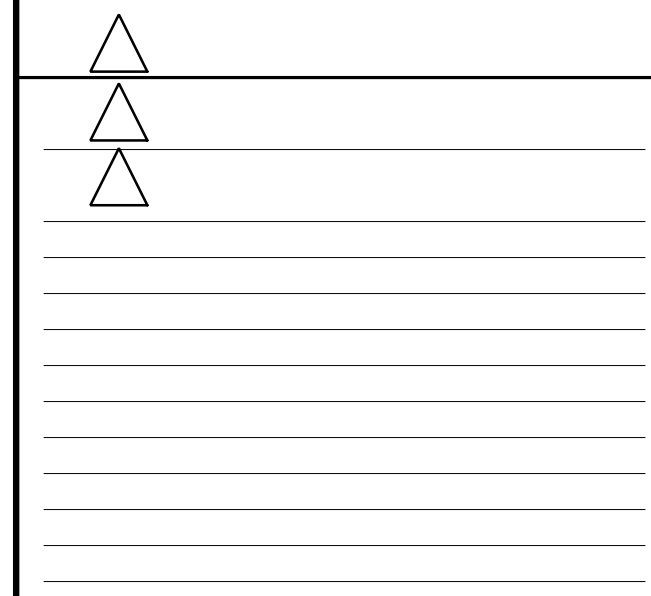
- LEGALIZING INSTALLATION OF UN-PERMITTED AUTOMATED SAFETY GATE AT THE FRONT OF THE PROPERTY.
- GATE AT HEIGHT OF 51 INCHES IN FRONT OF PROPERTY TO BE INSTALLED.

ADDITION and REMODELING FOR:

**BLACKWELL DR.,
RESIDENCE**

380 BLACKWELL DR.,
LOS GATOS, CA 95032

REVISION TABLE:



COVER SHEET

PROJECT ID :
DATE : NOV 2022
SCALE :
DRAWN BY : RZ
DONE RIGHT HOME REMODEL

SHEET NUMBER:

A-00.01

OWNERSHIP:

P. A. Zohoor

GRADING and DEMO NOTES:

1. CONTACT PUBLIC WORKS, FOR DRAINAGE AND FINAL GRADE INSPECTION, WHICH INCLUDES DRAIN LINES AND ROOF DRAINS/DOWN SPOUTS.
2. ALL PUBLIC IMPROVEMENTS MUST BE COMPLETED PRIOR TO OCCUPANCY.
3. CONTRACTOR IS RESPONSIBLE FOR DUST CONTROL AND INSURING THE AREA ADJACENT TO THE WORK IS LEFT IN A CLEAN CONDITION.
4. THE CONTRACTOR SHALL REVIEW STD. DETAIL 6-4 ON TREE PROTECTION PRIOR TO ACCOMPLISHING ANY WORK OR REMOVING ANY TREES.
5. UTILIZE BEST MANAGEMENT PRACTICES (BMP'S), AS REQUIRED BY THE STATE WATER RESOURCES CONTROL BOARD, FOR ANY ACTIVITY, WHICH DISTURBS SOIL.
6. ALL NEW ELECTRICAL SERVICE (POWER, PHONE, AND OR CABLE) SHALL BE UNDER GROUND.
7. TO INITIATE RELEASE OF BONDS, CONTACT THE PUBLIC WORKS INSPECTOR FOR FINAL INSPECTION.
8. ALL DOWNSPOUTS TO BE RELEASED TO THE GROUND SURFACE, DIRECTED AWAY FROM BUILDING FOUNDATIONS AND DIRECTED TO LANDSCAPE AREAS.
9. PRIOR TO BEGINNING ANY WORK WITHIN THE PUBLIC RIGHT OF WAY, THE CONTRACTOR WILL BE RESPONSIBLE FOR PULLING AN ENCROACHMENT PERMIT FROM THE PUBLIC WORKS DEPARTMENT.
10. PROVIDE MIN. 5% GRADE SLOPE AWAY FROM FOUNDATION FOR A MIN. DISTANCE OF 10 FEET MEASURE PERPENDICULAR TO THE FACE OF THE WALL. WITH EXCEPTION:

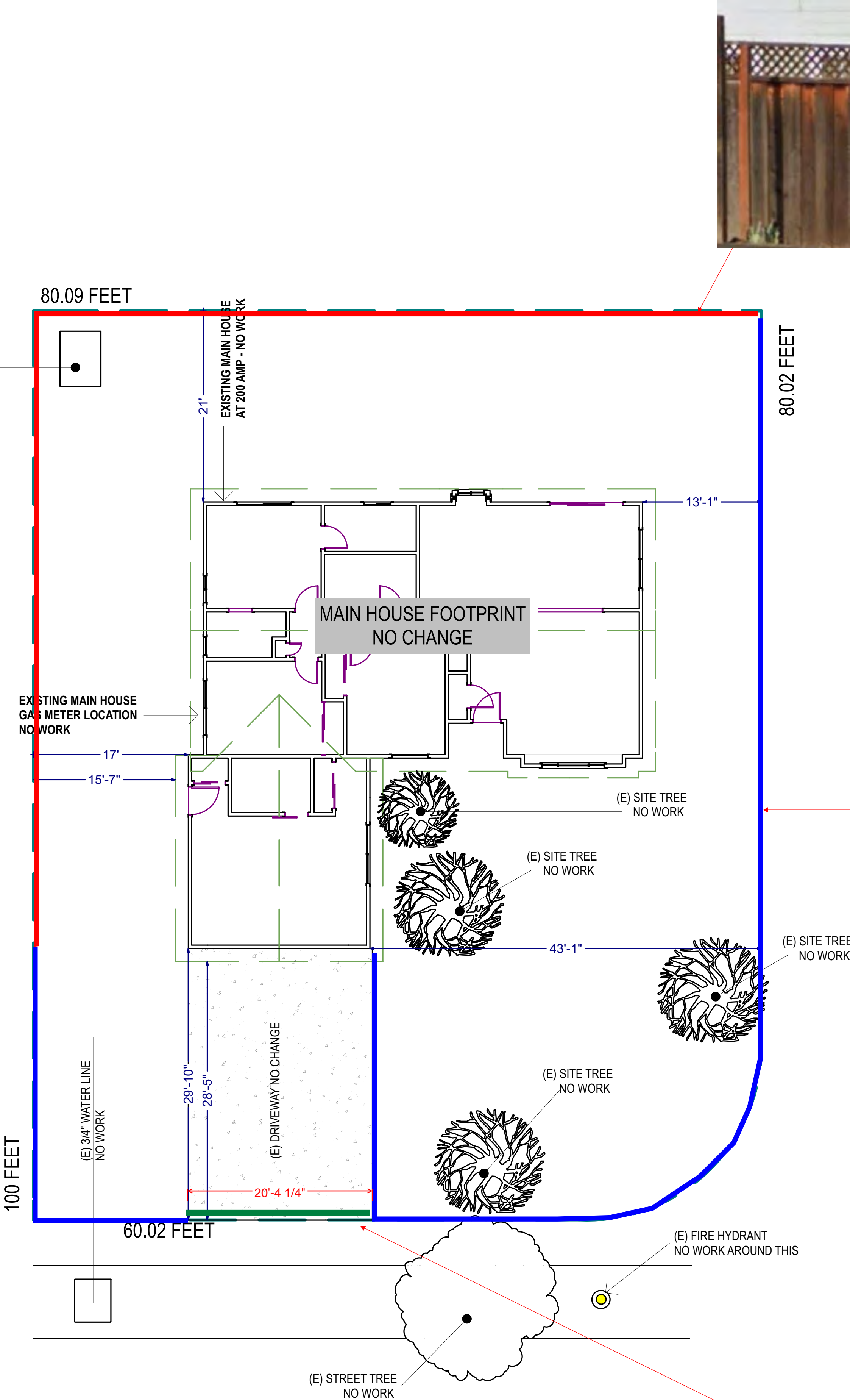
a. IF BUILDING SITE DOES NOT ALLOW 10 FEET OF SLOPE, INDICATE THE INSTALLATION OF DRAINS OR SWALES TO ENSURE DRAINAGE AWAY FROM THE STRUCTURE

b. IMPERVIOUS SURFACES WITHIN 10 FEET OF THE BUILDING FOUNDATION SHALL BE SLOPED A MIN 2% AWAY FROM THE BUILDING.
11. (E) DRAINAGE SHALL REMAIN THROUGHOUT CONSTRUCTION.

TREE PROTECTION NOTES:

1. A PLOT PLAN SHALL BE PREPARED DESCRIBING THE RELATIONSHIP OF PROPOSED GRADING AND UTILITY TRENCHING TO THE TREES DESIGNATED FOR PRESERVATION. CONSTRUCTION AND GRADING SHOULD NOT SIGNIFICANTLY RAISE OR LOWER THE GROUND LEVEL BENEATH TREE DRIP LINES. IF THE GROUND LEVEL IS PROPOSED FOR MODIFICATION BENEATH THE DRIP LINE, THE ARCHITECT/ARBORIST SHALL ADDRESS AND MITIGATE THE IMPACT TO THE TREE(S).
2. ALL TREES TO BE PRESERVED ON THE PROPERTY AND ALL TREES ADJACENT TO THE PROPERTY SHALL BE PROTECTED AGAINST DAMAGE DURING CONSTRUCTION OPERATIONS BY CONSTRUCTING A FOUR-FOOT-HIGH FENCE AROUND THE DRIP LINE, AND ARMOR AS NEEDED. THE EXTENT OF FENCING AND ARMORING SHALL BE DETERMINED BY THE LANDSCAPE ARCHITECT. THE TREE PROTECTION SHALL BE PLACED BEFORE ANY EXCAVATION OR GRADING IS BEGUN AND SHALL BE MAINTAINED IN REPAIR FOR THE DURATION OF THE CONSTRUCTION WORK.
3. NO CONSTRUCTION OPERATIONS SHALL BE CARRIED ON WITHIN THE DRIP LINE AREA OF ANY TREE DESIGNATED TO BE SAVED EXCEPT AS IS AUTHORIZED BY THE DIRECTOR OF COMMUNITY DEVELOPMENT.
4. IF THE TRENCHING IS REQUIRED TO PENETRATE THE PROTECTION BARRIER FOR THE TREE, THE SECTION OF TRENCH IN THE DRIP LINE SHALL BE HAND DUG SO AS TO PRECLUDE THE CUTTING OF ROOTS. PRIOR TO INITIATING ANY TRENCHING WITHIN THE BARRIER APPROVAL BY STAFF WITH CONSULTATION OF AN ARBORIST SHALL BE COMPLETED.
5. TREES WHICH REQUIRE ANY DEGREE OF FILL AROUND THE NATURAL GRADE SHALL BE GUARDED BY RECOGNIZED STANDARDS OF TREE PROTECTION AND DESIGN OF TREE WELLS.
6. THE AREA UNDER THE DRIP LINE OF THE TREE SHALL BE KEPT CLEAN. NO CONSTRUCTION MATERIALS NOR CHEMICAL SOLVENTS SHALL BE STORED OR DUMPED UNDER A TREE.
7. FIRES FOR ANY REASON SHALL NOT BE MADE WITHIN FIFTY FEET OF ANY TREE SELECTED TO REMAIN AND SHALL BE LIMITED IN SIZE AND KEPT UNDER CONSTANT SURVEILLANCE.
8. THE GENERAL CONTRACTOR SHALL USE A TREE SERVICE LICENSEE, AS DEFINED BY CALIFORNIA BUSINESS AND PROFESSIONAL CODE, TO PRUNE AND CUT OFF THE BRANCHES THAT MUST BE REMOVED DURING THE LANDSCAPE ARCHITECT/ARBORIST WITH APPROVAL OF STAFF.
9. ANY DAMAGE TO EXISTING TREE CROWNS OR ROOT SYSTEMS SHALL BE REPAIRED IMMEDIATELY BY AN APPROVED TREE SURGEON.
10. NO STORAGE OF CONSTRUCTION MATERIALS OR PARKING SHALL BE PERMITTED WITHIN THE DRIP LINE AREA OF ANY TREE DESIGNATED TO BE SAVED.
11. TREE PROTECTION REGULATIONS SHALL BE POSTED ON PROTECTIVE FENCING AROUND TREES TO BE PROTECTED.

1 EXISTING SITE PLAN (AREA OF WORK)
SC : 1/8" = 1'-0"



LEGEND:

- PROPERTY LINE
- BLDG FOOT PRINT
- EXISTING 6 FT WOOD FENCE
- EXISTING 4 FT MASONARY & WOOD FENCE - NO WORK
- PROPOSED ROLL METAL GATE FOR SAFETY
- GRAPHIC SCALE : 1/8" INCH = 1' FEET
- 0 2 4 6 8 10 20 30

ADDITION and REMODELING FOR:

BLACKWELL DR.,
RESIDENCE

380 BLACKWELL DR.,
LOS GATOS, CA 95032

REVISION TABLE:

△	
△	
△	

SHEET TITLE:

SITE PLAN

PROJECT ID :
DATE : NOV 2022
SCALE : 1/8" = 1'
DRAWN BY : RZ

SHEET NUMBER:

A-01

OWNERSHIP:

D. R. Johnson



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 7

DATE: August 9, 2023
TO: Mayor and Town Council
FROM: Gabrielle Whelan, Town Attorney
SUBJECT: Adopt an Ordinance Titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Section 18.30.040, 'Penalties for Violations,' of Division 1, Article III, of Chapter 18 of the Town Code, 'Social Host Ordinance'."

RECOMMENDATION:

Adopt an ordinance titled "An Ordinance of the Town Council of the Town of Los Gatos Amending Section 18.30.040, 'Penalties for Violations,' of Division 1, Article III, of Chapter 18 of the Town Code, 'Social Host Ordinance'."

BACKGROUND:

At its regular meeting of August 1, 2023, the Town Council held a public hearing to consider the introduction of an Ordinance titled, "An Ordinance of the Town Council of the Town of Los Gatos Amending Section 18.30.040, 'Penalties for Violations,' of Division 1, Article III, of Chapter 18 of the Town Code, 'Social Host Ordinance'." The Town Council voted 5-0 to approve the introduction of this ordinance. The ordinance becomes effective 30 days after the adoption date.

CONCLUSION:

Staff recommends Town Council adopt the Ordinance titled, "Ordinance Amending Section 18.30.040, 'Penalties for Violations,' of Division 1, Article III, of Chapter 18 of the Town Code, 'Social Host Ordinance'."

PREPARED BY: Bridgette Falconio
Administrative Technician

Reviewed by: Town Manager and Assistant Town Manager

PAGE 2 OF 2

SUBJECT: Amendment to Social Host Ordinance

DATE: August 9, 2023

COORDINATION:

This report was prepared by the Town Attorney in collaboration with the Police Department and Town Manager.

FISCAL IMPACT:

The adoption of the ordinance has no fiscal impact.

ENVIRONMENTAL ASSESSMENT:

The proposed ordinance is not a project subject to CEQA, because it can be seen with certainty that it will not have a significant impact on the physical environment.

Attachments:

1. Draft Social Host Ordinance

DRAFT ORDINANCE

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING SECTION 18.30.040, "PENALTIES FOR VIOLATIONS," OF DIVISION 1, ARTICLE III, OF CHAPTER 18 OF THE TOWN CODE, "SOCIAL HOST ORDINANCE"

WHEREAS, the Town's social host ordinance is codified at Town Code Sections 18.30.040 and following;

WHEREAS, Town Code Section 18.30.040 currently addresses penalties for violations for the social host ordinance;

WHEREAS, Section 18.30.040 (c) provides that the enforcement officer shall give notice of a violation of this chapter by issuing a citation to any and all responsible persons identified by the chapter within ten (10) days of the violation;

WHEREAS, staff has observed that ten days is insufficient time for the case report to be completed and forwarded to the Town Attorney for review and forwarding to the Town's Code Compliance Officer;

WHEREAS, there is no state or local requirement that an administrative citation be issued within ten days of a Town Code violation; and

WHEREAS, staff is proposing an ordinance to amend the Town's social host ordinance to remove the ten-day time limit;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Los Gatos as follows:

SECTION I. Section 18.30.040, "Penalties for Violation" of Division 1, "Social Host Ordinance," of Chapter 18, of the Town Code is amended to read as follows:

Sec. 18.30.040. Penalties for violations.

- (a) The enforcement officer, at their discretion, may immediately issue a citation for violation of this Chapter upon evidence of the violation. There is no requirement of a first warning in order for the enforcement officer to issue this citation.
- (b) Administrative Fine: A first violation of this chapter shall result in a citation with a one thousand five hundred dollar (\$1,500.00) fine. A second violation and subsequent violations shall result in a citation with a three thousand dollar (\$3,000.00) fine.

- (c) The enforcement officer shall give notice of a violation of this chapter by issuing a citation to any and all responsible persons identified by the chapter. The citation shall also give notice of the right to request an administrative hearing to challenge the validity of the citation and the time for requesting that hearing.
- (d) The administrative fine prescribed in this section is in addition to any cost recovery fee for public safety responses that may be assessed pursuant to section 18.30.040.

SECTION II. Severability.

In the event that a court of competent jurisdiction holds any Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this Section and shall not affect the validity of the remaining portions of this Section. The Town hereby declares that it would have adopted each Section, subsection, paragraph, sentence, clause, or phrase in this Section irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses, or phrases in this Section might be declared unconstitutional, preempted, or otherwise invalid.

SECTION III. CEQA.

Adopting this Ordinance is not a project subject to CEQA because it can be seen with certainty that it will not impact the environment (CEQA Guidelines Section 15378).

SECTION IV. Publication.

The Town Council hereby directs the Town Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

SECTION V. Effective Date.

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the _____, 2023, and adopted by the following vote as an ordinance of the

Town of Los Gatos at a regular meeting of the Town Council of the Town of Los Gatos on the _____, 2023. This ordinance takes effect 30 days after it is adopted.

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 8

DATE: August 4, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute the First Amendment to the Consulting Services Agreement with Nichols Consulting Engineers for Additional Engineering Services in an Amount of \$42,500, Resulting in a Total Agreement Amount Not to Exceed \$486,900, and an Extension of Time for the Shannon Road Repair Project (CIP No. 811-0008)

RECOMMENDATION:

Authorize the Town Manager to execute the first amendment (Attachment 1) to the consulting services agreement with Nichols Consulting Engineers for additional engineering services in an amount of \$42,500, resulting in a total agreement amount not to exceed \$486,900, and an extension of time for the Shannon Road Repair Project (CIP No. 811-0008).

BACKGROUND:

On May 31, 2021 the Town entered into an agreement with Nichols Consulting Engineers to design a repair of Shannon Road between Diduca Way and Santa Rosa Drive. The scope of work authorized in that agreement included development of topographic survey and right of way mapping, geotechnical analysis, design of stabilization structures, pavement design, and development of design plans through construction bidding. The scope also includes engineering support through the construction phase of the project.

The project design is nearing completion and bidding for construction is anticipated in early fall 2023. The construction schedule will depend on the weather, with work expected to be complete by summer 2024, or sooner if possible.

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

DISCUSSION:

The design work has progressed and staff reviewed 65 percent complete plans in early 2023. During design review three specific changes have occurred that necessitate the proposed amendment:

- 1) Staff requested additional analysis of bike pullout locations resulting in redesign of this feature.
- 2) Initial design had assumed that Shannon Road would remain open for the duration of construction. An alternating one-way traffic pattern would be set up with temporary signals. This would limit the contractors work area, extending the time of construction and increasing the costs. As such, staff requested evaluation of full closure of this portion of Shannon Road with a detour routing traffic around the work area.
- 3) Coordination with PG&E and the adjacent property owner necessitate changes to previously completed design of guardrail and storm drainage features.

The cost of each of these changes and the scope of work are in documented in the contract amendment.

The current contract is set to expire on December 31, 2023. This First Amendment would extend the contract to December 31, 2024. This will allow the consultants to provide support through construction and project closeout.

CONCLUSION:

The proposed First Amendment to the Agreement for Consulting Services with Nichols Consulting Engineers provides for an increase in project cost and an extension of time to allow for completion of the project.

COORDINATION:

This memorandum has been coordinated with the Finance Department.

FISCAL IMPACT:

Staff costs are tracked for all projects. Tracking of staff costs allows for accountability in the costs of projects, recovery of costs from grant funded projects, and identification of future staffing needs. This project utilizes a combination of full-time budgeted staff and temporary staff that support fluctuating workloads. The costs for temporary staff will be directly associated with this project while full-time staff are accounted for in the Department's operating budget.

SUBJECT: First Amendment with Nichols Consulting Engineers for Shannon Road Repair
(CIP No. 811-0008)

DATE: August 4, 2023

FISCAL IMPACT (continued):

Shannon Road Repair CIP No. 811-0008		
	Budget	
GFAR	\$ 4,879,064	
Total Budget	\$ 4,879,064	
		Costs
Prior Consultant Services		\$ 507,473
Consultant Services Agreement with Nichols Consulting Engineers (Approved with this Staff Report)		\$ 486,900
Misc. Project Costs		\$ 187
Total Costs		\$ 994,560
Available Balance		\$ 3,884,504

ENVIRONMENTAL ASSESSMENT:

This is a project as defined under CEQA but is Categorically Exempt (Section 15301). A Notice of Exemption will be filed.

Attachments:

1. First Amendment to NCE Agreement with Exhibits
2. Original Agreement

FIRST AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

This FIRST AMENDMENT TO AGREEMENT is dated for identification this 15th day of August 2023 and amends that certain Agreement for Consultant Services dated May 3, 2021, made by and between the Town of Los Gatos, ("Town,") and Nichols Consulting Engineers, Chtd ("Consultant"), identified as a C Corporation and whose address is 1003 W Cutting Boulevard, Suite 110, Pt Richmond California 94804.

RECITALS

- A. Town and Consultant entered into an Agreement for Consultant Services on May 3, 2021, ("Agreement"), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Amendment.
- B. Town desires to amend the Agreement to add to the scope of services, extend the term, and increase the compensation.

AMENDMENT

1. Section 2.1 Scope of Services is amended to read as follows:

Consultant shall provide the additional services as described in that certain proposal sent to the Town on July 3, 2023, incorporated herein as Exhibit B.

2. Section 2.2 Term and Time of Performance is amended to read as follows:

This contract shall remain in effect until December 31, 2024

3. Section 2.6 Compensation is amended to read as follows:

Increase the compensation amount by \$42,500 for a total value of \$486,900 set forth in Exhibit B.

3. All other terms and conditions of the Agreement remain in full force and effect.

ATTACHMENT 1

IN WITNESS WHEREOF, the Town and Consultant have executed this Amendment.

Town of Los Gatos:

Approved as to Consent:

Laurel Prevetti, Town Manager

J. Ryan Shafer, PE, GE Principal, NCE

Department Approval:

Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

Attest:

Gabrielle Whelan, Town Attorney

Wendy Wood, CMC, Town Clerk

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on May 3, 2021 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") Nichols Consulting Engineers, ("Consultant"), whose address is 501 Canal Blvd., Suite I, Richmond, CA 94804. This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 Town desires to engage Consultant to provide services to provide design and construction support services for Shannon Road Repair Project (CIP No. 811-0008).
- 1.2 Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain Proposal sent to Town on April 26, 2021, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. This contract will remain in effect from date of execution to December 31, 2023.
- 2.3 Compliance with Laws. Consultant shall comply apply the reasonable standard of care with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services

pursuant to this Agreement are confidential until released by the Town to the public, and Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

2.6 Compensation. Compensation for Consultant's professional services **shall not exceed \$444,400**, inclusive of all costs as described in Exhibit A. Payment shall be based upon Town approval of each task.

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town

employee(s). With prior written consent, Consultant may perform some obligations under this Agreement by subcontracting but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Litigation Support. Consultant shall receive compensation for preparing for and/ or appearing in any litigation at the request of the Town, except: (1) if such litigation costs are incurred by the Consultant in defending its work or services or those of any of its sub-consultants or (2) as may be required by the indemnification requirements of the Consultant. Compensation for litigation services requested by the Town shall be paid at a mutually agreed upon rate and/ or at a reasonable rate for such services.
- 2.12 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.13 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. The Consultant's insurance coverage shall be primary insurance in respect to the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

3.4 Mutual Indemnification. Consultant shall indemnify and hold harmless the Town, its officers, agents, and employees from any and all claims, suits, losses, pure economic damages, costs (including reasonable attorney's fees) and demands, administrative fees, penalties and fines imposed, and demands, including reasonable attorney's fees connected therewith, on account of personal injury, including death, or property damage, sustained by any person or entity not a part to this Agreement between the Consultant and the Town to the extent such injury, death or damage is caused by the negligence or willful misconduct of the Consultant or their respective employees, officers and agents.

Consultant agrees to the full extent permitted by law, to indemnify, defend, and hold harmless the Town, its officers, directors, and employees from and against any and all claims, demands, losses, penalties, fines and causes of action of every kind and character (including reasonable attorney fees) arising from or relating to Pre-existing Conditions.

3.5 Mutual Indemnification. Town shall indemnify and hold harmless the Consultant, its officers, agents, and employees from any and all claims, suits, losses, pure economic damages, costs (including reasonable attorney's fees) and demands, administrative fees, penalties and fines imposed, and demands, including reasonable attorney's fees connected therewith, on account of personal injury, including death, or property damage, sustained by any person or entity not a part to this Agreement between the Consultant and the Town to the extent such injury, death or damage is caused by the negligence or willful misconduct of the Town or its Consultant or their respective employees, officers and agents.

Town agrees to the full extent permitted by law, to indemnify, defend, and hold harmless the Consultant, its officers, directors, shareholders, employees, affiliates, and subsidiaries and their successors from and against any and all claims, demands, losses, penalties, fines

and causes of action of every kind and character (including reasonable attorney fees) arising from or relating to Pre-existing Conditions.

IV. GENERAL TERMS

- 4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.
- 4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.
- 4.3 Termination of Agreement. Town and Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.
- 4.4 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over \$1,000 which are defined as a "public work" by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.
- 4.4.1 The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.

- 4.4.2 Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime, weekend and holiday pay, and shift pay must be paid pursuant to applicable Labor Code section.
- 4.4.3 The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to \$200 per day per worker for each wage violations identified; \$100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and \$25 per day per worker for any overtime violation.
- 4.4.4 As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the Town, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.
- 4.4.5 In addition to submitting the certified payrolls and related documentation to the Town, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and final payment.
- 4.4.6 No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- 4.4.7 No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.

- 4.4.8 Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the Town for any fines assessed by the California Department of Industrial Relations against the Town for such violation, including all staff costs and attorney's fee relating to such fine.
- 4.4.9 Town shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., Town may continue to hold sufficient funds to cover estimated wages and penalties under the contract.
- 4.5 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.
- 4.6 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.
- 4.7 Dispute Resolution. Town and Consultant agree that they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement to mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association, effective as of the date of this Agreement.
- 4.8 Force Majeure. Neither party to this Agreement will be liable to the other party for delays in performing the services, nor for the direct or indirect cost resulting from such delays, that may result from labor strikes, riots, war, acts of governmental authorities, health crises, extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable control or contemplation of either party.
- 4.9 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:
- | | |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030 | Nichols Consulting Engineers
501 Canal Blvd., Suite I
Richmond, CA 94804 |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
- or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.
- 4.10 Certifications /Warranties. Consultant neither makes, nor offers, nor shall Consultant be liable to the Town for any express or implied warranties with respect to the performance

of Services. Estimates of cost, approvals, recommendations, opinions, and decisions by the Consultant are made on the basis of the Consultant's experience, qualifications, and professional judgment and are not guaranteed. Consultant shall not be regarded as a guarantor with respect to any work product provided to the Town.

- 4.11 Third Party Reliance Upon Reports. All Consultant work products are prepared solely for use by the Town and shall not be provided to any other person or entity without CONSULTANT's written consent. Town shall indemnify the Consultant from and against any and all claims, liability, damages, actions or proceedings brought by any person or entity claiming to rely upon information or opinions contained in reports or other work products provided to such person or entity, published, disclosed or referred to without the Consultant's written consent.
- 4.12 Ownership and Retention of Documents. Reuse or modification of any such documents by the Town, without the Consultant's written permission, shall be at the Town's sole risk, and Town agrees to indemnify and hold the Consultant harmless from all claims, damages, and expenses, including attorney's fees, arising out of such reuse by the Town or by others acting through the Town.
- 4.13 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.14 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Consultant, by:

DocuSigned by:

Laurel Prevetti

5/19/2021

853FEEA2EB39470...

Laurel Prevetti, Town Manager

DocuSigned by:

Greg Fasiano

5/13/2021

8E05CEC98BB5409...

Recommended by:

DocuSigned by:

Matt Morley

5/13/2021

8BA0B3B0D8F4484...

Matt Morley

Director of Parks and Public Works

DocuSigned by:

Ryan Shafer

5/13/2021

F58F4B83876B47D...

J. Ryan Shafer, PE, GE

Principal

Approved as to Form:

DocuSigned by:

Robert W. Schultz

5/18/2021

2FE0938555B744C...

Robert Schultz, Town Attorney

Attest:

DocuSigned by:

Shelley Neis

5/19/2021

B9666F65B1F34F6...

Shelley Neis, MMC, CPMC, Town Clerk



Collaboration. Commitment. Confidence.SM

April 26, 2021

Ms. Janice Chin, Assistant Engineer
Town of Los Gatos, Parks and Public Works Department

Proposal for On-Call Civil Engineering Services – TLG #20-811-0008 Shannon Road Repair

Dear Ms. Chin:

INTRODUCTION

NCE is pleased to provide the Town of Los Gatos (Town) our proposal to provide civil engineering services for the Shannon Road Repair Project (Project). As we lead the completion of the Geotechnical Alternatives Report (GAR) for this project we appreciate the opportunity to continue our work with the Town towards completing construction documents for stabilizing the embankment and roadway.

Based on our previous work at the site, the Shannon Roadway embankment has been experiencing ongoing slope creep and movement resulting in pavement cracking and localized failures requiring ongoing maintenance by Santa Clara County (County) and now the Town. This is mainly the result of colluvial and fill soils that are susceptible to slope creep and movement from an over steepened roadway embankment in combination with original fill materials used to construct the roadway likely not be compacted, keyed, and benched properly to current standards.

Given the severity of recent cracking and how quickly cracking occurred after prior maintenance, completing construction of this roadway repair is critical to prevent additional roadway damage and additional repairs and maintenance the current two stabilization alternatives presented in our Report to the Town include a (i) MSE wall in combination with soldier pile and lagging wall and (ii) soldier pile and lagging wall. Each of them addresses the site's unique geological conditions, site access, and general site constraints.

As an unplanned project receiving resources from the Town's capital improvement program, embankment stabilization also diverts resources from projects which are already planned. Furthermore, as a central thoroughfare for motorists and bicyclists in the eastern part of the community, Shannon Road provides access to a significant portion of the Town's residents. If the ongoing instability persists, it threatens the connection of this part of the Town with the rest of the community.







NCE has hand selected the right team to assist the Town with delivering the Shannon Road Repair Project as we have direct knowledge and experience with project site; excellent working relationship with the Town backed by the repeated ability to deliver; infrastructure, roadway, and pavement engineering design expertise; and a talented multidisciplinary team with innovative ideas for solving the challenges of this site. NCE's strength on this project is a carefully integrated and coordinated team with inhouse skillsets including civil engineering and pavement design that we supplement with long-time trusted teaming partners like **Cal Engineering & Geology** (geotechnical/structural), **Fehr & Peers** (traffic control), and **Mountain Pacific Surveys** (surveying).

Richmond, CA
501 Canal Blvd., Suite I
Richmond, CA 94804
(510) 215-3620

Additionally, the NCE team will be led by proposed Project Manager, **Lee Taubeneck, PE**, who will be responsible for day-to-day project management. Lee brings extensive experience working on road widening projects in planning, design, QA/QC, ROW, utility, RFA and programming phases. Lee will be supported by **Ryan Shafer, PE, GE**, Principal of NCE's Richmond office. Ryan will serve as Client Sponsor and will provide project oversight. Ryan has a solid integrated civil and geotechnical background and is knowledgeable and experienced with the Town's infrastructure. In short, by selecting NCE, the Town will benefit from existing working knowledge of the site our ability to start and complete the design of this project quickly, ability to introduce cost saving designs (e.g., recycling roadway materials in-place and avoiding utility relocation/conflicts with wall design and planned excavation depths), and decades of diverse and considerable engineering experience delivering these types of projects.

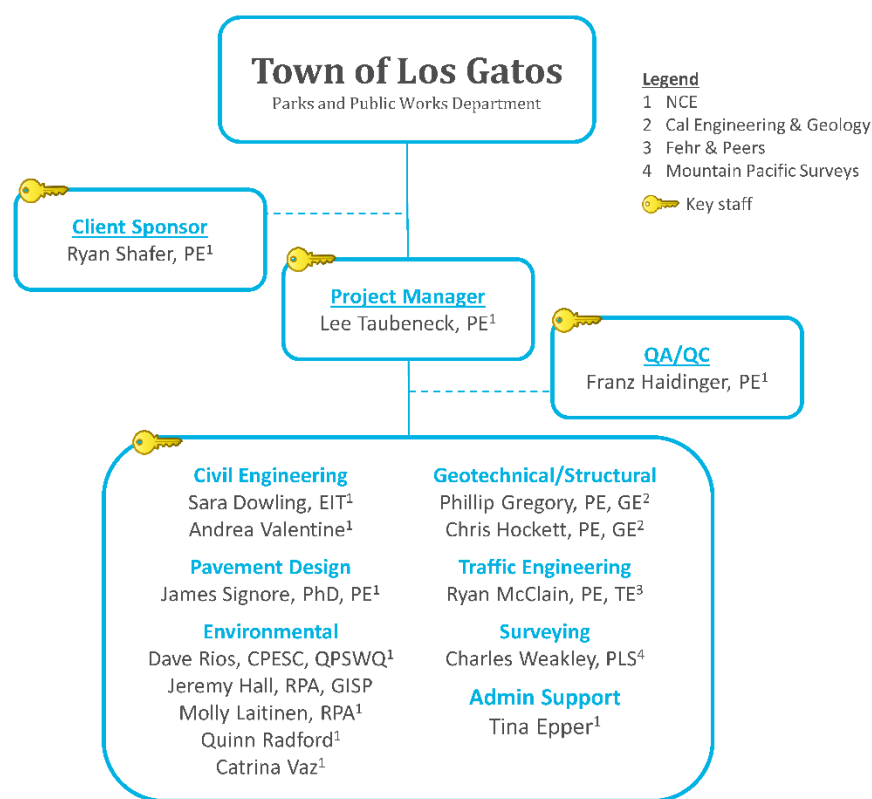
FIRM QUALIFICATIONS

NCE is a client-focused professional consulting firm integrating the disciplines of engineering, science, and planning to address the infrastructure and resources challenges facing our communities today and in the future. NCE has grown significantly in expertise and capabilities beyond its origin as a transportation research and pavement management firm working with the Federal Highway Administration (FHWA). NCE delivered civil engineering and pavement design services for scores of California municipalities. NCE is adept in delivering comprehensive civil engineering and pavement design projects. The NCE team provides the following benefits and distinguishing features:

-  Familiarity with local regulations and working with the Town on capital improvement projects including the **Shannon Road Embankment Stabilization**.
-  Knowledge and demonstrated pavement rehabilitation design expertise from designing thousands of local streets and roadways throughout California, Nevada and the West Coast.
-  Highly qualified interdisciplinary team of professionals that have worked together on multiple projects involving conception, regulatory compliance and permitting, environmental documents, through design and construction monitoring.
-  Technical resources with an in-depth understanding of sustainability, safety, community needs, and environmental constraints.
-  Tailored approach with cost-effective strategies and practical solutions that promote cost savings, reduced construction disruptions/impacts, constructability, and that can be readily implemented.
-  Responsive staff with proven experience in all facets of engineering, including applicable state and federal standards.

ORGANIZATIONAL CHART

Figure 1 below illustrates the structure and team we propose for this project, the roles and responsibilities of each team member as well as the communication/reporting relationships of the key staff in relation to the Town for this project. Qualifications summaries for key personnel are provided below and their focused resumes are included in Attachment A.



KEY PERSONNEL

Figure 1. NCE Team Organization

Qualifications summaries for each key team member are provided below and their focused resumes are provided in Attachment A.



Mr. Ryan Shafer, PE, GE, Client Sponsor. In this role, Ryan will be responsible for communicating with the Town and champion of allocating of resources. Ryan is an experienced Principal and Project Manager that is highly skilled in managing interdisciplinary teams of engineers, scientists, and planners for complex projects requiring civil engineering, geotechnical engineering, pavement engineering, structural engineering, transportation and traffic engineering, hydrology and hydraulics, coastal engineering, regulatory permits, technical studies and resource assessments, and environmental documents. In addition, he has managed and provided civil and geotechnical engineering on a wide range of public and private projects, including vertical development, municipal roads, trails, drainage infrastructure, landfills, public transit, recreation areas and parks, industrial facilities including refineries, and waterfront structures giving him an understanding of how to work with diverse project types. His clients provide feedback that NCE is an effective partner and steward, understanding what is important to each community. He is a registered civil engineer and geotechnical engineer with more than 22 years of professional experience.



Mr. Lee Taubeneck, PE, Project Manager. The NCE team will be led by Lee, who will be responsible for day-to-day project management and will also be a point of contact for the Town. Lee is a transportation professional with extensive experience in the development of expressways, freeways, roads, transit systems, multi-use paths, trails, sidewalks, streets, and

highways. He has worked with public, private, and non-profit clients throughout California at both the local, regional, and State levels. He is an expert in transportation planning and design. He is a registered civil engineer with more than 37 years of professional experience.



Mr. Franz Haidinger PE, QA/QC Manager. Franz will be responsible for quality assurance and quality control on the deliverables developed by NCE. Franz brings a wealth of experience and expertise in civil and environmental engineering. He has lead engineering efforts in projects with civil design components such as pavement design for parking lots, curb and gutter layout, storm drain design, LID features like overland flow, bioswales, and small detention basins, grading, design of water services for irrigation and domestic water supply, and design of a sewer connections for future projects. The depth of his experience also includes the preparation of Drinking Water Source Assessments, SWPPPs, contaminated soil remediation, underground storage tank removals, permitting, operation and maintenance of groundwater treatment facilities and soil vapor extraction systems, and construction quality assurance. He is a registered civil engineer with 24 years of professional experience and currently serves as NCE's Chief Engineer.



Mr. James Signore, PhD, PE, Pavement Design Lead. James specializes in pavement design and evaluation, rehabilitation and maintenance, materials assessment, and training. He has experience in designing pavements for many local agencies, Caltrans, and for heavy vehicle loading applications for highways, airfields and ports. He has spent years researching pavement materials, having directed a state-of-the-art AMRL certified and Superpave mix design equipped research laboratory, and is well versed in state and local pavement practices and specifications. He has taught NHI's and ASCE's "Techniques for Pavement Rehabilitation" (including best practices for utility cuts and patches) seminars to practicing engineers for 20 years. He has also taught graduate courses in pavement engineering at San Jose State University and many of his former students are civil engineers at local agencies. Additionally, James is a Member of the Transportation Research Board Committee AFD70, Pavement Rehabilitation, AFD70-1, Pavement Interlayer Systems and the FAA Airport Pavement Technical Working Group. He is a registered civil engineer with 25 years of professional experience and holds a PhD in Civil Engineering.



Ms. Sara Dowling, EIT, Project Engineer/Pavement Design. Sara has been involved in design projects that include new intersection roadway, high-rise building foundation, airport taxiway pavement structure, spatial data analysis, and a green wastewater treatment plant. She was the fundraising chair for the Institute of Transportation Engineers and is currently a member of ASCE and Young Professionals in Transportation. Sara has experience in AutoCAD 3D, ArcGIS, MS Project, Technical Writing, Literature Review, EverFE, and C++.



Andrea J. Valentine, CADD Design. Andrea is a CADD drafter with nearly 40 years of experience providing layout and drawing of civil and structural plans, control lines, profiles, sections, and details based on engineers' sketches and markups. She works with engineers to provide lot line adjustment boundaries; develops, implements, and updates CADD standards; and sets up and maintains drafting records and documentation. Her program experience includes AutoCAD, Bentley Micro-station, and Microsoft Word and Excel. In addition to obtaining her BA, Andrea has taken various drafting, graphic arts, solar design, technical math, cartography, natural sciences, and computer training courses at various San Francisco Bay Area colleges.

NCE Administrative Staff. NCE also has a team of administrative professionals that will support the strategic engagement task by developing graphics, and content for presentations or collateral material.

SUBCONSULTANT KEY PERSONNEL



Mr. Phillip Gregory, PE, GE, Geotechnical Engineer. Phillip is an experienced geotechnical engineer and manager who has completed more than 150 transportation and water infrastructure improvement projects for public agencies over the past 20+ years. Phil's expertise is in the analysis and design of earth embankments and slope stabilization measures including geosynthetic reinforced slopes, and embankments, CIDH pile structures, segmental block retaining soldier pile and lagging walls, soil nail retaining structures, light weight fill, and slope dewatering systems. Phillip is an experienced Caltrans-based specification writer and estimator of earth construction costs. Phillip managed the majority of the federally-funded storm damage repair projects that were completed by CE&G in 1993, 1998, and 2006. He is a registered civil engineer and geotechnical engineer with 33 years of professional experience.



Mr. Chris Hockett, PE, GE, Structures Design. Chris has expertise in managing geo-civil-structural design projects that involve the preparation of plans, specifications, and engineer's estimates, (PS&E) for roadway stabilization projects. Chris has designed stitch piers, retaining walls founded on deep and shallow foundations, mechanically reinforced embankments, segmental retaining walls systems, and tieback retaining walls on roadways for Cities and Counties throughout the Bay Area. Some of his recent roadway stabilization experience includes the structural design of a 300 foot long stitch pier system along Foothill Boulevard in Sunol and a 200 foot long soldier pile and wood lagging retaining wall with tieback anchors along Rifle Range Road in Richmond, and the geotechnical design of over 1,000 linear feet of stitch piers, and soldier pile and lagging debris walls and retaining walls along the award winning 1.7 mile long George Miller Regional Trail between Martinez and Port Costa. He is a registered civil engineer and geotechnical engineer with 13 years of professional experience.



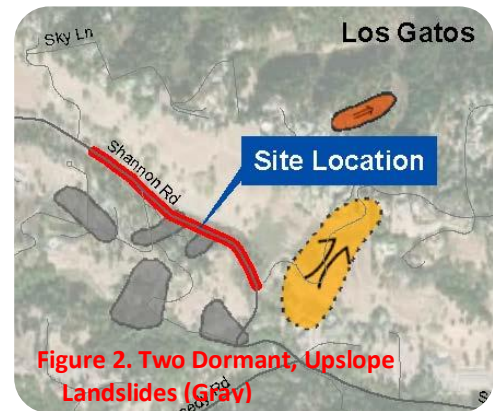
Mr. Ryan McClain, PE, TE, Traffic Handling & Detours. Ryan has worked in the transportation planning and engineering field since 2001. Focusing on multi-modal transportation design and analysis, Ryan provides alternatives development and assessment and transportation engineering design for complete streets projects ranging in size from single intersections to complex multi-jurisdictional corridors and master plans. Ryan works closely with agency staff, stakeholders, and the community to develop engineering solutions that work for all users. Ryan leads Fehr & Peers' companywide Complete Streets Design group is the vice chair of the international ITE Complete Streets Council. He frequently teaches courses on complete streets design, including recent classes for MTC throughout the Bay Area and lectures at UC Berkeley for the pedestrian/bicycle graduate class. In addition to his project roles, Ryan serves as the Office Leader for Fehr & Peers' Walnut Creek office, where he is responsible for overall office strategy and client relations. He is a registered civil engineer and traffic engineer with more than 20 years of professional experience.

Mr. Charles Weakley, PLS, Surveying. Charles is the President and manager in charge of all land survey work undertaken by Mountain Pacific Surveys and our aerial mapping company, Aerometric Surveys. His experience in land surveying includes photogrammetric control, precision as-built surveys, G.P.S. and cadastral surveys, boundary determinations and right-of-way calculations, topographic mapping, aerial photogrammetry, and construction layout of hundreds of subdivisions, roadway, commercial, and utility projects. Charles is responsible for all aspects of project administration, including contract negotiations. He is a professional land surveyor with 27 years of professional experience.

PROJECT UNDERSTANDING AND PREVIOUS WORK

Having been called upon by the Town along with our geotechnical partners CE&G for the initial investigations of Shannon Road distress, NCE has extensive knowledge and understanding of the project. In early 2020, as downhill creep began to accelerate, we were called by the Town. The team completed extensive field research, reconnaissance, field borings, and laboratory analyses to enable site characterization. The *Revised Geotechnical Alternatives Report* (RGAR, CE&G, December 2020) was the culmination of these investigations and prepared two feasible alternatives and cost estimates.

Two probable landslides were identified by our investigations along the Road segment (**Figure 2**) composed of quaternary colluvium. The observed colluvium fills more gently sloped swales that have been mapped as probable landslides of uncertain age by the CGS and the Town. The colluvium swales are interpreted to be dormant landslides. The colluvium is composed of sandy lean clay with and without gravel, and silt/lean clay with sand. The colluvium was found beneath the Road prism and above the bedrock (siltstone). The Report correlates the two dormant slides with the thicker portions of the fill/colluvium above the bedrock, or roughly between stations 6+35 to 7+48, and stations 3+00 to 4+25.



The Town acquired title to the Road in 2017, in what at the time was determined to be a State of Good Repair. The outboard side of the Road segment is composed mostly of artificial fill. Given the vintage of the Road, it is likely that the embankment was not compacted to current standards, leading to settlement of the fill.

The former owner had been addressing settlement and cracking for several decades. Routine maintenance of the roadway consisted of HMA overlays to relevel the driving surface. The result was a thick structural section of AC pavement on the westbound or downhill side. The added mass of repeated overlays on the outside lane of the Road may have exacerbated the distress and failures over time.

The final overlay of the roadway prior to ownership transfer included polyurethane foam injection within the area of historic cracking and settlement, along with a 2.5-inch to 3-inch pavement overlay. Post-ownership transfer, settlement has not only continued, but accelerated. The steepened embankment of fill and overlying colluvium and likely lack of proper compaction, keying, and benching of fill materials appear to be involved in long term creep of the Road embankment. The RGAR concludes that sliding of the Road segment is locally incipient based on the increased rate of movement within the last few years, especially for the outboard (downhill) portion of the Road prism. Although minimal groundwater was encountered during the field investigations, soil saturation from precipitation could also be contributing to sustained creep downslope.

The RGAR completed by the NCE Team presents two viable alternatives and cost estimates for stabilizing the Road embankment. Either alternative establishes a structure outside the westbound (downhill) portion of the Road prism connecting them through the Road prism to help buttress the Road. One alternative proposes the use of tie-backs (soldier pile with lagging) to apply compressive forces against the Road prism, and the other uses geogrid fabric (MSE wall). During preliminary engineering the preferred alternative will be selected and confirmed with the Town based on available ROW, costs, traffic impacts, and environmental constraints. The current recommendation is the soldier pile and lagging wall

system that is less costly and disruptive allowing for one lane of traffic to remain open during construction depending on final design and construction means and methods.

KEY ISSUES AND OPPORTUNITIES

NCE has identified several key issues and opportunities based on extensive knowledge of the site conditions, investigations, and alternatives report. The NCE team experience delivering similar projects for other public agencies affords the Town confidence that we can meet whatever challenges present themselves for the Shannon Road project. A photo of one of our successful projects is shown in **Figure 3**.

CONSTRUCTION COST

As the downslope creep and repair of the Road was unexpected and not included in the Town's capital improvement plan, managing capital costs for construction must be considered a major issue and opportunity for reducing costs. Under planned circumstances the Town could entertain addressing Road conditions with a sufficient budget. Instead, it must consider using reserve funds and postponing other needed improvements to stabilize the incipient slope movement.

The NCE team as part of this proposal and our design approach has identified the following approach to managing and reducing construction costs below the current preliminary cost estimate that we developed:




-  The inner lane exhibits less distress and is fair to good condition and suitable for use of conventional mill and overlay treatments to reduce current preliminary pavement reconstruction costs from \$100/sy to \$20 to \$25/sy.
-  To prevent pavement distresses in the thickened asphalt section in the outer lanes from reflecting back up through the new pavement section and to allow the existing valuable asphalt to be recycled in-place, based on our experience and speaking further with a pavement recycling contractor, we recommend pre-milling at least the top 4- to 6-inches of the roadway to allow a Full Depth Reclamation (FDR) reclaimer to penetrate through the bottom of the very thick AC. Then the reclaimer can pulverize the existing roadway materials and recompact in-place, and then place a new 4- to 6-inch HMA wearing course. This approach will reduce the current preliminary reconstruction cost by 40 to 50% with a cost of \$50 to \$60/sy.
-  Working around existing utility poles is another example of accomplishing the work for less cost not to mention less time to coordinate with PG&E and telecom utilities. While there are advantages to clearing utility poles from the face of the embankment to maintain consistent earth



Figure 3. Soldier Beam and Lagging Retaining Wall, Bailey Road, Pittsburg

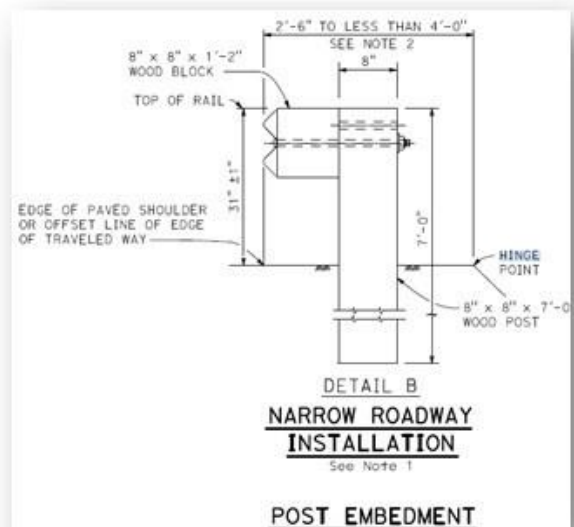


Figure 4. Narrow Roadway Guardrail Installation

pressures against the slope, earth pressures can still be maintained with a gap in the wall by bridging the gap with a grade or cantilever beam.

- ✦ Maintaining the existing roadway width, drainage patterns, and elevations to the extent possible will reduced the need for roadway cuts into the hillside, maintaining work within ROW, and less construction and materials costs.
- ✦ Another potential cost savings will be to place guard rail as close to the inside of the soldier piles as possible again to maintain the existing road prism as much as possible and within existing ROW. **Figure 4** reflects just such an installation with a narrow roadway installation.

TRAFFIC HANDLING

Either as a detour or with one-way traffic control, maintaining eastbound and westbound traffic around or through the construction site will require careful coordination. Connections for power supply to traffic signals are often a constraint in working these situations. Our solution builds off our successful engagements with Fehr & Peers in the past on stabilization projects such as Via Verdi in Richmond. For the soldier pile and lagging alternative, the installation of 2 temporary traffic signals and a protective barrier will allow travelers to pass east or west with minimal queuing or delay. The power supply will be provided either by solar or conventional, low-noise generators. On the east, the temporary signal will be established at the intersection with Santa Rosa Drive. On the west, the temporary signal will be established at Diduca Way. Advance warning signs will be used to notify approaching vehicles of charges well in advance. A protective barrier in the form of either k-rail, sand barrels or water filled segmental barriers will be established on the outboard side of the centerline to inhibit the incursion of vehicles into the active work zone (cf. **Figure 5**).



The soldier pile and MSE wall alternative will require the complete closure of the Road segment to allow for placement of the geogrid fabric. The solution here is a traffic detour either be set up along Kennedy Drive or along the combination of Hicks Road and Blossom Hill Road. As this out-of-direction travel will on average increase travel time by 10 minutes, more extensive public outreach will be needed in comparison with the soldier pile and lagging alternative to encourage public cooperation.

RIGHT OF WAY

The current vertical drop-off on the downhill side of the Road ranges from 3 to approximately 20 feet with a slope of 1.5 (V) to 1 (H). In its current condition, the downhill slope is steep and a potential hazard for motorists. While channelizers and signs reflect the nature of the hazard, the risk has been present for several years. Consequently, the installation of guardrail is recommended for consideration. This will increase the width of the Road prism, add a bid item to the engineers estimate, and may have ROW implications. Also, the limits of public and private property lines in the RGAR were placed using parcel maps provided by the Town (cf. **Figure 6**). Several indicate that the current road may extend into private property, which would

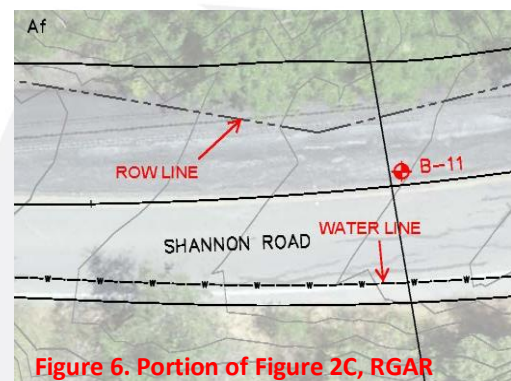


Figure 6. Portion of Figure 2C, RGAR

be unusual for a public roadway and will be further confirmed by ROW mapping during completion of topographic surveys. This will be important to confirm as work outside Town ROW can be time consuming to coordinate with outside stakeholders/property owners, particularly if ROW acquisition is required.

Our solutions for these ROW challenges are varied and multiple. First, we will refine the parcel maps provided by the Town with a topographic survey. For this reason, the topographic survey is included in the proposed schedule as one of the first items of work.

Next, we will complete a review of available Town data regarding collision records or accidents within this section of roadway. Perhaps, if little to no accidents or collisions have occurred, it may be possible to use a combination of reflectors, signs, and delineation to provide sufficient warnings that can avoid guardrail placement.

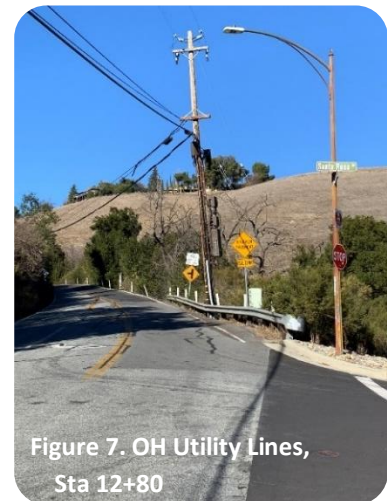
Finally, it is possible to erect the guardrail as a vertical extension of the MSE or soldier pile wall. If we find that ROW is indeed constrained, we can use this to shorten the horizontal dimensions of the project.

UTILITIES

A water line is known to exist along the inside, eastbound travel lane. Our current assumption and approach to scoping this project is that this water line can be sufficiently located and roadway rehabilitation and repair methods can be completed to avoid conflict, lowering, or relocation of this waterline to reduce design and construction costs and additional coordination with the San Jose Water Company. If conflict cannot be avoided additional scope for utility coordination and design consideration will be required.

Overhead electric and telecommunication lines as shown in **Figure 7** are also apparent above the Road, which will require consideration during development of construction documents and during construction as to the types of equipment and coordination needed by contractor working next to these facilities.

Utility locations will be developed based on utility as-builts and record maps as well as use of ground penetrating radar (GPR) for improved accuracy on the depth of the water line below ground surface. Also, if required we will specify the use of low-overhead construction equipment working next to overhead lines.



CONSTRUCTION SCHEDULE

The current estimated number of working days for construction, excluding bid award, negotiation, and mobilization, is likely greater than 60 days. With an notice to proceed for design in March and design not be completed until late Summer this places construction in the fall and early winter months. We will discuss the project schedule with the Town at the Kickoff meeting and discuss which tasks can be processed in parallel during preliminary engineering and design to enable earlier PS&E delivery and subsequently earlier advertisement and mobilization dates. We will also evaluate the potential to complete the project during the rainy season depending regulatory, construction, and other site constraints.

KEY ASSUMPTIONS

In order to deliver the most cost-effective design strategy for this project, we have formulated the following key assumptions:

TOWN'S RESPONSIBILITIES

NCE has assumed that the Town will be able to provide the following to the extent available:

1. Provide information regarding Town-owned utilities (i.e., sanitary sewer and storm drain).
2. Provide project requirements, including design schedule, budget, constraints, and criteria.
3. Provide review and approval of exceptions to geometric roadway design standards when appropriately documented with collision records, cautionary signage and delineation, and guardrail placement.

TOPOGRAPHIC SURVEYING, BASE MAPS, AND RIGHT-OF-WAY

1. A topographic survey will be completed along the subject section of Shannon Road to establish a base map sufficient for developing civil design plans. This will also include record data location of the existing right-of-way for the mapping corridor.
2. It is assumed that all improvements will be completed within existing Town ROW. If based on title report review and ROW mapping the private parcel adjacent to the proposed project improvements is found to encroach into the roadway we have included additional ROW engineering services as part of optional Task 5B.

UTILITY COORDINATION AND LOCATION

1. Assumes that utility poles on the uphill side of the alignment will not be impacted or relocated by the project. Further, it assumes that poles on the downhill side of the alignment can be bridged around by either the MSE Wall or Soldier Pile and Lagging Wall.
2. NCE will prepare and distribute utility notification letters to collect facility maps and as-builts, confirm utility planned work, and notify utilities of the Town's proposed slope stabilization project. NCE will prepare and distribute a second round of letters including utility location information based on ground penetrating radar (GPR) that is provided for the subject street section to solicit feedback and need for utility relocation or adjustments.
3. Low hanging overhead utility lines will be considered in construction documents as needed.
4. Regarding the water line beneath the eastbound lane within the project limits, beyond obtaining as-built records from the San Jose Water Company, NCE will conduct a ground penetrating radar survey to determine water line depths below grade. Traffic control for completing GPR to be provided by the NCE. In the event the MSE and Soldier Pile Combination Wall is selected as the preferred alternative, we assume that temporary supports during excavation for the geogrid fabric will enable continued operation of the water line in-situ.
5. No known utility covers or manholes are present along the alignment within the project limits.
6. For the purposes of this scope of work it is assumed that utility relocation or lowering is not required.

PAVEMENT TESTING AND DESIGN

1. Pavement design will be based on Caltrans Standards with a combination of supplemental coring, laboratory testing of subgrade, and pavement condition surveys.
2. Pavement coring will be performed with spacing criteria and bulk samples as follows:

- a. Up to two pavement cores will be obtained approximately every 750 feet within the eastbound lane (inner lane) to estimate the pavement section thickness, as previous geotechnical exploratory borings were located within westbound (outer lane) only.
 - b. Up to two bulk samples of subgrade for laboratory testing will be obtained.
3. Base repairs will be measured in length and width for the eastbound lane only to advise for the case if the soldier piles with lagging alternative is selected. It is the intent that base repair quantities will be for bidding quantity purposes only and that actual locations will be marked by NCE with the Town's inspectors prior to construction.
4. A no-fee encroachment permit will be pulled with the Town for all pavement testing if required.
5. A half-day of traffic control for pavement coring will be provided by NCE.

TRAFFIC STRIPING

1. Final traffic signing and striping is assumed to match existing striping, any revisions will be reviewed with the Town.
2. A review of SWITRS data including the most recent available 3-year continuous record of accidents within the project limits is included as part of this scope.

TRAFFIC HANDLING PLANS

1. In the case of selecting the combined MSE wall and soldier pile wall with lagging, traffic handling plans in the form of detour plans will be prepared assuming full Road closure. In the case of selecting the soldier pile with lagging wall alternative, the traffic handling plans will assume one-way traffic control with temporary traffic signals. In either case draft traffic handling plans will be submitted as part of preliminary engineering to the Town traffic engineering group for review and comment.

DRAINAGE

1. No major drainage improvements are assumed for this project requiring significant stormwater drain and pipe alteration and/or reconstruction.
2. The project will, to the extent possible, and within the context of proposed stabilization address visible drainage issues including structural backfill. However, it should be noted that no existing drop inlets or paved ditches exist within the Road segment.

ENCROACHMENT PERMIT

1. NCE will apply for no-fee Town encroachment permits for all field work, including pavement coring work, if required.

BID PACKAGE

1. NCE has assumed for the purposes of developing bid packages the following:
Shannon Road Embankment Stabilization Project – Bid Winter 2021/22.

CEQA DOCUMENT






1. The documentation required for CEQA is assumed and judged based on current information and planned roadway repair project to be a Categorical Exemption.
2. If for any reason the project does not qualify for a Categorical Exemption or new information arises indicating the presence of critical habitat or historical/tribal resources within or adjacent to the project, NCE can prepare and provide support for CEQA compliance, additional technical studies, and/or regulatory permits for additional scope and fee.

SCOPE OF WORK

TASK 1 – PROJECT MANAGEMENT

This task will include an initial kick-off meeting and progress meetings to update the Town with the results of studies and the development of contract documents. Regular meetings afford direction and feedback from the owner which are invaluable in navigating the multitude of decisions needed for successful project selection and implementation. Microsoft TEAMS software will be used to allow the seamless sharing of information and for virtual meetings. Agendas will be provided in advance of the meetings. A summary of meeting notes and action items will be provided after each meeting along with decisions reached and schedule updates. In keeping with the Town's *Agreement for Consultant Services*, progress reports and invoices will be submitted monthly.

NCE's Project Manager will arrange a Kick-Off Meeting with the Town to initiate work on the project. The objectives of the Kick-Off Meeting will be:

-  Review of the Scope of Work
-  Establish Lines of Communication
-  Confirm Deadlines
-  Establish Project Schedule and Milestones
-  Define Design and Operation Criteria.

Whether a simple preventive maintenance project or a complex reconstruction project, it is critical to establish effective lines of communication with, and coordination amongst, the various stakeholders from the start to ensure the delivery a high-quality project within budget and on schedule.



In addition to Town staff (Engineering, Maintenance, etc.), NCE will research and coordinate, as-needed, with other agencies such as PG&E, AT&T, Verizon, Comcast, San Jose Water Company, etc., to identify any potential conflicts, requirements, or design issues early to help minimize delays (and costs) later in the design process or during construction. At the Kick-Off Meeting, key deliverables for each Task and the Project Schedule would be reviewed and adjusted accordingly to meet Town needs.




NCE is very sensitive to construction costs, particularly the volatile price of materials, which have affected the scope of many similar projects. In order to keep the Town aware of overall project costs, NCE will begin developing Preliminary Engineering Cost Estimates as soon as we have developed our engineering design recommendations to closely monitor any potential funding issues, which may develop.

Throughout the project, NCE staff will be available to attend regularly scheduled progress meetings with the Town, to maintain good communications, to offer up efficiency and reduce the number of design review and coordination meetings. Therefore, we have assumed up to three (3) meetings. The purpose of the progress meetings will be to identify and resolve any design or funding issues that may surface in a timely manner, present design alternatives and recommendations to Town staff, and continue coordination with project stakeholders as necessary.

NCE will also prepare exhibits for Town outreach and Council meetings. Up to two outreach meetings and 2 Council meetings are included in our scope with up to 2 exhibits for each meeting. If attendance at additional exhibits or meetings is necessary, they can be added to the scope for an additional fee.

Deliverables:

-  Project schedule
-  Meeting agendas and summaries

-  Monthly progress reports and invoices
-  Project schedule update
-  Exhibits for public outreach and Council meetings.

TASK 2 – PRELIMINARY ENGINEERING

Preliminary engineering gathers data needed to prepare roadway and structural designs and develop construction documents including design data gathering, topographic surveys and ROW information, seismic survey and geotechnical design, utility location and coordination, pavement design, and environmental.

TASK 2A – DESIGN DATA GATHERING

NCE will review relevant available data and records from the Town, public and private utility providers, and other sources that may be appropriate to support the preparation of project contract documents. These may include, but are not limited to, the Town drainage structure inventory maps, aerial photographs of the Town; as-built Road improvement and infrastructure plans, striping and markings, as-built plans from utility providers, including any preliminary plans for future work that may conflict with this project. Along with the maps previously used with the phase 1 investigation, the gathered information will be compiled and included in the base map used for design. Based on our review we will identify any data gaps or missing information and provide this information to the Town for review and discussion. NCE will also confirm with adjacent County of Santa Clara property if encroachment permits are required to conduct proposed work.

Subsurface moisture beneath roadways is known to reduce the useful life of the pavement placed above. Currently, there are no known culverts for this segment of Shannon Road. Consequently, drainage occurs by sheet flow based on road superelevation and crown. While it is possible to insert a culvert through both the lagging of a soldier pile and an MSE wall without compromising wall integrity, a less expensive option is the employment of a roadside ditch or vee channel.

A brief review of existing drainage conditions will be reviewed with the Town and if drainage improvements are required beyond existing drainage facilities will be incorporated into the design.


Deliverables:





-  Drainage technical memo.

TASK 2B – TOPOGRAPHIC SURVEY & ROW

NCE's Project Surveyor will complete monument/control recovery, field investigation and field surveys sufficient to prepare a design level topographic mapping product for the portion of Shannon Road beginning approximately 100 feet westerly of Diduca Way and extending to approximately 100 feet southerly of Santa Rosa Road. The mapping corridor will begin at a point approximately 5' from the edge of pavement on the southerly (upslope) side and extend to approximately 30 feet northerly of the northerly (downslope) edge of pavement.

The final topographic base sheet shall be compiled at 20 scale with a 1' contour interval and include cross sections/spot elevations at an approximate 50' interval. The topographic data to be collected is more specifically defined as:

-  Cross-sections at 50' intervals, along with additional spot elevations as required to define the road alignment and grade, as well as the slope/bank. Typically, the cross section will include top or toe of banks, ditches, edge and centerline of pavement, and grade breaks.

-  Surveyed locations for significant surface features, such as pavement or concrete, driveways, striping, fences, surface utilities, trees (over 4-6" in diameter on tree survey requirements), signs, utility poles, and streetlights will be included. Sanitary and storm drain structures will include rim elevations, invert elevations, pipe size & direction for all accessible structures within the mapping limit.
-  Location of all recovered street monumentation within the mapping corridor (for preservation and Record ROW purposes).
-  Location of underground utility locator markings.
-  Provide a finish drafted topographic survey in AutoCAD Civil3D, including a dtm surface.



Based upon a combination of record data and any monuments collected during topographic surveying, NCE's surveyor will calculate and show the record data location of the existing ROW for the length of the mapping corridor. Additionally, our surveyor will calculate and show the location of each adjoining parcel lot line from record data (assessor's parcel data, record mapping and apparent lines of occupation).

Horizontal and vertical datums shall be based upon the Town of Los Gatos survey network control.

Note: This scope does not include the preparation of legal descriptions for any easements that may be necessary to facilitate construction of the work. If work extends beyond existing Town ROW, our surveyor can provide this for additional scope and fee.

Before the survey can be made, an encroachment permit will be completed with the Town if required for traffic control, which is assumed to be provided by the Town as previously done for cost savings.

Deliverables:

-  Topographic survey file
-  Tree location survey file (> or = 4-6")

TASK 2C – SEISMIC SURVEY AND GEOTECHNICAL DESIGN

An essential component of accurate retaining wall design includes depths-to-bedrock. The depth to competent material directly impacts the design height and corresponding cost of the retaining wall. Exploratory borings are widely spaced and located several feet from the edge of the embankment where the retaining wall will be located. The result is a depth to bedrock profile that is interpolated both laterally and longitudinally. Assumptions based on the interpolation may result in a retaining wall that is over-designed or subject to potential changed conditions claims.

A geophysical seismic refraction survey (**Figure 8**) could be effectively used to more clearly identify the depth to bedrock along the downslope edge of the roadway. This additional information will fill in the gaps between the geotechnical borings and provide a continuous geologic profile showing the ground surface and the depth to competent material.

This study will allow accurate development of the *Geotechnical Design Report*. This report will include all the calculations and dimensions needed to complete the structure design of either the combination MSE and soldier pile wall or the soldier pile and lagging wall.

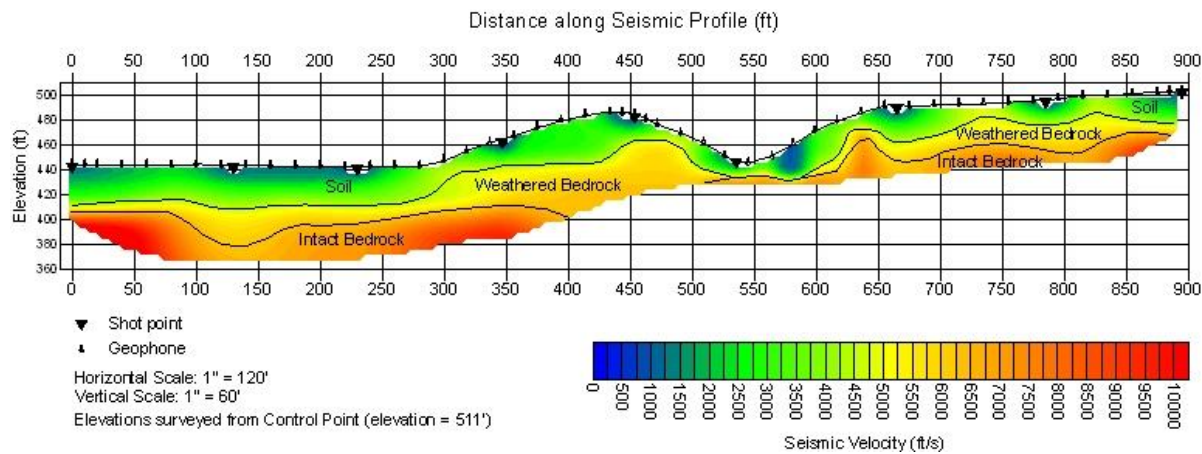




Figure 8. Determining Depth-to-Bedrock Using Seismic Velocity Contours, Bailey Rd, City of Pittsburgh

Deliverables:

-  Seismic Refraction Survey – including seismic velocity tables and contour drawings
-  Geotechnical Design Report – including structure calculations.

TASK 2D – UTILITY LOCATION AND COORDINATION

NCE will coordinate with utility agencies early in the design process to help avoid potential construction delays and unnecessary disruptions to public services. Known utilities along this stretch of Shannon Road include both San Jose Water Company and PG&E. At least one telecommunications company is also present along the poles located on the uphill (eastbound) side of the Road. Initial contact with PG&E will enable identification of which telecom provider(s) occupy space on the PG&E poles.

Utility coordination will be a critical item to keep utility providers informed about the project and schedule. One of the first and earliest items that NCE will complete is reaching out to our contacts with PG&E and San Jose Water Company by telephone. This will be followed up by sending notification letters to applicable utility providers along with a preliminary project schedule for design and construction. We will also request utility as-builts and record drawings. This will allow utility providers to plan maintenance on their facilities prior to a moratorium during construction.

NCE will also carefully document all utility coordination notifications, emails, conversations, and meetings with utility contacts and information in a matrix format with dates of contacts and mailing detailed in this matrix. Follow-up calls will be made for each of the above notifications to confirm receipt. NCE will also keep the Town informed of any project delays related to utilities.

While the overhead utility poles themselves are located off the traveled way, lines strung between the poles cross over the Road prism itself. Consequently, drilling and excavation equipment associated with construction will need to be cognizant of these low overhead-lines and protect against line strikes.




The RGAR reflects the location of a water main along the inside (eastbound) travel way for the entire length of the Road segment. Although San Jose Water Company may have as-built information about this

water line, our scope includes a ground penetrating radar (GPR) survey to enable improved location accuracy below existing grade.

Using GPR, NCE's utility locator will field locate utility alignments and depths for utility mains and laterals to the extent that GPR methods can detect utilities. If GPR cannot establish utility alignments and or depths, potholing may need to be completed for additional scope and fee. GPR along utility mains will be marked at various locations along the subject street section, and the accuracy for the electronic depths will depend on the soil conditions and utility material. Traffic control will s be provided by NCE's utility locator.

Neither milling and overlay of HMA nor drilling of tie-backs are expected to come close to contacting the water line, however selection of the MSE alternative plus soldier pile wall alternative could expose the water line as a result of geogrid placement.

Deliverables:

-  Utility notification letters
-  Utility contact matrix
-  Marked utility depths and alignments and data.

TASK 2E – PAVEMENT DESIGN

NCE will perform a pavement condition survey of the travel lanes based on visible distresses. Pavement condition surveys serve the purpose of further refining the appropriate rehabilitation/reconstruction strategy in relation to the distress caused by downhill creep of the Road prism and traveled way.

This condition survey will generally note the presence of load related and environmental distresses, such as alligator cracking, longitudinal and transverse cracking, rutting, patches and utility cuts, distortions and depressions as they pertain to developing appropriate pavement treatments. In addition, potential base repairs will be identified in the condition survey. Base repairs will be marked in the field on the pavement in white paint, numbered, and verified prior to construction.

NCE will collect up to four (4) pavement section core samples (4" – 8" diameter cores) in the eastbound lane (inner lane). These will supplement the 13 borings already sampled in the westbound lane. For each core sample, NCE will measure and record the thickness and material type of each layer encountered in the pavement structural section, including the presence of any pavement reinforcing fabric. A half-day of traffic control by NCE is provided in our cost estimate for this subtask.

Bulk samples of subgrade will be obtained in support of structural section design. We will collect bulk samples of subgrade materials at the core locations for laboratory testing such as R-value, moisture content and Atterberg Limits (plasticity index) determinations. Our current fees assume 2 bulk samples will be obtained for testing. The thickness of aggregate base (AB) will be measured at all core locations.

Using the data obtained from the 4 supplemental corings, the laboratory test results from these samples, the 13 original borings and their laboratory data, NCE will perform pavement analysis and design services, and develop pavement rehabilitation and reconstruction recommendations for both the westbound and eastbound traveled lanes and shoulders. NCE will perform its analysis in accordance with the Caltrans Highway Design Manual.

NCE will develop pavement structural section recommendations expressed in the form of a Traffic Index (TI) that will be provided by the Town. NCE will develop recommendations including, but not limited to, the following:

- Reconstruction
 - Hot Mix Asphalt (HMA) over AB
 - Full Depth HMA
 - FDR
- Conventional Hot Mix Asphalt (HMA)
- Rubberized Hot Mix Asphalt (RHMA)
- Alternative rehabilitation methods if feasible (in-place recycling, mill & fill treatments, etc.)
- Locations and treatments of failed pavement sections (base repairs)
- Full-width milling and wedge grinding requirements.

NCE will then summarize its recommendations in a pavement design memorandum to the Town that, at a minimum, will include the following:

- Results of pavement condition surveys, coring, and laboratory testing
- Description of testing procedures and analysis performed for the project
- Recommended alternatives for rehabilitation and reconstruction.

NCE will submit two (2) copies of its draft technical memorandum to the Town for initial review. Upon receipt of any comments from the Town, NCE will then prepare its final technical memorandum, which will be signed and stamped by NCE’s Pavement Engineer. Two (2) copies of the final technical memorandum will then be provided to the Town reflecting any comments on the draft technical memorandum. NCE will also develop an encroachment permit application for the coring work.

Deliverables:

- Encroachment permit application – traffic control provided by Town for pavement coring
- Draft and Final pavement Technical Memorandums.

TASK 2F – ENVIRONMENTAL (CEQA CATEGORICAL EXEMPTION)

Projects that are subject to the discretionary approval of a government agency must comply with California Environmental Quality Act (CEQA) regulations and procedures. Based on our experience fulfilling CEQA requirements for roadway repair projects of similar nature, this project will likely qualify

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of:

From: (Public Agency):
(Address)

Project Title:

Project Applicant:

Project Location - Specific:

Project Location - City: Project Location - County:

Description of Nature, Purpose and Beneficiaries of Project:

Figure 9. California’s OPR’s Notice of Exemption Form

for a Categorical Exemption as described at California Code of Regulations in Article 19, Section 15301 – Existing Facilities or Article 19, Section 15302 – Replacement or Reconstruction.

A visual assessment of the project area will be conducted, databases will be reviewed, and the project area will be assessed for exceptions to the CEQA exemptions per CEQA Guidelines Section 15300.2. Factors related to the potential for exceptions to be documented in the administrative record include biological resources, historic resources, hazardous

waste lists, State scenic highways, flood hazard areas, and fault zones. NCE will prepare an administrative record supporting the determination for the Town’s files. NCE will then prepare a Notice of Exemption (NOE) form (Figure 9) for the Town to review, sign and file with the County Clerk. Whereas the project is

not of regional significance and there are no State responsible entities, there is no need to file with the State Clearinghouse.






The Categorical Exemption will be supported by an administrative record that includes brief biological and cultural resource technical memoranda. Based on preliminary database research, the project area contains no critical habitat for federally listed special status plant or animal species. However, three special status plant species have current ranges that overlap the project area, according to the US Fish and Wildlife Service. While we believe the potential is low for these plants to occur within and adjacent to the roadway, our proposed reconnaissance-level survey will confirm this assumption, and our findings will be presented in a tech memo and described below.

The biological resources technical memorandum will include a database review and a reconnaissance-level field survey. Additionally, in support of a potential tree removal permit application and during the reconnaissance-level field survey, NCE will also identify tree species greater than 4 inches in diameter (as collected by our surveyor during topographic surveys) that may require trimming or removal. The results of the field survey, relevant field observations, and findings will be presented in a biological resources technical memorandum.

NCE assumes the tree trimming and removal can be completed per Section 26.10.063 of the Town's municipal code for removal required for Capital Improvement Project, repair of a geologic hazard, and/or interferes use of pavements. A tree removal permit application will be completed and submitted to the Town for review.

The cultural resources technical memorandum will present the findings of a record search request from the Northwest Information Center and a brief pedestrian survey. Given NCE's experience with small road rehabilitation projects and the location of the present project on steep slopes, away from perennial water sources, the probability of encountering historical resources (as defined by CEQA) is judged to be low. For this project, NCE assumes no cultural resources will be identified. In addition, because an NOE is assumed for this project, AB52 Native American consultation is not required. If historical resources (which can also be tribal resources) are identified as a result of the records search, as part of the pedestrian survey, or as provided by the Town, NCE can initiate Native American consultation on behalf of the Town for a separate scope and fee.

Deliverables:

-  CEQA Notice of Exemption
-  CEQA Administrative Record
-  Biological resources technical memorandum
-  Cultural resources technical memorandum
-  Tree removal permit application

TASK 3 – PLANS, SPECIFICATIONS, & ESTIMATES (PS&E)**TASK 3A – 35% PS&E**




Upon completion of preliminary engineering, the project team will prepare a 35% Plans, Specifications, and Estimate of Probable Construction Cost (PS&E) for the project. The 35% plans will depict the basic roadway repair plans and outline of details, required tie-in into existing features, new paving of associated roadway, drainage flow lines, traffic handling, draft profile-and-plan views, retaining wall and either tie-back or geogrid systems, structural and roadway detailing, and construction limits. The plans will be accompanied by and outline of draft technical specifications and an engineer's estimate. The combined plans, specification, and estimate (PS&E) will be reviewed for quality assurance and edits incorporated prior to delivery to the Town. Upon completion of the Town's review a Review meeting will be held to discuss the 35% PS&E package. The following plan sheets are anticipated:

<u>Name</u>	<u>No. of Sheets</u>
Title Sheet	1
Notes, Legend and Abbreviations	1
Survey Control	1
Traffic Handling	1 (Alt 1)/ 5 (Alt 2)
Excavation/ Demolition	2
Plan and Profile	3
Retaining Wall Plan and Profile	6
Pavement, Guardrail and Drainage Details	3
Retaining Wall Details	3
Water Pollution Control	2
Signing and Striping	3
	26/ 30

As part of the 35% design, CE&G will finalize the retaining wall design. Calculations made during development of the Geotechnical Design Report will be verified and included with a structures design.

The Engineer's Cost Estimate will be prepared in MS Excel format and will be based on the most recent construction cost data available to NCE for projects of this type. Because of NCE's involvement in the design and construction of numerous similar projects throughout California, we are confident in our ability to estimate the construction cost of the Town's project. This initial estimate will then be updated and refined as the design effort progresses. It is assumed that the Town will require a 10-day review/comment period once the 35% PS&E package is submitted.

Deliverables:

-  35% Plans (electronic - pdf)
-  Outline of Technical Specifications
-  Engineer's Estimate of Probable Construction Cost.

TASK 3B – 65% PS&E

Upon completion of 35% PS&E review meeting, the NCE team will begin resolving comments and incorporating edits from the 35% review meeting into the 65% PS&E set of contract documents. The team will also conduct a constructability review prior to submittal to the Town to ensure anticipated means and methods by any contractors for completing the work in the field. NCE will provide a response to each comment that is included in a comment table provided by the Town. The 65% PS&E will include additional design information and details typically expected at this stage of completion. The 65% PS&E package will then be packaged and submitted similar to the 35% PS&E unless directed otherwise.





The contract documents (proposal, special provisions, and technical specifications) will be developed for the project to fit the anticipated work items. The Contract documents will be prepared in MS Word and according to the Town's format. For the purposes of this proposal NCE assumes that standard front end and specific provisions templates will be provided by the Town. The special provisions will follow both the Town's and Caltrans' standard formatting conventions.

NCE also believes that an efficient yet thorough Quality Control/Quality Assurance program is essential for getting the maximum value out of every dollar spent on construction. Projects designed by NCE therefore, contain technical specifications that attempt to optimize the balance between using rigid, but time-tested, specifications and meeting local agency needs, with the goal of obtaining the very best value for its clients.

NCE recognizes the value of incorporating Caltrans Standard Specifications in projects such as these, both because these specifications have been developed by an agency that designs and builds a vast amount of highway work, and because most contractors performing public works construction in Northern California are familiar with them. Caltrans, however, has the resources to administer projects quite differently than most local agencies, so NCE advocates modifying the Caltrans Standard Specifications to better fit the abilities, needs, and budgets of municipal agencies.

The Engineer's cost estimate will also be updated to reflect the revised quantities of work depicted on the plans. It is assumed that the Town will require a 10-day review/comment period once the 65% PS&E package is submitted.

Deliverables:


-  Tabulated response-to-comments at 35% PS&E Review meeting
-  35% Plans (electronic - pdf)
-  Technical Specifications
-  Engineer's Estimate of Probable Construction Cost.

TASK 3C – 100% PS&E

The 100% PS&E will be revised to incorporate comments received from the Town. NCE will again meet with the Town to review these comments, from which the final (Bid Set) PS&E will be prepared. Similar to 100% PS&E, NCE will provide a response to each comment that is included in a comment table provided by the Town. The final (Bid Set) PS&E will include all notes and details necessary for construction. One reproducible copy of the final (Bid Set) PS&E will then be packaged and submitted similar to the 100% PS&E unless directed otherwise. Upon receipt of the Town's final review comments, the project documents will be finalized for bidding purposes.

A final quantity calculation will be tabulated, and this will be entered into the final Engineer's cost estimate for the project. All final documents will be reviewed, stamped, and signed by NCE's registered civil engineer, and the final PS&E will be delivered to the Town in both hard copy and electronic formats.

Deliverables:





-  One wet-signed and one electronic file of the final plans, technical specifications, and engineer's estimate. The electronic files for the final construction plans, specifications, and engineer's estimate will be in AutoCAD 2018 or later version, Microsoft Word, and Microsoft Excel, respectively.

TASK 4 – CONSTRUCTION ADMINISTRATION

TASK 4A – BIDDING SUPPORT SERVICES

Services during advertisement and bidding include assistance during the pre-bid conference, responding to questions received about the project design, and preparation of any addenda and/ or clarifications to the PS&E that are deemed necessary. NCE can also assist the Town in determining the responsiveness of bids received, with checking and tabulating bid results, and with developing recommendations for award of a construction contract to the Town Council.






Deliverables:

-  Attend pre-bid meetings
-  Prepare responses to questions received regarding project design
-  Prepare bid addenda as necessary
-  Provide assistance with bid responsiveness (as needed).

TASK 4B – CONSTRUCTION SUPPORT SERVICES

NCE will provide support services to the Town during the construction phase of the project. At a minimum, these services are anticipated to include attendance at the pre-Construction Conference, reviewing Contractor submittals and responding to Contractor requests for information, field marking and verifying measurement of base repair (digout) areas, providing recommendations for any necessary construction changes due to unforeseen field conditions, assisting with the review of Contract Change Orders, participate in the final inspection and assistance with identifying punch list items, and preparation of Record Drawings from marked as-built plans supplied by the Town's Contractor. The Record Drawings will be furnished to the Town in both printed and electronic formats.

Deliverables:

-  Attend pre-construction conference
-  Assist with the review of contractor submittals and RFIs as necessary
-  Provide recommendations for any necessary construction changes due to unforeseen conditions
-  Assist with review of contract change orders
-  Upon receipt from the contractor of redlines, record drawings in full-size hardcopy (1 copy, 22" x 34"), pdf, and CAD format.

TASK 5 – OPTIONAL ADDITIONAL SERVICES

The Town has requested clarification on issues that have the potential to arise during design and for one or both of the alternatives under consideration. The following supplements our original proposal to improve expectations should unforeseen circumstances arise. Two general areas of concern are environmental resource determinations and right-of-way engineering. These are outlined below.

TASK 5A-ENVIRONMENTAL SERVICES





At the discretion of the Town, NCE can conduct up to three (3) pre-construction nesting bird surveys as additional service and is included as an additional cost in our fee estimate. While these surveys are not

required, if there is the potential to impact nesting migratory birds in the project area, the Town should consider completing these surveys to minimize the risk of a nesting migratory bird take, a potential violation of federal and state laws protecting migratory birds. The intent of the pre-construction surveys is to verify no nesting migratory birds will be impacted by construction activities (e.g., tree removal, vegetation trimming or removal, or ground disturbance). Following each nesting bird survey or once all pre-construction surveys have been completed, NCE will prepare a brief letter report detailing the findings from the pre-construction survey. NCE assumes no nesting birds will be found.

Other environmental services may be required for NEPA compliance if federal funding is secured. These would include defining the Area of Potential Effect (APE), drafting and finalizing a Natural Environmental Study (NES) - Minimal Impact, and finalizing the Preliminary Environmental Study (PES).

We judge based on the type of roadway repair work to be completed we have developed the appropriate scope of environmental document services and in the less likely event additional cultural and biological resources and/or permitting are required beyond our current assumptions these services can be provided for additional scope and fee not currently estimated herein.

Deliverables:

-  Nesting bird survey letter report.
-  APE concurrence
-  NES-MI – draft and final
-  PES – draft and final

TASK 5B-ROW ENGINEERING SERVICES






The Geotechnical Alternatives Report identified two parcels encroaching into the operating right-of-way of the roadway. Our surveyor has identified the APNs for these parcels. While one of the parcels is owned by the Town, the other is identified as a private party. If necessary, a title reports will be obtained by our surveyor. In the unlikely event that the private party encroachment cannot be resolved by the topographic survey, ROW mapping, and title reports ROW services will be completed.

Depending on project needs and discussions with the private property owner, to secure the rights necessary for the project a permanent easement, temporary construction easement, and or partial fee acquisition may be required. For properties less than \$10,000 a valuation can be used in-lieu of appraisal. Should the property be over this threshold then an appraisal would be conducted. Services included for ROW would include the following for any rights needed:

1. Initial research and review of all parcel conditions including title review for potential encumbrances that would impact any acquisition.
2. An initial valuation estimate to determine if an appraisal is necessary for the rights seeking to be acquired.
3. Initial meeting with the property owner at the property to review the plans for the project, the impact to their property, discuss their concerns, and collect information germane to the valuation and negotiations.
4. Engage in information exchange and negotiations with the property owner necessary to secure agreements for rights needed.

5. Coordinate any appraisals needed with the owner and appraiser. Or prepare a valuation in-lieu of appraisal.
6. Prepare offer package including all documents needed to acquire and close any acquisitions.
7. Negotiate in good faith with the owner.
8. Participate in meetings with the Town's legal counsel and any study sessions with the Town Council needed.
9. Open and coordinate escrows including and reconveyances.

\ In support of any necessary acquisition or easement our surveyor would prepare legal descriptions for the deed and plats. In the unlikely event of an issue developing with the parcel owned by the Town or annexed roadway area from the County our right-of-way consultant can also assist in attending meetings, performing negotiations with the County, release of rights or abandonments, and reconveyances.

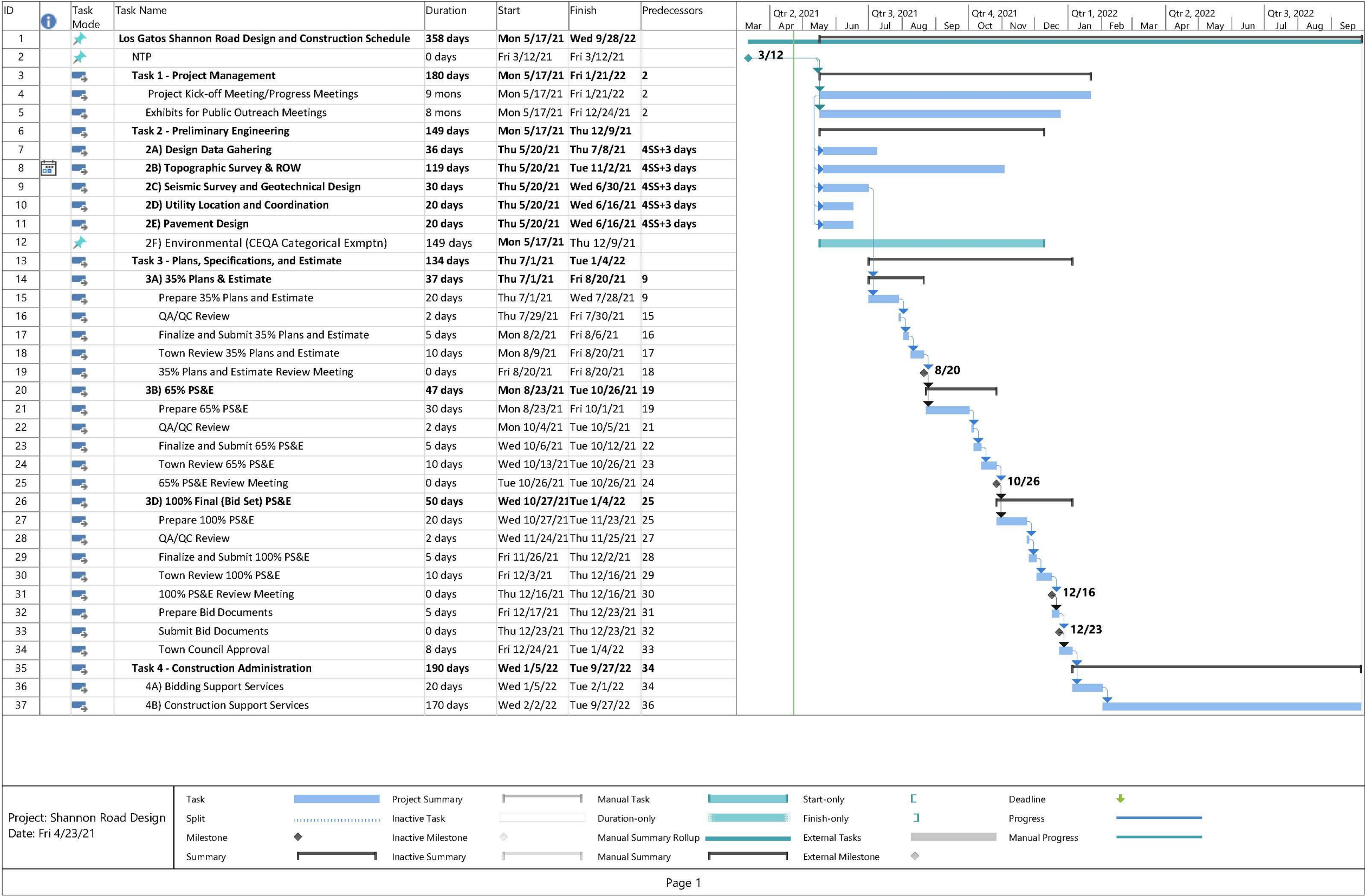
-  Property Valuation and/or Appraisal
-  Title Report(s)
-  Legal Descriptions and Plats
-  Meetings and Negotiations
-  Land Rights Acquisition for Permanent Easement, Temporary Easement and/or Partial Fee Acquisition

PROJECT SCHEDULE

The intent of this design schedule is to complete construction documents within 5 to 6 months for winter bidding or earlier if possible and desired by the Town, which can be discussed further and confirmed with project objectives during project kick-off. Winter bidding will allow the Town to secure more competitive bidding but places construction in later winter/ early spring months, which may entail working day stoppages and delays depending on weather constraints.



Collaboration. Commitment. Confidence.SM





Collaboration. Commitment. Confidence.SM

COST PROPOSAL

The following represent hourly rates for NCE and our team members:



Collaboration. Commitment. Confidence.SM

SCHEDULE OF CHARGES 2020

PROFESSIONAL SERVICES

Principal	\$265/hour
Associate.....	\$215/hour
Senior	\$185/hour
Project.....	\$160/hour
Staff	\$140/hour

TECHNICAL SERVICES

Senior Construction Manager*	\$140/(\$165-PW)/hour
Senior Designer.....	\$150/hour
CADD Designer.....	\$130/hour
Senior Technician*.....	\$125/(\$150-PW)/hour
Construction Inspector*.....	\$125/(\$150-PW)/hour
CAD Technician	\$115/hour
Senior Field Scientist.....	\$120/hour
Field Scientist.....	\$100/hour
Project Administrator.....	\$105/hour
Field/Engineering Technician*.....	\$100/(\$125-PW)hour
Technical Editor.....	\$95/hour
Clerical	\$85/hour

CONTRACT LABOR

From time to time, NCE retains outside professional and technical labor on a temporary basis to meet peak workload demands. Such contract labor will be charged at regular Schedule charges.

LITIGATION SUPPORT

Engineer/Scientist.....	\$300/hour
Court Appearances & Depositions	\$500/hour

EQUIPMENT

Plotter Usage	(separate fee schedule)
Truck.....	\$100/day
Automobile	IRS Standard Mileage Rate+15%
Falling Weight Deflectometer Testing.....	\$3,500/Day
Coring.....	\$4,500/Day
Environmental Equipment	(separate fee schedule)

OUTSIDE SERVICES

Rental of equipment not ordinarily furnished by NCE and all other costs such as special printing, photographic work, travel by common carrier, subsistence, subcontractors, etc. cost + 15%

COMMUNICATION/ REPRODUCTION

In-house costs for long-distance telephone, faxing, postage, printing and copying project labor charges x 5%

TERMS

Billings are payable upon presentation and are past due 30 days from invoice date. A finance charge of 1.5% per month, or the maximum amount allowable by law, will be charged on past-due accounts. NCE makes no warranty, either expressed or implied, as to its findings, recommendations, specifications, or professional advice except that they are prepared and issued in accordance with generally accepted professional practice.

*A surcharge of \$25/hour applied for technicians and construction inspectors to comply with Prevailing Wage (PW) per requirements of California Department of Industrial Relations.
Engineering & Environmental Services

www.ncenet.com

Richmond, CA
501 Canal Blvd., Suite I
Richmond, CA 94804
(510) 215-3620



2020-2021
(July 2020 through June 2021)

Hourly Billing Rates

Classification	Hourly Rate
Principal	\$180.00 - \$350.00
Senior Associate	\$185.00 - \$340.00
Associate	\$170.00 - \$245.00
Senior Engineer/Planner	\$135.00 - \$215.00
Engineer/Planner	\$115.00 - \$165.00
Senior Engineering Technician	\$145.00 - \$195.00
Senior Project Accountant	\$160.00 - \$165.00
Senior Project Coordinator	\$120.00 - \$165.00
Project Coordinator	\$85.00 - \$150.00
Technician	\$115.00 - \$160.00
Intern	\$90.00 - \$115.00

- *Other Direct Costs / Reimbursable expenses are invoiced at cost plus 10% for handling.*
- *Personal auto mileage is reimbursed at the then current IRS approved rate (56 cents per mile as of Jan 2021).*
- *Voice & Data Communications (Telephone, fax, computer, e-mail, etc.) are invoiced at cost as a percentage of project labor.*



Land Surveying • Mapping • Planning

FEE SCHEDULE
Effective January, 2021

Principal Land Surveyor	\$180.00 per hour
Project Manager	\$155.00 per hour
Survey Technician	\$140.00 per hour
Clerical	\$ 70.00 per hour
1-Man Crew (including robotic equipment)	\$195.00 per hour
2-Man Crew (including conventional equipment)	\$290.00 per hour
2-Man GPS Crew (including up to 4 receivers)	\$300.00 per hour

OTHER SERVICES

Consultants, Special Equipment, Reproductions, Materials, and other outside charges	Cost + 10%
Mileage	\$0.54 per mile



Schedule of Charges 2021

Personnel	2021 Rates/Units
Senior Principal Engineer/Geologist	\$ 290 per hour
Principal Engineer/Geologist	\$ 245 per hour
Associate Engineer/Geologist	\$ 220 per hour
Senior Engineer/Geologist	\$ 205 per hour
Project Engineer/Geologist	\$ 165 per hour
Staff Engineer/Geologist	\$ 150 per hour
Technician (Straight rate prevailing wage)	\$ 135 per hour
Senior GIS/CADD Specialist	\$ 145 per hour
GIS/CADD Specialist	\$ 130 per hour
UAS Manager	\$ 160 per hour
Project Assistant	\$ 100 per hour
Administration/Clerical	\$ 90 per hour
Special Inspector (Straight rate prevailing wage; no 4-hr min)	\$ 140 per hour
Deposition/Court Testimony (minimum 4 hours)	\$ 410 per hour
Field and Laboratory Tests	2021 Rates/Units
Concrete Compressive Strength Testing	\$ 41 per cylinder
Moisture Content (ASTM D 2216)	\$ 24 per test
Moisture & Density (ASTM D 4318)	\$ 32 per test
Atterberg Limits (ASTM D 4318)	\$ 208 per test
Compaction Curve, 4" mold (ASTM D 1557)	\$ 264 per test
Compaction Curve, 6" mold (ASTM D 1557)	\$ 326 per test
Wash over #200 Sieve (ASTM D 1140)	\$ 73 per test
Sieve Analysis with #200 Wash (ASTM D 422)	\$ 152 per test
Sieve & Hydrometer (ASTM D 422)	\$ 236 per test
Reimbursables	2021 Rates/Units
Mileage (per allowable federal)	\$0.56 per mile
Nuclear Gage	\$ 59 per day
Inclinometer	\$ 201 per day
Vane Shear Device	\$ 116 per day
UAS Equipment	\$ 371 per day
GNSS Mapping Equipment	\$ 212 per day

1. **Professional Services** - These are "all-up" rates, and include direct salary cost, overhead, general and administrative costs not separately accounted for, and profit. They shall remain in effect through December 31, 2021. Ongoing work continuing beyond December 31, 2021 will be invoiced at the applicable new year's rate.
2. **Travel Time** - Travel time will be charged at regular hourly rates, not to exceed eight (8) hours per day.
3. **Expenses** - All direct costs will be billed at actual cost plus 10%, unless there is explicit agreement otherwise. Direct costs include:
 - Third party services – Fees for subcontracted third party services (including drilling and backhoe services, special consultant fees, permits, special equipment rental, overnight mail or



Schedule of Charges 2021

- messenger services and other similar project related costs)
 - Travel expenses, including airfares, hotel, meals, ground transportation, and miscellaneous expenses.
 - Reproduction costs, including photocopy, blueprints, graphics, photo prints or printing.
4. **Subconsultants** - To the extent that it becomes necessary to use subconsultants, Client will be invoiced at cost plus 10% to cover insurance liability and other overhead costs.
 5. **Accounting** - The cost of normal accounting services for invoicing has been considered in the overhead expense which is included in the above hourly rates. Additional requirements for invoice verification, such as copies of time sheets, detailed expense records, and supplemental daily work justification will be billed on an hourly basis.

NCE will provide the defined scope of work on a lump sum basis for an estimated fee of \$444,400. The price breakdown by task is attached. Total compensation will not exceed the amounts set forth without receipt of prior written authorization from the Town.



Town of Los Gatos
Shannon Road Repair Project
Fee Estimate
April 26, 2021

		Labor Hours																	
Task Description	Project Manager	Principal QA/QC	Associate Engineer	Project Engineer	Staff Engineer/Scientist	CADD Designer	Clerical	Labor Expenses	Coring/FWD	Laboratory Testing	Utility Location	Geotechnical Services	Topographic Surveys	Traffic Engineering	ROW Engineering	Reimbursable Expenses	Total Cost		
	Rate	\$215	\$265	\$215	\$160	\$140	\$130	\$85											
1. Project Management																			
Project Kick-off and Progress Meetings	76	12	8		36		40	\$ 29,680								\$ 200	\$ 29,900		
Exhibits for Public Meetings	4			8	16	12		\$ 5,940								\$ 200	\$ 6,100		
Sub-Total	80	12	8	8	52	12	40	\$ 35,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 400	\$ 36,000		
2. Preliminary Engineering																			
2A. Design Data Gathering	8		8	12	14	20	2	\$ 10,090						\$ 4,400		\$ 200	\$ 14,700		
2B. Topographic Survey and ROW	4			6	6	10	1	\$ 4,045					\$ 19,030			\$ 100	\$ 23,200		
2C. Seismic Survey & Geotechnical Design	6			4	6	6	1	\$ 3,635				\$ 36,016				\$ 100	\$ 39,800		
2D. Utility Location & Coordination	10			12	16	20	1	\$ 8,995			\$ 4,950					\$ 100	\$ 14,000		
2E. Pavement Design	8	4	12	12	16	18	1	\$ 11,945	\$ 4,500	\$ 1,540						\$ 100	\$ 18,100		
2F. Environmental (CEQA)	10	8	6		78		3	\$ 16,735								\$ 1,300	\$ 18,000		
Sub-Total	46	12	26	46	136	74	9	\$ 55,445	\$ 4,500	\$ 1,540	\$ 4,950	\$ 36,016	\$ 19,030	\$ 4,400		\$ 1,900	\$ 127,800		
3. Plans, Specifications, & Estimates (PS&E)																			
3A. 35% PS&E	24	12	8	48	40	58	4	\$ 31,220				\$ 14,432		\$ 5,500		\$ 310	\$ 51,500		
3B. 65% PS&E	18	8	8	80	96	120	2	\$ 49,720				\$ 18,975		\$ 5,500		\$ 610	\$ 74,800		
3C. Prep 100% PS&E	12	6	6	48	60	48	2	\$ 27,950				\$ 20,339		\$ 4,620		\$ 1,600	\$ 54,500		
Sub-Total	54	26	22	176	196	226	8	\$ 108,890	\$ -	\$ -	\$ -	\$ 53,746	\$ -	\$ 15,620		\$ 2,520	\$ 180,800		
4. Construction Administration																			
4A. Bidding Support Services	16		8	12	20	8	2	\$ 11,090				\$ 1,451				\$ 200	\$ 12,700		
4B. Construction Support Services	22	4	18	24	36	12		\$ 20,100				\$ 7,412				\$ 300	\$ 27,800		
Sub-Total	38	4	26	36	56	20	2	\$ 31,190	\$ -	\$ -	\$ -	\$ 8,863				\$ 500	\$ 40,500		
5. Optional Additional Services																			
5A. Environmental Services																			
Nesting Bird Field Survey (up to 2)						12		\$ 1,560									\$ 1,600		
Follow-up Bird Survey						6		\$ 780									\$ 800		
Letter Report			2	8				\$ 1,710									\$ 1,700		
APE	1	0		0	2	4	0	\$ 1,015									\$ 1,000		
PES	2	1		12	16	4	2	\$ 5,545									\$ 5,500		
NES-MI	2	4		16	24	2	2	\$ 7,840									\$ 7,800		
5B. ROW Engineering Services																			
Property Valuation															\$ 2,200		\$ 2,200		
Title Report													\$ 1,650				\$ 1,700		
Legal Description and Plats													\$ 3,850				\$ 3,900		
Appraisal															\$ 5,500		\$ 5,500		
Land Rights Acquisition															\$ 8,800		\$ 8,800		
Public Ownership Coordination with County															\$ 8,800		\$ 8,800		
5C. Other Supplemental Services																			
								\$ 10,000									\$ 10,000		
Sub-Total	5	5	2	36	42	28	4	\$ 28,450	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ 25,300	\$ -	\$ 59,300		
Total Without Optional Additional Services	218	54	82	266	440	332	59	\$ 231,145	\$ 4,500	\$ 1,540	\$ 4,950	\$ 98,625	\$ 19,030	\$ 20,020	\$ -	\$ 5,320	\$ 385,100		
Total With Optional Additional Services	223	59	84	302	482	360	63	\$ 259,595	\$ 4,500	\$ 1,540	\$ 4,950	\$ 98,625	\$ 24,530	\$ 20,020	\$ 25,300	\$ 5,320	\$ 444,400		







Collaboration. Commitment. Confidence.SM

The NCE team is excited to have this opportunity to complete construction documents for the Shannon Road Repair project based on the work we have already completed to date. As a principal with NCE, I am authorized to sign contracts on behalf of NCE and will be the point of contact should you have questions. I can be reached via phone at (510) 215-3620 or via email at rshafer@ncenet.com or via mail at NCE, 501 Canal Boulevard, Suite I, Richmond, CA 94804. NCE looks forward to your favorable review of our qualifications and continuing our work with the Town.

Sincerely,

NCE

A handwritten signature in blue ink, reading "J. Ryan Shafer".

J. Ryan Shafer, PE, GE
Principal

A handwritten signature in blue ink, reading "Lee Taubeneck".

Lee Taubeneck, PE
Project Manager

Attachments:

- A. Key Staff Resumes

Richmond, CA

501 Canal Blvd., Suite I
Richmond, CA 94804
(510) 215-3620

Ms. Janice Chin
Assistant Engineer
Town of Los Gatos
41 Miles Avenue
Los Gatos, California 95030

July 3, 2023
Project No: 58.20.55

RE: **Budget Amendment No. 1**
Shannon Road Repair Project

Dear Ms. Chin,

This letter provides formal documentation of NCE's prior discussions with the City regarding a requested Budget Amendment No. 1 for the Shannon Road Repair Project. The budget amendment reflects the additional work added after completion of the 65% PS&E as follows:

1) Revised 65% PS&E:

- a. NCE submitted 65% PS&E documents and subsequent to this submittal based on stakeholder and Town comment the Town requested the following:
 - i. Analysis of bike pull-out alternative relocation
Cost: NCE \$1,500, Fehr and Peers \$3,000
 - ii. Bike pull-out redesign revising grading, wall alignment, and wall structural design
Cost: NCE \$10,500, CE&G \$8,000

Total Cost: \$23,000

2) Road Closure:

- a. Previously NCE and Fehr and Peers had prepared two-stage traffic handling plans with the intent to maintain one lane of travel on Shannon Road during construction. The Town subsequently made the decision to allow full closure of the road to allow for more efficient construction with the goal of reducing construction costs and duration. Fehr and Peers Fehr & Peers will prepare a detour plan for the proposed road closure of Shannon Road during construction for the recommended detour route via Blossom Hill Road, Camden Avenue, and Hicks Road for a 100% submittal and a final submittal. Fehr and Peers will also conduct a review of the technical specifications to be used for the project.
Cost: Fehr and Peers \$11,000
- b. With a full road closure NCE will revise the pavement section to be Full Depth Reclamation for the entire roadway not just the west bound lane as previously planned. This will require revisions to pavement section, quantities, and specifications.
Cost: NCE \$1,500

Total Cost: \$12,500

3) Additional 100% PS&E Tasks:

- a. NCE will need design additional design elements as follows:
 - i. Revised terminal guard rail design west of Diduca Way to accommodate guy wire pole that is in close proximity to roadway that is beyond the wall limits (outside of project) but impacts the end of the guard rail.
 - ii. Revised culvert drainage pipe inlet to allow for permeable treatment, placement of drainage pipe below the ground surface, and direction of stormwater into existing bioswale area below the roadway.
Cost: NCE \$7,000

Richmond, CA
501 Canal Blvd., Suite I
Richmond, CA 94804
(510) 215-3620

Total Cost: \$7,000

To accommodate the additional work, we are requesting our budget be amended by \$42,500 for items 1,2 and 3. If you have any questions or would like to discuss this request, please contact the undersigned at (510) 215-3620.

Sincerely,



NCE

J. Ryan Shafer, PE GE, Principal



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 9

DATE: August 8, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Monthly Financial and Investment Reports (April Amended, May, and June 2023)

RECOMMENDATION:

Receive Monthly Financial and Investment Reports (April Amended, May, and June 2023).

DISCUSSION:

California Government Code Section 41004 requires that the Town Treasurer submit to the Town Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances. The Finance Director assumes the Town Treasurer role.

Further staff review revealed that the April 2023 Monthly Financial and Investment Report received by Council on June 20, 2023 included the correct year-to-date information; however, the "current month data" that should have matched the year-to-date information was not updated. Attachment 1 contains the amended April 2023 Monthly Financial and Investment Report. The May and June Monthly Financial and Investment Reports are presented in Attachment 2 and Attachment 3 respectively.

The Finance Commission will receive these reports at their next scheduled regular meeting.

Attachment 1 through 3 include Fund Balance Schedules, representing estimated funding available for all funds at the end of the April, May, and June 2023. The fund balances are estimated at a point in time and will be finalized at the final close of the fiscal year.

Please note that the amount in the Fund Schedule differs from the Portfolio Allocation and Treasurer's Cash Fund Balances Summary schedule because assets and liabilities are components of the fund balance. As illustrated in the summary below, Total Cash is adjusted

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

DISCUSSION (continued):

by the addition of Total Assets less the amount of Total Liabilities to arrive at the Ending Fund Balance – which represents the actual amount of funds available.

Reconciling Cash to Fund Balance - April 30, 2023

Total Cash	\$	74,868,304
Plus: Assets	\$	9,451,020
Less: Liabilities	\$	(26,974,112)
Estimated Fund Balance	\$	57,345,212

Reconciling Cash to Fund Balance - May 31, 2023

Total Cash	\$	75,243,382
Plus: Assets	\$	8,963,217
Less: Liabilities	\$	(27,013,170)
Estimated Fund Balance	\$	57,193,429

Reconciling Cash to Fund Balance - June 30, 2023

Total Cash	\$	78,384,948
Plus: Assets	\$	10,727,328
Less: Liabilities	\$	(28,459,390)
Estimated Fund Balance	\$	60,652,884

As of June 30, 2023, the Town's financial position (Assets \$89.1, Liabilities \$28.0M and Fund Equity \$60.6) remains strong and there are no issues meeting financial obligations in the near future.

As of June 30, 2023, the Town's weighted portfolio yield for investments under management was 3.19% which was above by 2 basis points the Local Agency Investment Fund (LAIF) yield of 3.17% for the same reporting period. Currently the LAIF portfolio's weighted average maturity (WAM) is 311 days versus the Town's longer WAM of 399 days. The longer maturity (WAM) for Town assets under management reflects the Town's strategy to take advantage of higher yields associated with longer maturities balanced with shorter term yields available on investments held with the State's LAIF. The Town's weighted average rate of return on investments under management of 3.15% at the close of June was 42 basis points higher when compared to the prior months return of 2.77% reported as of April 30, 2023.

Since December 31, 2022, LAIF yields had climbed from 217 basis points (2.17%) to 3.17 basis points (3.17%) through the end of June 2023.

DISCUSSION (continued):

Staff, in coordination with the Town's investment advisor, continued primarily replacing maturing investments with shorter to medium term maturities in the two- to three-year maturity range. These investments capture current yields that exceed the rates expected to be earned in the LAIF pool during that same time period. The State LAIF pool typically lags the market when current market yields are either increasing or decreasing.

On March 22, 2023, the Federal Reserve voted to approve a ¼ percentage basis point increase from 4.75% to 5.00%. This action was followed with additional hikes in May 2023 from 5.00% to 5.25% and July from 5.25 % to 5.5 %. Through these actions over time, the Federal Open Market Committee's (FOMC) goal is to bring year to year inflation to its targeted level of 2%. The labor market remained resilient. The unemployment rate rose to 3.7% from 3.4% with the participation rate unchanged at 62.6%.

The Town's investments are in compliance with the Town's Investment Policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

CONCLUSION:

Receive the Monthly Financial and Investment Reports (April Amended, May and June 2023).

Attachments:

1. Financial and Investment Report Amended (April 2023)
2. Financial and Investment Report (May 2023)
3. Financial and Investment Report (June 2023)

Town of Los Gatos
Summary Investment Information
April 30, 2023

Weighted Average YTM Portfolio Yield on Investments under Management

2.77%

Weighted Average Maturity (days)

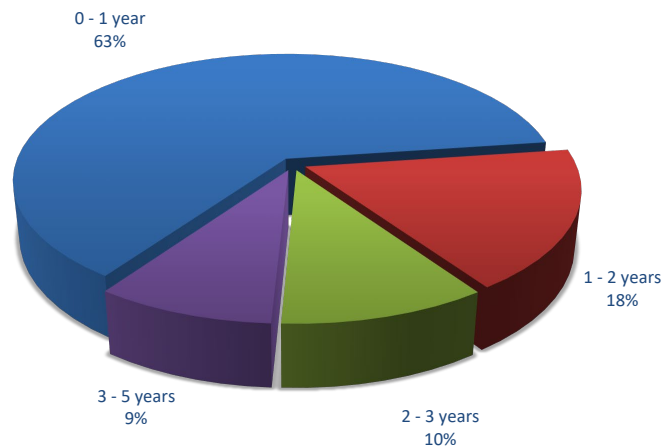
385

	This Month	Last Month	One year ago
Portfolio Allocation & Treasurer's Cash Balances	\$74,868,304	\$70,079,332	\$76,134,869
Managed Investments	\$47,121,309		
Local Agency Investment Fund	\$12,034,229		
Reconciled Demand Deposit Balances	\$15,712,766		
Portfolio Allocation & Treasurer's Cash Balances	\$74,868,304		

Benchmarks/ References:

Town's Average Yield	2.77%	2.71%	1.27%
LAIF Yield for month	2.87%	2.83%	0.52%
3 mo. Treasury	5.08%	4.80%	0.85%
6 mo. Treasury	5.04%	4.91%	1.41%
2 yr. Treasury	4.01%	4.03%	2.72%
5 yr. Treasury (most recent)	3.49%	3.58%	2.96%
10 Yr. Treasury	3.43%	3.47%	2.94%

Portfolio Maturity Profile



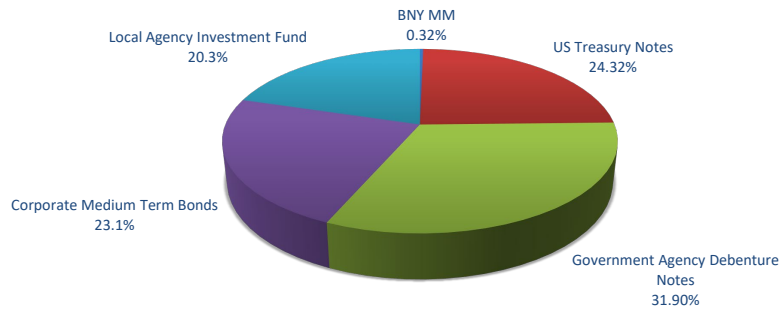
Compliance: The Town's investments are in compliance with the Town's investment policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Cash Balances
April 30, 2023

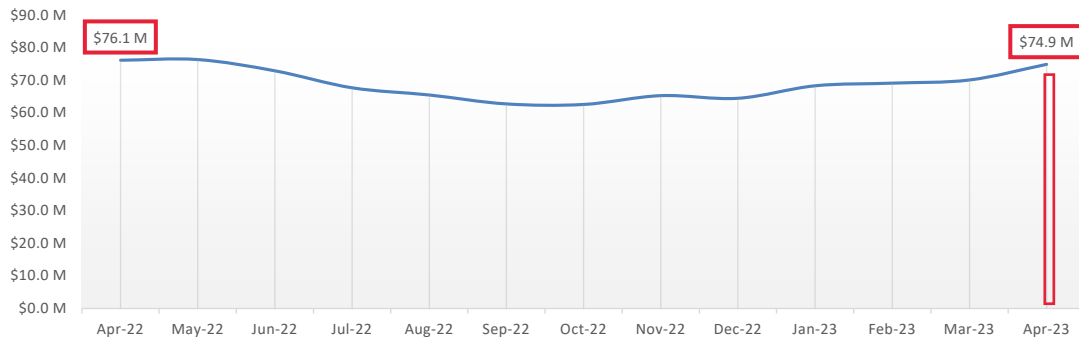
	Month	YTD
Cash & Investment Balances - Beginning of Month/Period	\$ 70,079,332.41	\$72,886,942.83
Receipts	8,151,130.63	56,051,425.66
Disbursements	(3,362,159.41)	(54,070,064.86)
Cash & Investment Balances - End of Month/Period	\$74,868,303.63	\$74,868,303.63

Portfolio Allocation	Amount	% of Portfolio	Max. % or \$ Allowed per State Law or Policy
BNY MM	\$188,410.77	0.32%	20% of Town Portfolio
US Treasury Notes	\$14,388,386.25	24.32%	No Max. on US Treasuries
Government Agency Debenture Notes	\$18,871,374.65	31.90%	No Max. on Non-Mortgage Backed
Corporate Medium Term Bonds	\$13,673,137.01	23.11%	30% of Town Portfolio
Local Agency Investment Fund	\$12,034,228.67	20.34%	\$75 M per State Law
Subtotal - Investments	59,155,537.35	100.00%	
Reconciled Demand Deposit Balances	15,712,766.28		
Total Portfolio Allocation & Treasurer's Cash Balances	\$74,868,303.63		

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
April 30, 2023

	Beginning Balance	Apr. 2023 Deposits Realized Gain/Adj.	Apr. 2023 Interest/ Earnings	Apr. 2023 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 688,345.29		\$ 2,368.18		\$ 690,713.47	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	31.65		0.04		31.69	Note 1
Cert. of Participation 2002 Lease Payment Fund	8,524.81		29.28		8,554.09	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,304,109.92		4,927.08		1,309,037.00	Note 2
Total Restricted Funds:	<u>\$ 2,001,011.67</u>	<u>\$ -</u>	<u>\$ 7,324.58</u>	<u>\$ -</u>	<u>\$ 2,008,336.25</u>	
CEPPT IRS Section 115 Trust	1,392,175.23		11,137.56		\$ 1,403,312.79	
Grand Total COP's and CEPPT Trust	<u>\$ 3,393,186.90</u>	<u>\$ -</u>	<u>\$ 18,462.14</u>	<u>\$ -</u>	<u>\$ 3,411,649.04</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other p

Town of Los Gatos
Statement of Interest Earned
April 30, 2023

Interest by Month		
July 2022	\$	60,107.76
August 2022		61,456.65
September 2022		60,153.38
October 2022		68,965.25
November 2022		68,430.71
December 2022		77,485.61
January 2023		80,998.58
February 2023		79,760.25
March 2023		96,693.30
April 2023		97,627.16
May 2023		
June 2023		
	\$	<u>751,678.65</u>

Town of Los Gatos Investment Schedule
April 30, 2023

Institution	CUSIP #	Security	Coupon	Deposit Date	Par Value	Original Cost	Market Value	Market Value Above (Under) Cost	Purchased Interest	Maturity Date or Call Date	Yield to Maturity or Call	Interest Received to Date	Interest Earned Prior Yrs.	Interest Earned Current FY	Days to Maturity
US Treasury	91282CAP6	US Treasury Note	0.13%	6/30/2021	1,000,000.00	995,390.63	978,670.00	(16,720.63)		10/15/2023	0.33%	\$ 2,240.44	\$ 3,260.06	\$ 2,715.23	168
Toyota Motor Credit	89236THA6_1	Corporate Bond	1.35%	04/12/21	500,000.00	510,580.00	494,180.00	(16,400.00)		8/25/2023	0.45%	\$ 12,618.75	\$ 2,780.30	\$ 1,903.63	117
Toyota Motor Credit	89236THA6	Corporate Bond	1.35%	1/11/2022	1,100,000.00	1,107,315.00	1,087,196.00	(20,119.00)		8/25/2023	0.94%	\$ 16,665.00	\$ 4,812.29	\$ 8,605.51	117
US Treasury	91282CDD0	US Treasury Note	0.38%	1/13/2022	1,100,000.00	1,090,675.78	1,075,547.00	(15,128.78)		10/31/2023	0.85%	\$ 5,344.27	\$ 4,286.54	\$ 7,756.60	184
US Treasury	91282CCN9	US Treasury Note	0.13%	1/13/2022	1,200,000.00	1,188,375.00	1,185,192.00	(3,183.00)		7/31/2023	0.75%	\$ 1,573.37	\$ 4,153.18	\$ 7,515.27	92
FFCB	3133EKMx1	Gov. Agency Debenture	2.23%	8/2/2019	1,000,000.00	1,014,400.00	978,810.00	(35,590.00)		2/23/2024	1.90%	\$ 84,925.83	\$ 55,756.94	\$ 15,945.54	299
FFCB	3133EMBE1	Gov. Agency Debenture	0.30%	10/8/2020	1,600,000.00	1,598,000.00	1,530,960.00	(67,040.00)		3/28/2024	0.34%	\$ 11,853.34	\$ 9,279.41	\$ 4,477.68	333
FFCB	3133EMCQ3	Gov. Agency Debenture	0.28%	10/16/2020	2,000,000.00	1,998,000.00	1,956,080.00	(41,920.00)		10/13/2024	0.31%	\$ 13,953.33	\$ 10,396.24	\$ 5,081.12	532
Apple	037833DB3	Corporate Bond	2.90%	12/20/2022	1,300,000.00	1,228,591.00	1,246,674.00	18,083.00		6/21/2027	4.19%	\$ 8,587.22	\$ -	\$ 19,220.82	1513
Home Depot	437076BM3	Corporate Bond	3.00%	8/4/2022	1,000,000.00	991,960.00	971,450.00	(20,510.00)		1/1/2026	3.04%	\$ 19,750.00	\$ -	\$ 23,845.35	977
US Treasury	91282ZV3	US Treasury Note	0.25%	8/9/2022	350,000.00	322,096.88	323,218.00	1,121.12		6/30/2025	3.16%	\$ 342.39	\$ -	\$ 7,608.66	792
IBM	459200JY8	Corporate Bond	3.00%	3/25/2021	1,000,000.00	1,071,040.00	979,470.00	(91,570.00)		5/15/2024	0.71%	\$ 49,166.67	\$ 9,358.41	\$ 6,157.91	381
US Treasury	912828R28	US Treasury Note	1.63%	7/2/2019	500,000.00	497,246.09	500,000.00	2,753.91		4/30/2023	1.77%	\$ 31,109.04	\$ 26,507.80	\$ 7,365.97	0
Freddie Mac	3137EAE5	Gov. Agency Debenture	2.75%	7/19/2019	2,000,000.00	2,072,358.00	1,993,760.00	(78,598.00)		6/19/2023	1.79%	\$ 187,916.67	\$ 107,829.55	\$ 30,436.57	50
FFCB	3133ENS58	Gov. Agency Debenture	4.13%	1/17/2023	236,000.00	239,174.20	238,331.68	(842.52)	162.25	1/11/2027	3.76%	\$ (162.25)	\$ -	\$ 2,522.43	1352
US Treasury	91282CBT7	US Treasury Note	0.75%	9/30/2022	800,000.00	712,565.18	734,376.00	21,810.82		3/31/2026	4.14%	\$ 3,000.00	\$ -	\$ 17,988.99	1066
FFCB	3133ENP95	Gov. Agency Debenture	4.25%	9/30/2022	900,000.00	900,939.60	903,636.00	2,696.40		9/30/2025	4.14%	\$ 19,125.00	\$ -	\$ 22,034.69	884
US Treasury	91282CDA6	US Treasury Note	0.25%	1/31/2022	1,100,000.00	1,085,222.44	1,079,199.00	(6,023.44)		9/30/2023	1.07%	\$ 3,195.74	\$ 4,781.92	\$ 9,691.36	153
US Treasury	91282CAW1	US Treasury Note	0.25%	7/15/2021	1,200,000.00	1,199,437.50	1,170,048.00	(29,389.50)		11/15/2023	0.27%	\$ 4,002.72	\$ 3,107.52	\$ 2,699.10	199
American Honda	02665WC22	Corporate Bond	2.40%	11/27/2019	1,000,000.00	1,012,410.01	971,400.00	(41,010.01)		6/27/2024	2.12%	\$ 84,733.34	\$ 55,189.68	\$ 17,735.37	424
JP Morgan Chase	46625HRS1	Corporate Bond	3.20%	9/23/2022	500,000.00	474,660.00	482,810.00	8,150.00		3/15/2026	4.70%	\$ 3,644.44	\$ -	\$ 13,973.10	1050
Honeywell Int'l.	438516BW5	Corporate Bond	2.30%	11/20/2019	1,000,000.00	1,014,660.00	970,360.00	(44,300.00)		7/15/2024	1.64%	\$ 73,983.33	\$ 51,828.99	\$ 16,533.07	442
Caterpillar Financial Serv	14913QZV0	Corporate Bond	2.85%	2/23/2021	1,000,000.00	1,077,370.00	978,800.00	(98,570.00)		5/17/2024	0.44%	\$ 49,400.00	\$ 6,129.72	\$ 3,787.47	383
FNMA	3135G0V75	Gov. Agency Debenture	1.75%	10/17/2019	1,100,000.00	1,105,833.30	1,064,327.00	(41,506.30)		7/2/2024	1.63%	\$ 62,081.25	\$ 48,706.74	\$ 15,001.87	429
US Bancorp	91159HHV5	Corporate Bond	3.38%	12/24/2019	1,000,000.00	1,049,040.00	983,880.00	(65,160.00)		1/5/2024	2.12%	\$ 105,093.75	\$ 54,380.13	\$ 17,988.64	250
FHLB	3133834G3	Gov. Agency Debenture	2.13%	3/11/2021	1,400,000.00	1,460,522.00	1,395,702.00	(64,820.00)		6/9/2023	0.19%	\$ 51,897.22	\$ 3,664.98	\$ 2,340.66	40
FFCB	3133EKQA7	Gov. Agency Debenture	2.08%	10/21/2019	1,000,000.00	1,019,780.00	966,600.00	(53,180.00)		9/10/2024	1.66%	\$ 70,431.11	\$ 45,130.78	\$ 13,957.03	499
PNC Financial	69349LAM0	Corporate Bond	3.80%	2/7/2022	1,000,000.00	1,033,470.00	994,760.00	(38,710.00)		6/25/2023	1.49%	\$ 36,733.33	\$ 5,372.34	\$ 11,420.93	56
FHLB	3135G05X7	Gov. Agency Debenture	0.38%	6/10/2022	1,200,000.00	1,102,952.40	1,102,452.00	(500.40)		8/25/2025	3.04%	\$ 3,187.50	\$ 1,902.68	\$ 28,920.70	848
US Treasury	912828ZL7	US Treasury Note	0.38%	4/12/2022	1,700,000.00	1,583,927.57	1,579,878.00	(4,049.57)		4/30/2025	2.72%	\$ 6,691.99	\$ 9,611.14	\$ 36,984.65	731
JP Morgan Chase	46625HJT8	Corporate Bond	3.88%	9/23/2019	1,400,000.00	1,485,414.00	1,387,008.00	(98,406.00)		2/1/2024	2.39%	\$ 182,038.89	\$ 96,022.89	\$ 28,873.35	277
American Honda	02665WDH1	Corporate Bond	1.95%	2/14/2020	600,000.00	603,756.00	599,604.00	(4,152.00)		5/10/2023	1.75%	\$ 33,995.00	\$ 25,034.14	\$ 8,777.83	10
US Treasury	912828V23	US Treasury Note	2.25%	11/29/2021	1,000,000.00	1,032,933.04	982,660.00	(50,273.04)		12/31/2023	0.66%	\$ 24,456.52	\$ 3,924.44	\$ 5,601.09	245
US Treasury	91282CBE0_2	US Treasury Note	0.13%	10/7/2021	1,000,000.00	994,768.98	966,910.00	(27,858.98)		1/15/2024	0.36%	\$ 1,589.67	\$ 2,587.41	\$ 2,957.04	260
FHLB	3130ALH98	Gov. Agency Debenture	0.25%	2/26/2021	1,000,000.00	997,610.00	960,100.00	(37,510.00)		2/26/2024	0.33%	\$ 5,000.00	\$ 4,416.63	\$ 2,745.72	302
FHLB	3130AQF65	Gov. Agency Debenture	1.25%	11/30/2022	1,300,000.00	1,160,559.40	1,189,396.00	28,836.60		12/21/2026	4.15%	\$ 947.92	\$ -	\$ 20,930.11	1331
US Treasury	912828U57	US Treasury Note	2.13%	7/31/2019	1,000,000.00	1,011,875.00	983,870.00	(28,005.00)		11/30/2023	1.84%	\$ 70,833.33	\$ 54,014.24	\$ 15,418.15	214
US Treasury	912828X70	US Treasury Note	2.20%	12/30/2019	1,000,000.00	1,010,589.29	972,270.00	(38,319.29)		4/30/2024	1.75%	\$ 73,703.30	\$ 48,922.73	\$ 16,289.72	366
US Treasury	912828XT2	US Treasury Note	2.00%	10/31/2019	1,000,000.00	1,015,667.41	970,470.00	(45,197.41)		5/31/2024	1.64%	\$ 61,639.34	\$ 44,208.50	\$ 13,812.32	397
American Honda	02665WCQ2	Corporate Bond	3.63%	9/14/2021	950,000.00	1,012,871.00	943,578.00	(69,293.00)		10/10/2023	0.41%	\$ 54,143.40	\$ 3,232.93	\$ 3,400.73	163
FFCB	3133EJ3Q0	Gov. Agency Debenture	2.88%	8/28/2019	1,500,000.00	1,587,503.75	1,478,010.00	(109,493.75)		12/21/2023	2.12%	\$ 142,911.46	\$ 64,945.24	\$ 19,038.91	235
US Treasury	91282CBE0	US Treasury Note	0.13%	9/15/2021	650,000.00	647,615.46	628,491.50	(19,123.96)		1/15/2024	0.28%	\$ 1,081.87	\$ 1,447.14	\$ 1,527.53	260
FHLB	3130APJH9	Gov. Agency Debenture	0.75%	1/17/2023	1,000,000.00	907,010.00	913,210.00	6,200.00		10/28/2026	4.17%	\$ 2,104.17	\$ -	\$ 9,057.00	1277
FFCB	3133ENS6	Gov. Agency Debenture	4.00%	2/8/2023	1,700,000.00	1,706,732.00	1,721,029.00	14,297.00	6,044.44	1/6/2028	3.91%	\$ (6,044.44)	\$ -	\$ 14,786.29	1712
Subtotal					\$ 46,886,000.00	\$ 46,932,897.91	\$ 45,614,373.18	\$ (1,318,524.73)	\$ 6,206.69						
BNY MM						188,410.77	188,410.77	0.00			0.00%				1
LAIF						12,034,228.67	11,871,890.88	(162,337.79)			2.87%			144,611.64	1
						\$59,155,537.35	\$57,674,674.83	(\$1,480,862.52)	\$6,206.69						

Matured Assets

IBM	459200HG9	Corporate Bond		8/8/2019	1,000,000.00	995,010.00				8/1/2022	2.05%	\$ 55,885.42	\$ 59,141.32	\$ 1,790.47	
JP Morgan Chase	46625HJE1	Gov. Agency Debenture		2/11/2020	900,000.00	934,587.00				9/23/2022	1.74%	\$ 76,537.50	\$ 38,210.60	\$ 3,733.22	
Treasury	912828L57	US Treasury Note		7/22/2019	1,200,000.00	1,197,988.40				9/30/2022	2.09%	\$ 67,016.39	\$ 63,644.66	\$ 5,451.87	
Treasury	912828M80	US Treasury Note		7/22/2019	1,000,000.00	1,006,175.23				11/30/2022	1.81%	\$ 67,158.47	\$ 53,444.10	\$ 7,613.55	
BankAmerica Corp	06051GHC6	Corporate Bond		10/9/2020	1,300,000.00	1,366,287.00				12/20/2023	0.66%	\$ 85,805.92	\$ 31,569.88	\$ 15,257.94	
FFCB	3133EKVF0	Gov. Agency Debenture	1.88%	7/22/2019	1,000,000.00	999,630.00				1/17/2023	1.89%	\$ 65,364.58	\$ 55,482.90	\$ 10,383.67	
Freddie Mac	3133EKKT2	Gov. Agency Debenture	2.25%	6/24/2019	1,550,000.00	1,573,188.00				2/8/2023	1.82%	\$ 135,043.75	\$ 86,008.42	\$ 17,404.61	

Total Investments "Matured"

\$ 61,635.32

Total Interest FY 22_23 Matured and Current

\$ 751,678.65

Maturity Profile

	Amount	Percent
0-1 year	\$ 37,001,773.02	63%
1-2 years	\$10,325,350.01	18%
2-3 years	\$6,089,101.63	10%
3-5 years	\$ 5,242,066.60	9%
	\$58,658,291.26	

Town of Los Gatos

Insight ESG Ratings as of April 30, 2023

Security Description	Maturity Date	Par/Shares	Moody Rating	S&P Rating	Insight ESG Rating	Environment	Social	Governance
AMERICAN HONDA FINANCE 1.95% 10MAY2023	5/10/2023	\$ 600,000	A3	A-	2	1	3	3
PNC BANK NA 3.8% 25JUL2023 (CALLABLE 25JUN23)	7/25/2023	\$ 1,000,000	A3	A-	3	2	4	3
TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	8/25/2023	\$ 1,600,000	A1	A+	3	1	3	4
AMERICAN HONDA FINANCE 3.625% 10OCT2023	10/10/2023	\$ 950,000	A3	A-	2	1	3	3
JPMORGAN CHASE & CO 3.875% 01FEB2024	2/1/2024	\$ 1,400,000	A1	A-	3	1	3	4
US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	2/5/2024	\$ 1,000,000	A2	A+	3	3	4	3
IBM CORP 3.0% 15MAY2024	5/15/2024	\$ 1,000,000	A3	A-	2	1	2	3
CATERPILLAR FIN SERVICES 2.85% 17MAY24	5/17/2024	\$ 1,000,000	A2	A	4	4	3	4
AMERICAN HONDA FINANCE 2.4% 27JUN2024	6/27/2024	\$ 1,000,000	A3	A-	2	1	3	3
HONEYWELL INTERNATIONAL 2.3% 15AUG2024 (CALLABLE 15JUL24)	8/15/2024	\$ 1,000,000	A2	A	4	4	5	4
HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	4/1/2026	\$ 1,000,000	A2	A	2	2	2	2
JPMORGAN CHASE & CO 3.2 15JUN2026 (CALLABLE 15MAR2026)	6/15/2026	\$ 500,000	A1	A-	3	1	3	4
APPLE INC. 2.9% 12SEP2027 (CALLABLE 12JUN2027)	9/12/2027	\$ 1,300,000	Aaa	AA+	4	1	4	5
Total/Average		\$ 13,350,000			2.8	1.8	3.2	3.5

*ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-March	April 2023				Estimated Fund Balance 4/30/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	GENERAL FUND							
	Non-Spendable:							
	Loans Receivable	159,000	-	-	-	-	-	159,000
	Restricted Fund Balances:							
	Pension	690,000	-	-	-	-	-	690,000
	Committed Fund Balances:							
	Budget Stabilization	5,991,566	-	-	-	-	-	5,991,566
	Catastrphic	5,991,566	-	-	-	-	-	5,991,566
	Pension/OPEB	300,000	-	-	-	-	-	300,000
	Assigned Fund Balances:							
	Open Space	410,000	-	-	-	-	-	410,000
	Sustainability	140,553	-	-	-	-	-	140,553
	Capital/Special Projects	11,071,231	(15,498)	-	-	-	-	11,055,733
	Carryover Encumbrances	33,145	-	-	-	-	-	33,145
	Compensated Absences	1,519,147	-	-	-	-	-	1,519,147
	Measure G District Sales Tax	590,581	-	-	-	-	-	590,581
	Unassigned Fund Balances:							
111	Other Unassigned Fund Balance Reserve (Pre YE distribution)	-	803,092	7,102,596	(3,390,763)	-	-	4,514,925
	General Fund Total	26,896,789	787,594	7,102,596	(3,390,763)	-	-	31,396,216

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-March	April 2023				Estimated Fund Balance 4/30/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	SPECIAL REVENUE							
211/212	CDBG	166,654	-	-	-	-	-	166,654
222	Urban Runoff (NPDES)	451,558	111,854	29,996	(13,214)	-	-	580,194
231-236	Landscape & Lighting Districts	174,236	4,174	-	(2,333)	-	-	176,077
241	ARPA	-	3,614,872	-	-	-	-	3,614,872
251	Los Gatos Theatre	19,500	4,090	14,350	(12,184)	-	-	25,756
711-716	Library Trusts	555,254	(20,208)	92	(2,374)	-	-	532,764
	Special Revenue Total	1,367,202	3,714,782	44,438	(30,105)	-	-	5,096,317
	CAPITAL PROJECTS							
411	GFAR - General Fund Appropriated Reserve	14,783,787	(90,422)	74,058	(290,071)	-	-	14,477,352
421	Grant Funded Projects	(948,603)	647,205	-	(6,912)	-	-	(308,310)
461-463	Storm Basin Projects	3,218,811	(114,977)	4,500	(1,265)	-	-	3,107,069
471	Traffic Mitigation Projects	405,570	-	109	(109)	-	-	405,570
472	Utility Undergrounding Projects	3,302,514	68,041	-	-	-	-	3,370,555
481	Gas Tax Projects	1,836,068	(654,662)	121,175	-	-	-	1,302,581
	Capital Projects Total	22,598,147	(144,815)	199,842	(298,357)	-	-	22,354,817
	INTERNAL SERVICE FUNDS							
611	Town General Liability	803,292	(494,474)	-	(14,313)	-	-	294,505
612	Workers Compensation	1,295,185	(15,866)	15,469	-	-	-	1,294,788
621	Information Technology	2,990,932	104,316	2,853	(34,116)	-	-	3,063,985
631	Vehicle & Equipment Replacement	2,222,395	119,565	52,939	(80,150)	-	-	2,314,749
633	Facility Maintenance	928,481	(43,338)	-	(112,437)	-	-	772,706
	Internal Service Funds Total	8,240,285	(329,797)	71,261	(241,016)	-	-	7,740,733
	Trust/Agency							
942	RDA Successor Agency	(7,607,527)	(1,635,203)	-	(141)	-	-	(9,242,871)
	Trust/Agency Fund Total	(7,607,527)	(1,635,203)	-	(141)	-	-	(9,242,871)
	Total Town	51,494,896	2,392,561	7,418,137	(3,960,382)	-	-	57,345,212

* Interfund transfers and ARPA funding allocation to be performed as part of the fiscal year end closing entries.

Deposit Accounts of Interest:

111-23541 General Plan Update deposit account balance \$966,070

111-23521 BMP Housing deposit account balance \$3,887,661

**Town of Los Gatos
Summary Investment Information
May 31, 2023**

Weighted Average YTM Portfolio Yield on Investments under Management **2.93%**

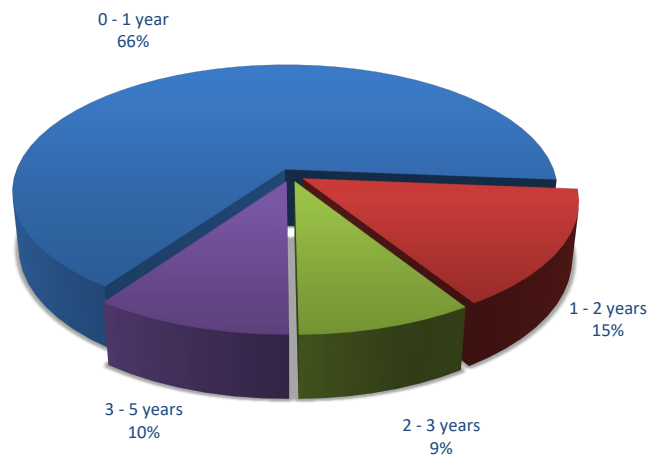
Weighted Average Maturity (days) **388**

	This Month	Last Month	One year ago
Portfolio Allocation & Treasurer's Cash Balances	\$75,243,382	\$74,868,304	\$76,336,706
Managed Investments	\$47,187,891		
Local Agency Investment Fund	\$12,034,229		
Reconciled Demand Deposit Balances	\$16,021,263		
Portfolio Allocation & Treasurer's Cash Balances	<u>\$75,243,382</u>		

Benchmarks/ References:

Town's Average Yield	2.93%	2.77%	1.27%
LAIF Yield for month	2.99%	2.87%	0.68%
3 mo. Treasury	5.42%	5.08%	1.08%
6 mo. Treasury	5.46%	5.04%	1.58%
2 yr. Treasury	4.41%	4.01%	2.56%
5 yr. Treasury (most recent)	3.76%	3.49%	2.82%
10 Yr. Treasury	3.65%	3.43%	2.85%

Portfolio Maturity Profile



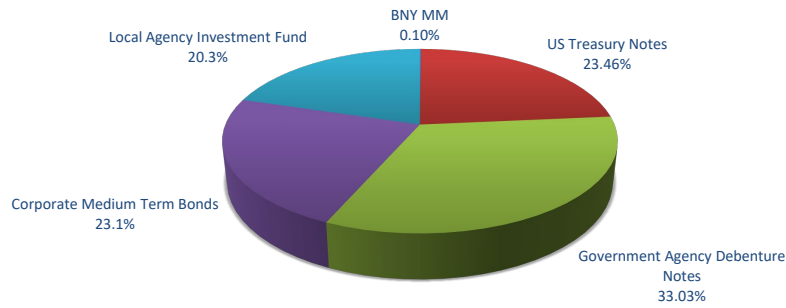
Compliance: The Town's investments are in compliance with the Town's investment policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Cash Balances
May 31, 2023

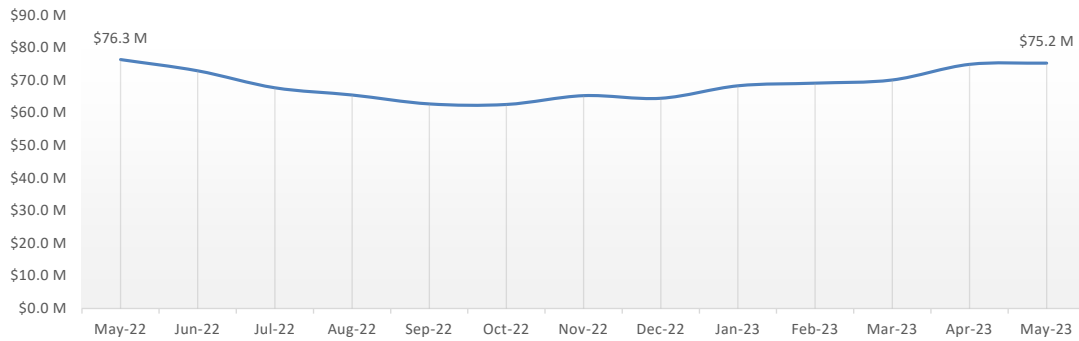
	Month	YTD
Cash & Investment Balances - Beginning of Month/Period	\$ 74,868,303.63	\$72,886,942.83
Receipts	4,550,302.80	60,601,728.46
Disbursements	(4,175,224.08)	(58,245,288.94)
Cash & Investment Balances - End of Month/Period	<u>\$75,243,382.35</u>	<u>\$75,243,382.35</u>

Portfolio Allocation	Amount	% of Portfolio	Max. % or \$ Allowed per State Law or Policy
BNY MM	\$58,106.65	0.10%	20% of Town Portfolio
US Treasury Notes	\$13,891,140.16	23.46%	No Max. on US Treasuries
Government Agency Debenture Notes	\$19,560,407.15	33.03%	No Max. on Non-Mortgage Backed
Corporate Medium Term Bonds	\$13,678,237.01	23.10%	30% of Town Portfolio
Local Agency Investment Fund	\$12,034,228.67	20.32%	\$75 M per State Law
Subtotal - Investments	<u>59,222,119.64</u>	<u>100.00%</u>	
Reconciled Demand Deposit Balances	<u>16,021,262.71</u>		
Total Portfolio Allocation & Treasurer's Cash Balances	<u>\$75,243,382.35</u>		

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
May 31, 2023

	Beginning Balance	May. 2023 Deposits Realized Gain/Adj.	May. 2023 Interest/ Earnings	May. 2023 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 690,713.47		\$ 2,404.35		\$ 693,117.82	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	31.69		0.06		31.75	Note 1
Cert. of Participation 2002 Lease Payment Fund	8,554.09		29.76		8,583.85	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,309,037.00		4,762.98		1,313,799.98	Note 2
Total Restricted Funds:	<u>\$ 2,008,336.25</u>	<u>\$ -</u>	<u>\$ 7,197.15</u>	<u>\$ -</u>	<u>\$ 2,015,533.40</u>	
CEPPT IRS Section 115 Trust	1,403,312.79		(20,191.18)		\$ 1,383,121.61	
Grand Total COP's and CEPPT Trust	<u>\$ 3,411,649.04</u>	<u>\$ -</u>	<u>\$ (12,994.03)</u>	<u>\$ -</u>	<u>\$ 3,398,655.01</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other p

Town of Los Gatos
Statement of Interest Earned
May 31, 2023

Interest by Month		
July 2022	\$	60,107.76
August 2022		61,456.65
September 2022		60,153.38
October 2022		68,965.25
November 2022		68,430.71
December 2022		77,485.61
January 2023		80,998.58
February 2023		79,760.25
March 2023		96,693.30
April 2023		97,627.16
May 2023		106,872.54
June 2023		
	\$	<u>858,551.19</u>

Town of Los Gatos Investment Schedule
May 31, 2023

Institution	CUSIP #	Security	Coupon	Deposit Date	Par Value	Original Cost	Market Value	Market Value Above (Under) Cost	Purchased Interest	Maturity Date or Call Date	Yield to Maturity or Call	Interest Received to Date	Interest Earned Prior Yrs.	Interest Earned Current FY	Days to Maturity
US Treasury	91282CAP6	US Treasury Note	0.13%	6/30/2021	1,000,000.00	995,390.63	980,860.00	(14,530.63)		10/15/2023	0.33%	\$ 2,240.44	\$ 3,260.06	\$ 2,992.11	137
Toyota Motor Credit	89236THA6_1	Corporate Bond	1.35%	04/12/21	500,000.00	510,580.00	495,570.00	(15,010.00)		8/25/2023	0.45%	\$ 12,618.75	\$ 2,780.30	\$ 2,097.75	86
Toyota Motor Credit	89236THA6	Corporate Bond	1.35%	11/1/2022	1,100,000.00	1,107,315.00	1,090,254.00	(17,061.00)		8/25/2023	0.94%	\$ 16,665.00	\$ 4,812.29	\$ 9,483.05	86
US Treasury	91282CD00	US Treasury Note	0.38%	1/13/2022	1,100,000.00	1,090,675.78	1,077,527.00	(13,148.78)		10/31/2023	0.85%	\$ 5,344.27	\$ 4,286.54	\$ 8,547.57	153
US Treasury	91282CCN9	US Treasury Note	0.13%	1/13/2022	1,200,000.00	1,188,375.00	1,189,644.00	1,269.00		7/31/2023	0.75%	\$ 1,573.37	\$ 4,153.18	\$ 8,281.63	61
FFCB	3133EKM1	Gov. Agency Debenture	2.23%	8/2/2019	1,000,000.00	1,014,400.00	978,410.00	(35,990.00)		2/23/2024	1.90%	\$ 84,925.83	\$ 55,756.94	\$ 17,571.57	268
FFCB	3133EMBE1	Gov. Agency Debenture	0.30%	10/8/2020	1,600,000.00	1,598,000.00	1,534,416.00	(63,584.00)		3/28/2024	0.34%	\$ 11,853.34	\$ 9,279.41	\$ 4,934.29	302
FFCB	3133EMCQ3	Gov. Agency Debenture	0.28%	10/16/2020	2,000,000.00	1,998,000.00	1,962,680.00	(35,320.00)		10/13/2024	0.31%	\$ 13,953.33	\$ 10,396.24	\$ 5,599.26	501
Apple	037833DB3	Corporate Bond	2.90%	12/20/2022	1,300,000.00	1,228,591.00	1,239,407.00	10,816.00		6/21/2027	4.19%	\$ 8,587.22	\$ -	\$ 23,769.26	1482
Home Depot	437076BM3	Corporate Bond	3.00%	8/4/2022	1,000,000.00	991,960.00	965,490.00	(26,470.00)		1/1/2026	3.04%	\$ 19,750.00	\$ -	\$ 26,593.33	946
US Treasury	912828ZWN9	US Treasury Note	0.25%	8/9/2022	350,000.00	322,096.88	321,919.50	(177.38)		6/30/2025	3.16%	\$ 342.39	\$ -	\$ 8,502.10	761
IBM	459200JY8	Corporate Bond	3.00%	3/25/2021	1,000,000.00	1,071,040.00	976,750.00	(94,290.00)		5/15/2024	0.71%	\$ 64,166.67	\$ 9,358.41	\$ 6,785.86	350
Freddie Mac	3137EAE5	Gov. Agency Debenture	2.75%	7/19/2019	2,000,000.00	2,072,358.00	1,996,860.00	(75,498.00)		6/19/2023	1.79%	\$ 187,916.67	\$ 107,829.55	\$ 33,540.30	19
FFCB	3133EN5V8	Gov. Agency Debenture	4.13%	1/17/2023	236,000.00	239,174.20	236,210.04	(2,964.16)	162.25	1/11/2027	3.76%	\$ (162.25)	\$ -	\$ 3,281.61	1321
US Treasury	91282CBT7	US Treasury Note	0.75%	9/30/2022	800,000.00	712,565.18	730,344.00	17,778.82		3/31/2026	4.14%	\$ 3,000.00	\$ -	\$ 20,619.45	1035
FFCB	3133ENP95	Gov. Agency Debenture	4.25%	9/30/2022	900,000.00	900,939.60	896,922.00	(4,017.60)		9/30/2025	4.14%	\$ 19,125.00	\$ -	\$ 25,256.74	853
US Treasury	91282CDA6	US Treasury Note	0.25%	1/1/2022	1,100,000.00	1,085,222.44	1,081,476.00	(3,746.44)		9/30/2023	1.07%	\$ 3,195.74	\$ 4,781.92	\$ 10,679.63	122
US Treasury	91282CAW1	US Treasury Note	0.25%	7/15/2021	1,200,000.00	1,199,437.50	1,172,580.00	(26,857.50)		11/15/2023	0.27%	\$ 5,502.72	\$ 3,107.52	\$ 2,974.34	168
American Honda	02665WC22	Corporate Bond	2.40%	11/27/2019	1,000,000.00	1,012,410.01	969,540.00	(42,870.01)		6/27/2024	2.12%	\$ 84,733.34	\$ 55,189.68	\$ 19,543.91	393
JP Morgan Chase	46625HRS1	Corporate Bond	3.20%	9/23/2022	500,000.00	474,660.00	476,590.00	1,930.00		3/15/2026	4.70%	\$ 3,644.44	\$ -	\$ 15,951.02	1019
Honeywell Int'l.	438516BW5	Corporate Bond	2.30%	11/20/2019	1,000,000.00	1,014,660.00	968,410.00	(46,250.00)		7/15/2024	1.64%	\$ 73,983.33	\$ 51,828.99	\$ 18,219.01	411
Caterpillar Financial Serv	14913Q2V0	Corporate Bond	2.85%	2/23/2021	1,000,000.00	1,077,370.00	976,370.00	(101,000.00)		5/17/2024	0.44%	\$ 63,650.00	\$ 6,129.72	\$ 4,173.69	352
FNMA	3135G0V75	Gov. Agency Debenture	1.75%	10/17/2019	1,100,000.00	1,105,833.30	1,064,547.00	(41,286.30)		7/2/2024	1.63%	\$ 62,081.25	\$ 48,706.74	\$ 16,531.67	398
US Bancorp	91159HHV5	Corporate Bond	3.38%	12/24/2019	1,000,000.00	1,049,040.00	983,360.00	(65,680.00)		1/5/2024	2.12%	\$ 105,093.75	\$ 54,380.13	\$ 19,823.01	219
FHLB	3133834G3	Gov. Agency Debenture	2.13%	3/11/2021	1,400,000.00	1,460,522.00	1,399,020.00	(61,502.00)		6/9/2023	0.19%	\$ 51,897.22	\$ 3,664.98	\$ 2,579.34	9
FFCB	3133EKQA7	Gov. Agency Debenture	2.08%	10/21/2019	1,000,000.00	1,019,780.00	964,890.00	(54,890.00)		9/10/2024	1.66%	\$ 70,431.11	\$ 45,130.78	\$ 15,380.28	468
PNC Financial	69349LAM0	Corporate Bond	3.80%	2/7/2022	1,000,000.00	1,033,470.00	996,670.00	(36,800.00)		6/25/2023	1.49%	\$ 36,733.33	\$ 5,372.34	\$ 12,585.56	25
FHLB	3135G05X7	Gov. Agency Debenture	0.38%	6/10/2022	1,200,000.00	1,102,952.40	1,097,664.00	(5,288.40)		8/25/2025	3.04%	\$ 3,187.50	\$ 1,902.68	\$ 31,869.85	817
US Treasury	912828ZL7	US Treasury Note	0.38%	4/12/2022	1,700,000.00	1,583,927.57	1,573,758.00	(10,169.57)		4/30/2025	2.72%	\$ 6,691.99	\$ 9,611.14	\$ 40,756.11	700
JP Morgan Chase	46625HJ78	Corporate Bond	3.88%	9/23/2019	1,400,000.00	1,485,414.00	1,385,482.00	(99,932.00)		2/1/2024	2.39%	\$ 182,038.89	\$ 96,022.89	\$ 31,817.67	246
US Treasury	912828V23	US Treasury Note	2.25%	11/29/2021	1,000,000.00	1,032,933.04	982,380.00	(50,553.04)		12/31/2023	0.66%	\$ 24,456.52	\$ 3,924.44	\$ 6,172.25	214
US Treasury	91282CBE0_2	US Treasury Note	0.13%	10/7/2021	1,000,000.00	994,768.98	968,240.00	(26,528.98)		1/15/2024	0.36%	\$ 1,589.67	\$ 2,587.41	\$ 3,258.58	229
FHLB	3130ALH98	Gov. Agency Debenture	0.25%	2/26/2021	1,000,000.00	997,610.00	962,850.00	(34,760.00)		2/26/2024	0.33%	\$ 5,000.00	\$ 4,416.63	\$ 3,025.71	271
FHLB	3130AQF65	Gov. Agency Debenture	1.25%	11/30/2022	1,300,000.00	1,160,559.40	1,184,586.00	24,026.60		12/21/2026	4.15%	\$ 947.92	\$ -	\$ 25,227.02	1300
US Treasury	912828U57	US Treasury Note	2.13%	7/31/2019	1,000,000.00	1,011,875.00	984,300.00	(27,575.00)		11/30/2023	1.84%	\$ 81,458.33	\$ 54,014.24	\$ 16,990.40	183
US Treasury	912828X70	US Treasury Note	2.20%	12/30/2019	1,000,000.00	1,010,589.29	970,900.00	(39,689.29)		4/30/2024	1.75%	\$ 73,703.30	\$ 48,922.73	\$ 17,950.84	335
US Treasury	912828XT2	US Treasury Note	2.00%	10/31/2019	1,000,000.00	1,015,667.41	968,830.00	(46,837.41)		5/31/2024	1.64%	\$ 71,639.34	\$ 44,208.50	\$ 15,220.81	366
American Honda	02665WCQ2	Corporate Bond	3.63%	9/14/2021	950,000.00	1,012,871.00	942,723.00	(70,148.00)		10/10/2023	0.41%	\$ 54,143.40	\$ 3,232.93	\$ 3,747.52	132
FFCB	3133EJ3Q0	Gov. Agency Debenture	2.88%	8/28/2019	1,500,000.00	1,587,503.75	1,477,920.00	(109,583.75)		12/21/2023	2.12%	\$ 142,911.46	\$ 64,945.24	\$ 20,980.38	204
US Treasury	91282CBE0	US Treasury Note	0.13%	9/15/2021	650,000.00	647,615.46	629,356.00	(18,259.46)		1/15/2024	0.28%	\$ 1,081.87	\$ 1,447.14	\$ 1,683.30	229
FHLB	3130APJH9	Gov. Agency Debenture	0.75%	1/17/2023	1,000,000.00	907,010.00	905,730.00	(1,280.00)		10/28/2026	4.17%	\$ 2,104.17	\$ -	\$ 11,782.89	1246
FFCB	3133EN5N6	Gov. Agency Debenture	4.00%	2/8/2023	1,700,000.00	1,706,732.00	1,706,069.00	(663.00)	6,044.44	1/6/2028	3.91%	\$ (6,044.44)	\$ -	\$ 20,445.24	1681
Freddie Mac	3137EAEX3	Gov. Agency Debenture	0.04%	5/1/2023	750,000.00	689,032.50	684,607.50	(4,425.00)	296.88	9/23/2025	3.97%	\$ (296.88)	\$ -	\$ 2,111.04	846
American Honda	02665WED9	Corporate Bond	4.70%	5/11/2023	600,000.00	608,856.00	601,356.00	(7,500.00)	9,321.67	1/12/2028	4.34%	\$ (9,321.67)	\$ -	\$ 1,441.44	1687
Subtotal					\$ 47,136,000.00	\$ 47,129,784.32	\$ 45,753,468.04	\$ (1,376,316.28)	\$ 15,825.24			\$ 1,648,137.63	\$ 825,441.69	\$ 600,778.37	
BNY MM		Money Market				58,106.65	58,106.65	0.00			0.00%				1
LAIF		State Investment Pool				12,034,228.67	11,871,890.88	(162,337.79)			2.99%			175,860.52	1
						\$59,222,119.64	\$57,683,465.57	(\$1,538,654.07)	\$15,825.24			\$ 1,648,137.63	\$ 825,441.69	\$ 776,638.89	

Matured Assets															
IBM	459200HG9	Corporate Bond	1.88%	8/8/2019	1,000,000.00	995,010.00				8/1/2022	2.05%	\$ 55,885.42	\$ 59,141.32	\$ 1,790.47	
JP Morgan Chase	46625HJE1	Gov. Agency Debenture	3.25%	2/11/2020	900,000.00	934,587.00				9/23/2022	1.74%	\$ 76,537.50	\$ 38,210.60	\$ 3,733.22	
Treasury	912828L57	US Treasury Note	1.75%	7/22/2019	1,200,000.00	1,197,988.40				9/30/2022	2.09%	\$ 67,016.39	\$ 63,644.66	\$ 5,451.87	
Treasury	912828M80	US Treasury Note	2.00%	7/22/2019	1,000,000.00	1,006,175.23				11/30/2022	1.81%	\$ 67,158.47	\$ 53,444.10	\$ 7,613.55	
BankAmerica Corp	06051GHC6	Corporate Bond	3.00%	10/9/2020	1,300,000.00	1,366,287.00				12/20/2023	0.66%	\$ 85,805.92	\$ 31,569.88	\$ 16,813.84	
FFCB	3133EKFV0	Gov. Agency Debenture	1.88%	7/22/2019	1,000,000.00	999,630.00				1/17/2023	1.89%	\$ 65,364.58	\$ 55,482.90	\$ 10,383.67	
Freddie Mac	3133EKK72	Gov. Agency Debenture	2.25%	6/24/2019	1,550,000.00	1,573,188.00				2/8/2023	1.82%	\$ 135,043.75	\$ 86,008.42	\$ 17,404.61	
US Treasury	912828R28	US Treasury Note	1.63%	7/2/2019	500,000.00	497,246.09				4/30/2023	1.77%	\$ 31,109.04	\$ 26,507.80	\$ 7,365.97	
American Honda	02665WDH1	Corporate Bond	1.95%	2/14/2020	600,000.00	603,756.00				5/10/2023	1.75%	\$ 39,845.00	\$ 25,034.14	\$ 9,066.57	

Total Investments "Matured" **\$ 79,623.77**

Total Interest FY 22_23 Matured and Current **\$ 856,262.66**

Maturity Profile		Amount	Percent
0-1 year		\$ 39,426,712.19	67%
1-2 years		\$8,750,278.29	15%
2-3 years		\$5,194,206.56	9%
3-5 years		<u>\$ 5,850,922.60</u>	10%
		<u>\$59,222,119.64</u>	

Town of Los Gatos								
Insight ESG Ratings as of May 31, 2023								
Security Description	Maturity Date	Par/Shares	Moody Rating	S&P Rating	Insight ESG Rating	Environment	Social	Governance
PNC BANK NA 3.8% 25JUL2023 (CALLABLE 25JUN23)	7/25/2023	\$ 1,000,000	A3	A-	3	2	4	3
TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	8/25/2023	\$ 1,600,000	A1	A+	3	1	3	4
AMERICAN HONDA FINANCE 3.625% 10OCT2023	10/10/2023	\$ 950,000	A3	A-	2	1	3	3
JPMORGAN CHASE & CO 3.875% 01FEB2024	2/1/2024	\$ 1,400,000	A1	A-	3	1	3	4
US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	2/5/2024	\$ 1,000,000	A3	A	3	3	4	3
IBM CORP 3.0% 15MAY2024	5/15/2024	\$ 1,000,000	A3	A-	2	1	2	3
CATERPILLAR FIN SERVICES 2.85% 17MAY24	5/17/2024	\$ 1,000,000	A2	A	4	4	3	4
AMERICAN HONDA FINANCE 2.4% 27JUN2024	6/27/2024	\$ 1,000,000	A3	A-	2	1	3	3
HONEYWELL INTERNATIONAL 2.3% 15AUG2024 (CALLABLE 15JUL24)	8/15/2024	\$ 1,000,000	A2	A	4	4	5	4
HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	4/1/2026	\$ 1,000,000	A2	A	2	2	2	2
JPMORGAN CHASE & CO 3.2 15JUN2026 (CALLABLE 15MAR2026)	6/15/2026	\$ 500,000	A1	A-	3	1	3	4
APPLE INC. 2.9% 12SEP2027 (CALLABLE 12JUN2027)	9/12/2027	\$ 1,300,000	Aaa	AA+	4	1	4	5
AMERICAN HONDA FINANCE 4.7% 12JAN2028	1/12/2028	\$ 600,000	A3	A-	2	1	3	3
Total/Average		\$ 12,750,000			2.9	1.8	3.3	3.5

*ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-April	May 2023				Estimated Fund Balance 5/31/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
111	GENERAL FUND							
	Non-Spendable:							
	Loans Receivable	159,000	-	-	-	-	-	159,000
	Restricted Fund Balances:							
	Pension	690,000	-	-	-	-	-	690,000
	Committed Fund Balances:							
	Budget Stabilization	5,991,566	-	-	-	-	-	5,991,566
	Catastrphic	5,991,566	-	-	-	-	-	5,991,566
	Pension/OPEB	300,000	-	-	-	-	-	300,000
	Assigned Fund Balances:							
	Open Space	410,000	-	-	-	-	-	410,000
	Sustainability	140,553	-	-	-	-	-	140,553
	Capital/Special Projects	11,071,231	(15,498)	-	-	-	-	11,055,733
	Carryover Encumbrances	33,145	-	-	-	-	-	33,145
	Compensated Absences	1,519,147	-	-	-	-	-	1,519,147
	Measure G District Sales Tax	590,581	-	-	-	-	-	590,581
	Unassigned Fund Balances:							
	Other Unassigned Fund Balance Reserve (Pre YE distribution)	-	4,793,534	2,249,954	(3,548,872)	-	-	3,494,616
	General Fund Total	26,896,789	4,778,036	2,249,954	(3,548,872)	-	-	30,375,907

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-April	May 2023				Estimated Fund Balance 5/31/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	SPECIAL REVENUE							
211/212	CDBG	166,654	-	-	-	-	-	166,654
222	Urban Runoff (NPDES)	451,558	128,635	29,996	(13,535)	-	-	596,654
231-236	Landscape & Lighting Districts	174,236	1,841	-	(7,209)	-	-	168,868
241	ARPA	-	3,614,872	-	-	-	-	3,614,872
251	Los Gatos Theatre	19,500	6,257	2,450	(186)	-	-	28,021
711-716	Library Trusts	555,254	(22,489)	5,000	(3,898)	-	-	533,867
	Special Revenue Total	1,367,202	3,729,116	37,446	(24,828)	-	-	5,108,936.00
	CAPITAL PROJECTS							
411	GFAR - General Fund Appropriated Reserve	14,783,787	(269,197)	1,650,941	(521,217)	-	-	15,644,314
421	Grant Funded Projects	(948,603)	640,293	230,000	(466,610)	-	-	(544,920)
461-463	Storm Basin Projects	3,218,811	(107,443)	4,379	-	-	-	3,115,747
471	Traffic Mitigation Projects	405,570	-	11,545	(11,545)	-	-	405,570
472	Utility Undergrounding Projects	3,302,514	73,770	2,495	-	-	-	3,378,779
481	Gas Tax Projects	1,836,068	(533,488)	105,245	-	-	-	1,407,825
	Capital Projects Total	22,598,147	(196,065)	2,004,605	(999,372)	-	-	23,407,315
	INTERNAL SERVICE FUNDS							
611	Town General Liability	803,292	(508,789)	-	(28,644)	-	-	265,859
612	Workers Compensation	1,295,185	(397)	12,374	(36,548)	-	-	1,270,614
621	Information Technology	2,990,932	80,984	10,436	(53,368)	-	-	3,028,984
631	Vehicle & Equipment Replacement	2,222,395	92,354	-	(2,100)	-	-	2,312,649
633	Facility Maintenance	928,481	(150,046)	2,494	(114,752)	-	-	666,177
	Internal Service Funds Total	8,240,285	(485,894)	25,304	(235,412)	-	-	7,544,283
	Trust/Agency							
942	RDA Successor Agency	(7,607,527)	(1,635,344)	-	(141)	-	-	(9,243,012)
	Trust/Agency Fund Total	(7,607,527)	(1,635,344)	-	(141)	-	-	(9,243,012)
	Total Town	51,494,896	6,189,849	4,317,309	(4,808,625)	-	-	57,193,429

* Interfund transfers and ARPA funding allocation to be performed as part of the fiscal year end closing entries.

Deposit Accounts of Interest:

111-23541 General Plan Update deposit account balance \$1,019,345
 111-23521 BMP Housing deposit account balance \$3,885,172

Town of Los Gatos
Summary Investment Information
June 30, 2023

Weighted Average YTM Portfolio Yield on Investments under Management **3.19%**

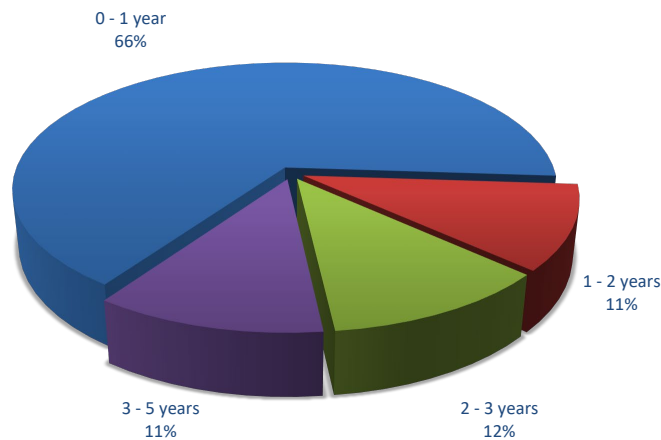
Weighted Average Maturity (days) **399**

	This Month	Last Month	One year ago
Portfolio Allocation & Treasurer's Cash Balances	\$78,384,948	\$75,243,382	\$72,886,943
Managed Investments	\$47,150,631		
Local Agency Investment Fund	\$17,034,229		
Reconciled Demand Deposit Balances	\$14,200,089		
Portfolio Allocation & Treasurer's Cash Balances	<u>\$78,384,948</u>		

Benchmarks/ References:

Town's Average Yield	3.19%	2.93%	1.37%
LAIF Yield for month	3.17%	2.99%	0.86%
3 mo. Treasury	5.30%	5.42%	1.71%
6 mo. Treasury	5.43%	5.46%	2.52%
2 yr. Treasury	4.90%	4.41%	2.96%
5 yr. Treasury (most recent)	4.16%	3.76%	3.04%
10 Yr. Treasury	3.84%	3.65%	3.02%

Portfolio Maturity Profile



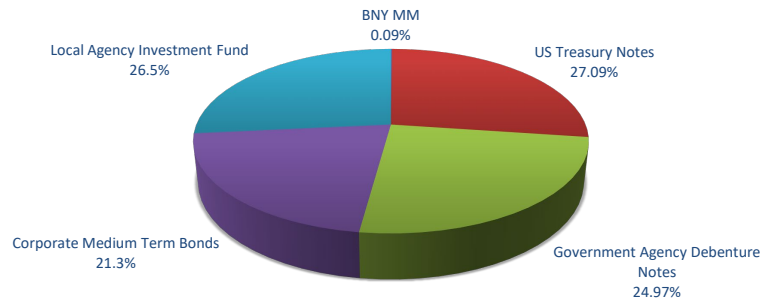
Compliance: The Town's investments are in compliance with the Town's investment policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Cash Balances
June 30, 2023

	Month	YTD
Cash & Investment Balances - Beginning of Month/Period	\$ 75,243,382.35	\$72,886,942.83
Receipts	13,271,300.37	73,873,028.83
Disbursements	(10,129,734.93)	(68,375,023.87)
Cash & Investment Balances - End of Month/Period	<u>\$78,384,947.79</u>	<u>\$78,384,947.79</u>

Portfolio Allocation	Amount	% of Portfolio	Max. % or \$ Allowed per State Law or Policy
BNY MM	\$56,541.51	0.09%	20% of Town Portfolio
US Treasury Notes	\$17,388,324.87	27.09%	No Max. on US Treasuries
Government Agency Debenture Notes	\$16,027,527.15	24.97%	No Max. on Non-Mortgage Backed
Corporate Medium Term Bonds	\$13,678,237.01	21.31%	30% of Town Portfolio
Local Agency Investment Fund	\$17,034,228.67	26.54%	\$75 M per State Law
Subtotal - Investments	<u>64,184,859.21</u>	<u>100.00%</u>	
Reconciled Demand Deposit Balances	<u>14,200,088.58</u>		
Total Portfolio Allocation & Treasurer's Cash Balances	<u>\$78,384,947.79</u>		

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
June 30, 2023

	Beginning Balance	June 2023 Deposits Realized Gain/Adj.	June 2023 Interest/ Earnings	June 2023 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 693,117.82		\$ 2,655.50		\$ 695,773.32	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	31.75		0.05		31.80	Note 1
Cert. of Participation 2002 Lease Payment Fund	8,583.85		32.86		8,616.71	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,313,799.98		4,962.66		1,318,762.64	Note 2
Total Restricted Funds:	<u>\$ 2,015,533.40</u>	<u>\$ -</u>	<u>\$ 7,651.07</u>	<u>\$ -</u>	<u>\$ 2,023,184.47</u>	
CEPPT IRS Section 115 Trust	1,383,121.61		17,040.95		\$ 1,400,162.56	
Grand Total COP's and CEPPT Trust	<u>\$ 3,398,655.01</u>	<u>\$ -</u>	<u>\$ 24,692.02</u>	<u>\$ -</u>	<u>\$ 3,423,347.03</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other p

Town of Los Gatos
Statement of Interest Earned
June 30, 2023

Interest by Month		
July 2022	\$	60,107.76
August 2022		61,456.65
September 2022		60,153.38
October 2022		68,965.25
November 2022		68,430.71
December 2022		77,485.61
January 2023		80,998.58
February 2023		79,760.25
March 2023		96,693.30
April 2023		97,627.16
May 2023		106,872.54
June 2023		119,988.16
	\$	978,539.35

Town of Los Gatos Investment Schedule
June 30, 2023

Institution	CUSIP #	Security	Coupon	Deposit Date	Par Value	Original Cost	Market Value	Market Value Above (Under) Cost	Purchased Interest	Maturity Date or Call Date	Yield to Maturity or Call	Interest Received to Date	Interest Earned Prior Yrs.	Interest Earned Current FY	Days to Maturity
US Treasury	91282CAP6	US Treasury Note	0.13%	6/30/2021	1,000,000.00	995,390.63	985,550.00	(9,840.63)		10/15/2023	0.33%	\$ 2,240.44	\$ 3,260.06	\$ 3,260.06	107
Toyota Motor Credit	89236THA6_1	Corporate Bond	1.35%	04/12/21	500,000.00	510,580.00	497,280.00	(13,300.00)		8/25/2023	0.45%	\$ 12,618.75	\$ 2,780.30	\$ 2,285.61	56
Toyota Motor Credit	89236THA6	Corporate Bond	1.35%	1/11/2022	1,100,000.00	1,107,315.00	1,094,016.00	(13,299.00)		8/25/2023	0.94%	\$ 16,665.00	\$ 4,812.29	\$ 10,332.28	56
US Treasury	91282CDD0	US Treasury Note	0.38%	1/13/2022	1,100,000.00	1,090,675.78	1,082,686.00	(7,989.78)		10/31/2023	0.85%	\$ 5,344.27	\$ 4,286.54	\$ 9,313.02	123
US Treasury	91282CCN9	US Treasury Note	0.13%	1/13/2022	1,200,000.00	1,188,375.00	1,195,380.00	7,005.00		7/31/2023	0.75%	\$ 1,573.37	\$ 4,153.18	\$ 9,023.27	31
FFCB	3133EKM1	Gov. Agency Debenture	2.23%	8/2/2019	1,000,000.00	1,014,400.00	979,960.00	(34,440.00)		2/23/2024	1.90%	\$ 84,925.83	\$ 55,756.94	\$ 19,145.14	238
FFCB	3133EMBE1	Gov. Agency Debenture	0.30%	10/8/2020	1,600,000.00	1,598,000.00	1,538,560.00	(59,440.00)		3/28/2024	0.34%	\$ 11,853.34	\$ 9,279.41	\$ 5,376.16	272
FFCB	3133EMCQ3	Gov. Agency Debenture	0.28%	10/16/2020	2,000,000.00	1,998,000.00	1,970,080.00	(27,920.00)		10/13/2024	0.31%	\$ 13,953.33	\$ 10,396.24	\$ 6,100.69	471
Apple	037833DB3	Corporate Bond	2.90%	12/20/2022	1,300,000.00	1,228,591.00	1,219,270.00	(9,321.00)		6/21/2027	4.19%	\$ 8,587.22	\$ -	\$ 28,170.97	1452
Home Depot	437076BM3	Corporate Bond	3.00%	8/4/2022	1,000,000.00	991,960.00	956,190.00	(35,770.00)		1/1/2026	3.04%	\$ 19,750.00	\$ -	\$ 29,252.66	916
US Treasury	91282ZW3	US Treasury Note	0.25%	8/9/2022	350,000.00	322,096.88	319,581.50	(2,515.38)		6/30/2025	3.16%	\$ 779.89	\$ -	\$ 9,366.72	731
IBM	459200JY8	Corporate Bond	3.00%	3/25/2021	1,000,000.00	1,071,040.00	977,290.00	(93,750.00)		5/15/2024	0.71%	\$ 64,166.67	\$ 9,358.41	\$ 7,393.55	320
FFCB	3133ENS58	Gov. Agency Debenture	4.13%	1/17/2023	236,000.00	239,174.20	233,276.56	(5,897.64)	162.25	1/11/2027	3.76%	\$ (162.25)	\$ -	\$ 4,016.30	1291
US Treasury	91282CBT7	US Treasury Note	0.75%	9/30/2022	800,000.00	712,565.18	722,904.00	10,338.82		3/31/2026	4.14%	\$ 3,000.00	\$ -	\$ 23,165.06	1005
FFCB	3133ENP5	Gov. Agency Debenture	4.25%	9/30/2022	900,000.00	900,939.60	888,777.00	(12,162.60)		9/30/2025	4.14%	\$ 19,125.00	\$ -	\$ 28,374.86	823
US Treasury	91282CDA6	US Treasury Note	0.25%	1/31/2022	1,100,000.00	1,085,222.44	1,086,624.00	1,401.56		9/30/2023	1.07%	\$ 3,195.74	\$ 4,781.92	\$ 11,636.01	92
US Treasury	91282CAW1	US Treasury Note	0.25%	7/15/2021	1,200,000.00	1,199,437.50	1,177,872.00	(21,565.50)		11/15/2023	0.27%	\$ 5,502.72	\$ 3,107.52	\$ 3,240.69	138
American Honda	02665WC22	Corporate Bond	2.40%	11/27/2019	1,000,000.00	1,012,410.01	969,310.00	(43,100.01)		6/27/2024	2.12%	\$ 84,733.34	\$ 55,189.68	\$ 21,294.11	363
JP Morgan Chase	46625HRS1	Corporate Bond	3.20%	9/23/2022	500,000.00	474,660.00	476,265.00	1,605.00		3/15/2026	4.70%	\$ 11,644.44	\$ -	\$ 17,865.15	989
Honeywell Int'l.	438516BW5	Corporate Bond	2.30%	11/20/2019	1,000,000.00	1,014,660.00	966,060.00	(48,600.00)		7/15/2024	1.64%	\$ 73,983.33	\$ 51,828.99	\$ 19,850.56	381
Caterpillar Financial Serv	14913Q2V0	Corporate Bond	2.85%	2/23/2021	1,000,000.00	1,077,370.00	976,980.00	(100,390.00)		5/17/2024	0.44%	\$ 63,650.00	\$ 6,129.72	\$ 4,547.46	322
FNMA	3135G0V75	Gov. Agency Debenture	1.75%	10/17/2019	1,100,000.00	1,105,833.30	1,060,741.00	(45,092.30)		7/2/2024	1.63%	\$ 62,081.25	\$ 48,706.74	\$ 18,012.12	368
US Bancorp	91159HV5	Corporate Bond	3.38%	12/24/2019	1,000,000.00	1,049,040.00	985,470.00	(63,570.00)		1/5/2024	2.12%	\$ 105,093.75	\$ 54,380.13	\$ 21,598.20	189
FFCB	3133EKQ47	Gov. Agency Debenture	2.08%	10/21/2019	1,000,000.00	1,019,780.00	962,120.00	(57,660.00)		9/10/2024	1.66%	\$ 70,431.11	\$ 45,130.78	\$ 16,757.61	438
PNC Financial	69349LAM0	Corporate Bond	3.80%	2/7/2022	1,000,000.00	1,033,470.00	998,700.00	(34,770.00)		6/25/2023	1.49%	\$ 36,733.33	\$ 5,372.34	\$ 13,524.78	0
FHLB	3135G05X7	Gov. Agency Debenture	0.38%	6/10/2022	1,200,000.00	1,102,952.40	1,091,700.00	(11,252.40)		8/25/2025	3.04%	\$ 3,187.50	\$ 1,902.68	\$ 34,723.87	787
US Treasury	91282ZL7	US Treasury Note	0.38%	4/12/2022	1,700,000.00	1,583,927.57	1,563,864.00	(20,063.57)		4/30/2025	2.72%	\$ 6,691.99	\$ 9,611.14	\$ 44,405.91	670
JP Morgan Chase	46625HJ78	Corporate Bond	3.88%	9/23/2019	1,400,000.00	1,485,414.00	1,386,238.00	(99,176.00)		2/1/2024	2.39%	\$ 182,038.89	\$ 96,022.89	\$ 34,667.02	216
US Treasury	91282BV3	US Treasury Note	2.25%	11/29/2021	1,000,000.00	1,032,933.04	985,080.00	(47,853.04)		12/31/2023	0.66%	\$ 35,706.52	\$ 3,924.44	\$ 6,724.99	184
US Treasury	91282CBE0_2	US Treasury Note	0.13%	10/7/2021	1,000,000.00	994,768.98	972,620.00	(22,148.98)		1/15/2024	0.36%	\$ 1,589.67	\$ 2,587.41	\$ 3,550.39	199
FHLB	3130ALH98	Gov. Agency Debenture	0.25%	2/26/2021	1,000,000.00	997,610.00	965,190.00	(32,420.00)		2/26/2024	0.33%	\$ 5,000.00	\$ 4,416.63	\$ 3,296.67	241
FHLB	3130AQF65	Gov. Agency Debenture	1.25%	11/30/2022	1,300,000.00	1,160,559.40	1,169,116.00	8,556.60		12/21/2026	4.15%	\$ 9,072.92	\$ -	\$ 29,385.32	1270
US Treasury	91282LU7	US Treasury Note	2.13%	7/31/2019	1,000,000.00	1,011,875.00	986,840.00	(25,035.00)		11/30/2023	1.84%	\$ 81,458.33	\$ 54,014.24	\$ 18,511.92	153
US Treasury	91282XU70	US Treasury Note	2.20%	12/30/2019	1,000,000.00	1,010,589.29	972,030.00	(38,559.29)		4/30/2024	1.75%	\$ 73,703.30	\$ 48,922.73	\$ 19,558.38	305
US Treasury	91282XJ22	US Treasury Note	2.00%	10/31/2019	1,000,000.00	1,015,667.41	969,490.00	(46,177.41)		5/31/2024	1.64%	\$ 71,639.34	\$ 44,208.50	\$ 16,583.87	336
American Honda	02665WCQ2	Corporate Bond	3.63%	9/14/2021	950,000.00	1,012,871.00	944,832.00	(68,039.00)		10/10/2023	0.41%	\$ 54,143.40	\$ 3,232.93	\$ 4,083.12	102
FFCB	3133EJ3Q0	Gov. Agency Debenture	2.88%	8/28/2019	1,500,000.00	1,587,503.75	1,480,395.00	(107,108.75)		12/21/2023	2.12%	\$ 164,473.96	\$ 64,945.24	\$ 22,859.22	174
US Treasury	91282CBE0	US Treasury Note	0.13%	9/15/2021	650,000.00	647,615.46	632,203.00	(15,412.46)		1/15/2024	0.28%	\$ 1,081.87	\$ 1,447.14	\$ 1,834.05	199
FHLB	3130APJH9	Gov. Agency Debenture	0.75%	1/17/2023	1,000,000.00	907,010.00	907,910.00	900.00		10/28/2026	4.17%	\$ 2,104.17	\$ -	\$ 14,420.85	1216
FFCB	3133ENS56	Gov. Agency Debenture	4.00%	2/8/2023	1,700,000.00	1,706,732.00	1,683,204.00	(23,528.00)	6,044.44	1/6/2028	3.91%	\$ (6,044.44)	\$ -	\$ 25,921.64	1651
Freddie Mac	3137EAE33	Gov. Agency Debenture	0.04%	5/1/2023	750,000.00	689,032.50	680,370.00	(8,662.50)	296.88	9/23/2025	3.97%	\$ (296.88)	\$ -	\$ 4,222.09	816
American Honda	02665WED9	Corporate Bond	4.70%	5/11/2023	600,000.00	608,856.00	594,486.00	(14,370.00)	9,321.67	1/12/2028	4.34%	\$ (9,321.67)	\$ -	\$ 3,603.61	1657
US Treasury	91282CEF4	US Treasury Note	2.50%	6/9/2023	1,500,000.00	1,416,626.12	1,405,260.00	(11,366.12)	7,172.13	3/31/2027	4.09%	\$ (7,172.13)	\$ -	\$ 3,416.23	1370
US Treasury	91282CGA3	US Treasury Note	4.00%	6/20/2023	2,100,000.00	2,080,558.59	2,066,778.00	(13,780.59)	1,147.54	12/15/2025	4.40%	\$ (1,147.54)	\$ -	\$ 2,515.25	899

Subtotal					\$ 47,336,000.00	\$ 47,094,089.03	\$ 45,778,549.06	\$ (1,315,539.97)	\$ 24,144.91			\$ 1,449,379.07	\$ 713,947.16	\$ 637,187.43	
BNY MM		Money Market				56,541.51	56,541.51	0.00			0.00%				1
LAIF		State Investment Pool				17,034,228.67	16,775,793.85	(258,434.82)			3.17%			219,842.68	1
						\$64,184,859.21	\$62,610,884.42	(\$1,573,974.79)	\$24,144.91			\$ 1,449,379.07	\$ 713,947.16	\$ 857,030.11	

Matured Assets															
IBM	459200HG9	Corporate Bond	1.88%	8/8/2019	1,000,000.00	995,010.00				8/1/2022	2.05%	\$ 55,885.42	\$ 59,141.32	\$ 1,790.47	
JP Morgan Chase	46625HJE1	Gov. Agency Debenture	3.25%	2/11/2020	900,000.00	934,587.00				9/23/2022	1.74%	\$ 76,537.50	\$ 38,210.60	\$ 3,733.22	
Treasury	91282L57	US Treasury Note	1.75%	7/22/2019	1,200,000.00	1,197,988.40				9/30/2022	2.09%	\$ 67,016.39	\$ 63,644.66	\$ 5,451.87	
Treasury	912828M80	US Treasury Note	2.00%	7/22/2019	1,000,000.00	1,006,175.23				11/30/2022	1.81%	\$ 67,158.47	\$ 53,444.10	\$ 7,613.55	
BankAmerica Corp	06051GHC6	Corporate Bond	3.00%	10/9/2020	1,300,000.00	1,366,287.00				12/20/2023	0.66%	\$ 105,331.92	\$ 51,569.88	\$ 18,319.56	
FFCB	3133EKFV0	Gov. Agency Debenture	1.88%	7/22/2019	1,000,000.00	999,630.00				1/17/2023	1.89%	\$ 65,364.58	\$ 55,482.90	\$ 10,383.67	
Freddie Mac	3133EKK72	Gov. Agency Debenture	2.25%	6/24/2019	1,550,000.00	1,573,188.00				2/8/2023	1.82%	\$ 135,043.75	\$ 86,008.42	\$ 17,404.61	
US Treasury	91282R28	US Treasury Note	1.63%	7/2/2019	500,000.00	497,246.09				4/30/2023	1.77%	\$ 31,109.04	\$ 26,507.80	\$ 7,365.97	
American Honda	02665WDH1	Corporate Bond	1.95%	2/14/2020	600,000.00					5/10/2023	1.75%	\$ 39,845.00	\$ 25,034.14	\$ 9,066.57	
FHLB	3133834G3	Gov. Agency Debenture	2.13%	3/11/2021	1,400,000.00	1,460,522.00				6/9/2023	0.19%	\$ 66,772.22	\$ 3,664.98	\$ 2,648.64	
Freddie Mac	3137EAE5N	Gov. Agency Debenture	2.75%	7/19/2019	2,000,000.00	2,072,358.00				6/19/2023	1.79%	\$ 215,416.67	\$ 107,829.55	\$ 35,442.58	

Total Investments "Matured"														\$ 119,220.71	
Total Interest FY 22_23 Matured and Current														\$ 976,250.82	

Maturity Profile					Amount	Percent
	0-1 year				\$ 41,886,874.47	66%
	1-2 years				\$6,722,200.87	11%
	2-3 years				\$7,274,765.15	12%
	3-5 years				\$ 7,267,548.72	12%
					\$63,151,389.21	

Town of Los Gatos

Insight ESG Ratings as of June 30, 2023

Security Description	Maturity Date	Par/Shares	Moody Rating	S&P Rating	Insight ESG Rating	Environment	Social	Governance
PNC BANK NA 3.8% 25JUL2023 (CALLABLE 25JUN23)	7/25/2023	\$ 1,000,000	A3	A-	3	2	3	3
TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	8/25/2023	\$ 1,600,000	A1	A+	3	2	3	4
AMERICAN HONDA FINANCE 3.625% 10OCT2023	10/10/2023	\$ 950,000	A3	A-	2	1	3	3
JPMORGAN CHASE & CO 3.875% 01FEB2024	2/1/2024	\$ 1,400,000	A1	A-	3	1	3	4
US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	2/5/2024	\$ 1,000,000	A3	A	3	3	4	3
IBM CORP 3.0% 15MAY2024	5/15/2024	\$ 1,000,000	A3	A-	2	1	2	3
CATERPILLAR FIN SERVICES 2.85% 17MAY24	5/17/2024	\$ 1,000,000	A2	A	4	4	3	4
AMERICAN HONDA FINANCE 2.4% 27JUN2024	6/27/2024	\$ 1,000,000	A3	A-	2	1	3	3
HONEYWELL INTERNATIONAL 2.3% 15AUG2024 (CALLABLE 15JUL24)	8/15/2024	\$ 1,000,000	A2	A	4	3	4	3
HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	4/1/2026	\$ 1,000,000	A2	A	2	2	2	2
JPMORGAN CHASE & CO 3.2 15JUN2026 (CALLABLE 15MAR2026)	6/15/2026	\$ 500,000	A1	A-	3	1	3	4
APPLE INC. 2.9% 12SEP2027 (CALLABLE 12JUN2027)	9/12/2027	\$ 1,300,000	Aaa	AA+	5	1	4	5
AMERICAN HONDA FINANCE 4.7% 12JAN2028	1/12/2028	\$ 600,000	A3	A-	2	1	3	3
Total/Average		\$ 12,750,000			3.0	1.8	3.1	3.4

*ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-May	June 2023				Estimated Fund Balance 6/30/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
111	GENERAL FUND							
	Non-Spendable:							
	Loans Receivable	159,000	-	-	-	-	-	159,000
	Restricted Fund Balances:							
	Pension	690,000	-	-	-	-	-	690,000
	Committed Fund Balances:							
	Budget Stabilization	5,991,566	-	-	-	-	-	5,991,566
	Catastrphic	5,991,566	-	-	-	-	-	5,991,566
	Pension/OPEB	300,000	-	-	-	-	-	300,000
	Assigned Fund Balances:							
	Open Space	410,000	-	-	-	-	-	410,000
	Sustainability	140,553	-	-	-	-	-	140,553
	Capital/Special Projects	11,071,231	(15,498)	-	-	-	-	11,055,733
	Carryover Encumbrances	33,145	-	-	-	-	-	33,145
	Compensated Absences	1,519,147	-	-	-	-	-	1,519,147
	Measure G District Sales Tax	590,581	-	-	-	-	-	590,581
	Unassigned Fund Balances:							
	Other Unassigned Fund Balance Reserve (Pre YE distribution)	-	3,494,617	7,472,097	(5,303,165)	-	-	5,663,549
	General Fund Total	26,896,789	3,479,119	7,472,097	(5,303,165)	-	-	32,544,840

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-May	June 2023				Estimated Fund Balance 6/30/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	SPECIAL REVENUE							
211/212	CDBG	166,654	-	-	-	-	-	166,654
222	Urban Runoff (NPDES)	451,558	145,096	59,992	(20,079)	-	-	636,567
231-236	Landscape & Lighting Districts	174,236	(5,368)	16,550	(6,592)	-	-	178,826
241	ARPA	-	3,614,872	-	-	-	-	3,614,872
251	Los Gatos Theatre	19,500	8,520	8,400	(11,716)	-	-	24,704
711-716	Library Trusts	555,254	(21,387)	-	(3,647)	-	-	530,220
	Special Revenue Total	1,367,202	3,741,733	84,942	(42,034)	-	-	5,151,843
	CAPITAL PROJECTS							
411	GFAR - General Fund Appropriated Reserve	14,783,787	860,527	185,877	(1,328,236)	-	-	14,501,955
421	Grant Funded Projects	(948,603)	403,682	231,212	(68,790)	-	-	(382,499)
461-463	Storm Basin Projects	3,218,811	(103,064)	42,843	-	-	-	3,158,590
471	Traffic Mitigation Projects	405,570	-	6,521	(6,521)	-	-	405,570
472	Utility Undergrounding Projects	3,302,514	76,265	-	-	-	-	3,378,779
481	Gas Tax Projects	1,836,068	(428,243)	284,900	-	-	-	1,692,725
	Capital Projects Total	22,598,147	809,167	751,353	(1,403,547)	-	-	22,755,120
	INTERNAL SERVICE FUNDS							
611	Town General Liability	803,292	(537,433)	-	(16,903)	-	-	248,956
612	Workers Compensation	1,295,185	(24,571)	2,000	(15,063)	-	-	1,257,551
621	Information Technology	2,990,932	38,053	159,258	(117,071)	-	-	3,071,172
631	Vehicle & Equipment Replacement	2,222,395	90,254	164,209	(18,709)	-	-	2,458,149
633	Facility Maintenance	928,481	(262,303)	234,623	(170,812)	-	-	729,989
	Internal Service Funds Total	8,240,285	(696,000)	560,090	(338,558)	-	-	7,765,817
	Trust/Agency							
942	RDA Successor Agency	(7,607,527)	(1,635,484)	1,678,467	(192)	-	-	(7,564,736)
	Trust/Agency Fund Total	(7,607,527)	(1,635,484)	1,678,467	(192)	-	-	(7,564,736)
	Total Town	51,494,896	5,698,535	10,546,949	(7,087,496)	-	-	60,652,884

* Interfund transfers and ARPA funding allocation to be performed as part of the fiscal year end closing entries.

Deposit Accounts of Interest:

111-23541 General Plan Update deposit account balance \$1,019,345
 111-23521 BMP Housing deposit account balance \$3,885,172



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 9

DESK ITEM

DATE: August 15, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Monthly Financial and Investment Reports (April Amended, May, and June 2023)

REMARKS:

Staff received a question from a Council Member on this item. The question and staff response are below.

Q: Does approximately \$5.7M (page 156) reflect an increase of \$5M over \$700k (page 260) in the March report (mid-year)? If so, what are the factors for this increase in the General Fund?

A: The page 260 of the Mid-Year Report provided year-end estimates based on available information, estimated revenues, and expenditures as of end of January 2023. The estimates included all year end transfers, payroll, and other expenditures for the full year. (Table on page 2)

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

SUBJECT: Monthly Financial and Investment Report (April Amended, May and June 2023)
for Fiscal Year 2022/23

DATE: August 15, 2023

REMARKS (continued):

GENERAL FUND							
SUMMARY OF REVENUES AND EXPENDITURES							
	FY 2021/22 Actuals	FY 2021/22 Q2	2Q % of FY 2021/22 Actuals	2Q % of FY 2022/23 Adjusted Budget as of 12/31/2022	FY 2022/23 Q2	FY 2022/23 Adjusted Budget	FY 2022/23 Year End Estimates Including Proposed Mid-Year Adjustments
Revenues							
Property Tax	\$ 16,899,618	\$ 5,761,081	34.1%	37.1%	\$ 6,141,998	\$ 16,551,544	\$ 16,969,226
VLF Backfill Property Tax	4,229,462	-	0.0%	0.0%	-	4,356,350	4,556,000
Sales & Use Tax	7,177,597	2,143,460	29.9%	30.5%	2,398,925	7,860,988	7,559,566
Measure G Sales & Use Tax	1,306,076	412,881	31.6%	32.5%	426,496	1,313,956	1,287,690
Franchise Fees	2,822,515	968,181	34.3%	41.9%	1,044,055	2,493,870	2,716,470
Transient Occupancy Tax	1,895,064	711,861	37.6%	52.2%	857,715	1,642,460	2,000,000
Business License Tax	1,481,667	167,942	11.3%	7.1%	97,974	1,387,500	2,444,000
Licenses & Permits	4,814,650	3,373,287	70.1%	58.6%	1,602,633	2,735,029	2,841,374
Intergovernmental	1,263,352	370,615	29.3%	33.8%	379,739	1,124,093	1,250,731
Town Services	5,460,608	3,906,577	71.5%	73.9%	3,284,766	4,445,635	5,105,701
Fines & Forfeitures	319,170	118,809	37.2%	75.1%	151,615	201,750	232,129
Interest	(1,404,526)	(211,169)	15.0%	33.5%	145,003	432,947	517,379
Use of Property	32,400	-	0.0%	-	-	-	-
Miscellaneous Other	311,040	150,622	48.4%	14.0%	457,906	3,280,749	626,066
Park Construction Tax	14,752	-	-	-	7,680	7,000	8,280
Debt Service - Entry Eliminated for ACFR	1,899,850	-	0.0%	0.0%	-	1,893,713	1,893,713
ARPA Income Replacement - Entry Eliminated for ACFR	556,316	-	-	-	-	-	-
Pension Trust Income - Entry Eliminated for ACFR	690,000	-	-	-	-	-	-
Measure G for Operations - Entry Eliminated for ACFR	629,147	-	-	-	-	-	-
Proceeds for Sales of Assets	2,151	-	0.0%	-	-	-	-
Fund Transfer In	4,047,313	104,659	2.6%	18.9%	102,000	538,536	538,536
Total Revenues & Transfers In	\$ 54,448,222	\$ 17,978,806	33%	34%	\$ 17,098,505	\$ 50,266,120	\$ 50,546,861
Use of Other Funding Sources:							
Use of Reserves - Capital/Special Projects - Capital	\$ 550,000	\$ -	0.0%	0.0%	\$ -	\$ 2,350,000	\$ 2,350,000
Use of Reserves - Surplus Property	1,200,000	-	-	-	-	-	-
Use of Reserve - Pension/OPEB	300,000	-	-	-	-	-	300,000
Use of Reserve - Accumulated Measure G	1,100,000	-	-	-	-	679,443	-
Total Other Funding Sources	\$ 3,150,000	\$ -	0%	0%	\$ -	\$ 3,029,443	\$ 2,650,000
Total Revenues and Use of Reserves	\$ 57,598,222	\$ 17,978,806	31%	32%	\$ 17,098,505	\$ 53,295,563	\$ 53,196,861
Expenditures							
Town Council	\$ 189,569	\$ 91,800	48.4%	42.3%	91,822	\$ 217,238	\$ 216,231
Attorney	629,935	226,377	35.9%	46.7%	332,183	711,426	685,473
Administrative Services	5,441,605	2,583,281	47.5%	45.9%	2,438,472	5,310,119	4,983,530
Non- Departmental	2,792,857	1,160,520	41.6%	33.8%	1,222,789	3,617,671	3,823,598
Community Development	6,313,505	3,460,301	54.8%	40.2%	2,394,537	5,960,379	5,990,576
Police	16,451,189	8,266,432	50.2%	46.6%	8,957,541	19,225,986	18,695,679
Parks & Public Works	8,605,455	4,010,181	46.6%	43.1%	4,226,049	9,798,966	9,221,597
Library	2,752,401	1,356,415	49.3%	45.9%	1,442,555	3,144,450	3,097,584
Principal	156,034	-	-	-	-	-	156,034
Total Department Expenditures	\$ 43,332,550	\$ 21,155,307	49%	44%	\$ 21,105,948	\$ 47,986,235	\$ 46,870,302
Debt Service - Entry Eliminated for ACFR	\$ 1,899,850	\$ -	0.0%	0.0%	\$ -	\$ 1,893,713	\$ 1,899,850
ARPA Income Replacement - Entry Eliminated for ACFR	556,316	-	-	-	-	-	-
Transfer to Pension Trust Fund - Entry Eliminated for ACFR	690,000	-	-	-	-	-	-
Measure G Transfer - Entry Eliminated for ACFR	629,148	-	-	-	-	-	-
Transfers Out	4,358,188	-	0.0%	0.0%	-	3,006,978	3,006,978
Total Additional Non-Departmental Expenditures	\$ 8,133,502	\$ -	0%	0%	\$ -	\$ 4,900,691	\$ 4,906,828
Total Operating Expenditures	\$ 51,466,052	\$ 21,155,307	41%	40%	\$ 21,105,948	\$ 52,886,926	\$ 51,777,130
Allocate to Budget Stabilization/Catastrophis Reserve	1,062,162	-	-	-	-	-	-
Allocate to Carryover Encumbrances	33,145	-	-	-	-	-	-
Allocate to Pension/OPEB Reserve	300,000	-	-	-	-	390,000	690,000
Allocate to Restricted Pension Trust	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,796,863 **	\$ (3,176,501) *			\$ (4,007,443) *	\$ 18,637	\$ 729,731

*FY 2021/22 and FY 2022/23 2Q Net Operating Revenues are negative because some revenues budgeted for the entire fiscal year are received in the third or fourth quarters and fund expended in the first or second quarters.

** This schedule includes fund balance uses. Total Revenues and Transfers In (\$54,448,222) minus Total Operating Expenditures (\$51,466,052) equals \$2,982,171 with rounding.

SUBJECT: Monthly Financial and Investment Report (April Amended, May and June 2023)
for Fiscal Year 2022/23

DATE: August 15, 2023

REMARKS (continued):

The Fund Balance Schedule (page 156 of the August 15, 2023 Council Agenda Packet) is a point in time description, and it is not final. The schedule only includes a small portion of the year end adjusting entries. It includes some of the revenue accruals [such as excess Education Revenue Augmentation Fund (ERAF)], and does not include transfers out from the General Fund or other expense accruals, such as payroll and accounts payable. The final General Fund balance number will be determined at the final close of the fiscal year when all entries are completed. This number will be reported in the Annual Comprehensive Financial Report (ACFR).

Fund Schedule

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-May	June 2023				Estimated Fund Balance 6/30/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	GENERAL FUND							
	Non-Spendable:							
	Loans Receivable	159,000	-	-	-	-	-	159,000
	Restricted Fund Balances:							
	Pension	690,000	-	-	-	-	-	690,000
	Committed Fund Balances:							
	Budget Stabilization	5,991,566	-	-	-	-	-	5,991,566
	Catastrophic	5,991,566	-	-	-	-	-	5,991,566
	Pension/OPEB	300,000	-	-	-	-	-	300,000
	Assigned Fund Balances:							
	Open Space	410,000	-	-	-	-	-	410,000
	Sustainability	140,553	-	-	-	-	-	140,553
	Capital/Special Projects	11,071,231	(15,498)	-	-	-	-	11,055,733
	Carryover Encumbrances	33,145	-	-	-	-	-	33,145
	Compensated Absences	1,519,147	-	-	-	-	-	1,519,147
	Measure G District Sales Tax	590,581	-	-	-	-	-	590,581
	Unassigned Fund Balances:							
111	Other Unassigned Fund Balance Reserve (Pre YE distribution)	-	3,494,617	7,472,097	(5,303,165)	-	-	5,663,549
	General Fund Total	26,896,789	3,479,119	7,472,097	(5,303,165)	-	-	32,544,840

Attachments previously received with the Staff Report:

1. Financial and Investment Report Amended (April 2023)
2. Financial and Investment Report (May 2023)
3. Financial and Investment Report (June 2023)



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 10

DATE: August 7, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to Waive the 180-Day Retiree Rehire Wait Period and to Appoint Sean Rose as the Temporary Capital Projects Manager in the Parks and Public Works Department

RECOMMENDATION:

Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to waive the 180-day retiree rehire wait period and to appoint Sean Rose as the temporary Capital Projects Manager in the Parks and Public Works Department (Attachment 1).

BACKGROUND:

The Town has an existing agreement with the California Public Employees' Retirement System (CalPERS) to provide its retirement program to employees. The CalPERS retirement program is governed by Public Employees' Retirement Law (PERL). PERL contains the rules and regulations that a contracting agency must adhere to related to the hire of a CalPERS retiree, referred to as a retired annuitant. PERL requires that a non-safety retired annuitant may not work for a CalPERS contracting agency unless the retired annuitant has been retired for at least 180 days (Gov. Code section 7522.56). In lieu of the 180-day wait period, an agency's governing body may approve a resolution to waive the 180 days. PERL also requires that if a retired annuitant will be rehired into a vacant position while a recruitment for a permanent replacement is taking place, the governing body must approve a resolution appointing the retired annuitant as an interim employee [Gov. Code section 21224].

PREPARED BY: Salina Flores
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

PAGE 2 OF 3

SUBJECT: Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to Waive the 180-Day Retiree Rehire Wait Period and to Appoint Sean Rose as the Temporary Capital Projects Manager.
DATE: August 7, 2023

DISCUSSION:

Sean Rose is currently employed as Public Works Director/Town Engineer with the Town of Woodside and has been tentatively selected for the position of Capital Projects Manager for the Parks and Public Works Department.

Recently, Mr. Rose provided his notice of intent to retire from The Town of Woodside with his last day of work to occur on September 4, 2023, resulting in a CalPERS retirement effective date of September 5, 2023.

The Town opened the recruitment for the temporary unbenefited position of Capital Projects Manager on May 22, 2023. The recruitment timeline to hire this position typically spans approximately three months. The Capital Projects Manager role is essential to the continued operation of the Parks and Public Works Department and its engineering functions. The incumbent is responsible for assisting in the design and construction management of two critical projects and overall administration of the Town's Capital Improvement Program (CIP): The Los Gatos Creek Trail Highway 9 Connector Project (CIP No. 832-4505) and the Highway 17 Bicycle and Pedestrian Bridge (CIP No. 818-0803).

To allow for this continued critical function, staff is requesting that Sean Rose be appointed to the position of temporary Capital Projects Manager as soon as possible following the effective date of his retirement with the Town of Woodside. In order for that to happen, the Town Council must adopt a CalPERS resolution, declaring the Town's intent to appoint Mr. Rose to the position prior to the required 180-day wait period, and the resolution must subsequently be submitted to CalPERS.

A retired annuitant may be appointed to an interim position provided that there is an open recruitment to fill the vacancy. The rate of pay may not be less than or more than the current approved salary range for the vacant position. Also, a retired annuitant may not work more than 960 hours in a CalPERS fiscal year. The CalPERS fiscal year begins July 1 and ends on June 30. The tentative first day of employment as a retired annuitant for Mr. Rose is September 6, 2023, subject to Town Council's approval of the executed resolution and its subsequent submittal to CalPERS.

CONCLUSION:

Staff recommends that the Town Council adopt a Resolution to waive the CalPERS 180-day wait period and appoint Sean Rose to the temporary Capital Projects Manager position.

PAGE 3 OF 3

SUBJECT: Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to Waive the 180-Day Retiree Rehire Wait Period and to Appoint Sean Rose as the Temporary Capital Projects Manager.
DATE: August 7, 2023

FISCAL IMPACT:

It is anticipated that the hire of a retired annuitant will result in overall budget savings, given that the retiree will not be eligible for benefits related to permanent employment except the Town's contribution to Medicare.

This position is funded through the Parks and Public Works Department, and the salary is paid via reimbursement from project related funds. There is no impact to the General Fund from this position and the cost of staff time is already accounted for in the project budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. CalPERS Resolution for a 180-Day Wait Period Exception and Appointment of Sean Rose as the Temporary Projects Capital Manager
2. Conditional Offer for Sean Rose

DRAFT RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS

Gov. Code sections 7522.56 & 21224

August 15, 2023

WHEREAS, in compliance with Government (Gov.) Code section 7522.56 of the Public Employees' Retirement Law, the Town Council must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since their retirement date; and

WHEREAS, Sean Rose will retire from the Town of Woodside in the position of Public Works Director/Town Engineer effective September 5, 2023; and

WHEREAS, Gov. Code section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is March 3, 2024 without this certification resolution; and

WHEREAS, Gov. Code section 7522.56 provides that this exception to the 180-day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Town Council, the Town of Los Gatos and Sean Rose certify that Sean Rose has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Town Council hereby appoints Sean Rose as an extra help retired annuitant to perform the duties of Capital Projects Manager (temporary/hourly) for the Town of Los Gatos under Gov. Code section 21224, effective September 6, 2023; and

WHEREAS, the entire employment agreement, contract or appointment document between Sean Rose and the Town of Los Gatos has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year for all CalPERS employers; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable

duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum monthly base salary for this position is \$20,030.36 and the hourly equivalent is \$115.56, and the minimum monthly base salary for this position is \$12,169.71 and the hourly equivalent is \$70.21; and

WHEREAS, the hourly rate paid to Sean Rose will be \$108.15; and

WHEREAS, Sean Rose has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the Town Council hereby certifies the nature of the appointment of Sean Rose as described herein and detailed in the attached employment appointment document and that this appointment is necessary to fill the critically needed position of Capital Projects Manager for the Town of Los Gatos by September 6, 2023 because the Capital Projects Manager role is essential to the design and construction management of critical projects and overall administration of the Town's Capital Improvement Program (CIP) to improve the Town's public infrastructure. Mr. Rose has the skills needed to perform work of limited duration.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the _____ day of _____, 2023, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA
DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS LOS
GATOS, CALIFORNIA
DATE: _____

2 of 2

Draft Resolution

Date
ATTACHMENT 1



TOWN OF LOS GATOS
Human Resources Department
(408) 399-5718 FAX: (408) 395-8640

CIVIC CENTER
110 E. MAIN STREET
LOS GATOS, CA 95030
www.losgatosca.gov

July 26, 2023

Sean Rose
[REDACTED]
[REDACTED]
[REDACTED]

Dear Sean,

Congratulations! The Town of Los Gatos is pleased to extend to you a conditional offer of employment for the position of Capital Projects Manager (Temporary/Hourly) with the Parks & Public Works Department.

Employment Status:	At-will, un-benefited, temporary/hourly
Start Date:	TBD
Hourly Pay Rate:	\$108.15 per hour
Job Title:	Capital Projects Manager (Temporary/hourly)
Supervisor:	Nicolle Burnham
Department:	Parks & Public Works

This offer of employment is subject to the following:

- 1. Background Check:** You must pass a Department of Justice Criminal Records Check according to guidelines established by the Town of Los Gatos. Fingerprinting is administered by the Los Gatos-Saratoga Recreation Center. You must complete a verification of education and employment survey. A reference check will also be conducted with the references provided.
- 2. CalPERS Requirements:** If you plan to retire before your tenure in this position, then all CalPERS requirements must be met prior to your start date. This includes the Town's submission of a request for an exception to the CalPERS 180-day waiting period requirement via a Council resolution submitted to CalPERS. The timing of the resolution submission and your start date will be based on the following:
 - A.** If you are retiring at or higher than your normal retirement age, then the Council resolution can be submitted following your successful passage of the background check, and your start date can be any time following submission, on a date agreed upon by you and the Town.
 - B.** If you retire under your highest normal retirement age, then you will be subject to CalPERS' bona fide separation requirements: the Council resolution cannot be submitted prior to your retirement date, and your start date must be at least 60 days following your retirement date.

Please also be aware of the following information related to your employment as an hourly/unbenefited employee:

- You are limited to working no more than 1,000 hours in a fiscal year. If you qualify as a retired annuitant, you are limited to working no more than 960 hours in a fiscal year. The Town's fiscal year runs from July 1 through June 30.
- Your employment may be terminated at any time and is not subject to appeal.
- You are a non-exempt employee and therefore covered by the provisions of the Fair Labor Standards Act (FLSA). For FLSA overtime purposes, your work period begins at midnight on Sunday and ends seven consecutive days later at 11:59 p.m. on Saturday.

During your first week of employment, you will participate in an orientation session with a member of the Human Resources staff. At your orientation with Human Resources, you will be required to provide documents that establish both identity and employment eligibility to work in the United States, as required by the U.S. Department of Homeland Security Form I 9. More information about this process and your orientation will be emailed to you once the background process has been successfully completed.

To accept this conditional offer of employment, please sign below and return the signed copy of this letter via email or in person **no later than 5:00 p.m. on Monday, July 31, 2023.** Please also complete and sign the reference check release form attached to this letter so that we can initiate the background check process. If you have any questions, please contact Mary Blekh, Human Resources Technician, at (408) 399-5739 or mblekh@losgatosca.gov.

We are excited to welcome you to the Town of Los Gatos community and the Town Manager's Office. We are confident that you will enjoy the exceptional employees, beautiful community, and challenges of this position!

Sincerely,



Salina Flores
Human Resources Director

ACCEPTANCE OF TEMPORARY, HOURLY APPOINTMENT:

I accept the offer on the terms and conditions outlined above.


Signature (Sean Rose)

7/28/2023
Date



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 11

DATE: August 3, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review the Library Board Work Plan for Calendar Year 2023

RECOMMENDATION:

Review the Library Board work plan for calendar year 2023.

BACKGROUND:

The Los Gatos Library Board (Board) currently operates under the provisions of Town Resolution 2016-056 adopted by Council in October of 2016. Under the current resolution, the Board consists of seven voting members of which one also serves as a member of the Youth Commission. General Law cities that operate a municipal library maintain a Library Board under California Education Code Section 18910 (1970).

The function of the Board is to review and approve Departmental operational policies, and to advise on strategic direction and priority setting for Library service delivery. This is done by assisting in production and review of an annual Library community survey, understanding the budget situation and usage statistics of the Department, interfacing directly with the community in conversations about Library service, and keeping abreast of regional and national dialog regarding issues pertaining to intellectual freedom and equitable access to information and resources. The Board is not involved directly with Library projects, programs, or services, nor their implementation.

The Board meets on the second Wednesday of odd number months at 3:00 p.m. The Library Director serves as the staff liaison to the Board.

PREPARED BY: Ryan Baker
Library Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

DISCUSSION:

At the beginning of each calendar year, the Board reviews a list of potential new or outdated Departmental policies and prioritizes their order based on the needs of the Library and the community. Other items are regularly scheduled annually for review and recommendation.

The work plan for 2023 was adopted as follows:

January 2023

- Provide advisory direction on the Library's approach to holidays and recognition months

March 2023

- Review *Challenged Materials* policy and procedures
- Provide initial advisory input on the Town's *Justice, Equity, Diversity, and Inclusion Plan*
- Provide advisory direction on creating and distributing the Library's annual survey

May 2023

- Receive overview of proposed library budget for FY 23/24
- Review community survey data, and advise based on trends, needs, or opportunities
- Review *Intellectual Freedom* policy
- Review *Library Code of Conduct (Behavior Policy)*

July 2023

- Review *Volunteer* policy
- Begin advisory discussion of five-year strategic guidance for Library services

September 2023

- Review *Materials Deaccession* Policy
- Review 2022-23 fiscal year end statistics and service trend data
- Continue advisory discussion of five-year strategic guidance for Library services
- Provide input on revisions to the Town's *Justice, Equity, Diversity, and Inclusion Plan*

November 2023

- Finalize advisory discussion of five-year strategic guidance for Library services
- Review *Unattended Minors and Lost Child* Policy
- Initiate Town Poet Laureate selection process

PAGE 3 OF 3

SUBJECT: Library Board Work Plan

DATE: August 3, 2023

CONCLUSION:

The Board wishes to express that at both a regional and national level, attempts at censorship and/or bans of books in library collections are at an all-time high. The Board holds strongly to the principles of freedom of information, serving a diverse community representing multiple viewpoints, and equitable access to a widely diverse range of interests. The Board asks Council to remain in support of library collections and programs that support these principles, engage free and open community dialog, and stand strong against censorship or the attempts to restrict access to information or services.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 12

DATE: August 3, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: a. Receive the Information Provided in the Police Services Report: January – June 2023; and
b. Approve the Technical Sharing of Information Obtained from the Town’s Automated License Plate Reader (ALPR) Technology and Information Captured by the Flock Safety Technology with Other Law Enforcement Agencies in Santa Clara County.

RECOMMENDATION:

Staff recommends the Town Council:

- a. Receive the information provided in the Police Services Report: January – June 2023; and
- b. Approve the technical sharing of information obtained from the Town’s Automated License Plate Reader (ALPR) Technology and information captured by the Flock Safety Technology with other law enforcement agencies in Santa Clara County.

BACKGROUND:

On January 17, 2023 the Police Department presented an update on overall delivery, staffing updates, and comparison analysis of Police services. This Police Services Report for January – June 2023 presents the following information:

- Department staffing update
- Efficiencies and improvements
- Calls for service and officer activity
- Mandates and training
- Mental health services
- Flock update
- Community Outreach and Partnerships

PREPARED BY: Jamie Field
Chief of Police

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

SUBJECT: Receive the Information Provided in the Police Services Report: January – June 2023 and Approve Data Sharing

DATE: August 3, 2023

DISCUSSION:

DEPARTMENT STAFFING UPDATE

The Los Gatos-Monte Sereno Police Department (LGMSPD) enshrines and promotes a positive culture, while maintaining pride in the vision and values of the organization, teamwork, and a collaborative community policing partnership.

The LGMSPD has two Police Officer Trainees graduating from the Police Academy on August 15, 2023, and they are about to embark on at least a 16-week Field Training Program. In addition to the academy graduates, LGMSPD will have three Officers in the Field Training Program. While that brings sworn staffing to 38 of the 39 budgeted positions, there are still seven Officers unavailable and on protected leave. The three Officers on training are not available as a solo sworn staff members due to having to complete training.

There are 28 available sworn officers that are divided among four patrol shifts in the Patrol Division, Investigations Division, and Administration. Removing the three sworn Command Staff, Chief and two Captains, results in 25 available sworn Officers to deliver core Patrol and Investigative services. Part-time Community Services Officers (CSOs) and Reserve Police Officers were able to assist in limited capacity to alleviate the workload on the lean staff. CSOs worked 1,331 hours during this reportable six-month timeframe and Reserve Police Officers worked 299 hours. The table below identifies the current availability of sworn staff, while also considering protected leave, light or modified duty, and those currently being trained:

Budgeted Sworn	Current Sworn	Off due to injury	Light / Modified Duty	Field Training	Total Active and available
39	38	7	3	3	28

Dispatch has eight budgeted positions. Currently there are five operational Dispatchers and one in training. The Police Department has six per diem Dispatchers to supplement the full-time Dispatch staff and allow for better coverage, training, and vacation opportunities with more focused training of the new Dispatch staff. The per diem Dispatchers have filled in for 897 hours throughout the time period of this report, January – June 2023.

The Police Department has hired one lateral Police Officer and two academy recruits during the timeframe represented in this bi-annual report. The lateral Officer completed his Field Training Program. During the same timeframe, we hired two Dispatchers, and one successfully completed the Training Program and the other is nearing the end of her training. Once a Dispatcher completes training, they still work with another Dispatcher for a period prior to handling a shift on their own. Both Dispatchers that were hired had prior dispatching experience.

SUBJECT: Receive the Information Provided in the Police Services Report: January – June
2023 and Approve Data Sharing

DATE: August 3, 2023

DISCUSSION (continued):

In the last year, the LGMSPD has implemented the following enhancements as efforts to retain and recruit employees; however, the success and momentum of these efforts are slowed by limitations of current staff as recruitment efforts are a collateral function of the Police Department staff and not a dedicated role or responsibility.

- Assessed and improved hiring process efficiency – 2022
- Improved recruitment and Police Department visibility through social media, recruitment tents at various venues, and engaging with a public safety recruitment company – 2022/23
- Assessed policies to address contemporary issues such as visible tattoos and recognitions – 2022
- Implemented professional development of our current personnel through career ladder in Dispatch and Records – 2022
- Implementing a Police Department Career Development Plan and a newly established Leadership Development Program – 2022/23
- Continued encouragement of higher education through ongoing college tuition reimbursement – ongoing
- Promoting a \$10,000 lateral bonus in 2023 (two laterals hired to date)
- Implemented an Internal Police Officer Referral Program – 2022/23
- Ongoing commitment and research towards resources to support the physical, psychological, and mental wellness of all Department staff – 2023

The chart below shows the difference in overtime hours between the last two fiscal year periods of January - June. Dispatch is supplemented by six per diem dispatchers, therefore, the Dispatch overtime does not reflect as significantly as sworn overtime hours used. The current estimated overtime for the Police Department has more than doubled what was budgeted (\$508,983) for FY 2022-23. The variance of 1,090 hours more overtime for sworn staff during the first six months of this year is due to limited staffing, workers compensation vacancies, Police incidents, weather related events, required trainings, and the Presidential visit.

Title	1/01/22 – 6/30/22	1/01/23 – 6/30/23	Variance in FY
Communications	1,607 hours	1,771 hours	164 hours
Sworn Staff	3,524 hours	4,614 hours	1,090 hours

The overtime referenced in the above chart depicts the hourly overtime necessary to sustain core services and does not include the many hours that were committed by Community Emergency Response Team(CERT), Disaster Assistance Response Team (DAR)., Command Staff overtime, and other volunteer or Police Department management resources to respond to pre-

DISCUSSION (continued):

planned, disaster, or critical incidents. Furthermore, the majority of the disaster and critical incidents were handled by one or two Dispatchers.

The pre-planned event of the visit in June by the President of the United States involved three operating radio channels, monitored by three to four Dispatchers, full road closures that required extensive pre-planning, ten DART volunteers, and a full Police Department call-in on a holiday. The extensive pre-planning entailed partnerships with local, State, and federal partners and was the second White House dignitary visit in less than a year. While an honor that is held in high regard for members of the LGMSPD, it is also a time when our lean staffing structure is apparent.

EFFICIENCIES AND IMPROVEMENTS:

Reassignments: LGMSPD is currently operating with 28% reduced available sworn staff. There is no surplus of Officers to provide additional Patrol coverage during events, to adequately staff expanding geographical areas of responsibility, and a limited ability to provide vacation, sick leave, and mandatory training relief as needed. The Department has reassigned traffic enforcement, investigative resources, and specialty assignment personnel to Patrol to maintain minimum staffing coverage due to staff vacancies and training needs and requirements. This requires changes in priorities and timelines for investigations, proactive traffic enforcement, and community outreach activities.

Transition to Police Operations Building (POB): In an effort towards improved efficiency, customer service and continuity of available resources, efforts were made in the first six months of 2023 to begin moving staff from Headquarters (Civic Center) to the Police Operations Building (POB – 15900 Los Gatos Blvd). The LGMSPD is unique in the Bay Area with a two-building model for a Police Department of its staffing size. Typically, only large agencies of several hundred or more have more than one location. For example, if a community member needs to get a copy of a report and then pick-up evidence or meet with a Detective, they must visit both locations.

The internal consistency and continuity of communication, teamwork, and project management or follow up is challenged under the two-building model. The front door to POB is always locked as there is not staff available to monitor the front counter to POB. There is a communication box on the wall outside of the front entrance where visitors can speak to a Dispatcher through. Dispatch is able to remotely key open the front door so that the visitor can be let into the waiting area to wait for an employee to be notified. The Temporary Holding Facility (THF) at POB was decommissioned for a future spatial assessment to occur with a goal

DISCUSSION (continued):

of reallocating Police services (Communications Center and Records Division) currently housed at Headquarters (Civic Center) over to POB.

The Traffic Sergeant, Administrative Sergeant, and Personnel and Training Manager were all moved to the POB. Both the Traffic Sergeant and Administrative Sergeant frequently fill vacancies on Patrol shifts to meet minimum staffing needs and to better manage Department overtime.

Ordinance Updates: The LGMSPD in conjunction with the Youth Commission engaged in collaborative efforts to update the Bike Ordinance. Police Department staff also focused on updates to the Concealed Weapons (CCW) Permits Ordinance to fall in alignment with a court decision from July 2022. LGMSPD entered into an agreement with a company, commonly used as an online application processing system throughout other California Law Enforcement agencies, to guide the CCW Application process. LGMSPD expects this process to become operational and begin accepting CCW applications for Los Gatos residents in September 2023.

Software and Technology: Other significant software platforms and equipment have been implemented or researched during January – June 2023. This includes the ability to introduce electronic citation technology, which would allow for more streamlined communication with the offender, courts, and the records database. The E-Citation platform interfaces with the current Police Department records management system and would not require the current manual entry process by staff. The funding options for this technology are still being explored and staff submitted an Office of Traffic Safety (OTS) grant application for this purpose. The Department is waiting for the grant results.

A cadre of staff have also reviewed an automated Field Training Program platform that would allow for more fluid management of training for sworn and communications staff, communication with the trainee, and retention ability. This will allow for improved communication, feedback, and accountability measures in a more standardized and digitized format. Current training programs and completion of various segments are outlined, documented, and signed off on paper documents. By the completion of the Training Program, the binder is 3-4 inches thick with the necessary documentation and has to be tracked, filed, and initialed. Staff has applied efforts to identify a sustainable and efficient method to track field training records to improve the field training process.

Through fiscal support from the Police Foundation, the LGMSPD was able to train a team of Unmanned Aerial System (UAS) operators that have completed their Part 107 test and received certification to operate drones. The funding also allowed for LGMSPD to purchase a total of six drones in May 2023.

SUBJECT: Receive the Information Provided in the Police Services Report: January – June 2023 and Approve Data Sharing

DATE: August 3, 2023

DISCUSSION (continued):

The UAS team has created three deployable kits, each with two different types of unmanned aircraft systems to allow for swift diversity of use depending on the deployment scenario. The LGMSPD drone team is operating within a Lexipol UAS Policy and has Standard Operating Procedures similar to those used by other law enforcement agencies with a UAS program in Santa Clara County. The LGMSPD UAS program has proven invaluable in the short timeframe that operators and equipment have been fully functioning and has been requested to respond and assist as a county resource.

CALLS FOR SERVICE AND OFFICER ACTIVITY

Despite the outlined staffing challenges, the LGMSPD has continued to meet response times and provide an uncompromising high level of service to the community. The following table depicts a comparison of the Communications Division call volume, both inbound and outbound, immediacy to which they are answered, and number of 911 calls over the last two years between the months of July to December.

The industry standard for a Public Safety Answering Point (PSAP) agency is a target for 911 calls to be answered within less than ten seconds 95% of the time. Outbound calls can be a result of transferring callers to other points of contact within Town Departments, contacting or following up with community members, or conducting other inter-agency duties.

January – June	Inbound 911 calls	% of 911 calls answered < 10 seconds	Incoming Non-emergency calls	Non-emergency Outbound calls
2022	5,365	95.3%	16,369	8,392
2023	5,956	96.8%	16,501	8,362

Officers' response to priority calls for service continue to be comparable to prior years, below the priority goals. These metrics can be found in the Fiscal Year 202/24 Adopted Operating Budget in the performance measures section of the Police Department chapter. Priority 1 refers to immediate emergency with threat to life or a public safety hazard, Priority 2 is an urgent emergency that requires an immediate response, and a Priority 3 incident is a non-emergency. The LGMSPD has set response time goals of 5:00 minutes for Priority 1 calls, 10:00 for Priority 2 calls, and 15:00 for Priority 3 calls (see detail in Attachment 1 which contains the presentation materials for this item).

DISCUSSION (continued):

Additional data regarding traffic stops and preliminary Racial Identity Profile Act information can be found in Attachment 1 and at the following link: [2023 Annual Racial and Identity Profiling Advisory Board Report](#).

MANDATES AND TRAINING

Training and succession planning for both sworn and professional staff continues to be an ongoing priority. While staffing is strained, we continuously assess and monitor the fiscal implications from the overtime needs and wellness impacts on staff members who provide the backfill as needed so that training can occur.

The Police Department's personnel assessment, equipment, and training is being emphasized in the newly implemented Career Development Plan and Leadership Development Plan. With almost half of the Police Department staff being new to the position or newly promoted in the last three years, there is a significant need for training and professional development. The training needs could not be met during the pandemic period and the Police Department is now committed to focusing on this staff development.

In February 2023, the LGMSPD partnered with the Addison-Penzak Jewish Community Center of Los Gatos for a host location for Peace Officers Standards and Training (POST) certified Interview and Interrogation Training for many of our newer sworn staff and for sworn staff from other surrounding agencies. This three-day course was presented by a well-known law enforcement training company comprised of experienced investigators and covered interrogation law, liability awareness, detecting deception, and behavior analysis.

In May 2023, the LGMSPD hosted a training for all Police Department staff, both sworn and professional staff, on Community Policing in the 21st Century with an emphasis on Procedural Justice. The nine-hour course focused on communication techniques to enhance safety and improve interactions between the police and the public. The training was POST certified and is endorsed by the National Fraternal Order of Police and the National Association for the Advancement of Colored People (NAACP).

The LGMSPD researches local training opportunities so as not to incur travel expenses associated with hotel, travel, and food costs for training. This is not always attainable as certification requirements near expiration or limited training opportunities for specific curricula.

The LGMSPD sworn staff are required by POST to complete 34 hours of training annually and Dispatchers are required to complete 24 hours. From January to June 2023, staff have attended 755 hours of required training to meet POST, Cal-OSHA, and other compliance mandates. An additional 696 hours of necessary development training has been provided for

DISCUSSION (continued):

sworn and professional staff. Finally, sworn and professional staff have attended 328 hours of leadership training to aid in the professional development.

As staffing improves, the Police Department will focus further on supervisor development and training to re-establish specialty teams to develop confidence and competency in these roles. This requires continuous assessment of mandatory or immediate Department training needs based on POST requirements and operational effectiveness.

MENTAL HEALTH SERVICES

In the past several years, numerous California law enforcement agencies have modified their procedures to limit the role of Officers in mental health concerns, opting instead to integrate regional unarmed mental health teams and resources into their response. The Santa Clara County Behavioral Health Services operates a variety of unarmed mental health response teams with varying degrees of authority, training, and areas of emphasis for crisis response and safety planning. Each of these resources are available via the 9-8-8 call center currently in operation in Santa Clara County.

LGMSPD evaluates multi-disciplinary needs when providing support to those of our unhoused community or experiencing mental health concerns. There has been a reduction of documented reports of mental health evaluations during this reportable period of 2023 versus 2022 from 58 documented reports to 34.

One of the most recent developing resources is the Trusted Response Urgent Support Team (TRUST), which is an onsite field team consisting of a Crisis Intervention Specialist, First Aid Professional, and a Peer Support Specialist. This non-law enforcement mobile crisis response team works closely with crisis hotlines, the community, and family members to provide intervention and follow up. TRUST has been providing services to all of Santa Clara County since November of 2022 and is in the process of establishing a West Valley Team along with dedicated response vans. TRUST is a resource for the community and law enforcement throughout Santa Clara County in addition to other similar resources, such as Mobile Crisis Response Team (MCRT)

FLOCK UPDATE

The LGMSPD has been on the forefront of responsibly integrating technology into our efforts to provide public safety. In the late 1990's, we were the first agency in the County to install cameras in each patrol vehicle. A decade later, we were the first agency in the County to issue

SUBJECT: Receive the Information Provided in the Police Services Report: January – June
2023 and Approve Data Sharing

DATE: August 3, 2023

DISCUSSION (continued):

body cameras to every Officer. The incorporation of this technology and more led to significant improvements in accountability, accuracy, and efficiency.

In 2021, we began a two-year pilot project to evaluate the potential benefit of Automated License Plate Reader (ALPR) technology when we installed 14 cameras at the eleven primary vehicle entrances to our jurisdiction. Almost every other law enforcement agency in the County has since either invested in the same technology or is considering doing so and a dozen Los Gatos and Monte Sereno neighborhoods joined us in installing the same cameras and sharing their data with us.

The Flock Safety Technology is the ALPR technology that was adopted into the Police Department FY 23/24 budget and is no longer considered a pilot program. This technology continues to be an extremely valuable investigative and crime prevention tool throughout the Town of Los Gatos. Public view on the [Police Department's Website via the Transparency webpage](#), provides updated transparency data, crime statistics, the [Flock Transparency Page](#), and the Police Department ALPR Policy.

In the first year the cameras were installed, the LGMSPD documented numerous instances where ALPR technology specifically detected, deterred, or solved crimes in our jurisdiction. In 2023, the results have been similarly dramatic. Most notably, a LGMSPD Flock camera quickly identified the suspect vehicle in a fatal hit-and-run collision in the first six months of 2023 that led to the driver's arrest and ongoing prosecution.

Most recently, three events illustrate the investigative power of the LGMSPD ALPR system. In one, patrol Officers quickly identified a hit-and-run suspect vehicle where only the description of the vehicle and approximate timeframe of the collision was known by the victim. In another, LGMSPD Dispatch identified a vehicle used in a string of armed convenience store robberies as it entered Town and used that information to prevent a similar armed robbery in town. Third, the ALPR system alerted Officers on duty that a stolen vehicle had entered Los Gatos and this has been the case on multiple occasions. Officers use this data to locate and recover the vehicles when possible, often take suspects into custody, and solve or deter other crimes based upon evidence located inside the vehicles.

The integration of surveillance technology comes with great responsibility to maintaining the privacy rights of the community. The LGMSPD specifically integrated the concerns of civil rights organizations into its ALPR policy that is publicly available via the LGMSPD Transparency Portal. These considerations continue to influence the vendor selection, camera position, data retention and data sharing practices of LGMSPD. The LGMSPD is committed to the furtherance of increasing public safety.

DISCUSSION (continued):

The data collected from this ALPR system is currently only being used by our agency and we are not sharing the information with other agencies within Santa Clara County; however, we are the only agency not sharing with other law enforcement agencies. By allowing our agency to share this data with agencies within our County we will be increasing our ability to investigate and deter crime by broadening the data pool locally.

The ability to share information obtained by the ALPR systems is managed by the Department Flock Technology administrator. If the data sharing is approved, the administrator would adjust the settings within the Town's Flock technology system which would allow for the share to begin occurring with other agencies within the County Sheriff. The Flock technology sharing mechanism is controlled by the individual agencies and there is not an agreement that exists between agencies as it is an independent decision.

COMMUNITY OUTREACH AND PARTNERSHIPS

The Police Department is committed to building, bridging, and enhancing police-community relationships. This is done through opportunities for engagement and in the multitude of services that the Department offers to develop collaborative methods and working with the various volunteer groups that LGMSPD oversees. The Volunteer In Policing Program (VIP) visits the homes of people vacationing (Vacation Checks program) and with three VIPs handling this service in the last six months, they have contributed over 200 volunteer hours.

Community outreach and resources occur in many forms. Below are some highlights of the last six months:

- Neighborhood Watch meetings - 2
- Coffee With A Cop
- Big Truck Days - 3
- Senior Resource Fair
- Therapy Canine community engagements
- Neurodiverse event with the Youth Commission for Easter
- Community Safety Month – Venture Pre-School
- CERT Drill - 2
- New Resident Welcome Packet deliveries - 178
- Vacation Checks – 10 to 20 homes registered weekly / visited 3 times per week

The Police Department has done extensive recruiting for the Explorer Cadet program, one of several volunteer opportunities. The Explorer Cadet program is hopeful to have about eight Explorers by September 2023 and began the year with two. Additionally, the volunteer support

DISCUSSION (continued):

and exhaustive hours that went into supporting the Town of Los Gatos during the storm season of early 2023 was greatly appreciated. The Community Emergency Response Team (CERT) and Disaster Assistance Response Team (DART) partnered to do neighborhood assessment and reports of damages back to the Emergency Operation Center at the Police Operations Building and were a much-needed force multiplier when minimal resources were available. CERT had three call-outs during this reportable timeframe. DART had six call-outs, some of which included assisting at the Cats Hill Race, assistance with road closures during major injury accidents, and road closures that Police Department staffing could not cover during the Presidential visit to Los Gatos in June 2023.

Other partnership efforts and outreach are exemplified by the Police Department's Vulnerable Community Resource Team (VCRT) and the over 100 occasions that staff has proactively worked with the local unhoused community and its stakeholders to attempt to reduce the impact of homelessness on those experiencing it and upon the community. As time permits, sworn staff attend the weekly pantry services at St. Lukes to be available as a resource, maintain positive relationships with the unhoused community, and to facilitate connections and resources.

Additionally, the Victim Services Unit (VSU) expanded its services by making proactive follow-up calls to all victims of domestic violence, the local family members of the decedents in death investigations, and the victims and family members of local residents who suffer significant injury. The Police Department's VSU program is in need of additional committed and experienced volunteers in order to sustain the nature, value, and continued level of service of this program.

RECOMMENDATION:

Staff recommends Council authority to allow for information captured by the current ALPR system managed by the Flock Technology platform to be shared with other law enforcement agencies within Santa Clara County. This is the practice for all other ALPR agencies within Santa Clara County.

CONCLUSION:

The dedicated members of the LGMSPD have been working tirelessly to provide public safety with integrity, compassion, and professionalism. This Police Services Report is intended to provide an update and provide transparent information of operational efforts, priorities, and status for a six-month review for January to June 2023 for the community and Town Council.

SUBJECT: Receive the Information Provided in the Police Services Report: January – June
2023 and Approve Data Sharing

DATE: August 3, 2023

CONCLUSION (continued):

The staff of LGMSPD model the high-touch, localized, responsive, and personal customer service essence the community deserves. Full-service efforts of the LGMSPD maintain a public safety delivery focused on education and prevention with enforcement as necessary to provide for the safety and security of the community and employees.

During the remainder of 2023, the LGMSPD will continue its organizational vision focused on a theme of development. This includes development, advancement, and progressive efforts in technology throughout the Department and professional development of new and recently promoted staff. This development will also allow for greater efficiencies, eventual reduction in overtime, and a goal of retention. The external focus is on continued local engagement, cross-Departmental support, public safety, and education for our community.

FISCAL IMPACT:

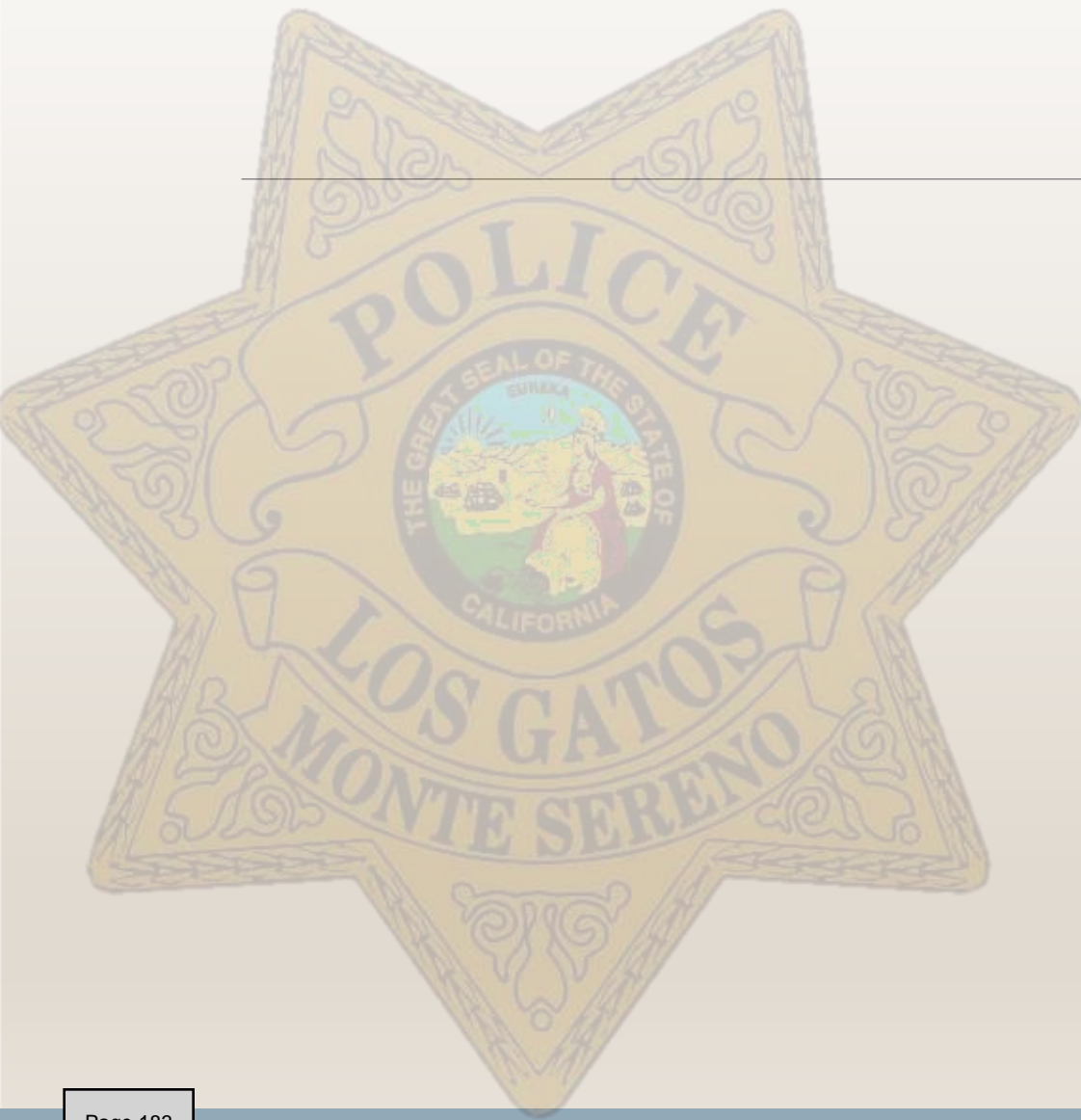
The acceptance of this report has no fiscal implications.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. PowerPoint Presentation



LOS GATOS POLICE SERVICES REPORT

JANUARY – JUNE 2023

ATTACHMENT 1

THE DEPARTMENT *Staff Update*



Efficiencies & Improvements



Integration

- Police Operations Building (POB) & Headquarters merger



Equipment & Technology

- Drones
- E-Cite Technology
- Automated Training Program
- Permitium



Recent Ordinances

- E-bikes
- CCW

Mandates & Training

WHERE IS THE FOCUS?



COMPLIANCE
755 HOURS

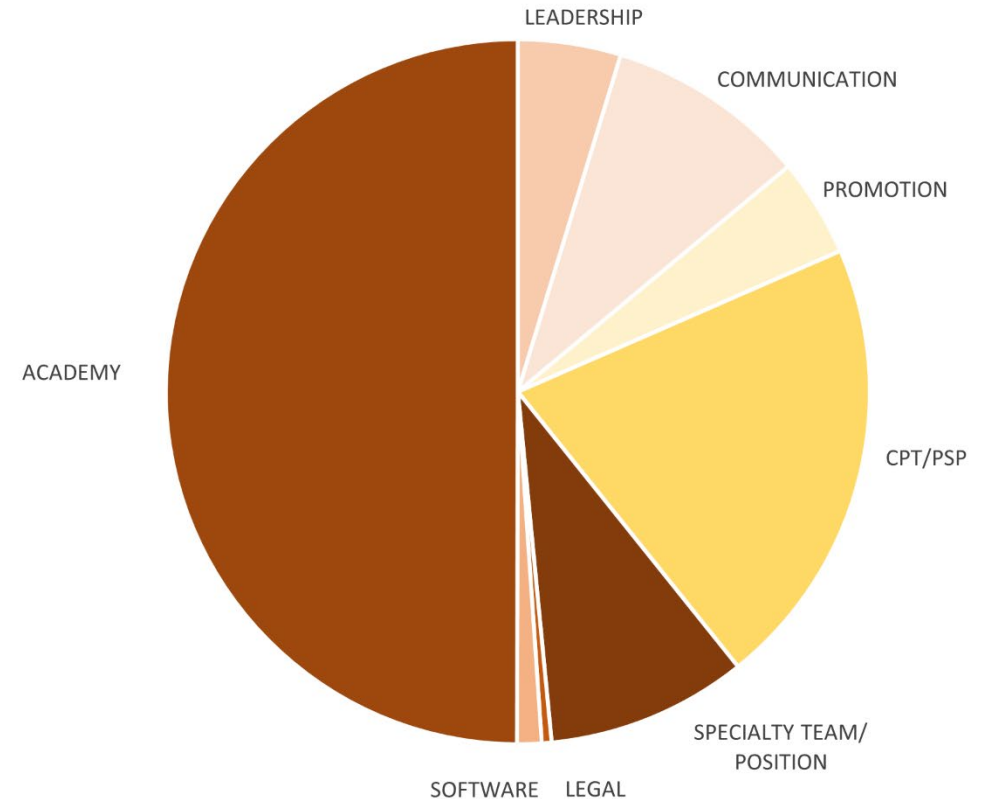


DEVELOPMENT
696 HOURS



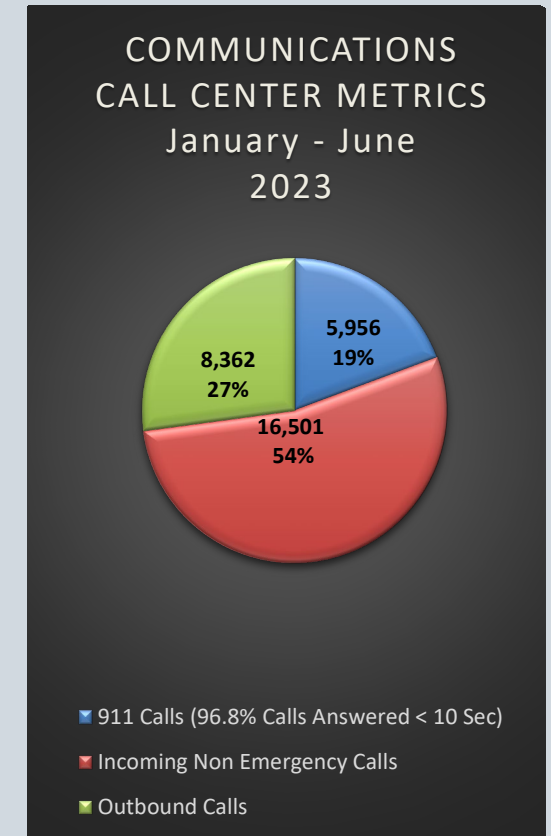
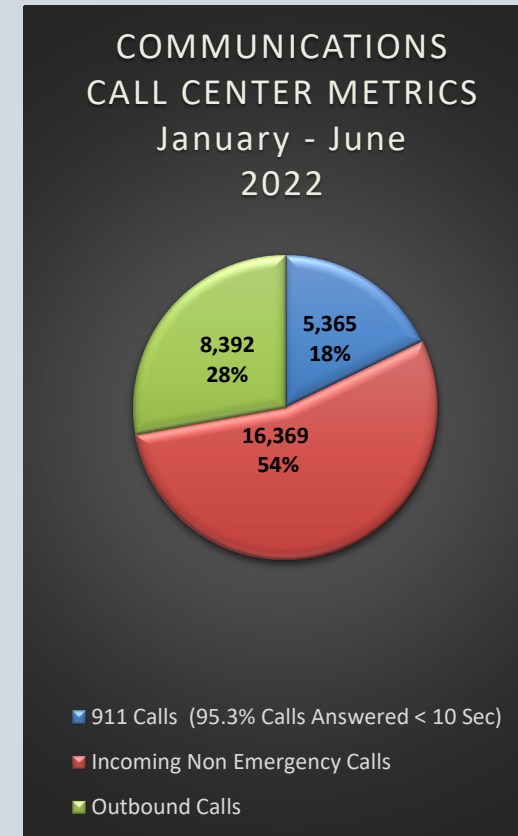
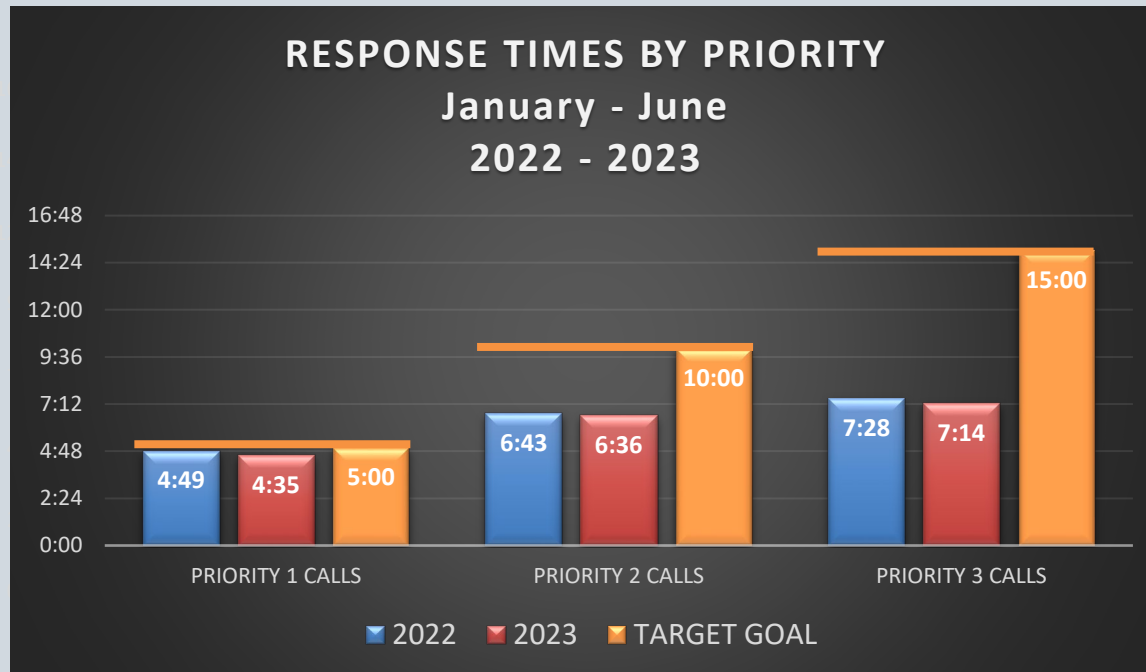
LEADERSHIP
328 HOURS

TRAINING TOPICS JANUARY 2023 TO JUNE 2023





Calls For Service



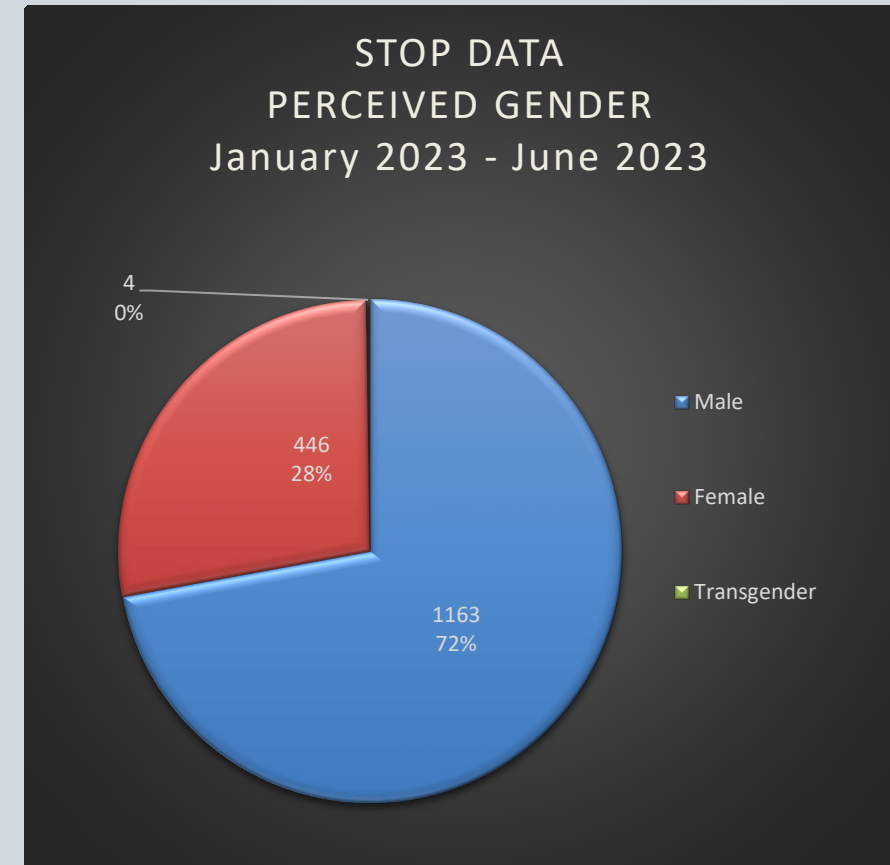
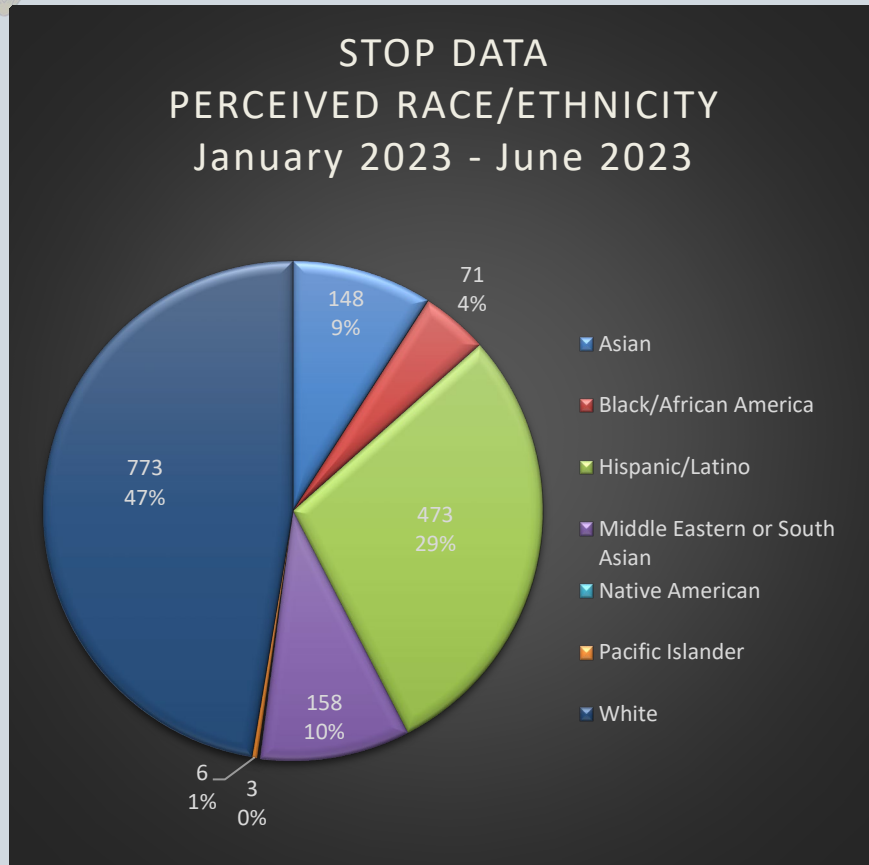
Mental Health Response

- Call **9-8-8** to reach Mental Health Resources for Santa Clara County for someone who is experiencing concerning mental health or substance use symptoms.
- The call center can send a field response team to the location (home, workplace, or a public space).
- **Trusted Response Urgent Support Team (TRUST)** will soon have a West Valley team and response van.
- TRUST is a team that works to de-escalate the situation, similar to Mobile Crisis Response Team (MCRT)

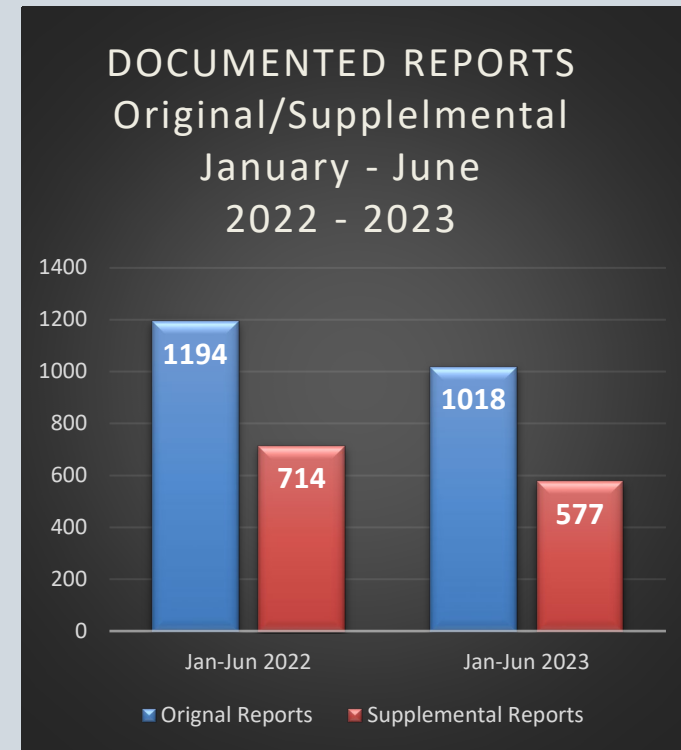
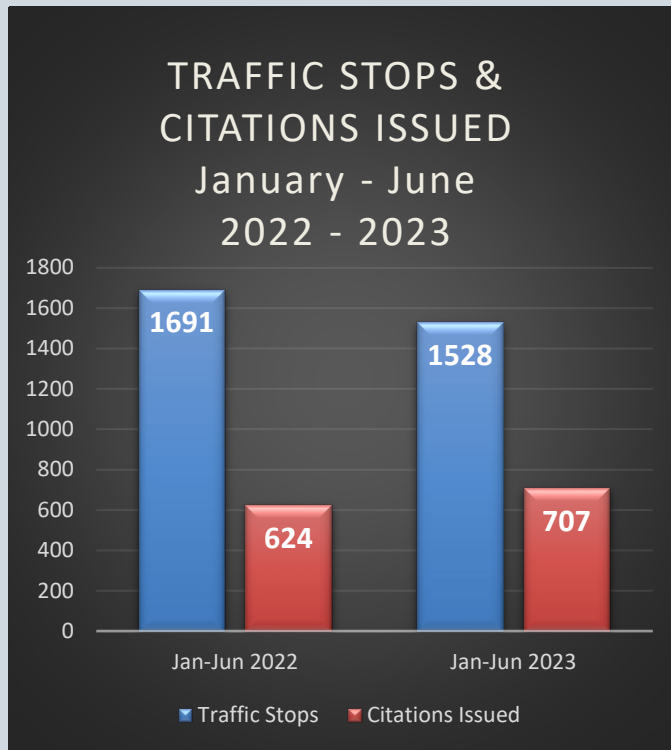




Racial Identity Profiling Act (R.I.P.A.) - Preliminary Analysis



Traffic Enforcement & Case Reports



FLOCK SAFETY- POLICIES



What's Detected

License Plates, Vehicles



What's Not Detected

Facial recognition, People, Gender, Race



Prohibited Uses

Immigration enforcement, traffic enforcement, harassment or intimidation, usage based solely on a protected class (i.e. race, sex, religion), Personal use.



Acceptable Use Policy

Data is used for law enforcement purposes only. Data is owned by Los Gatos Monte Sereno PD and is never sold to 3rd parties.



Hotlist Policy

Hotlist hits are required to be human verified prior to action.



Access Policy

All system access requires a valid reason and is stored indefinitely.

FLOCK SAFETY- USAGE



Data retention (in days)

30 days



Vehicles detected in the last 30 days

601,133



Number of owned cameras

16



Hotlist hits in the last 30 days

1,365



External organizations with access



Searches in the last 30 days

118



Hotlists Alerted On

California SVS, NCMEC Amber Alert

Additional Info-

<https://www.losgatosca.gov/DocumentCenter/View/23300/Automated-License-Plate-Reader-Policypdf>



CERT DRILL

Bocce Ball Fundraiser

Neurodiverse/Easter Egg Hunt w/Youth Commission

LG Terraces- K9 JJ & Gary

Coffee w/a COP (1)

Community Safety Month – Venture Pre-School

Senior Resource Fair

Big Truck Day

Vacation Checks Visits

Neighborhood Watch (2)



PARTNERSHIPS

SERVICE CLUBS

D.A.R.T/C.E.R.T/EXPLORERS

LGMS POLICE FOUNDATION

YOUTH COMMISSION

SCC BEHAVIORAL HEALTH SERVICES

ADDISON PENZAK JEWISH COMMUNITY CENTER

METHODIST ST. LUKE CHURCH

LGSUHS & LGUSD



QUESTIONS



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 13

DATE: August 10, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive an Update on American Rescue Plan Act (ARPA) Public Safety Expenses and General Fund Council Priorities – Economic Recovery Reserve Tracking and Provide Direction for the Use of the Remaining Funds in this Reserve

RECOMMENDATION:

Receive an update on American Rescue Plan Act (ARPA) Public Safety expenses and General Fund Council Priorities – Economic Recovery Reserve tracking and provide direction for the use of the remaining funds in this reserve.

BACKGROUND:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden. In accordance with ARPA, the Town was awarded an ARPA grant in the amount of \$7,229,744 paid to the Town in two separate payments. The first payment of \$3,614,872 was received in early July 2021, and the second payment of \$3,614,872 was received in July 2022.

DISCUSSION:

Based on initial guidance of eligible uses of ARPA funds, the Town allocated these funds to various purposes to respond and support the impacts of the pandemic on Town residents. For Fiscal Year (FY) 2020/21, the Town recognized the initial \$200,911 of ARPA proceeds as revenue to reimburse the Town for qualifying expenses.

Since the initial receipt of ARPA funds, the Treasury revised its federal guidelines to allow certain non-entitlement units (NEUs), such as the Town of Los Gatos, a simplified procedure

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

SUBJECT: Receive Update on American Rescue Plan Act (ARPA) and Council Priorities and
Provide Direction

DATE: August 10, 2023

DISCUSSION (continued):

for claiming and reporting revenue loss. To be eligible for the simplified claiming procedures, the NEU must have received a total ARPA award of less than \$10 million.

During FY 2021/22, the Town recognized \$3,413,961 as operating grant revenue in the ARPA special revenue fund and transferred \$3,413,961 to other funds, reimbursing the Town for qualifying public safety expenditures under the provisions of the Act. The Town recognized the \$3,614,872 in FY 2022/23 the same manner as FY 2021/22.

ARPA Grant proceeds have been fully recognized as lost revenue for use in providing public safety services consistent with federal law. In other words, all of the ARPA funds have been used for qualifying expenses. As a result, General Fund operating revenues which were previously dedicated for public safety costs became available for Council priorities. The table below identifies the Council priorities to date and shows a remaining unallocated amount of \$866,281.

		FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Estimated	FY 2023/24 Adopted
General Fund Council Priorities – Economic Recovery Reserve Tracking	\$	7,229,744			
Less Council Approved Uses					
Parklets (Downtown Economic Recovery Efforts)	\$	930,000	\$ 466,428	\$ 463,572	
Rent Waivers		746,463	121,255	341,452	283,756
CUP/ADA Fee Waivers		75,000	19,656	27,672	7,018
Destination Marketing		55,000		55,000	-
K-Rails (Downtown Economic Recovery Efforts)		68,000		88,654	-
Promenades		200,000		69,855	130,145
Direct Grants		110,000	60,000	50,000	-
Enhanced Senior Services		500,000		249,597	250,403
Capital Improvement Program Support Transfers		2,900,000			2,900,000
One-Time Community Grant (Council Action 2-21-2023)		150,000			\$ 150,000
One-Time to LGS REC 55+ Program (Council Action 2-21-2023)		225,000			225,000
One-Time to KCAT Producers (Council Action 2-21-2023)		100,000			100,000
One-Time Unhoused Residents Efforts (Council Action 2-21-2023)		25,000			25,000
One-Time Rent Forgiveness LGS REC (Council Action 3-21-2023)		200,000			200,000
One-Time Rent Forgiveness NUMU (Council Action 3-21-2023)		21,000			21,000
One-Time Unhoused Residents Efforts (Council Action 4-4-2023)		25,000			25,000
One-Time - Additional Chambers of Commerce (Council Action 5-2-2023)		33,000			33,000
Total	\$	6,363,463	\$ 200,911	\$ 1,348,659	\$ 4,034,894
Available Funding After Council Recent Actions	\$	866,281			

SUBJECT: Receive Update on American Rescue Plan Act (ARPA) and Council Priorities and Provide Direction

DATE: August 10, 2023

DISCUSSION (continued):

The details of the Council approved use of \$2.9 million for the capital program are illustrated below.

General Fund Council Priorities – \$2.9 Million Capital Allocation Tracking			Expended or Encumbered as of 8/1/2023
Project Name	Funding Obligated		
East Main Street Crosswalk Improvements	\$ 300,000	<i>Prior Council Action</i>	\$ 61,700
Downtown Restroom Feasibility Study/Design	25,000	<i>Prior Council Action</i>	-
Rehabilitate Automatic Gates - 41 Miles Avenue	25,000	<i>Prior Council Action</i>	24,225
Termite Abatement at Water Tower – 41 Miles Avenue	25,000	<i>Prior Council Action</i>	-
Civic Center Plumbing Repair – 110 E. Main Street	40,000	<i>Prior Council Action</i>	-
HVAC Improvements – Police Operations Building	25,000	<i>Prior Council Action</i>	-
Engineering Counter Modifications – 41 Miles Avenue	40,000	<i>Prior Council Action</i>	-
Unanticipated Repairs	100,000	<i>Prior Council Action</i>	100,000
Pinehurst Community Garden - 30% Design	100,000	<i>Prior Council Action</i>	250
Gateway Art Project	112,500	<i>Prior Council Action</i>	-
Roadside Fire Fuel Reduction - FEMA Match	750,000	<i>Prior Council Direction 3-21-2023</i>	-
Shannon Road Repair - Additional Needed	295,720	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	-
Pinehurst Community Garden Project	250,000	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	68,108
Lynn Avenue	215,000	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	55,448
Creekside Park Turf Replacement	500,000	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	-
Emergency Preparedness	96,780	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	-
Total Funding	\$ 2,900,000		\$ 309,731

With the adoption of the Fiscal Year 2023/24 Budget, the unallocated amount of \$866,281 is in the General Fund Council Priorities – Economic Recovery Reserve. If the Council wishes, with this agenda item, it can choose to allocate this remaining amount to its priorities. Attachment 1 includes a memorandum from Councilmembers Matthew Hudes and Rob Moore to the Los Gatos Town Council regarding the possible use of the available \$866,281.

FISCAL IMPACT:

This report outlines the \$7,229,744 in General Fund operating revenues which were previously dedicated for public safety costs. Of those funds, \$6,363,463 have been committed to various Council priorities and \$866,281 remains available.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Memorandum from Council Members Matthew Hudes and Rob Moore to the Los Gatos Town Council.
2. Public comments received before 11:01 a.m. Thursday, August 10, 2023.

Near-term Improvements to Adult Recreation Center

The Senior Services Roadmap, unanimously endorsed by the Los Gatos Town Council in March 2023, called for a long-term effort to create a welcoming and inviting intergenerational Community Center. It is recognized that it will take at least 2 years for the broad direction to be planned, and probably another 6-7 years for fundraising and required construction. However, in the near-term, certain improvements to the existing Adult Recreation Center facility would significantly benefit our older adult population and the Los Gatos community at-large. Some of the potential near term improvements could include:

1. Space for a variety of non-profit agencies to provide services to our community. This could include 3-4 outside service organizations that provide services to the community and older adults (as outlined in the 2009 Lease Agreement).
2. Re-configuration of existing space to both better provide services to older adults and to make the space feel more open and inviting to the broader community. This effort could include the engagement of a community center design consultant assistance, not to exceed \$75k of the total allocation.

The proposed funding of these improvements will be achieved by allocating up to \$1 million of ARPA funds to a Community Center Development Fund. This would be accomplished by “Allocation of the Remaining General Fund Monies Made Available from American Rescue Plan Act (ARPA) Qualified Public Safety Expenses” in the amount of \$866,281. If, over the next 2 years, capital funds, including previously allocated ARPA funds, were not expended as budgeted, an additional amount of up to \$133,719 of capital funds could be allocated to the Community Center Development Fund, per Council action. This initial funding would be immediately allocated to near-term improvements. In the future, additional funds might be obtained through grants or other programs (such as CDBG) and could be added to this initial amount for potential future development.

It would be valuable to convene a group of concerned residents and community partners focused on older adult services and community services in general in the decision about the specifics of how the existing facility could be improved. This would include the CHSSC, Older Adults 501(c)(3) Foundation, LGS Recreation, SASCC, non-profits who provide services, faith leaders, and Santa Clara County representation such as staff from Supervisor Joe Simitian’s office. The recommendation from staff and this group could then be considered by the Town Council during the 2024 Capital Budget time-period.

From: Kimberly Snyder <kimberly@numulosgatos.org>
Sent: Thursday, August 10, 2023 8:48 AM
To: Laurel Prevetti <LPrevetti@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Cc: Jan Schwartz <boardpresident@numulosgatos.org>
Subject: For inclusion in Agenda Packet for Town Council Meeting August 15

[EXTERNAL SENDER]

Dear Laurel,

I appreciate our quarterly check-ins. Thank you for meeting with me last month. I have attached a pdf for inclusion in the packet for the Town Council Meeting on Tuesday August 15. The pdf includes a letter summarizing the nature of our request, a brief overview of NUMU's offerings, museum/city comps, and the annual report of our Los Gatos History Project. Please let me know if you require any additional information. Thank you!

--



[subscribe to our e-newsletter](#)

Kimberly Snyder

Interim Director

she / her

p: [408.354.2646](tel:408.354.2646)

a: [106 E. Main Street](#)
[Los Gatos, Ca 95030](#)

w: numulosgatos.org

Engaging the community at the intersection of Art, History, and Education.



Muwekma Ohlone Tribe Land Acknowledgment - As a member of the Los Gatos community, I acknowledge that I am a guest on the ancestral and traditional land of the First People of this region, the present-day Muwekma Ohlone Tribe of the San Francisco Bay Area historically Federally Recognized as the Verona Band of Alameda County. I support the restoration and sovereignty of this Chochenyo-Thámien-Ramaytush-Awáswas speaking BIA documented Ohlone Tribe, as well as all Indigenous Peoples.



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Los Gatos Town Council

The Honorable Mayor Ristow, Vice Mayor Badame, and Council Members Hudes, Moore, and Rennie
110 E. Main St.

Los Gatos, CA 95030

Dear Mayor Ristow, Vice Mayor Badame, and Council Members Hudes, Moore, and Rennie,

We are writing today to continue the conversation on how New Museum Los Gatos | NUMU and the Town can work towards a sustainable partnership. Since relocating to the Los Gatos Civic Center in 2015, NUMU has been able to establish itself not only as an integral part of the Los Gatos Community but also as a significant contributor to the arts ecosystem of Santa Clara County. We provide services and programs that make Los Gatos an incredible place to live, work, play, and learn, and attract visitors from the greater Bay Area.

Like most museum/city partnerships in the Bay Area we are asking the Town to invest in our community museum by reducing rent for 106 E. Main Street to \$1 per year, and to allocate \$68K for the Los Gatos History Project to provide matching funds for a grant from the Institute of Museum and Library Services. This investment will ensure NUMU is able to continue its ongoing responsibility to maintain and steward the Town of Los Gatos' history collection and provide arts, history, and cultural educational services to the Los Gatos community.

We are grateful for the partnership with the town and want to express our deepest gratitude for forgiving rent the past three years. Retaining these funds going forward will enable NUMU to direct donations and grants into services and programs that directly serve the Town of Los Gatos with art, history, and culture. Rent forgiveness has enabled NUMU to achieve several key mission-aligned goals that directly support the Town's strategic priorities for local history, community vitality, and inclusivity. NUMU is a key feature of the Town Culture initiatives in the [2040 Town Plan](#). The 2040 General Plan for Los Gatos commits to "Enrich the Town by making visual arts, the performing arts, literary arts, and other cultural amenities more accessible to the Town's residents." We have been working tirelessly on critical areas that support these goals such as the Los Gatos History Project; delivering the high-visibility *ArtNow* high school exhibition and program; and collaborating with local community partners and beyond, including the Los Gatos Library, CASSY, and LGS Recreation. **The Town's rent forgiveness has made a meaningful impact on all our efforts, and is a testament for what we can achieve together.**

What the town's investment will enable NUMU to achieve:

- Continuing to steward the permanent collection through **The Los Gatos History Project** which makes our permanent art and history collection accessible in-person and through an online database. We display, steward, protect, and in the future, will loan and conserve our collection of art and history objects that represent the history and art of Los Gatos. The \$68,000 investment from the town will be used as matching funds that are required from the Institute of Museum and Library Sciences (IMLS) Grant to fund the program.
- Our successful exhibitions, ***Reclamation***, a partnership between the Muwekma Ohlone Tribe and San José State University, has given the town incredible recognition. These exhibitions



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

generated in our town, **will now travel to various locations beyond Los Gatos** for the foreseeable future. And we look forward to partnering on another exhibition on land stewardship in the coming year.

- Continue to offer Free days such as **Free First Sundays** and **Family Days** which have quadrupled museum attendance from the Greater Bay Area, bringing new visitors to Los Gatos. *We have had 100 -150 visitors on these days, about 70% from outside Los Gatos.*
- **Youth Education** - The **ArtNow high school exhibition** creates visibility for Los Gatos with high schools county-wide, and attracts a large audience to the Museum and the Town. The program features teen artists, and provides scholarships for award winners.
- **Inclusivity** - Continue to incorporate our diversity, equity, accessibility, and inclusion (DEAI) strategic planning in shaping our exhibitions and programs to educate our audience about the untold histories of Los Gatos, and help us build alignment with Town DEAI initiatives.
- **Community Engagement** - NUMU collaborates with local community partners like the **Los Gatos Library, LGS Recreation, the Chamber of Commerce, Los Gatos Art Association, CASSY, and Mosaic America** to implement programs and exhibitions that provide a platform for underrepresented artists and communities. We run the **Footbridge** summer camp program in partnership with LGS Recreation and the Arts & Culture Commission to enhance the Town and involve students in local history.
- **Economic Vitality** - NUMU has been aggressive and successful in applying for and receiving grants from local and national organizations, including local Rotaries, National Endowment for the Arts, Institute of Museum & Library Sciences, The Packard Foundation, SVCCreates and more.

These efforts are not sustainable without support from the Town of Los Gatos. Increased rent payments in July 2024 will paralyze our ability to become a truly world-class destination for art and culture in the Bay Area. **Moreover, we will be unable to adequately steward the history collection and it will once again languish, hidden away in boxes.** This domino effect would decimate our ability to serve Los Gatos with history, culture, and art.

I ask you to join us in re-imagining our relationship. NUMU is in the Town's 2040 Plan both as a steward of the collection and a center for arts and culture. Allocating funds and eventually amending the lease will not only ensure that the museum will exist in 2040, but that it will be able to thrive for decades to come. Nominal rent would be in line with virtually every museum in our area (see appendix), and signal to the region that Los Gatos values inclusivity, community, and culture. **Please vote to reduce rent for the upcoming year & invest in our town's history to support NUMU's critical role in maintaining-and expanding-the Town's cultural footprint, moving toward a deep and permanent partnership.**

NUMU's relationship with the Town of Los Gatos is vital to us and our ongoing ability to serve our community. Thank you from all of us for your continued support.

In partnership,

DocuSigned by:

 514A07630690421...
 Kimberly Snyder | Executive Director

DocuSigned by:

 B4B030FB17A34EA...
 Jan Schwartz | Board President



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Request

- Allocate \$25K in funds to offset 2024/25 rent.
- Allocate \$68K in matching funds for NUMU's Los Gatos History Project for the Institute and Library Sciences Grant.

What services does NUMU provide to the Town of Los Gatos?

- The **Los Gatos History Project** is NUMU's unprecedented effort to catalog and dive deeper into its permanent collection. This Project makes our permanent art and history collection accessible in-person and through an online database. NUMU displays, stewards, protects, and in the future, will loan our collection of art and history objects that represent Los Gatos. The staff has decades of cumulative experience in collections care. NUMU stewards unique objects and archives from Los Gatos history, including the world's most comprehensive collection representing the lives of prolific artists and life partners Frank Ingerson and George Dennison, and their home, Cathedral Oaks, a mountain destination for creatives in mid twentieth century Los Gatos. NUMU has fundraised over **\$440k to underwrite the Los Gatos History Project**. The Town of Los Gatos
- NUMU's mission directly supports the Town's priorities for local history, community vitality, and inclusivity.
- We hosted and will travel the exhibition, *Reclamation*, a partnership between the **Muwekma Ohlone Tribe** and San Jose State University, featuring Los Gatos and Bay Area places of significance to the Tribe. It amplifies the Muwekma Ohlone Tribal Council's efforts to gain visibility and federal recognition.
- The ArtNow high school exhibition program creates visibility for **Los Gatos with high schools county-wide**, and attracts a large audience to the Museum and the Town. The program features teen artists from Los Gatos and across the county, and provides scholarships for award winners.
- NUMU collaborates with local community partners like the **Los Gatos Library, LGS Recreation, the History Club, the Anti-Racism Coalition, the Chamber of Commerce, Los Gatos Art Association, CASSY, and Mosaic America** to implement programs and exhibitions that provide a platform for underrepresented artists and communities.
- has provided \$7,500 in funding for the preservation of its cultural patrimony since 2020.
- NUMU is a key feature of the **Town Culture initiatives in the [2040 Town Plan](#)**. The 2040 General Plan for Los Gatos commits to "Enrich the Town by making visual arts, the performing arts, literary arts, and other cultural amenities more accessible to the Town's residents." How will the Town work towards budgetary support for the arts in Los Gatos?
- NUMU runs the **Footbridge summer camp** program in partnership with LGS Recreation to enhance the Town and involve students in local history.
- Museums provide cultural vitality to a community of our size. They provide an experience that is both local and global.
- Museums provide a sense of culture and vitality with an experience that extends beyond the boundaries of the Town. Our exhibits demonstrate awareness and inclusion of people of all races, religions, ethnicities and sexual orientations.
- **Free First Sundays** at the museum are free to all, we also offer a free public tour at 11am and 2pm.
- **Community Events** - NUMU is thrilled to partner with community organizations from Los Gatos and beyond to provide Free Community Days that have art and history activities, and multicultural performing arts.



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Examples of Museum/City Partnerships

Museum	City	Rent	Utilities	Bldg/Grounds upkeep	Town/City Employees	Public/Private Partnership
Ainsley House, Campbell Civic Center	Campbell	\$0	\$0	\$0	Yes	Yes. Foundation
Campbell History Museum, Campbell Civic Center	Campbell	\$0	\$0	\$0	Yes	Yes. Foundation
Los Altos History Museum, Civic Center	Los Altos	\$0	\$0	\$0	No	Yes. Annual Fund/Board
Palo Alto Art Center, former City Hall	Palo Alto	\$0	\$0	\$0	Yes	Yes. Foundation
San Jose Museum of Art	San Jose	\$0	heavily subsidized by city. Operating expenses offset by Cultural Affairs Grant financed through ToT tax	\$0	No	Yes. Annual Fund/Board
Triton Museum, Santa Clara	Santa Clara	\$1 per year	\$0 Electricity waived in return of art and history collection management. \$Gas based on usage.	\$0	No	Yes. Annual Fund/Board
Children's Discovery Museum	San Jose	\$0	heavily subsidized by city. Operating expenses offset by Cultural Affairs Grant financed through ToT tax	\$0	No	Yes. Annual Fund/Board
The Tech Museum	San Jose	\$0	heavily subsidized by city. Operating expenses offset by Cultural Affairs Grant financed through ToT	\$0	No	Yes. Annual Fund/Board



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

			tax			
Mexican Heritage Plaza	San Jose	\$0	heavily subsidized by city. Operating expenses offset by Cultural Affairs Grant financed through ToT tax	\$0	No	Yes. Annual Fund/Board
Santa Cruz Museum of Natural History	San Jose	\$0		\$0	No	Yes. Annual Fund/Board



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Annual Report 2022-23



Project progress made to date.

The Los Gatos History Project (LGHP) is a three phase project launched September 2020. Over the course of the past year the team has made significant strides. The goal of the project is to tell untold stories of Los Gatos and surrounding communities through an exploration of NUMU's permanent art and history collections.

Phase I This phase entails cataloging, rehousing, and digitizing NUMU's entire Art and History Collections of over an estimated 3,000 objects; in addition to updating the furnishings in the collections storage room and purchasing museum-grade materials to properly house artifacts and artworks for preservation.

Phase I update: Program Manager, Cristiano Colantoni, has successfully revamped the collection room with new collections storage, equipment, and furnishing, ranging from shelving units, cabinets, flat files, and bookshelves. All remaining furnishing for the collections room has been successfully installed. The collections room houses all artifacts, art and ephemera that have been cataloged, rehoused, and digitized by registrar, Alexandra Schindler. **Our online collections database hosted by CatalogIt was launched to the public in December 2021.** Students, scholars, community members, and researchers from across the globe may explore our database of **1900 items and growing!** Items are sorted into 4 categories: Archives, Art Collection, History Collection, and Natural History Collection. We anticipate the cataloging portion will take through 2023 to complete. We're also to share that we have received additional funding from the Institute of Museum and Library Services to continue and expand this ongoing project. [Explore the database!](#)

Phase II A demonstration and prep lab will be created to serve as a dedicated semi-public space to display artifacts, conduct conservation efforts and present public educational programs.



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Phase II update: The museum continued to face challenges with supply chain issues and rising costs for furnishing. Due to this impact, Colantoni redesigned the space and identified new furnishings needed to complete the space. We anticipate all items being delivered by Fall 2023.

Phase III includes sharing the history and untold stories of our past, and educating local and global communities about the lives and times of Los Gatos residents and surrounding communities.

Phase III update: NUMU was excited to launch phase III of the project in March 2021. Since then Programs manager, Alexandra Schindler, has hosted a wide offering of programs, and established many strong community partnerships including: the Los Gatos Library, Los Gatos-Saratoga Recreation, Muwekma Ohlone Tribe, Campbell Museums, Winchester Mystery House, Saratoga Historical Museum, History San José, Mosaic America, and San José State University.

Phase IV: Assess artifacts for conservation and implement an internship program for graduate students to learn and assist in archiving the collection. Update Collections Plan and Policy.

Phase IV update: Have had 2 successful internship cycles. Reaching out to conservators in the area as partners. Working on identifying and prioritizing items in the collection for conservation.

Summary of Program Offerings

- **Family Art + History Day: Celebrating National Diversity Day:** Hosted a community event in partnership with LGS Rec, featuring other history organizations and activities highlighting the diversity of Santa Clara County. (75 Attendees)
- **History Still Life:** In partnership with Los Gatos Library, participants had the opportunity to sketch objects from the collection that were brought out specifically for the program (10 attendees)
- **Final Frontiers:** An in-person panel discussion talking about the history of place-making, anthropology, and human development (35 attendees)
- **Honoring the Earth Event:** with Mosaic America, an Earth Day event celebrating the rich cultural history of our area with a variety of performing artists, including the Muwekma Ohlone Tribe (300 attendees)
- **(3) Virtual Programs:** with the Muwekma Ohlone Tribe and SJSU (recordings available on NUMU website) (25 attendees per session)
 - [Politics of Erasure: Federal Reaffirmation of the Muwekma Ohlone Tribe](#)
 - [The Muwekma Ohlone Past and Present: Heritage Sites of Significance](#)
 - [The Making of an Exhibition: Reclamation of the Muwekma Ohlone Tribe's History and Heritage](#)



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

- **Public Museum Tours:** One Curator tour with Allison Railo featuring exhibition updates. And offer a free history tour monthly on the first free sunday.
- **School Tours:** Programs Manager educated elementary school students in the classroom and at the museum; kids handle objects & learn how to think critically about history.(500+ students)
- **(2) Weeklong summer camps:** Youth learn the untold stories of Los Gatos History and the surrounding areas; in addition, participants were able to explore items in our permanent collection. These camps are already scheduled and fully booked for June 2023. [View video of last year's program](#)
- **Virtual content:**
 - Dedicated page on the [website](#),
 - [Bimonthly e-newsletter](#),
 - [Instagram Social Media Posts](#) featuring content from the permanent collection
- **Scholarship:** Richard D. Mohr, ceramics historian, author, and Professor Emeritus at the University of Illinois - Urbana, for part one of a lecture series on local artists Frank Ingerson and George Dennison. The Boys, as they were affectionately known, are the subjects of his recently published book *The Splendid Disarray of Beauty: The Boys, the Tiles, the Joy of Cathedral Oaks - A Study in the Arts and Crafts Community*.

How much grant funding has been raised to date.

The museum has successfully secured 440k to fund this project. The initial phases were 250k funded by the County of Santa Clara's Historic Grant Program. To continue the project the museum secured a 3 year grant from the Institute of Museum and Library Services (IMLS) of \$190K. The IMLS grant requires 1:1 matching funds.

When the project is expected to be completed and open to the public.

There are multiple milestones in the project and each has a different timeline of when it will be open to the public. The public programming portion of the program is well underway and ongoing, with a goal to host them in the Collections Prep Lab when it opens in Fall 2023. As mentioned above, CatalogIt, the online database, has been accessible to the public since December 2021 and the public may make appointments with the NUMU team to view items in collections storage rooms. The museum's lower level space is dedicated to Los Gatos History and opened a corresponding exhibition, [The Los Gatos History Project: Telling Untold Stories](#), which features items in our collections that the public is able to visit and enjoy.



NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Collections Prep Lab (before)



Collections Prep Lab (in progress)



In-person Programing

Final Frontier Lecture



Curator tour





NEW MUSEUM LOS GATOS

ART ■ INNOVATION ■ HISTORY ■ BAY AREA

408.354.2646 | 106 E. Main Street, Los Gatos CA 95030 | numulosgatos.org

Honoring Mother Earth with Mosaic America



Museum Explorer School Tour



Youth Summer Camp (Footbridge Mural Project)



History Still Life Class



Family Art Day - National Diversity Day



Collections Room Images

408.354.2646 | **106 E. Main Street, Los Gatos CA 95030** | numulosgatos.org

Online Collections Database

Social Media Posts



THE LOS GATOS HISTORY PROJECT

Exploring untold stories.

LGHP NEWS ARCHIVE



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 13

ADDENDUM

DATE: August 14, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive an Update on American Rescue Plan Act (ARPA) Public Safety Expenses and General Fund Council Priorities – Economic Recovery Reserve Tracking and Provide Direction for the Use of the Remaining Funds in this Reserve

REMARKS:

Attachment 3 contains public comment received between 11:01 a.m., August 10, 2023, and 11:01 a.m., August 14, 2023.

Attachments previously received with the Staff Report:

1. Memorandum from Council Members Matthew Hudes and Rob Moore to the Los Gatos Town Council
2. Public Comment received before 11:01 a.m. Thursday, August 10, 2023

Attachments received with this Addendum:

3. Public Comment received between 11:01 a.m., August 10, 2023, and 11:01 a.m., August 14, 2023

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

From: Nancy Rollett
Sent: Friday, August 11, 2023 10:45 AM
To: Laurel Prevetti <LPrevetti@losgatosca.gov>
Subject: Council Agenda 8/15 - Item #13

[EXTERNAL SENDER]

Hi Laurel,

Please share with Town Council the support from Los Gatos-Saratoga Recreation for the proposal to allocate remaining general fund monies made available from ARPA funds for near-term improvements of the Adult Recreation Center.

The center serves older adults and the broader community. We recognize there is a long term effort underway to fund a new center and view interim funding as a way to make the center more inviting and useful in the meantime. It is also possible the improvements would serve to kickstart additional investment from donors, grantors and others to invest in the larger project of an entirely new center.

If the proposal is approved, we look forward to sharing ideas for improvement with other community partners and the Town. It's exciting to consider what this would mean for our customers, other stakeholders and the broader community.

Thank you for your consideration.

Warm regards,

Nancy



Nancy Rollett

Executive Director

Direct: 408.207.4900

LGS Recreation

Main Office: 408.354.8700

208 E. Main St, Los Gatos, CA 95030

Building a Healthy Community Through Enrichment, Innovation, and Fun!



From: Kathy Mlinarich
Date: August 11, 2023 at 2:41:53 PM PDT
To: Matthew Hudes <MHudes@losgatosca.gov>
Subject: Ryan's response

[EXTERNAL SENDER]

----- Forwarded Message -----

Subject:Re: ARPA funds
Date:Fri, 30 Jun 2023 12:51:58 -0700
From:Kathy Mlinarich
To:Ryan Baker <RBaker@losgatosca.gov>, Laurel Prevetti <LPrevetti@losgatosca.gov>, Rob Rennie <RRennie@losgatosca.gov>

We need more then 22K this year. I was told that their is additional ARPA money available.

On 6/25/2023 1:52 PM, Ryan Baker wrote:

Hi Kathy,

Live Oak Senior Nutrition will be on the second year of our 2-year Sustaining Grant to your organization. \$22,000 is already earmarked for your organization for this year, without the need for you to re-submit an application.

The check should be processed after we move in to the new fiscal year in July. I will follow with you directly when I have a better idea of the processing time.

Ryan

Ryan Baker • Library Director (he/him)
Los Gatos Public Library • 100 Villa Ave, Los Gatos CA95030
Ph: 408.354.6894 • rbaker@losgatosca.gov
Monday-Sunday 10am-6pm



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 14

DATE: August 4, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive the Report on Downtown Paid Parking Program Models and Consider the Following Actions:

- a. Direct Staff to Return to Council with an Updated Fee Resolution to:
 - i. Increase the Rates Effective January 1, 2024 for Residential Permit Parking to \$52 per Year for Vehicle One, and \$72, \$92, and \$112 for Vehicles Two, Three, and Four, Respectively;
 - ii. Set Rates for Residential Permits in the Olive Zone to Match Rates for the Town's Other Residential Parking Zones Effective January 1, 2024; and
 - iii. Eliminate the Annual Fee for Employee Parking in the Olive Zone Effective January 1, 2024;
- b. Provide Direction to Staff Regarding the Establishment of Residential Permit Rates for Low Income Residents Defined as Households with Income of Less than 80% of Area Median Income;
- c. Provide Direction to Staff Regarding the Two Free Visitor Passes that are Available to Each Household in the Residential Permit Parking Areas; and
- d. Provide Feedback and/or Direction on the Paid Parking Program Options, Pricing Models, Service Delivery Scenarios, and Staffing Alternatives Required to Support a Functioning and Effective Downtown Paid Parking Program

RECOMMENDATION:

Receive the report on downtown paid parking program models and consider the following actions:

- a. Direct staff to return to Council with an updated Fee Resolution to:

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

RECOMMENDATION (continued):

- i. Increase the rates effective January 1, 2024 for residential permit parking to \$52 per year for vehicle one, and \$72, \$92, and \$112 for vehicles two, three, and four, respectively;
 - ii. Set rates for residential permits in the Olive Zone to match rates for the Town's other residential parking zones effective January 1, 2024; and
 - iii. Eliminate the annual fee for employee parking in the Olive Zone effective January 1, 2024;
- b. Provide direction to staff regarding the establishment of residential permit rates for low-income residents defined as households with income of less than 80% of Area Median Income (AMI);
 - c. Provide direction to staff regarding the two free visitor passes that are available to each household in the Residential Permit Parking Areas; and
 - d. Provide feedback and/or direction on the paid parking program options, pricing models, service delivery scenarios, and staffing alternatives required to support a functioning and effective downtown paid parking program.

EXECUTIVE SUMMARY:

The Town of Los Gatos has long been considering ways to manage parking. In 2019, the Town Council accepted the Dixon Parking Roadmap¹. Following acceptance of the Parking Roadmap, a limited number of programs and policies have been implemented with some success. Programs that currently exist include residential permits, Olive Zone permits, downtown employee parking permits, and parking enforcement. Council has also directed installation of wayfinding signs to improve visibility and provide guidance to existing parking lots, which is moving slowly due to a recent loss of a staff resource. Installation of parking pay kiosks and a mobile application have been delayed due to lack of staffing.

The report proposes changes to residential permit fees and Olive Zone fees based on past Council direction. Attachment 1 is a map of the downtown parking zone and Olive Zone.

Future improvements to, or expansion of, the parking program are not possible without the addition of staffing resources. In December 2022 Town Council asked staff to document the parking fees that would be required for parking to be a cost recovery operation. This staff report analyzes four options for paid parking, with the costs and revenue for each. The analysis demonstrates that a paid parking program in Los Gatos could recover costs by charging a rate of \$1.25 per hour for on-street parking; charging \$1.00 per hour for public off-street parking after the first two free hours; and making some changes to employee and residential permit programs and Oak Meadow Park parking.

¹ www.losgatosca.gov/DocumentCenter/View/23807/Los-Gatos-Parking-Roadmap

EXECUTIVE SUMMARY (continued):

A key consideration is that generating the revenue from parking requires adding staff to implement the program, but adding the staff before there is revenue is not fiscally prudent. The report discusses scenarios for contracting services related to implementing the program and staff is looking forward to Council direction.

BACKGROUND:

As employees and patrons arrive to downtown Los Gatos, parking is the first impression of their experience. Providing both an efficient wayfinding and parking program is crucial in promoting a positive experience and increasing economic and community vitality.

Recognizing the importance of parking experience, on December 17, 2019 Town Council accepted the [Parking Roadmap](#)² (Roadmap) developed by Dixon Resources Unlimited (Dixon). The Roadmap is a multi-step, multi-phase guide to enhancing parking in Downtown. The Roadmap is clear that significant resources are needed to develop and support a consistent and positive parking experience. At the time the report was accepted, the Council discussed the need for consistent enforcement of the timed parking, importance of an effective wayfinding program, and supported various other aspects of the Roadmap. It was also recognized by the Town Council and staff that such a program would require additional staffing resources.

The Roadmap documents that an effective parking program has many layers to function successfully and requires intention to implement and maintain. When in place and operating effectively, customers and employees spend less time looking for available parking and have a clear understanding of the requirements for particular spaces, resulting in an overall improved parking experience. In a fully implemented and staffed parking program, policies like employee permits, paid parking, and short-term parking options provide stakeholders greater flexibility to park in a location that meets their needs. Guests who choose to stay parked longer (e.g., when shopping, dining, or for other services) can pay remotely to alleviate the stress of having to move their vehicle to comply with two- or three-hour time limits. Employees can park worry free for the duration of their shift.

Since 2019, implementation of the Parking Roadmap has been a key Council priority. As such, staff has been working to develop parking related programs and has learned that staff is stretched too thin to successfully provide the Town's existing parking services and that additional programs require commensurate additional staffing to implement and manage.

² <https://www.losgatosca.gov/DocumentCenter/View/23807/Los-Gatos-Parking-Roadmap>

BACKGROUND (continued):

Among work completed, staff contracted with Hunt Design to update the downtown wayfinding signage; developed and implemented an employee parking program; and explored with Council a “park once” philosophy and the “Pay to Stay” program. In June 2020, a part-time parking program manager [0.25 Full Time Equivalent (FTE)] was hired into the Police Department to begin the Parking Roadmap implementation. The 0.25 FTE temporary position expired in June 2023, and its funding was not renewed. Early work on implementation of the parking program was hampered by the COVID-19 pandemic.

The pilot downtown employee permit parking program (hereafter not referred to as a pilot) has been a success with over 1,000 employees registered for an employee permit during the pilot program period that started in July 2022. A survey completed in April 2023 indicated that 72% of participating employees experienced improvements in their parking experience. 71% of respondents said it took less than five minutes to find an available employee parking space. 83% of the employees also indicated that the employee parking program either improved or had no negative impact on visitor parking.

On December 6, 2022, Town Council received an update on the progress made toward implementing the Parking Roadmap. After hearing public comment, including suggestions from the Chamber of Commerce that supported a paid parking program downtown, the Council provided the following direction:

1. Determine the necessary fees and charges for a parking program that would be fully cost recoverable;
2. Explain how a paid parking program could help the downtown business community;
3. Implement the wayfinding program; and
4. Evaluate the charges for residential permits.

Council’s general direction included a move toward two-hours of free off-street parking with pay-to-stay fees ranging between \$2.00 to \$2.50 per additional hour; on-street parking was assumed to remain free. At that time, staff had been working on a Request for Proposals for parking kiosks that would allow users to pay at their respective parking lots and a phone-based application that would facilitate ease of payment remotely.

Following that direction, staff contracted with Dixon to evaluate the staffing model necessary to support a paid program and potential parking rates that would generate the revenue needed to make the operation fully cost recovery. In addition, staff and Dixon evaluated the elements of the parking program that had been implemented and provided an update on those elements. This analysis is discussed further in this report and in Attachments 2 and 3.

BACKGROUND (continued):

The wayfinding and signage project is still in development at this time. Hunt Design is preparing the final documents to allow for competitive bidding of the project. Parks and Public Works will facilitate the bidding for construction and oversee the implementation of the signage (including removal of the older signs). Staff anticipates bidding the project in September, awarding in early November with construction occurring over the winter.

DISCUSSION:

RESIDENTIAL PERMIT PARKING

Currently, residential parking permits in the downtown costs \$42 and residential parking permits in the Olive Zone cost \$248. Staff recommends aligning both the downtown and Olive Zone to have the same residential permit parking rates.

Rate Adjustments: As noted in the December 2022 Town Council discussion, the fees associated with residential permits have not been adjusted in many years. Dixon recommended that the current downtown base rate of \$42 per year be escalated by \$20 for each additional vehicle. Staff recommends increasing the rates higher than Dixon recommended to \$52, \$72, \$92, and \$112 per year, for the first, second, third, and fourth vehicles respectively. This pricing is intended to more accurately reflect to true cost of parking and discourage residents from procuring unnecessary permits. It is recommended that the Olive Zone rates be adjusted to match the downtown rates. If Council agrees, staff will return with an updated Fee Resolution with these changes.

Low-Income Rate: In addition to adjusted rates, Dixon recommended that the Town offer low-income residents (defined as households at or below 80% Area Median Income) a discounted rate of \$25 per car for up to four vehicles. While this is a good idea, income verification is time consuming and beyond the Town's existing staff resources. For this reason, staff is not recommending implementing a low income rate, but is seeking feedback from Council on this concept.

Visitor Permits: At present, each resident in the residential zone is eligible to have two visitor permits each year at no charge. There is nothing to prevent residents from using the free visitor parking permits on a regular basis to avoid purchasing parking permits for a second and third vehicle. Staff is seeking direction from Town Council regarding the future of the residential zone visitor parking permits, and whether these permits should be issued free of charge.

DISCUSSION (continued):

OLIVE ZONE EMPLOYEE PERMIT PARKING

Currently, the Town offers parking permits to employees of businesses located in the downtown and Olive Zone. Employee parking permits in the Olive Zone are \$248 per year with limited participation and employee permits in downtown are free. As previously noted, staff recommends making the Olive Zone employee parking permits free to align them with the downtown employee parking permits. Since there is no designated employee parking in the Olive Zone, employees would be able to park in any space and would be verbally discouraged from parking in front of businesses.

Ideally, Olive Zone employee parking would be restructured by moving all employee parking off West Main Street to Church Street and Villa Avenue. Parking Lot 7 at Alpine should also include designated employee spaces. This would allow the Olive Zone and downtown programs to operate on the same principle and provide visitors with the best available parking. With both areas essentially functioning on the same principle, the two programs could be combined, allowing for free or very low-cost permits. This would create an equitable system for all employees. However, current staffing levels in Parks and Public Works are such at implementing these additional changes in Olive Zone parking are not possible.

EFFECTIVE PAID PARKING FOR LOS GATOS

Dixon produced two documents to support discussion of a paid parking program. These are a Cost Recovery Evaluation (Attachment 2) and a Staffing Plan (Attachment 3) to effectively support paid parking. Together these reports outline how the Town could implement paid parking as a full cost recovery operation and in a manner that would provide the support needed to provide a positive experience for the public.

The following four options of paid parking were evaluated:

- Option 1: Retain existing time limits for on-street parking; introduce paid parking off-street.
- Option 2: Retain existing time limits for on- and off-street parking.
- Option 3A: Implement paid on- and off-street parking at lowest rates possible to achieve cost recovery.
- Option 3B: Implement paid on- and off-street parking at market rates for municipal parking.

Table 1 outlines the financial impacts of each option as well as other considerations. The results of the analysis indicate Options 1 and 2 are not full cost recovery. Neither of these programs implement paid on-street parking. If paid on-street parking were not implemented,

DISCUSSION (continued):

but payment is required for the lots, then users would vie for the limited number of available on-street spaces while the surface lots remain underutilized.

For Options 3A and 3B, paid on-street parking is included with two hours of free parking provided in the lots. Excess revenue generated from these options would be used for improvements in the downtown area, such as improvements to parking assets, streetscape improvements, etc.

Table 1. Summary of Strategy and Financial Impacts per Option

		Option 1	Option 2	Option 3A	Option 3B
Strategy	On-/Off-Street	For Downtown only: - Free, 2h time limit on-street - 2h free, then \$2.50/h off-street For Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - 0h free, \$1.25/h on-street - 2h free, \$1.00/h off-street	For Downtown & Olive Zone: - 0h free, \$3.00/h on-street - 2h free, \$2.50/h off-street
	Permits/Other	- Escalating rate model for Residential Parking Permits: Permit 1 \$42; Permit 2 \$60; Permit 3 \$80; Permit 4 \$100; low-income permit \$25 (per year) - Employee Parking Permits (all zones): \$10/month (\$120/year); \$5/month for low-income rate (\$60/year) - Introduce 30-minute short-term spaces on-street - Shift Oak Meadow Park responsibilities and revenue to parking fund.			
Policy		- Add no reparking rule.	- Add no reparking rule.	- Remove most time limits.	- Remove most time limits.
Benefits		- Enables Town to trial paid parking equipment with a smaller scope. - The no reparking rule will improve availability of on-street parking.	- Minimal changes to implement. - Minimal outreach and public education required.	- Gentle introduction of paid parking with low rates. - Removal of time limits enhances customer flexibility.	- Maximizes revenue to fund other initiatives. - More likely to encourage parking space turnover. - Maximizes employee utilization of permit zones.
Drawbacks		- May not change on-street parking behavior without consistent enforcement. - Program is unsustainable.	- Program is unsustainable. - Customers have very few options for all-day parking.	- Generates less revenue to fund other initiatives.	- More expensive for customers and visitors.
Equipment Needs		+ 1 pay station (Oak Meadow) + 9 pay stations (Downtown)	+ 1 pay station (Oak Meadow)	+ 1 pay station (Oak Meadow) + 29 pay stations (Downtown) + 18 pay stations (Olive Zone)	
Staffing Needs ⁴		+ 1 Park Services Officer Temp + 1 Parking Manager FTE + 1 Maintenance Worker FTE + 1 Parking Control Officer FTE	+ 1 Park Services Officer Temp + 1 Parking Manager FTE + 1 Parking Control Officer FTE	+ 1 Park Services Officer Temp + 1 Parking Manager FTE + 1 Maintenance Worker FTE + 1 Admin Assistant FTE + 2 Parking Control Officer FTE	
Estimated Annual Budget ⁵					
Revenue Total		\$300,388.50	\$254,409.00	\$1,443,872.24	\$3,111,057.20
OPEX	Equipment ⁶	\$142,718.65	\$12,054.14	\$256,670.69	\$304,185.46
	Staffing	\$540,118.99	\$378,004.45	\$821,998.09	\$821,998.09
	Total OPEX	\$682,837.64	\$390,058.59	\$1,078,668.78	\$1,126,183.55
Year 1 Net Gain/Loss		-\$382,449.14	-\$135,649.59	\$365,203.46	\$1,984,873.65
Initial CAPEX ⁷		\$217,500.00	\$56,000.00	\$540,500.00	\$540,500.00

Note: Excerpted from Parking Program Cost Recovery Evaluation, Appendix A prepared by Dixon (Attachment 2).

OPEX indicates annual operating expenditures and CAPEX indicates capital expenditures. In addition to initial capital costs of installing equipment, the equipment can have an ongoing operational cost due to pay station network fees, credit card fees (currently \$0.25 plus 3% per transaction), cellular access to facilitate transactions, and equipment servicing warranties or contracts.

DISCUSSION (continued):

Revenue: Revenue was estimated for each option with the following assumptions:

1. Paid parking is implemented at Oak Meadow Park at \$6.00 per vehicle per day for all users, residents, and non-residents alike. This fee would match Vasona County Park's parking fee. Options would be available for annual pass for frequent users and for senior users at a rate of \$80 and \$60 per year respectively. Staff is not recommending implementing paid parking at Vasona at this time unless and until Council directs an increase in staffing resources.
2. Olive Zone is added as a paid parking area unless otherwise specified. If paid parking is not implemented in the Olive Zone, but is implemented in the remaining areas of downtown, patrons may be inclined to park in the Olive Zone and walk downtown, which would impact Olive Zone businesses. The revenue analysis completed by Dixon assumed that fees for Olive Zone would match the fees for downtown. The analysis did not assume free employee parking permits in downtown and the Olive Zone as discussed in more detail below.
3. The Town currently offers parking permits to employees of businesses located in the downtown and Olive Zone. Employee parking permits in the Olive Zone are \$248 per year with limited participation and employee permits in downtown are free. For the financial analysis, employee parking permits in both zones are assumed to be \$10 per month, with a low-income rate of \$5 per month. Despite this model assumption, staff is proposing at present for all employee parking remain free (i.e., eliminate the fee for Olive Zone) until a staffing model can be developed that would support management of the employee permits, at which time, all employee parking permits would be priced at an appropriate structure.
4. Currently, the rate for downtown residential parking permits is \$42 for up to four vehicles per household. The analysis assumed that residential permit rates are adjusted per Dixon's recommendation to escalate the fee for each additional vehicle by \$20: \$42 per year for the first vehicle, and \$60, \$80, and \$100 for the second, third, and fourth vehicles respectively. The \$42 base fee has been in place for a number of years with no increase, so staff is recommending that the rate for the first vehicle be \$52 per year, or \$1.00 per week. Pricing for the second, third, and fourth vehicles are proposed at \$72, \$92, and \$112 per year respectively. This pricing is intended to more accurately reflect to true cost of parking and discourage residents from procuring unnecessary permits.
5. Revenue from leasing parking spots to Tesla for charging stations in the amount of \$96,000 annually would be contributed to the parking program. Tesla revenue currently supports downtown improvements. (Note: ChargePoint revenue of approximately

DISCUSSION (continued):

\$28,400 per year is credited to the Streets program and is not considered as revenue for the parking fund).

For more information on these assumptions, see Attachment 2.

Staffing: Parking programs in other jurisdictions that have not been fully staffed and thoughtfully implemented have struggled to succeed. Dixon provided case studies on the paid parking management in the cities of Paso Robles, Santa Rosa, and Sausalito (Attachment 4). These three cities were selected for their similar demographics to the Town. As such, staff is strongly recommending thoughtful consideration of both the paid parking model and the required staffing to support the selected model.

Existing Staffing Resources and Challenges: Parking enforcement is currently staffed from 9 a.m. to 6 p.m. Monday through Saturday, consistent with signage and permit parking area restrictions. Two Parking Control Officers (PCO) are responsible for parking enforcement Town-wide as well as assisting the Police Department with other duties, such as assisting with traffic management during the Presidential visit.

All residential and Olive Zone permits are handled by the Police Outreach Coordinator, including guiding permit holders with the online system, providing customer service to residents who are not comfortable with online transactions, and working with the parking vendor who manages the permit software. This position is also responsible for resolving parking tickets, organizing, and staffing Neighborhood Watch meetings, conducting other Community Policing outreach events, and other duties.

Previously, a part-time temporary Parking Manager established and implemented the downtown employee parking permit program and monitored utilization of the designated employee parking spaces. In 2023, the position was located in the Parks and Public Works Department to facilitate the wayfinding project as well as other aspects of the program.

This position was not included in the adopted Fiscal Year 2023/24 Budget and this work has not yet been reassigned to an existing employee given other workload priorities in the Parks and Public Works (PPW) Department. There is currently a gap in managing downtown employee permits and providing customer service. Specifically, there is no staff assigned to remove employees that no longer work in Town, handle renewals, or respond to requests for permits for new employees.

Proposed Staffing Alternatives: Staffing needed to support each of the four paid parking options is presented in Table 1. Costs for each option were determined using fully burdened

DISCUSSION (continued):

salary information for the required staffing needed. Staffing levels were determined from review of industry best practices for municipal parking programs. Staffing classifications were considered as well as responsibilities and best practices for the standard functions of program management, enforcement, and field staff.

Given the need for additional staffing to implement any of the paid parking options, staff is seeking direction from Council as to which option it would like to explore further, if any. If Council decides not to pursue paid parking at this time, then staffing options to manage the existing employee parking permit program include a modification to the Budget to reinstate the temporary Parking Manager position or a realignment of the duties of an existing PPW position, recognizing that other work would not be completed.

If Council would like to pursue a paid parking option, below are three staffing alternatives for consideration and direction:

Staffing Alternative A: The Town adds staff and manages a paid parking program with internal resources. This is the model upon which the Dixon analyses are based.

Staffing Alternative B: Contract the services of a parking program manager. The cost for this would be determined through competitive bidding and would be based on the final scope of services. Initial estimates suggest costs could be approximately \$150,000 for one year of program management, which would be less than the fully loaded cost of adding Parking Manager staff position. Examples of work that could be completed in Year 1 include with this type of contract might include installation of paid parking kiosks (capital costs would be in excess of the management fee noted), implementation of a mobile application for payment, development of the job class specifications for the various parking related positions the Town would need to add to support the permanent program, and ongoing outreach and coordination with the community.

Staffing Alternative C: Contract the services for capital development, operation, maintenance, enforcement and management of the paid parking program, including residential and employee permits. The cost for this level of service has not been determined at this time.

Staffing Alternative B and C would require staff time to develop the program, competitively bid the service and oversee its implementation, in addition to the resources needed to manage the current program for residential and employee permits during the transition. If those alternatives were to be considered, staff recommends the addition of a Parking Manager or Parking Coordinator position to oversee the work of the contractors.

CONCLUSION:

Staff is recommending changes to the residential permit parking program fees, which have not been increased in recent years; modifications to the Olive Zone parking fees and structures; and is seeking feedback and direction on implementing low-income rates once staffing is added to the parking program.

Staff has evaluated four options for implementing a paid parking program in Town. All of these require additional staff to support the program and two of these are projected to be fully cost recovery. If the Council is interested in pursuing paid parking, Options 3A or 3B would ensure the program is fully cost recoverable. Staff is seeking direction from Council on next steps.

COORDINATION:

This report was coordinated with the Economic Vitality Manager, Town Manager, Town Attorney, Finance Director, and the Los Gatos Monte Sereno Police Chief.

Outreach is occurring in coordination with the Complete Streets and Transportation Commission and the Los Gatos Chamber of Commerce on August 10, 2023. A supplemental memorandum will be prepared to provide a summary of the feedback received during that outreach.

FISCAL IMPACT:

Revenue from the residential and Olive Zone parking permit programs was \$46,041 for Fiscal Year 2022/2023. Changes to the residential permit parking fees may increase revenue slightly, and the actual amount will vary on the number of permits issued. Charging higher rates for additional cars may reduce the number of total permits issued.

Other proposed actions are policy considerations and have no revenue implications until additional direction is provided.

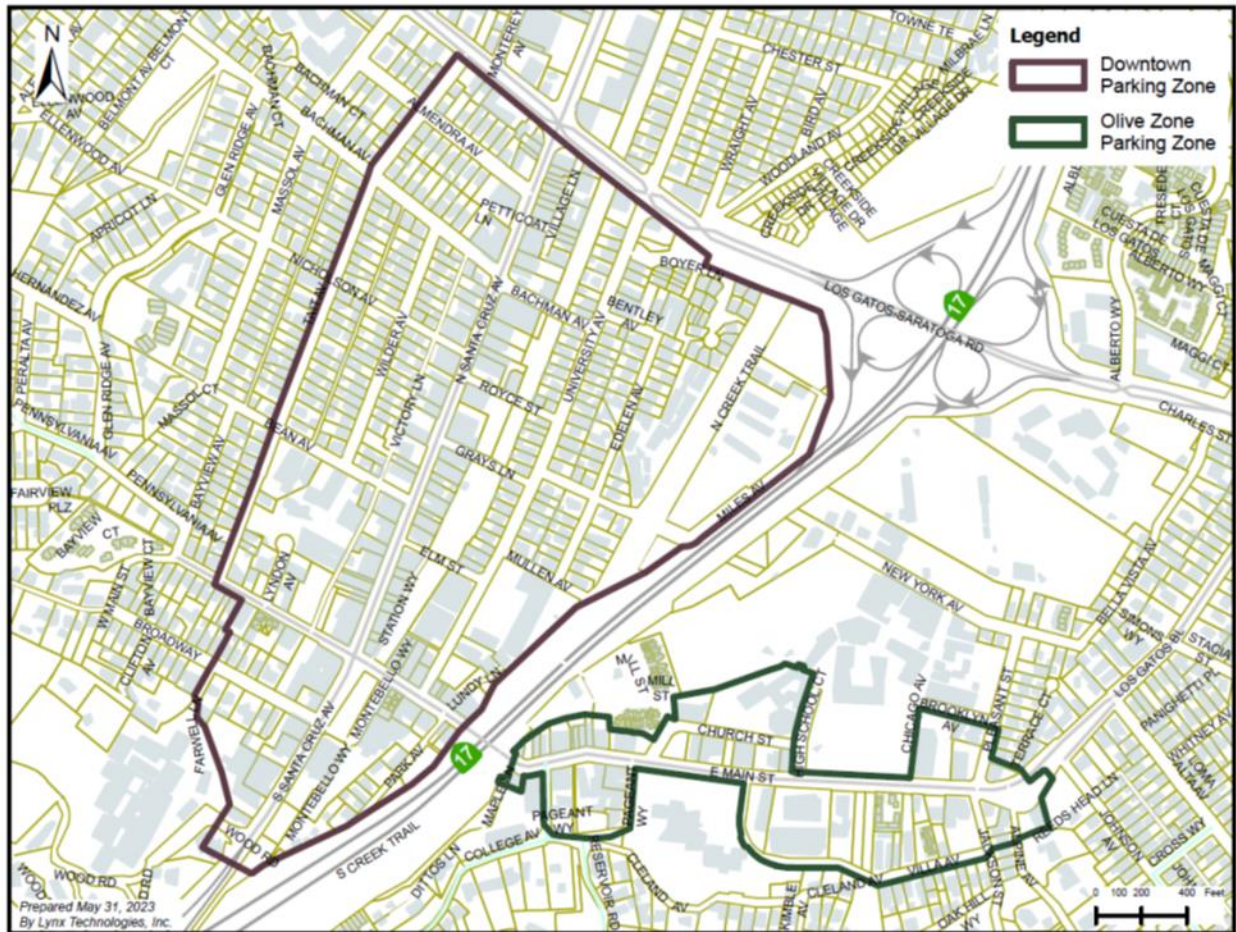
ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Downtown and Olive Zone Boundaries
2. Cost Recovery Evaluation
3. Parking Staffing Plan
4. Case Studies

Attachment 1. Map of Downtown and Olive Zone Boundaries



ATTACHMENT 1

Memorandum

To: Town of Los Gatos
From: Dixon Resources Unlimited
Date: August 1, 2023
Re: Parking Program Cost Recovery Evaluation

Introduction

By request of the Town of the Los Gatos (Town), Dixon Resources Unlimited (DIXON) is hereby providing an evaluation of three potential next steps for the parking program: introducing off-street paid parking only, retaining status quo, and introducing on- and off-street paid parking. This memorandum highlights the Town's progress to date on previous recommendations and expands on the Town's paid parking options, including the benefits and disadvantages, policy adjustments required, initial implementation steps, and financial impact of each option. This memorandum also reiterates general recommendations that should be applied regardless of what path the Town selects.

The steps outlined in the 2019 Parking Roadmap, as well as this memorandum, should be taken incrementally with ongoing evaluation and community feedback to shape future actions. Steps outlined in either document do not need to be followed in exactly the same order as they are presented. The documents are meant to be used to highlight important considerations, measures, and best practices to optimize operations, regardless of the approach chosen. The Town is encouraged to adjust the implementation approach as needed to design a program that best fits the unique and ever-changing needs of the community.

Goals

As a reminder, the Town's goals for the parking program are to:

- Develop a parking program that can grow and **adapt over time** while maintaining the small-town charm;
- Achieve a balance between parking and loading options to **support diverse needs** of business owners, employees, customers, residents, and visitors;
- Develop a **financially-sustainable** parking solution that supports downtown businesses while providing a customer-friendly parking experience;
- Support downtown vitality through parking policies that improve **access and safety**; and
- Provide ongoing management and oversight to track performance and **optimize the operation**.

Progress to Date

Of the recommendations made within Phase 1 of the Parking Roadmap, the Town has made progress on the following:

- ✓ **Established a Downtown Employee Parking Permit Program.** About 1,000 employee parking permits have been requested to date. However, these permits are free, meaning that the program does not generate any revenue to cover its own operating costs and does not contribute to the Parking Budget. Also, free permits make it harder to know when employees no longer need a permit as they have no incentive to communicate staffing updates to the Town. This makes it difficult to keep the permit pool database accurate and the Town may give more permits than needed over time.
- ✓ **Budgeted for a (quarter-time) Parking Program Staff Member.** In June 2020, a temporary Parking Program staff member [0.25 Full Time Equivalent (FTE)] was hired to begin the Parking Roadmap implementation. The 0.25 FTE temporary position expired June 2023 and has been vacated by the current employee. Funding to keep this position has not been proposed. The burdened annual salary for a full-time Parking Manager position has therefore been included in the financial models for all parking program options that the Town is considering.
- ✓ **Released Requests for Proposal (RFPs)** for Pay Station equipment and Mobile Payment application vendors to evaluate the proposed costs of each.
- ✓ **Data collection** with License Plate Recognition (LPR) is possible as the Town has one purchased LPR system and is budgeting to acquire a second unit. The Town is only using it for enforcement at this moment and there is the opportunity to implement a policy to leverage LPR for data collection.
- ✓ **Identified wayfinding improvement cost estimates** for fabricating and installing recommended signage for the greater Downtown area. The Town will be seeking approval of bids at a future Council meeting.

Existing Conditions

Today, the Town offers free on- and off-street parking, with time limited spaces set to a maximum of 90 minutes, two hours, and three hours. Time limits are in effect from Monday to Saturday, 9am to 6pm. The Town is currently running a pilot Employee Permit Parking Program. Employees in Downtown Los Gatos are currently offered parking permits free of charge. Employees in the Civic Center area (also known as the "Olive Zone") are charged at an annual rate of \$248 for permits. Additionally, there is a residential parking permit program that exists for five (5) districts charged at an annual rate of \$42/permit.

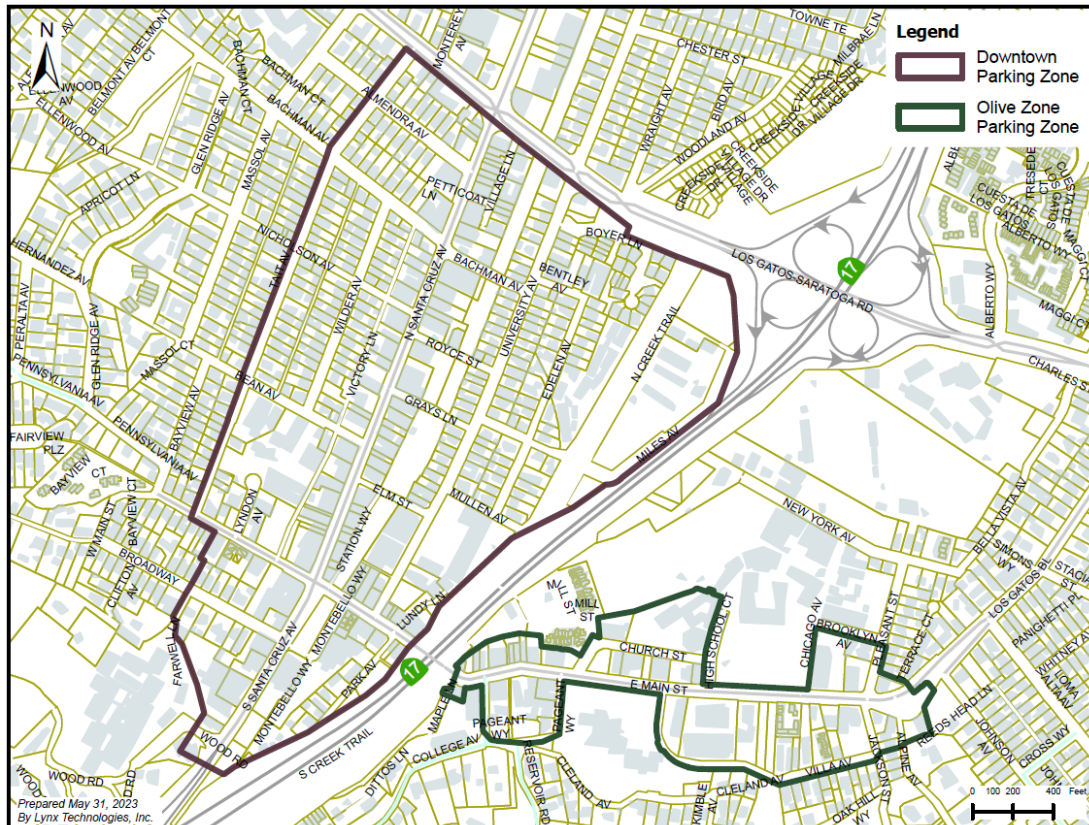
This report leverages the results of a financial modeling exercise that was completed with the following assumptions:

- Parking space inventory counts reflect current, post-pandemic levels and includes deductions for on-street spaces now occupied by parklets.
- Moving forward, any established Oak Meadow Park parking fee will apply to all visitors, including residents, seniors, and visitors with physical disabilities (all who are currently able to park for free).

Program Scope

As the Town considers the following parking program options, it will also have to decide whether the scope includes only the Downtown Zone or both the Downtown and Olive Zones. The map in Figure 1 below demonstrates the boundaries of each zone, while Table 1 below shows the inventory of parking spaces per zone.

Figure 1. Map of Downtown and Olive Zone Boundaries



Map prepared by Lynx Technologies, Inc.

Table 1. Parking Space Inventory Per Zone

Inventory of Time Limited Parking Spaces*	On-Street	Off-Street
# of Spaces, Downtown	440	435
# of Spaces, Olive Zone	175	23
Total # of Spaces	615	458

*Does not include ADA, employee permit, electric vehicle charging, or loading spaces.

It is highly recommended for the Town to **include the Olive Zone in the program scope** from the onset, regardless of which option is selected. New regulations implemented in just one area often push parking issues to surrounding areas as drivers seek free or unregulated parking elsewhere. These impacts are termed “spillover effects.” Implementing paid parking in just the Downtown area will likely lead to drivers parking for free in the Olive Zone and

walking Downtown, creating parking supply challenges in the Olive zone. Implementing parking program changes at once to both zones will reduce spillover effects and ensure an equitable approach for residents, business owners, and employees in and around both areas.

See Appendix B for a breakdown of projected paid parking revenue between Downtown and the Olive Zone for select scenarios.

The Rationale for Paid Parking

The options provided in this document include suggestions for a paid parking program to be implemented in the Town. The primary purpose of paid parking is as a parking demand management strategy, which encourages drivers to park in underutilized locations, improve availability in spaces requiring higher turnover, and encourage alternative modes of transportation when available. The industry uses a benchmark of 85% occupancy to determine whether parking management actions need to be taken—block faces that frequently see higher than 85% occupancy means that drivers will spend more time looking for parking, which leads to increased congestion and greenhouse gas emissions.

The Parking Roadmap report stated that Los Gatos has a **parking management challenge rather than a parking supply shortage**. Paid parking is an effective strategy used by other Bay Area agencies like Alameda, Berkeley, Fremont, and Santa Rosa to manage the supply and demand of parking spaces.

Aside from being a parking management strategy, paid parking can also provide benefits such as increasing flexibility for drivers and providing the potential to generate revenue that can be reinvested into the Town. When agencies set up time limits on parking spaces, it

Table 2. Select Agencies with Paid Parking in Public Spaces

Bay Area Agencies with Paid Parking in Downtown or Key Commercial Zones		
Alameda	Oakland	San Rafael
Berkeley	Redwood City	Santa Rosa
Burlingame	San Anselmo	South San Francisco
Daly City	San Francisco	Tiburon
Fremont	San Jose	Vallejo
Mill Valley	San Mateo	

prevents patrons from staying, shopping, or enjoying the location for longer than the posted duration. Replacing time limits with a pay-to-stay model gives drivers the opportunity to stay for as little and as long as they want. With today's technology, drivers can also conveniently extend their parking sessions via text or by a mobile app, which takes away the hassle of having to come out and pay at a pay station or meter.

Paid parking also provides the opportunity to generate funds that can be reinvested into programs and infrastructure. If the Town proceeds with an option that generates revenue, the Town is encouraged to identify goals and projects to fund as part of the implementation process. This enables both the Town and the public to clearly see how paid parking revenues are reinvested. Some examples of projects the Town can invest paid parking revenue into include:

- Rebuild streetscape (such as for the N. Santa Cruz sidewalks)
- Perform a feasibility study to consider building a garage to provide additional parking spaces (for example, on Lot 6)
- Implement a downtown community shuttle
- Perform parking lot maintenance, such as general restriping and resurfacing
- Introduce dynamic parking guidance signs and systems to improve wayfinding

The Town Council has already established a fund for parking revenues to be allocated for parking program and Downtown improvements. The fund includes revenue generated from the agreement with Tesla for its Supercharging network in the Northside Lot.

Besides predetermining how paid parking revenue will be invested, it is also general industry best practice to ensure that where possible, paid parking is introduced either for both on-street and off-street locations simultaneously, or on-street first. This is because on-street spaces are considered the more “premium” spaces in terms of value to both businesses and customers.

Overarching Strategies

Regardless of the option selected by the Town, the following strategies should be applied to all options:

- **Oak Meadow Park Parking:** The Town should shift responsibility of parking management at Oak Meadow Park to the parking program. This means that funding for the Park Services Officer will come from the Parking Budget, and the revenue from parking payments to be reallocated from the General Fund to the Parking Budget. This move would enable the Town to consolidate Oak Meadow Park as part of a cohesive parking management strategy, ensuring consistency and equity across all parking facilities.
- **Short-term Parking:** The Town should implement one or two 30-minute time-limited parking spaces per block face to accommodate for quick stops, such as for deliveries, ride hailing, and pick-ups. These spaces will remain free for use and the time limit ensures fast turnover. They can either be applied at the beginning and/or end of each block face for convenience, or in the middle of each block face for even faster access to the shops on that block face and to free up corners for the potential installation of pay stations.
- **Employee Permit Program:** The Downtown Employee Permit Parking Program is a pilot program that began in July 2022. After adjustments to the number of spaces allocated, a survey was completed in April 2023 that demonstrated 72% of participating employees experienced improvements in their parking experience. As such, the Town is recommended to conclude the pilot and permanently adopt a program such that it can continue to benefit workers in the Town’s Downtown.
- **Employee Permit Rates:** Currently, the Town charges \$248 annually for Olive Zone employee permits, while there is no fee for the Downtown employee permits. First, the Town should ensure that the same program rates prevail across both employee permit parking zones to prevent employees from paying a lower permit fee and walking to

the other zone. It is recommended that the Town introduce a charge for the Downtown permits and reduce the cost of the Olive Zone permits to ensure equity between the two zones. Second, the Town should have two monthly prices: a regular permit rate and a low-income rate¹. Offering permits with a monthly fee is recommended as it provides the Town with the most flexibility to adjust policies in the initial period and is ideal for temporary and part-time employees in roles that have higher turnover. The recommended rates to introduce are as follows:

Low-Income Permit Rate	\$5/month (translate to \$60/year)
Regular Permit Rate	\$10/month (translates to \$120/year)

These rates are significantly lower than what was previously proposed in the Parking Roadmap as the Town piloted the Downtown Employee Permit Parking Program at no cost to employees, as opposed to introducing the program with a fee from the start. Rates are reduced to the amounts shown above to encourage adoption. In the financial modeling workbook, it was estimated that half of the employee permits sold would be at the low-income rate.

- **Rename the Olive Zone:** The Town had named the Civic Center area “Olive Zone,” originally with the plan of ultimately identifying other zones and giving them color-based names. Currently, the term “Olive Zone” is used to refer to a geographic area that contains a no reparking rule. The color-based zone naming plan has not continued, and therefore the Town should consider relabeling the area with an easily referenced term related to the purpose or main landmarks of the area, such the “Civic Center Zone.”
- **Repurposing Parking Spaces:** To implement an effective employee parking plan, the Town must re-evaluate which locations are ideal for employee parking so as not to impact visitor parking. To increase the quantity of dedicated employee parking spaces, the Town can consider repurposing the Alpine Lot (L7) into an employee parking lot and identifying employee permit-only spaces along Villa Ave. The Town should ensure that any on-street employee permit-only spaces are not directly in front of any businesses since that would displace parking from customers.
- **Residential Permits:** The Town should introduce an escalating rate structure² to the Residential Parking Permit Rate to encourage residents to utilize on-site parking options (such as in the garage or on the driveway) where possible and reduce excess car parking on-street. It is important to note that an escalating rate structure is intended to influence demand and not to generate higher revenue. Today, Los Gatos enables an address to register up to 4 permits and it is recommended that the Town

¹ It is recommended that the Town identify the low-income rate criteria based on that of an existing government-operated or -regulated program in the Town or County (e.g., a utility program). Otherwise, the Town can set an income threshold, such as the State’s minimum wage level or according to [Santa Clara County’s income limits](#).

² The rate structure recommended here differs from that of the original Parking Roadmap. This is due to the addition of a low-income permit rate and a preference to maintain the first permit at the current rate. Additional permits escalate by \$20, which is consistent with that of the original Parking Roadmap.

continue with that cap. Verified low-income households³ should be able to register all 4 of their permits at the low-income rate. As the Town does not have data regarding which proportion of current residential permit holders may qualify for low-income status, the financial modeling performed for this report assumes no low-income permits sold.

Low-Income Permit Rate	\$25/year
Permit 1	\$42/year
Permit 2	\$60/year
Permit 3	\$80/year
Permit 4	\$100/year

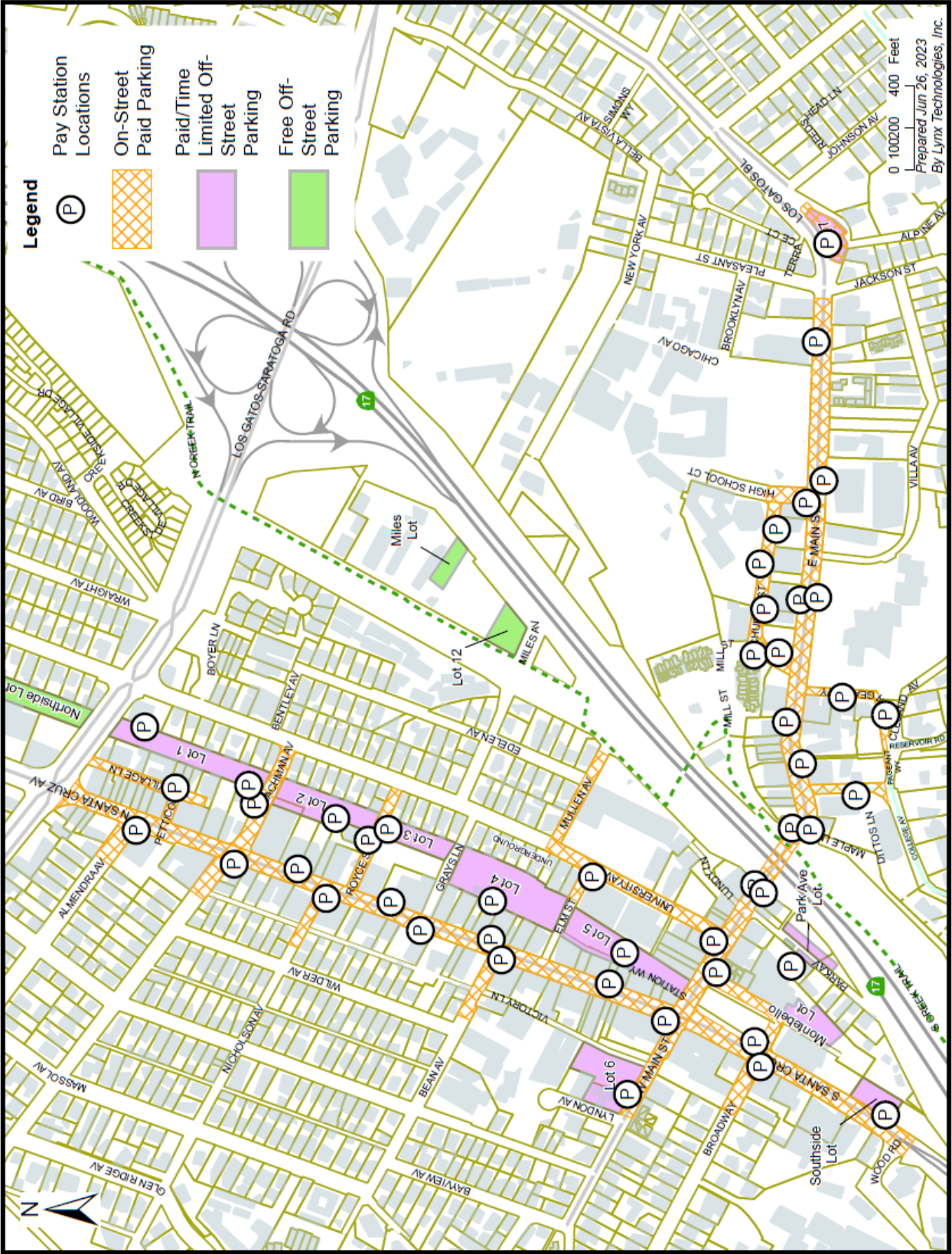
- **Staffing Improvements:** The associated “Staffing Plan for Downtown Parking” memorandum (Staffing Plan) delivered in conjunction with this memorandum provides recommendations on staffing roles and levels per function, per parking program option. The Town’s parking operations are currently understaffed, and the Town should provide the required additional staffing counts listed to improve compliance and operational effectiveness.
- **Paid Parking Equipment:** For the options that involve hourly paid parking, the Town should introduce pay stations (kiosks) and mobile payments as the two primary means of paying for parking with credit card. The Town will need to update the Town Code to enable mobile payments. The Town is advised to install one coin-enabled pay station per zone (a zone is identified as an area with the same rate structure) to increase accessibility for unbanked and technology-light people. The industry standard is to install one pay station for every ten on-street spaces, and one pay station per level of an off-street parking facility installed near pedestrian exit routes. Pay stations have a small footprint (approximately 1-2 square feet, see Figure 2) to accommodate any narrow sidewalks, and can be installed in the corners of blocks so that they also serve the attached side streets. Figure 3 indicates the proposed locations where pay stations would be placed.

Figure 2. Demonstrated Footprint of a Pay Station



³ Similar to the employee permit program, the Town can utilize the low-income criteria of an existing government-operated or -regulated program in the Town or County or set an income threshold.

Figure 3. Proposed Location of Pay Stations (for Option 3)



Map prepared by Lynx Technologies, Inc.

- **Free All-Day Parking Lots and Signage:**

As the Town wishes to retain the Northside Lot and Miles Avenue area for free all-day parking, the Town should install additional signage that informs visitors and residents of this and directs them to the sites. Regardless of whether paid parking is implemented, this is a great strategy to improve utilization of these off-street lots. In the future, the Town should consider the option of implementing dynamic wayfinding signage, which can reduce congestion and confusion by informing drivers where to find available parking.

Digital signs (such as the one shown in Figure 4) can be designed with the aesthetic of the community in mind so that the signage integrates visually with its environment.

- **Time Limits within the Olive Zone:** Due to parking challenges around the Los Gatos High School, the Town can consider retaining time limits and a no reparking rule on top of any added parking regulations in the area. This can extend throughout the Olive Zone, or at minimum in areas impacted by student parking. This is to ensure that students who can afford to pay for parking all day do not take up premium on-street spaces that should be reserved for customers of local businesses. The Town should ensure a no reparking rule for time limits is included in the Town Code.
- **Outreach Strategy:** The Town is encouraged to initiate an outreach plan to engage local businesses and the Chamber of Commerce on the future of the parking program. The plan should be tailored if Council has proceeded with a given option. If paid parking is to be implemented, the plan should focus on sharing the benefits and impacts of paid parking on local businesses and aim to host discussions on how parking revenues can be reinvested. Businesses are usually interested in investments which increase foot traffic and the customer length of stay and may be supportive of shuttle services, streetscape improvements, and merchant validation programs.

Figure 4. Sample digital signage with custom wrap to retain small town charm



What is a Merchant Validation Program?

Merchant validation programs are a great way for businesses to encourage customers to visit or spend money at businesses in areas where paid parking is implemented. Businesses can acquire a package of coupons or codes at a bulk reduced rate, which they can then hand out to customers to activate a certain period of free parking. The amount of free parking time is decided by the agency. Customers will park in a paid parking space, visit a participating business, and the business provides a coupon or code to the customer which enables them to redeem, for example, one hour of free parking.

This benefits customers, especially in the introduction of a paid parking program, as they earn free hours and educates them on how to use paid parking equipment. Businesses also mutually benefit by inviting in new customers who are looking for a parking validation coupon, which increases foot traffic and brand awareness.

Parking Program Options

The Town is presenting four main options to Council following the most recent presentation given in the December 2022 Town Council meeting. Option 1 addresses the direction that Council has requested further research into (which consists of introducing paid parking only for off-street locations), Option 2 refers to maintaining status quo, and Option 3 demonstrates the benefits of implementing a comprehensive paid parking program that is sustainable (in which projected expenses are covered by parking revenue) with two rate structures shared in the form of Option 3A and 3B. At a high level, the options are generally differentiated as follows:

OPTION 1

Retain status quo of time limits for on-street parking and introduce off-street paid parking. Program is not financially sustainable.

OPTION 2

Retain status quo of time limits for on- and off-street parking. Program is not financially sustainable.

OPTION 3A

Introduce on-street and off-street paid parking at the lowest rates feasible. Program is financially sustainable.

OPTION 3B

Introduce on-street and off-street paid parking at market rates. Program is financially sustainable.

All options include shifting Oak Meadow Park parking responsibilities and revenue to the Parking Budget and require the procurement and installation of one (1) pay station on-site. The following section outlines the advantages and disadvantages of each option, and any considerations that are important to note. A table summarizing the key points can be found in Appendix A.

OPTION 1

The Option 1 addresses the Council's interest in reviewing the option of introducing only off-street paid parking in current limited day-time parking facilities, while keeping the on-street spaces free with a time limit of two hours:

On-Street Strategy	Off-Street Strategy	Year 1 Net Impact
2-hour time limit (with no reparking rule)	3-hour time limit (Olive Zone), 2 hours free, pay to stay at \$2.50/hour (Downtown)	-\$382,449.14

Pay-to-stay would only apply to off-street parking spaces that currently feature time limits. Any all-day parking locations (such as Northside Lot and the Miles Avenue area) will remain as is, without time limits or paid parking.

Impacts

The benefits of Option 1 include the ability to incrementally introduce the concept of paid parking to residents and visitors. It also provides the Town with a chance to purchase pay station equipment at a lower quantity and test it prior to a potential expansion of paid parking in the future. However, there are a number of concerns with the Option 1. Introducing paid off-street parking does not solve any on-street parking management issues (and may even exacerbate them) as there is no incentive to park in available off-street spaces when on-street spaces are free. Only long-term parkers, such as employees, would see a benefit to parking off-street due to the no reparking rule.

Additionally, this model of offering 2 hours free and the option to pay and stay longer (also known as the customer value rate model) has been tested in other cities and invalidated as a sustainable option since it typically results in a majority of transactions being free. This results in minimal parking revenue to cover any capital and operating expenses, leading to a financially unsustainable program. This is **not** a recommended approach for the Town.

Policy Requirements

In order to implement this option, a no reparking rule must be introduced and enforced at all time-limited spaces in order for the time limits to be effective in increasing turnover and availability of parking spaces. The Northside Lot and Miles Avenue area should continue to have free all-day parking, without time limits.

What is the No Reparking Rule?

This rule prohibits reparking within the same block on the same side of the street within two (2) hours of the last session and is intended to ensure that time limits fulfill their purpose of reducing the length of stay. Without the no reparking ordinance, drivers can simply move their car to a new space each time, effectively nullifying the purpose of time limits and disincentivizing employee participation in the permit program.

Enforcing the no reparking rule is best conducted using LPR technology, which can be programmed to monitor for time limits and reparking designations. Patrols should ideally occur hourly; however, the frequency depends on available staffing. This has been factored into the associated Staffing Plan.

It is important to note that the no reparking rule explained here applies to time limits, whereas the Town's current no reparking rule listed in Sec. 15.40.065 of the Town Code refers to no reparking in the context of vehicle storage. For the purposes of this program, the ordinance should indicate that the no reparking rule does not apply to any all-day parking lots established by the Town.

Parking rates should be adjusted should occupancy rates exceed the standard industry benchmark of 85%. The Town can choose to either set this as a business rule or encode it within the Town Code. To support this, the Town should implement ongoing data collection for occupancy counts and utilization rates.

Initial Implementation Steps

If this option is selected, the key initial actions are:

- ☐ Adopt a "Park Once" motto and establish a no reparking rule for all on-street locations.
- ☐ Hire or reassign a current employee as a full-time Parking Manager to backfill the expired quarter-time role and identify the parking division's organizational structure.
- ☐ Review the Town Code to ensure the selected paid parking program can be executed, especially regarding the no reparking rule for time limits and payment methods.
- ☐ Initiate shift of Oak Meadow Park parking responsibilities and revenue to the Parking Budget.
- ☐ Install and procure a pay station for Oak Meadow Park.
- ☐ Ensure consistent time limit signage stating the no reparking rule and enforcement hours is implemented in all impacted areas.

- ☐ Implement time limited parking signage for 30-minute short-term spaces.
- ☐ Shortlist proposals and interview vendors proposals for the Pay Station and Mobile Payments RFPs.
- ☐ Introduce escalating rate to the Residential Parking Permit Program.
- ☐ Introduce the same low-income and regular rate across all employee parking permits.
- ☐ Review the associated staffing plan and prepare to hire any additional staffing and adjust the enforcement schedule as described.

OPTION 2

The Option 2 suggests minimal change to the current parking demand management strategy by retaining the existing time limits for on-street and off-street parking:

On-Street Strategy	Off-Street Strategy	Year 1 Net Impact
2-hour time limit (with no reparking rule)	3-hour time limit (with no reparking rule)	-\$135,649.59

The Northside Lot and Miles Avenue area would continue to have free all-day parking, without time limits. The only change is the addition of a pay station at Oak Meadow Park with parking fees set to match those of Vasona County Park.

Impacts

This option is the considered the least impactful to the Town's current operations and results. It is the easiest option to implement and reduces the amount of change that needs to be introduced to the public. Retaining time limits would also give employees an incentive to participate in the permit program.

However, there are many downsides, including that current parking management issues are not addressed, and customers continue to go without the flexibility to pay-to-stay longer. Should the Town find that visitors and residents have difficulties finding long-term parking, then the Town may consider converting some time-limited lots to all-day parking. By selecting Option 2, the Town may have to revisit the parking management discussion in the near future in order to evaluate paid parking again or other review its strategies (though paid parking is already one of the most versatile parking management strategies). Also, continuing in the status quo is financially unsustainable.

Policy Requirements

To ensure that time limits are effective as a parking management tool, the Town must implement and enforce the no reparking rule for time limits, as explained in Option 1.

Initial Implementation Steps

If this option is selected, the key initial actions are:

- ☐ Introduce the same low-income and regular rate across all employee parking permits.
- ☐ Adopt a "Park Once" motto and establish a no re-parking rule for all time-limited areas.
- ☐ Review the Town Code to ensure the selected paid parking program can be executed, especially regarding the no reparking rule for time limits.

- ❑ Initiate shift of Oak Meadow Park parking responsibilities and revenue to the Parking Budget.
- ❑ Install and procure a pay station for Oak Meadow Park.
- ❑ Ensure consistent time limit signage stating the no reparking rule and enforcement hours is implemented in all impacted areas.
- ❑ Implement time limited parking signage for 30-minute short-term spaces.
- ❑ Introduce escalating rate to the Residential Parking Permit Program.
- ❑ Review the associated staffing plan and prepare to hire any additional staffing and adjust the enforcement schedule as described.

OPTION 3

Options 3A and 3B both suggest paid parking at on-street and off-street locations. As mentioned in Option 1, the customer value rate model has been proven unsustainable and the Town is therefore recommended to select a paid parking model that does not include any free hours on-street. Under Option 3, there are two different rate models recommended where both lead to an outcome of excess revenue and cost recovery.

OPTION 3A: implementing the lowest paid parking rates while still achieving cost recovery.

On-Street Strategy	Off-Street Strategy	Year 1 Net Impact
0 hours free, Pay to stay at \$1.25/hour	2 hours free, Pay to stay at \$1/hour	\$365,203.46

OPTION 3B: implementing paid parking at market rates.

On-Street Strategy	Off-Street Strategy	Year 1 Net Impact
0 hours free, Pay to stay at \$3/hour	2 hours free, Pay to stay at \$2.50/hour	\$1,984,873.65

This off-street strategy does not apply to any existing all-day parking lots (such as the Northside Lot and the Miles Avenue area).

Impacts

Introducing paid parking where parking was previously free could be a big change for the public. The benefits of this option include introducing low rates with a very cost-efficient off-street model, which are two factors in successfully directing longer-term drivers to off-street locations. On-street turnover is important as this ensures the availability of premium parking space for patrons who support the local business economy. However, introducing on-street paid parking requires a significantly higher number of pay stations, which increases both the one-time capital and recurring operational costs of the parking program. The reception of a paid parking program is also highly dependent on how it is introduced to residents and local business stakeholders. To support adoption, the Town is encouraged to develop a public outreach plan and consider implementing a merchant validation program.

Option 3B specifically offers the added benefit of higher revenue, which enables the Town to imagine the infrastructure and technology upgrades it could fund, as well as the opportunity to hire more staff to support the operation. However, the pay-to-stay rates are a significant jump up from the free parking that used to be there.

Policy Requirements

With the removal of time limits, a no reparking ordinance will no longer be required.

Like with Option 1, parking rates should be adjusted should occupancy rates exceed the standard industry benchmark of 85%. The Town can choose to either set this as a business rule or encode it within the Town Code. To support this, the Town should implement ongoing data collection for occupancy counts and utilization rates.

Initial Implementation Steps

If this option is selected, the key initial actions are:

- ☐ Adopt a "Park Once" motto and encourage drivers who need long-term parking to park off-street. Public education and outreach campaigns are highly recommended.
- ☐ Hire or reassign a current employee as a full-time Parking Manager to backfill the expired quarter-time role and identify the parking division's organizational structure.
- ☐ Review the Town Code to ensure the selected paid parking program can be executed, especially regarding payment methods.
- ☐ Initiate shift of Oak Meadow Park parking responsibilities and revenue to the Parking Budget.
- ☐ Install and procure a pay station for Oak Meadow Park.
- ☐ Remove any existing signage referring to time limits on- or off-street and implement new signage referring to 30-minute short-term spaces.
- ☐ Shortlist proposals and interview vendors for the Pay Station and Mobile Payments RFPs.
- ☐ Introduce escalating rate to the Residential Parking Permit Program.
- ☐ Introduce the same low-income and regular rate across all employee parking permits.
- ☐ Review the associated staffing plan and prepare to hire any additional staffing and adjust the enforcement schedule as described.

Recommendation

The Town should consider how each option contributes to the five established parking program goals of being adaptive over time, supporting diverse needs, being financially-sustainable, improving access and safety, and optimizing operations. The table below quickly sums up how each option supports the program goals.

Goal	Option 1	Option 2	Option 3A	Option 3B
Adapts over time			Yes	Yes
Supports diverse needs	Yes	Yes	Yes	Yes
Financially sustainable			Yes	Yes
Improves access and safety	Yes		Yes	Yes
Optimizes operations	Yes		Yes	Yes

The Town is encouraged to pursue an option which achieves as many of the key parking program goals as possible. In the table above, both versions of Option 3 would achieve all the goals listed.

The Town should first and foremost ensure that the program is financially sustainable where projected revenue exceeds expenses already in the first year. Parking should at the very least be a cost-neutral program and not become a net negative expense for the Town. Any excess revenue generated can be set aside and reinvested in an assessment district, for example, to help pay for facility maintenance, enforcement, infrastructure improvements, or transportation alternatives.

Flexibility is also key for the Town. Options 3A and 3B are the only options that offer a holistic and versatile parking management tool as it sets the Town up for a demand-based parking program where paid parking rates can be adjusted depending on parking demand trends. It also increases access for drivers, who can park for as long as they wish to thanks to the pay-to-stay model.

Once the Town has decided on which of the options to pursue, the Town should prioritize pursuing the initial implementation steps listed for that option, define further steps based on the original Parking Roadmap, review the associated staffing plan to implement the appropriate staffing levels, and implement an ongoing data collection effort to evaluate results. It is critical that the Town continuously adapts the phased approach provided in the larger Parking Roadmap such that the steps are relevant to the community's current needs.

Appendix A - Summary of Strategy and Financial Impacts per Option

		Option 1	Option 2	Option 3A	Option 3B
Strategy	On-/Off-Street	For Downtown only: - Free, 2h time limit on-street - 2h free, then \$2.50/h off-street For Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - 0h free, \$1.25/h on-street - 2h free, \$1.00/h off-street	For Downtown & Olive Zone: - 0h free, \$3.00/h on-street - 2h free, \$2.50/h off-street
	Permits/Other	- Escalating rate model for Residential Parking Permits: Permit 1 \$42; Permit 2 \$60; Permit 3 \$80; Permit 4 \$100; low-income permit \$25 (per year) - Employee Parking Permits (all zones): \$10/month (\$120/year); \$5/month for low-income rate (\$60/year) - Introduce 30-minute short-term spaces on-street - Shift Oak Meadow Park responsibilities and revenue to parking fund.			
Policy		- Add no reparking rule.	- Add no reparking rule.	- Remove most time limits.	- Remove most time limits.
Benefits		- Enables Town to trial paid parking equipment with a smaller scope. - The no reparking rule will improve availability of on-street parking.	- Minimal changes to implement. - Minimal outreach and public education required.	- Gentle introduction of paid parking with low rates. - Removal of time limits enhances customer flexibility.	- Maximizes revenue to fund other initiatives. - More likely to encourage parking space turnover. - Maximizes employee utilization of permit zones.
Drawbacks		- May not change on-street parking behavior without consistent enforcement. - Program is unsustainable.	- Program is unsustainable. - Customers have very few options for all-day parking.	- Generates less revenue to fund other initiatives.	- More expensive for customers and visitors.
Equipment Needs		+ 1 pay station (Oak Meadow) + 9 pay stations (Downtown)	+ 1 pay station (Oak Meadow)	+ 1 pay station (Oak Meadow) + 29 pay stations (Downtown) + 18 pay stations (Olive Zone)	
Staffing Needs ⁴		+ 1 Park Services Officer Temp + 1 Parking Manager FTE + 1 Maintenance Worker FTE + 1 Parking Control Officer FTE	+ 1 Park Services Officer Temp + 1 Parking Manager FTE + 1 Parking Control Officer FTE	+ 1 Park Services Officer Temp + 1 Parking Manager FTE + 1 Maintenance Worker FTE + 1 Admin Assistant FTE + 2 Parking Control Officer FTE	
Estimated Annual Budget ⁵					
Revenue Total		\$300,388.50	\$254,409.00	\$1,443,872.24	\$3,111,057.20
OPEX	Equipment ⁶	\$142,718.65	\$12,054.14	\$256,670.69	\$304,185.46
	Staffing	\$540,118.99	\$378,004.45	\$821,998.09	\$821,998.09
	Total OPEX	\$682,837.64	\$390,058.59	\$1,078,668.78	\$1,126,183.55
Year 1 Net Gain/Loss		-\$382,449.14	-\$135,649.59	\$365,203.46	\$1,984,873.65
Initial CAPEX ⁷		\$217,500.00	\$56,000.00	\$540,500.00	\$540,500.00

⁴ The quantity of additional staffing per option may vary from the recommendations of the Staffing Plan depending on the Town's hiring practices.

⁵ Annual budget considers *additional* revenue and expenses beyond the current parking program budget.

⁶ Equipment operating costs include software fees, credit card transaction fees, mobile payment convenience fees, spare parts, and warranty (where applicable).

⁷ Capital expenditures include pay station hardware, one-time platform integrations, vehicles, LPR units, handheld citation devices, and signage investments.

Appendix B - Paid Parking Revenue Projections by Zone

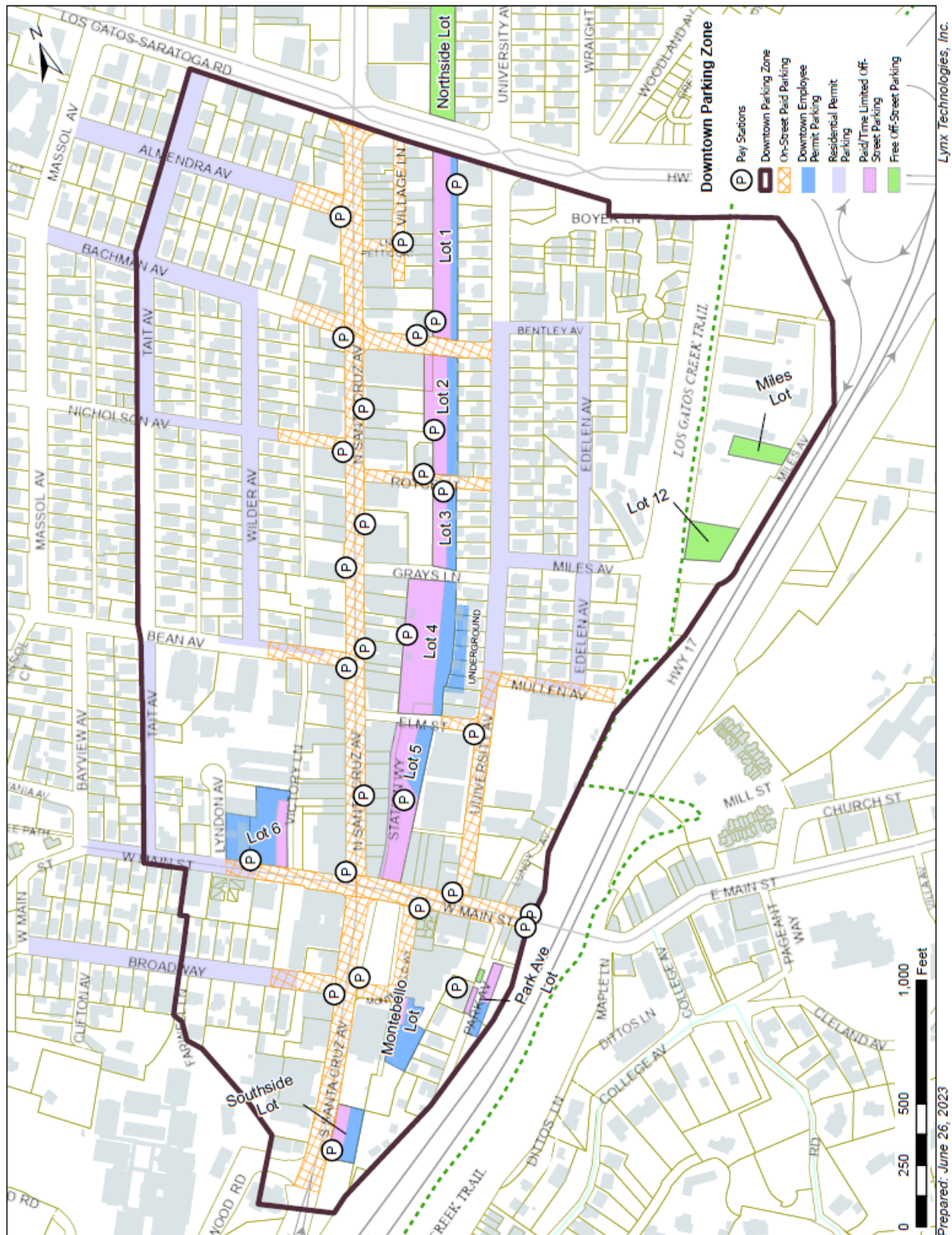
		Option 1	Option 2	Option 3A	Option 3B
Oak Meadow	ZONE TOTAL	\$125,875.00	\$125,875.00	\$125,875.00	\$125,875.00
Downtown	On-Street	\$0.00	\$0.00	\$837,144.00	\$2,009,145.60
	Off-Street	\$45,979.50	\$0.00	\$18,391.80	\$45,979.50
	ZONE TOTAL	\$45,979.50	\$0.00	\$855,535.80	\$2,055,125.10
Olive Zone	On-Street	\$0.00	\$0.00	\$332,955.00	\$799,092.00
	Off-Street	\$0.00	\$0.00	\$972.44	\$2,431.10
	ZONE TOTAL	\$0.00	\$0.00	\$333,927.44	\$801,523.10
COMBINED TOTAL		<u>\$171,854.50</u>	<u>\$125,875.00</u>	<u>\$1,315,338.24</u>	<u>\$2,982,523.20</u>

Appendix C - Summary of Required Staffing Levels (from Staffing Plan)⁸

	Option 1	Option 2	Option 3A/B
Program Management	+ 1 FTE Parking Manager	+ 1 FTE Parking Manager	+ 1 FTE Parking Manager + 1 FTE Admin Assistant
Enforcement	+ 1 FTE PCO	+ 1 FTE PCO	+ 2 FTE PCOs
Field Staff	+ 0.5 FTE Maintenance Worker	+ N/A	+ 1 FTE Maintenance Worker

⁸ The quantity additional staffing here may differ from that described in the paid parking options due to the Town's current hiring practices.

Appendix D - Parking Map for the Downtown Zone



The map displays the Olive Parking Zone in Los Gatos, CA, bounded by a thick black line. The zone includes several streets and parking areas. A legend in the top right corner identifies the following:

- Pay Stations:** Indicated by a 'P' in a circle.
- Olive Parking Zone:** Indicated by a thick black outline.
- On-Street Paid Parking:** Indicated by a yellow cross-hatch pattern.
- Residential Permit Parking:** Indicated by a light blue color.
- Olive Zone Employee Permit Parking:** Indicated by a light green color.
- Paid/Time Limited Off-Street Parking:** Indicated by a light purple color.

Key streets shown include Wheeler Ave, Whitney Ave, Stacia St, Loma Alta Ave, Johnson Ave, Gross Ave, Bellamist Ave, Los Gatos Blvd, Pleasant St, Brooklynn Ave, Jackson St, Villanova, Alpine Ave, New York Ave, High School Ct, Mill St, Main St, College Ave, Cleveland Ave, Kimble Ave, Rogers St, Oak Hill, Grove St, Central St, and Groves St. A scale bar at the bottom right shows distances from 0 to 1,000 feet. A north arrow is located in the bottom left corner. The map is prepared by Lynx Technologies, Inc. on June 26, 2023.

Page 246

Memorandum

To: Town of Los Gatos
 From: Dixon Resources Unlimited
 Date: August 1, 2023
 Subject: Staffing Plan for Downtown Parking Program

Introduction

Dixon Resources Unlimited (DIXON) has prepared this memorandum on behalf of the Town of Los Gatos (Town) to review industry best practices for staffing a parking division as the Town is considering transitioning into a paid parking operation.

For this memo, the recommended staffing levels will be provided in consideration of the Town's current consideration of four parking program options. These pathways are outlined in detail in the associated Parking Program Cost Recovery Evaluation memorandum, and in brief in Table 1.

Table 1. Summary of Parking Program Options

	Option 1	Option 2	Option 3A	Option 3B
Parking Strategy	<ul style="list-style-type: none"> - On-street: retain time limits - Off-street: 2 hours free, then \$2.50/h 	<ul style="list-style-type: none"> - On-street: retain time limits - Off-street: retain time limits 	<ul style="list-style-type: none"> - On-street: 0 hours free, then \$1.25/h - Off-street: 2 hours free, then \$1/h 	<ul style="list-style-type: none"> - On-street: 0 hours free, then \$3/h - Off-street: 2 hours free, then \$2.50/h
Program Changes	<ul style="list-style-type: none"> - Shift management of Oak Meadow parking services to the Parking Program. - Add escalating rate to residential permits. - Standardize the employee permit rate and introduce a low-income rate. - Introduce 30-minute short-term spaces on-street. 			
New Items	<ul style="list-style-type: none"> - Introduce "no reparking rule" where there are time limits 		<ul style="list-style-type: none"> - Introduce paid parking equipment, including mobile payment options and merchant validation programs. 	

The staffing recommendations for Options 3A and 3B are the same, as they share the same parking strategy and only differ in rate structure. This combined staffing recommendation will be referred to as Option 3 in this memo.

Current Staffing Analysis

The Town's parking enforcement operation is currently situated within the Police Department (2 FTE). Prior to June 30, 2023, there was also a 0.25 FTE in Parks & Public Works responsible for program management. The parking program is also supported by several roles from the Police Department. The following chart details the duties for each role:

Parking Program Staff Member - PPW (0.25 FTE Temp ¹ , funding ended 6/30/2023)	Parking Control Officer - PD (2 FTE)	Other Supporting Roles - PD
<ul style="list-style-type: none"> - Implements Parking Roadmap. - Responds to parking questions/complaints. - Research, prepares, and presents Staff Reports at commissions and Town Council meetings. - Attends various public meetings representing the Town's Parking Department. - Coordinates with Town Attorney to develop Parking Resolutions and Ordinances. - Research and develops parking policies and procedures. - Conducts Parking Survey and prepare data analysis reports. - Performs community outreach for parking related matters. - Develops, manages, and implements parking-related Request for Proposal projects. - Provides general strategic planning. 	<ul style="list-style-type: none"> - Enforces and prevents violations of parking codes and ordinances. - Places warning tags on vehicles subject to towing, arranging for towing of violating vehicles. - Prepares reports, reviews citation appeals, and appears in court to present evidence as required. - Issues warnings and parking citations; directs traffic and enforces parking regulations. - Performs light maintenance duties, reporting missing signs and colored curbs. - Responds to parking complaints. - Assists with Police Department community outreach events, coordinating vehicle maintenance, and responds to other general public commentary. 	<p>Traffic Sergeant (approx. 8 h/week)</p> <ul style="list-style-type: none"> - Oversees Parking Control Officers - Addresses parking and compliance issues <p>Police Community Outreach Coordinator (approx. 36.5 h/week)</p> <ul style="list-style-type: none"> - Manages residential and employee parking permit applications. - Manages contracted vendors. - Prepares purchase orders for supplies and equipment. - Attends public meetings to represent the Town's Parking Department, perform community outreach, customer service. - Prepares, distributes parking information. - Provides daily direction to Parking Control Officers. - Manages citation complaints.

With over 1,000 parking spaces to patrol in the Downtown and Civic Center/Olive Zone areas, as well as employee and residential parking permit programs to enforce, it is abundantly clear that Los Gatos is understaffed especially in terms of enforcement. Regardless of which parking program option the Town elects to proceed with, staffing and resource changes are recommended to create a more effective program. This would lead to increased compliance and a more accurate understanding of parking impacts, which is critical for future decision-making regarding parking regulations and investments. The Town is exploring technology resources to improve enforcement efficiency, and additional staffing is also needed to address gaps in coverage.

Key staffing considerations include:

- **Insufficient enforcement staffing resources:** Since the top priorities for the Police Department are safety and security, Parking Control Officers (PCOs) frequently fulfil other requests as directed by the Traffic Sergeant. Besides parking-related tasks, PCOs also support equipment and fleet maintenance, assist with various policing or safety-related traffic control, assist significantly with special events and community outreach, and assist significantly during emergency incidents, among other tasks. Only about 75% of a PCO's time is currently spent on parking enforcement whereas a dedicated FTE should be spending 100% of their time on such tasks. Additionally, redundancy is challenging due to the limited number of FTEs, succession planning, and transition training. If a PCO is on paid time off or sick leave, work hours are adjusted to best address peak enforcement hours periodically, resulting in impacted coverage.
- **Need for dedicated parking staff:** Currently, staff managing and operating the program are part-time resources that pull from the focus of the Police Department. As an example, the Police Community Outreach Coordinator may spend up to 1.5 hours per day (during off-peak season) to 4 hours per day (during peak season) on parking-related tasks, detracting from other community engagement focuses. The Police Department has expressed a need for an FTE dedicated to parking program management, which could potentially result in a dedicated parking division to manage parking strategy and daily operations. This new parking division could take over permit

¹ Note: The duties require 1 FTE but only a 0.25 FTE is currently funded. Pace of progress for all duties above is impacted.

program management and PCO supervision from the Police Department for the same reasons outlined in the previous point.

As modeled by other agencies, the key roles of an effective and self-sufficient parking division can be divided into the following categories: Program Management, Enforcement, and Field Staff. For each function, this memo will provide a definition with best practices, an analysis of the Town's current capacity versus the industry standard, and a range of staffing levels required for the Town to achieve success depending on which of the options it moves forward with.

Program Management Staffing

Standard Program Management Responsibilities & Best Practices

This category includes any role that is responsible for managing, coordinating, or supporting the planning and execution of parking management strategies. Some key functions that may be considered part of this role include:

- Sourcing and managing vendors who provide technology systems (such as for citation management or permit management) or provide services (such as for citation processing and facility maintenance).
- Coordinating permit programs, including the phases of launching and reviewing applications, setting up internal processes and backend systems for management, and answering the public's questions.
- Hiring, scheduling, and providing direction to Town parking staff, maintenance workers, and any outsourced staff.
- Overseeing enforcement productivity and setting up the enforcement staffing schedule when there is no direct manager related to parking enforcement.
- Conducting public outreach, preparing council reports, and liaising with other internal divisions and external parties.
- Managing the cash retrieval and count process from paid parking equipment.
- Analyzing data and processes for future improvements and recommendations.
- Supporting the financial, analytical, and contractual elements of parking operations.

Some titles that may be common for this category of roles are:

- Parking Manager
- Parking Program Manager/Coordinator
- Parking Services Manager/Coordinator
- Administrative Assistant
- Parking Analyst

Parking can sit in a variety of departments, including Finance, Public Works, and the Police Department. The most effective teams involve a centralized parking management approach whereby the program management roles share the same department as enforcement, regardless of which department enforcement falls under. This way, parking management can be consolidated such that revenue and expenses directly relate to one another and parking enforcement staff can be dedicated to the overarching goals of the program, versus splitting their focus with other responsibilities.

Program Management Staffing Level Considerations

Every agency with a robust parking management program is recommended to have at least 1 FTE dedicated to managing or coordinating the parking program. This is to ensure that one person is designated to focus on the plan and activities surrounding parking and has oversight over the impact that any policy or regulation changes may have on the accessible and availability of parking for all on-street and off-street spaces.

There are two main indicators of when an agency may need to expand the number of staff in the program management function. The first is if the responsibilities for the role begin to far outweigh the number of hours the person has per week to execute on all items. The second is when parking has demonstrated its financial value in terms of cost recovery and warrants the approval of a second staff member.

When there is more than one program management staff member, the roles can either be divided by program or the roles can share all similar focuses. For example, the Town could allocate just the management of the permit parking programs to a Coordinator, or the Town could hire an Assistant that supports the Manager in all parking tasks as directed.

Evaluation for the Town

Up until June 30, 2023, Los Gatos staffed one 0.25 FTE Parking Program Staff Member to guide all strategic and operational elements of parking. The hours for this position were not continued in the FY 2023-24 budget. The Town should transition to a structure where parking has more dedicated administrative support by filling the position of a dedicated full-time Parking Manager in lieu of the expired 0.25 FTE role.

The greatest impact to the program management workload would be the introduction of paid parking and the management of any vendors and technology associated with that program. With the expiration of the 0.25 FTE position, the Town will need to fund the staffing recommended below.

Table 2. Recommended Additional Program Management Staffing per Option

	Option 1	Option 2	Option 3
Required Staffing	+ 1 FTE Parking Manager	+ 1 FTE Parking Manager	+ 1 FTE Parking Manager + 1 FTE Admin Assistant

The Town should consolidate the program management (including the residential and employee parking permit programs and any paid parking) and enforcement aspects such that parking is managed under one division for optimal feedback and to simplify budget allocations. Enabling full-time, dedicated staffing in the form of a Parking Manager and/or Admin Assistant will relieve the Police Department of such responsibilities and ensure the larger strategy of parking can better support other divisions, including those focused on economic and community development, housing, and infrastructure planning.

Enforcement Staffing

Standard Enforcement Responsibilities & Best Practices

This job category provides critical support to encouraging public compliance with parking regulations and increasing the effectiveness of parking management policies and strategies. Enforcement staff are typically responsible for the following:

- Conducting regular patrols of on-street and off-street parking facilities to ensure that policies, time limits, and any paid parking rules are being applied by those parking.
- Writing warnings and citations to vehicles violating parking regulations.
- Collecting parking occupancy data as part of the regular patrol routes.
- Supporting cash collection efforts from pay stations and meters installed in the field.
- Answering inquiries, complaints, and comments from the public; educating the community about parking current and upcoming parking regulations.

For many drivers, a PCO may be the only Town staff member that they interact with while visiting downtown Los Gatos. As such, it is important to ensure PCOs are highly trained not only on enforcement activities, but also on customer service, community relations, de-escalation, safety, and other interpersonal trainings.

Common titles for an enforcement staff member include:

- Parking Enforcement Officer
- Parking Compliance Officer
- Parking Control Officer (what the Town uses)
- Community Service Officer
- Parking Ambassador

This function is most commonly situated within the agency's Police Department or Public Works function. In the Police Department, PCOs may be directed to hold other responsibilities beyond parking enforcement. To increase effectiveness, it can be more advantageous for PCOs to be situated within and report to a dedicated parking function within a different department in order to be fully focused on parking enforcement. However, parking enforcement is most effective at supporting the parking program when it is under the oversight of parking management staff, regardless of which department that is.

Enforcement Staffing Level Considerations

There are a variety of factors to consider when determining how many enforcement staff should be employed and how to schedule them. In general, enforcement should be performed multiple times per day and with the following in mind:

- For time limits, each space should be patrolled at least twice per maximum parking duration. For example, there should be sufficient enforcement staff to patrol the same space every 2 hours if the timed regulation is for maximum 2-hour parking. Also, consider if there is a no reparking rule² to enforce.

² A no reparking rule typically stipulates that a vehicle cannot park again in the same space (or within a certain distance from the original space) for a certain number of hours. This is typically applied to spaces with time limits with the goal of preventing vehicles from simply rolling into a space a few feet away to "restart" the time limit.

- For paid parking, it is best to implement a patrol route and schedule that maximizes the number of times a space is patrolled. This provides the added benefit of collecting more occupancy and turnover data.
- It is recommended that there are always two PCOs working at the same time during core operating hours.

Some of the key factors to consider when identifying the number of enforcement staff required include:

- Number of on-street and off-street parking spaces.
- Whether PCOs patrol on foot or by car, and whether each officer has access to a handheld or vehicle-mounted license plate recognition (LPR) system.
 - If patrolling by car, consider rush hour traffic and other peak congestion times.
- What are the programs that need to be patrolled? Is there a paid parking program? Is there a residential permit parking program?
 - If there is a residential permit parking program, consider whether there are overnight parking hours.

When enforcement teams grow past 4-5 FTE, a Parking Control Manager may be added to manage and schedule the team of PCOs. If parking enforcement sits within the Police Department, then this role is typically covered by the Sergeant. If parking enforcement sits within Public Works or another department, then the managerial role should be created when managing the PCOs begins to take a considerable amount of the Parking Manager's time and the parking budget justifies the hiring of a Parking Control Manager. Prior to hiring a Parking Control Manager, the PCOs should follow the direction of the Parking Manager.

Evaluation for the Town

As emphasized in the "Current Staffing Analysis" section, there is an **insufficient** level of enforcement staffing in the Town. This is evidenced by clear gaps in enforcement coverage, lack of redundancy (whereby enforcement is considerably impacted should one or both current PCOs take time off), the size of geographic scope, and division of time between parking enforcement and other traffic duties.

The job description of PCOs mostly align with the industry standard. However, there are a couple of important adjustments recommended:

- It is important for the Town to confirm that PCOs are only assigned tasks that they have jurisdiction to complete as per the California Vehicle Code. The Town is recommended to review PCO job duties to ensure compliance with state legislation.
- Should paid parking be implemented, the Town should include cash collection in the duties of PCOs. Cross-training PCOs to perform cash collection, and light maintenance duties, is a good practice. When scheduling the PCOs, it is important that there is an overlap between shifts such that two staff members (two PCOs, or one PCO and one Maintenance worker) are able to collect cash together (as described in the "Field Staff" section). Should PCOs remain under the Police Department, the Town needs to investigate whether this duty can be added to their job description.
- Should paid parking be implemented, the Town should also update the training schedule for PCOs to ensure that they are well-acquainted with paid parking technology and can educate the public on how to use and comply with any paid parking regulations.

Based on information regarding current enforcement staffing conditions (see Appendix A) and industry standard enforcement practices, the Town is recommended to have a total of 4 full-time PCOs to monitor a full paid parking program alongside permit parking and time limits.

Table 3 illustrates the additional enforcement staffing recommended for the town in order to maximize compliance and Table 4a and 4b provide sample shift schedules for the maximum staffing level recommended.

Table 3. Recommended Additional Enforcement Staffing per Option

	Option 1	Option 2	Option 3
Required Staffing ³	+ 1 FTE PCO	+ 1 FTE PCO	+ 2 FTE PCOs

Table 4a. Sample Enforcement Schedule for Option 3 on a 5/8 schedule

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
PCO 1	7:30am - 4:00pm	7:30am - 4:00pm	7:30am - 4:00pm	7:30am - 4:00pm	7:30am - 4:00pm		
PCO 2	7:30am - 4:00pm	7:30am - 4:00pm	7:30am - 4:00pm	7:30am - 4:00pm	7:30am - 4:00pm		
PCO 3		11:00am - 7:30pm	11:00am - 7:30pm	11:00am - 7:30pm	11:00am - 7:30pm	9:00am - 5:30pm	
PCO 4		11:00am - 7:30pm	11:00am - 7:30pm	11:00am - 7:30pm	11:00am - 7:30pm	9:00am - 5:30pm	

Table 4b. Sample Enforcement Schedule for Option 3 on a 4/10 schedule

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
PCO 1	7:30am - 6:00pm	7:30am - 6:00pm	7:30am - 6:00pm	7:30am - 6:00pm			
PCO 2	7:30am - 6:00pm	7:30am - 6:00pm	7:30am - 6:00pm	7:30am - 6:00pm			
PCO 3			9:00am - 7:30pm	9:00am - 7:30pm	9:00am - 7:30pm	9:00am - 7:30pm	
PCO 4			9:00am - 7:30pm	9:00am - 7:30pm	9:00am - 7:30pm	9:00am - 7:30pm	

It is recommended that the Town set up patrol routes that enable PCOs to patrol the Downtown and Olive Zone areas 2-3 times per day for any time limited or paid parking spaces.

³ PCO staffing levels are recommended by DIXON and differ to the Town's intended PCO FTE hires of +0 for Options 1 and 2, and +1 for Option 3. Following the Town's intended PCO counts results in a smaller enforcement team and therefore lower effectiveness. The result is an estimated -10% in compliance rate, which would need to be updated in financial modeling scenarios.

Field Staffing

Standard Field Staff Responsibilities & Best Practices

Besides enforcement staff, there are additional field staff positions that typically address the following key functions:

- Collecting, counting, and reconciling cash from any pay stations against the backend.
- Providing Level 1 (basic preventative) maintenance and cleaning services, such as for paid parking equipment (including pay stations and meters) and for off-street parking facilities.
- Providing customer service to drivers having trouble finding a parking space, using paid parking equipment, or inquiring about the Town's parking services.
- Remaining on the site during large events or peak hours to manage the traffic flow in and out of off-street parking facilities and providing customer service.
- Report, inspect, and repair any issues with signage, equipment, or infrastructure.

Some common roles that fit within this category include:

- Maintenance Worker
- Customer Service Representative

Regarding revenue collection, the Town is recommended to use mostly credit card-only machines to minimize the need for cash collection; however, a cash-enabled machine is required by state law to be accessible to those who cannot pay with credit cards. Where cash collection and counting are concerned, here are some important operating procedures to incorporate:

- Paid parking monies should be collected in pairs, with a set route defined and a clear set of Standard Operating Procedures (SOPs) defined.
- The frequency of revenue collections will depend on utilization. Meter revenue should be collected at least once per week as a starting point. The revenue collections schedule can be reassessed once demand and utilization are fully understood. Focusing on establishing a primarily credit card-based payment structure (such as number of cash-and-card pay stations and implementing a mobile payment application option) will also reduce the frequency of cash collection runs.

Field Staffing Level Considerations

The following should be considered when evaluating the number of staff required in field roles:

- The number of off-street facilities in operation, and whether the agency wishes to add in-person roving customer service support.
- The number of paid parking devices (such as pay stations or parking meters) deployed, and how many of them accept cash.

Based on the industry standard of performing cash counting in pairs, it is recommended that a Maintenance Worker perform the counting in tandem with a PCO, if another Maintenance or Administrative staff member is not available.

Evaluation for the Town

Today, light maintenance duty falls under the responsibility of Parking Control Officers. However, should the Town implement paid parking, the quantity of work increases due to the addition of paid parking devices (such as pay stations) and the job of cash collection from the field. As such, it is supportive for the

Town to hire a dedicated Maintenance Worker for the parking division who would be responsible for maintaining and troubleshooting any paid parking hardware, facilities and infrastructure, signage (including any future digital signage), and to perform cash collection and counting duties. The Town is not in need of Customer Service Representatives and Parking Attendants to support off-street facilities. Table 5 provides an overview of the additional field staffing required.

Training should be provided to all Parking division staff, especially those that will be out in the field (including PCOs), on how to support public questions and handle any comments or complaints appropriately. Ideally, the Town begins with scheduling cash collection on a once per week basis and then adjusts the frequency of the collection schedule as needed depending on the actual quantities of cash being processed.

Table 5. Recommended Additional Field Staffing per Option

	Option 1	Option 2	Option 3
Required Staffing	+ 0.5 FTE Maintenance Worker	+ N/A	+ 1 FTE Maintenance Worker

Other Improvements

To supplement the recommendations above, the Town can also consider the following.

Job Descriptions

Based on the publicly available parking-related job descriptions, the Town demonstrates a straightforward definition of the roles and responsibilities per position and clearly highlights the career progression within the Parking Control Officer role. Once additional roles have been approved to operate a paid parking program, the Town should consider adding the following into job descriptions:

- **Cross-training:** The Town should suggest that candidates be open to spending time shadowing and learning other parking-related functions in order to better understand the full parking ecosystem in the Town. By cross-training, the Town may also find that this can improve coverage and effectiveness.
- **Ready for technology:** The Town should futureproof the vocabulary of job descriptions by referencing potential technological upgrades. The Town should require candidates to learn to manage, operate, or maintain “devices and software related to parking.”

Outsourcing

Outsourcing select operations has become a common industry practice. Both private and public sector parking providers generally outsource parking operational services to organizations that specialize in offering these services, including management, maintenance, and equipment/capital improvements. Purposes for outsourcing include:

- **Personnel management:** Outsourcing transfers employee and personnel management functions and the associated risks to a contractor dedicated to this line of business and allows agency resources to focus on facility maintenance, improving products/offerings, quality control/assurance, and customer satisfaction without the distractions of implementation and daily functions. The contractor would be accountable for the coverage of open shifts, sourcing temporary and permanent staffing, and training the staff to achieve the levels of performance expected by the agency, relieving the agency of the execution of such responsibilities.

- **Cost Savings:** The total cost for outsourced labor is typically lower than the fully burdened cost of agency staff due to differences in salary and benefit requirements. For select roles where a full-time employee is not required, the vendor may also have more flexibility than the Town in covering partial hours, which reduces the potential of overstaffing.
- **Staffing consistency:** Outsourcing enables the agency to leverage the vendor's temporary staffing services such that the responsibility to ensure these roles are filled are now that of the vendor, as opposed to an agency staff member. It ensures that the agency is able to provide the first-class customer service its residents and visitors are accustomed to while minimizing the time spent hiring and training staff to attend to parking facilities. Additionally, the Town may wish to have coverage during hours that are more difficult to fill. Contracting out these shifts will put the responsibility of filling them on the vendor.

The Town can consider issuing an RFI to understand whether outsourcing its non-enforcement parking operations (such as cash collection, maintenance, permit program management, etc.) would derive more financial and indirect benefits to the Town than hiring staff to fulfill those roles. In this situation, the Town would still need to create a new position so there is a designated Parking Manager responsible for the program and will have a direct line of communication with the vendor's assigned project manager. The Parking Manager will now manage this outsourced project manager, as opposed to several direct reports, while also having access to a direct line of communication with the PCO team.

If the Town is considering outsourcing enforcement, a full-service vendor can provide enforcement labor as well as numerous add-ons, including (at an additional monthly charge to the Town) enforcement vehicles, LPR units, uniforms, etc.

From Control to Compliance

The Town should consider renaming the PCO positions to create a more positive impression of parking enforcement. Many agencies have begun to adopt a different approach to the naming of parking enforcement roles due to negative associations the public may have with the role, including sentiments of hierarchy or an assumption that PCOs are "out to get them" and fill a quota of citations. In order to combat this, the concept of "Enforcement" is being re-termed to "Compliance" to demonstrate a more supportive and educational angle of helping the public understand and observe parking regulations. For the agencies that have made this switch, the result is a more positive, friendlier impression of PCOs when they meet drivers out on the street. As such, The Town should consider an alternate name for the position of Parking Control Officer, such as Parking Compliance Officer or Parking Ambassador.

Enforcement Devices

The Town should also consider the number of LPR units that it has access to. For agencies that implement LPR, enforcement labor costs and staffing levels could be reduced by an estimated 10%-12% annually due to increased enforcement efficiency and coverage.

There are two formats of LPR: fixed-mount LPR devices which can be installed on vehicles used for enforcement (consistent with the Town's current equipment), and mobile LPR units which refer to hand-held technology that assists an employee to capture data on foot. Currently, the Town has one vehicle-mounted mobile LPR set, which means that only one PCO at a time is able to perform enforcement in an efficient, drive-by manner. The Town is also recommended to leverage handheld citation issuance devices to monitor for compliance during foot patrols.

Summary

The Town is currently understaffed in its parking operations, especially in terms of enforcement. Staffing level changes are recommended regardless of which parking program option the Town proceeds with. Especially if paid parking is implemented, additional staffing will be required to accommodate the enforcement and management needs of a more robust parking operation.

Once the Town has selected an option to pursue, the Town is recommended to target additional staffing counts that are as close as possible to the required staffing levels provided in this memo and summarized in Appendix B. Choosing to hire below the required staffing levels may result in lower compliance, a lack of program oversight, impacts to paid parking equipment performance, and impacts to accurate and timely revenue counts and collections.

After 6 months and then 12 months of fully staffed operations, the Town is recommended to review staffing levels to evaluate the impact on compliance and adjust accordingly.

Appendix A - Current Enforcement Staffing Conditions

The Town has provided the following data for consideration:

- Approximately 400 citations issued per month.
- 615 on-street and 435 off-street surface lot spaces to patrol for a total of 1050 parking spaces.
- The Town has access to one vehicle with one Mobile LPR system mounted.
- Approximately 600 residential parking permits issued per month, with two districts that have overnight operating hours.
- The Town intends to enforce parking Monday to Saturday. Timed parking spaces today have varying operating hours between 9am and 7pm. Under Option 3, paid parking spaces would be in effect from 9:00am to 6:00pm.
- Oversight of the PCOs currently falls within the scope of the Traffic Sergeant.

The Town currently has 2 FTE PCOs enforcing Monday to Saturday from 7:30am to 7:30pm. Their shifts are as follows:

- Officer 1: Begin at 7:30am, end at 4:00pm (Monday to Friday)
 - Focus is on time limits, which is in effect from 9:00am to 6:00pm Mondays to Saturdays.
- Officer 2: Begin at 11:00am, end at 7:30pm (Tuesday to Saturday)
 - Focus is on residential permit parking and any special evening events.

Appendix B - Summary of Required Staffing Levels Per Option

	Option 1	Option 2	Option 3
Program Management	+ 1 FTE Parking Manager	+ 1 FTE Parking Manager	+ 1 FTE Parking Manager + 1 FTE Admin Assistant
Enforcement	+ 1 FTE PCO	+ 1 FTE PCO	+ 2 FTE PCOs
Field Staff	+ 0.5 FTE Maintenance Worker	+ N/A	+ 1 FTE Maintenance Worker

Note: The staffing charts here exclude the addition of a Temporary Park Services Officer (PSO), who would be responsible for executing daily parking operations (including enforcement, maintenance, and fee collection) at Oak Meadow Park. The Town plans to request the addition of this PSO regardless of the option that Town Council proceeds with.

Memorandum

To: Town of Los Gatos
From: Dixon Resources Unlimited
Date: March 31, 2023
Subject: Paid Parking Management Case Studies

Introduction

Dixon Resources Unlimited (DIXON) has prepared this memorandum on behalf of the Town of Los Gatos (Town) to demonstrate case studies focused on paid parking management in the cities of Paso Robles, Santa Rosa, and Sausalito. DIXON and the Town selected these three cities as they have (a) demographic similarities to that of the Town, and (b) have already implemented a paid parking program, which the Town is considering as part of the Parking Roadmap completed by DIXON in 2019.

The following case studies will highlight the revenue figures, parking rate structures, and staffing plan of each City.

Paso Robles

The parking program in the City of Paso Robles consists of 468 on-street paid parking spaces, 5 off-street lots (3 of which provide permit parking), a merchant validation program, an employee parking permit program, and a senior parking permit program. The City initiated their paid parking program in 2018 and it is overseen by one Parking Coordinator. Their paid parking program revenues for the fiscal year of 2021-2022 was \$408,640.

Paso Robles offers a unique customer value rate model for their on-street spaces, as well as free public parking and permit parking at their off-street lots. Paso Robles' on-street rate model includes 2 hours of free parking, followed by a rate of \$2/hour (increased from \$1/hour as of February 2023). The intent of the free period was to blend the benefits of a two-hour time limit with the flexibility of the ability to pay to stay longer. Although this rate model has helped the City's parking program earn awards and recognition, Paso Robles ultimately concluded that it did not generate enough paid parking revenue to cover costs, or data to determine next steps, as 95% of all parking sessions were within the free period and no data was collected regarding duration of stay. The City also launched the program with insufficient parking enforcement staffing, so the compliance was low. The future of the parking program in Paso Robles is uncertain as the City aims to collect data and review next steps.

Prior to implementing paid parking, the City piloted an employee parking permit program focused on voluntary compliance to encourage employees to park in off-street locations before introducing any on-street policies. Despite extensive outreach efforts, low-cost permits, guaranteed permit parking spaces, and ongoing community education efforts, utilization trends showed that employee behavior patterns did not change; they still preferred to take up valuable on-street spaces. This emphasizes the importance of introducing a no reparking rule in locations with time limits, or converting to a paid parking program.

Regarding equipment, the City currently uses Flowbird to manage both pay stations (accepting coin and credit card) and mobile payments, and recently introduced a Pay By Text feature. Its Merchant Validation Program has three validation options that can be purchased in bulk at a discounted rate.

Administering this program is the Downtown Parking Operations Division, which sits under the Policy department and encompasses the following staff primarily focused on parking:

Function	Role	# of Staff
Program Management / Administrative	Parking Coordinator	1 FTE
Enforcement	Parking Ambassadors	2 FTE, 1 PTE

The program lacked sufficient staffing during the early stages of its operation with 2 full-time staff members but only one fully dedicated to the parking program. However, as of August 2022, Paso Robles now has a small team of Parking Ambassadors providing parking enforcement for the program and support for the Parking Coordinator. For its scale of operations, Paso Robles' parking team is still considered understaffed in administrative and program management capacities.

Santa Rosa

The parking program in the City of Santa Rosa consists of 4,656 on- and off-street paid parking spaces, a merchant validation program, and a residential permit parking program. Their paid parking program started in 1945 and continues to operate today, except for certain event-driven suspensions such as during the COVID-19 pandemic. Santa Rosa's parking program revenues for the fiscal year of 2021-2022 was \$3,182,043.

Santa Rosa's parking rates are categorized as "Premium" (in high-demand spaces downtown) or "Value" (in the periphery of downtown) and are as follows:

Type of Space	Rate	Application
Premium Spaces	\$1.50/hour up to 3 hours max	On-street and off-street
Value Spaces	\$1.00/hour up to 4 hours max	On-street, off-street surface lots, and without a time limit in garages

Santa Rosa uses a combination of coin and credit card pay stations and single-space meters, along with a mobile payment application. As of July 1, 2023, Santa Rosa is offering free parking in their garages for the first hour of each session, as well as on weekends in the winter between Thanksgiving and the New Year. The City also offers a merchant validation program where vouchers can be purchased in bundles.

The Parking Division is located within the City's Finance department and encompasses the following staff¹ primarily focused on parking:

¹ Data from <https://publicpay.ca.gov> for the year 2021.

Function	Role	# of Staff
Program Management / Administrative	Parking Manager	1 FTE
	Parking Operations Coordinator	3 FTE
	Parking Programs Coordinator	1 FTE
Field Staff	Parking Operations Aide	6 FTE, ~5 PTE
	Senior Maintenance Worker - Parking	1 FTE
	Maintenance Worker	2 FTE
Enforcement	Supervising Parking Enforcement Officer	1 FTE
	Parking Enforcement Officer	1 FTE, 4 PTE

Santa Rosa's staffing levels demonstrate that of a consistent, developed program where parking management has demonstrated its value.

Sausalito

The City of Sausalito's parking program consists of metered and permitted on-street parking spaces, 4 pre-paid parking lots and 1 short-term free parking lot, a Daily Parking Card program, an employee permit parking program, and a residential permit parking program. In total, the City has 770 paid parking spaces. The program used to be part of the Parking & Transportation Department until it was dissolved and moved to the Police Department. Its annual parking program revenues for the fiscal year of 2020-2021 was \$1,393,956.

As a location that attracts much tourism, their parking rates distinguish between whether it is during "Peak Demand" (May 1 through September 30) or "Off-Peak" (October 1 through April 30) season. Their on-street rates are further categorized geographically into "Downtown Core", "Downtown Periphery" (within 250 feet of the Downtown Core), or "Non-downtown Commercial" areas as follows:

	On-Street	Off-Street
Peak Demand	<ul style="list-style-type: none"> Downtown Core: \$6/hour Downtown Periphery: \$4.50/hour Non-downtown Commercial: \$3/hour 	\$3-\$5/hour, \$30-\$50 max per day
Off-Peak	\$2.50/hour in all zones	\$2-\$3.50/hour, \$20-\$35 max per day

Sausalito uses single-space meters for on-street parking, and a combination of pay stations and a mobile payment application for pre-paid off-street parking. The City offers a Daily Parking Card program that allows daily parkers to park for a flat fee of \$6 per parking session (increased from \$4/session in December 2022). The City also offers an employee permit parking program and a resident parking permit program.

At its peak, Sausalito's parking program was overseen by up to 10 permanent employees and 11 part-time employees before the Parking & Transportation Department was dissolved, which was when Parking Access and Revenue Control System (PARCS) equipment was removed, attendant positions were dissolved, and the shuttle program was defunded. Today, Parking Services sit under the Police Department and consists of the following staff:

Function	Role	# of Staff
Program Management / Administrative	Police Captain, Support Services	1 FTE
	Parking Operations Manager	1 FTE
Enforcement	Police Lieutenant	1 FTE
	Parking Enforcement Officers	4 FTE

Many of Sausalito's key parking program roles are now contracted out (including coin collection, revenue counting, citation processing, and parking permit fulfillment). The number of contracted staff is equivalent to approximately 2.5 FTE. The City has changed directions multiple times in how resources are directed to parking, and the choice to outsource much of the parking services today points to the City's strategy to minimize internal resources and focus on parking management.

Appendix A - Comparison Table

City	Annual Parking Revenue	Total # of Paid Spaces	Est. Total # of FTE/PTE
Paso Robles	\$408,640	On-street: 468 Off-street: 0	3 FTE / 1 PTE
Santa Rosa	\$3,182,043	On-street: 1,170 Off-street: 3,486	16 FTE / 9 PTE
Sausalito	\$1,393,956	On-street: 180 Off-street: 590	7 FTE



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 14

ADDENDUM

DATE: August 11, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive the Report on Downtown Paid Parking Program Models and Consider the Following Actions:

- a. Direct Staff to Return to Council with an Updated Fee Resolution to:
 - i. Increase the Rates Effective January 1, 2024 for Residential Permit Parking to \$52 per Year for Vehicle One, and \$72, \$92, and \$112 for Vehicles Two, Three, and Four, Respectively;
 - ii. Set Rates for Residential Permits in the Olive Zone to Match Rates for the Town's Other Residential Parking Zones Effective January 1, 2024; and
 - iii. Eliminate the Annual Fee for Employee Parking in the Olive Zone Effective January 1, 2024;
- b. Provide Direction to Staff Regarding the Establishment of Residential Permit Rates for Low Income Residents Defined as Households with Income of Less than 80% of Area Median Income;
- c. Provide Direction to Staff Regarding the Two Free Visitor Passes that are Available to Each Household in the Residential Permit Parking Areas; and
- d. Provide Feedback and/or Direction on the Paid Parking Program Options, Pricing Models, Service Delivery Scenarios, and Staffing Alternatives Required to Support a Functioning and Effective Downtown Paid Parking Program.

REMARKS:

On August 10, 2023, outreach was conducted for this Council item with the Complete Streets and Transportation Commission and business stakeholders, which included two meetings held Chamber of Commerce.

Over 150 business stakeholders were invited via direct email, and additional meeting information was shared on the Town's social media platforms and through the Chamber of Commerce's business communication. The meetings at the Chamber of Commerce were attended by approximately 20 business owners, property owners, and employees of downtown businesses. Feedback and requests for additional discussion received included:

PREPARED BY: Nicolle Burnham
Director of Parks and Public Works

REMARKS (continued):

1. The employee parking program is working well. Several attendees concurred that these permits should remain free, for the long-term, to encourage usage and support the Town's downtown employees.
2. Employee parking should be expanded to include Saturdays, which would then encompass the full duration of time-regulated parking. Currently, it is set for Monday through Friday, and employees that work on Saturdays find it more difficult to park.
3. Full support was expressed for adopting equitable permit fees (no charge) for all employee parking permits.
4. Consideration must be given to the high school students, their use of parking, and pick-up/drop-off circulation.
5. Comparison of parking rates for parking in other Bay Area jurisdictions would be helpful to better understand the area's market rates; and, for those with pay to stay options, understanding how long is free before the pay per hour begins.
6. Understanding of when paid parking programs were implemented elsewhere, any effects on visitor attrition and leakage to other neighboring jurisdictions without paid parking.
7. Before implementing paid parking, staff should consider how the program could impact businesses with private parking lots.
8. Several businesses stakeholders expressed full support for implementing a paid parking program that offers their customers more flexibility when appointments and visits to downtown are longer than anticipated, especially when coupled with no daily parking time limits. This may encourage visitors to feel more relaxed and stay in Town longer to patronize more businesses. Others were less supportive of moving to any form of paid parking and questioned why it is being considered. The divide was typically related to the industry of the specific business.
9. Specific parking rate amounts were not a topic that drew much discussion, rather the concept of any paid parking versus no paid parking, except as they relate to the cost of employee parking permits. There was general concurrence that the employee permits should remain much less expensive than if an employee were to regularly use the paid parking option in the general parking lot areas to keep employees parked in their designated permit spaces.
10. If a paid parking program is implemented, most businesses showed interest in having a validation option that is simple for both the customer and the business.

The item was agendized for discussion at the regularly scheduled meeting of the Complete Streets and Transportation Commission. The item included a summary of costs and discussion of the staffing needs to provide a paid parking program. Comments from the Commission members varied and included the following:

REMARKS (continued):

1. Consideration of high school parking, pick-up and drop off should be included for any paid parking scenario.
2. Many employers charge employees for parking to discourage driving and to meet Transportation Demand Management goals. Based on this, paid parking for employees should be considered.
3. Contract of the operation of a paid parking program should be explored, including developing an understanding of how that might change any fees and charges and revenue generation.
4. In setting rates, consideration should be given to low-income visitors; fees should balance disincentivizing occupying spaces for the long term but be low enough to not discourage visitors from coming to Town. Others suggested that higher rates for parking cars would encourage walking and biking.

Attachments received with the Staff Report:

1. Downtown and Olive Zone Boundaries
2. Cost Recovery Evaluation
3. Parking Staffing Plan
4. Case Studies



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 14

ADDENDUM B

DATE: August 14, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive the Report on Downtown Paid Parking Program Models and Consider the Following Actions:

- a. Direct Staff to Return to Council with an Updated Fee Resolution to:
 - i. Increase the Rates Effective January 1, 2024 for Residential Permit Parking to \$52 per Year for Vehicle One, and \$72, \$92, and \$112 for Vehicles Two, Three, and Four, Respectively;
 - ii. Set Rates for Residential Permits in the Olive Zone to Match Rates for the Town's Other Residential Parking Zones Effective January 1, 2024; and
 - iii. Eliminate the Annual Fee for Employee Parking in the Olive Zone Effective January 1, 2024;
- b. Provide Direction to Staff Regarding the Establishment of Residential Permit Rates for Low Income Residents Defined as Households with Income of Less than 80% of Area Median Income;
- c. Provide Direction to Staff Regarding the Two Free Visitor Passes that are Available to Each Household in the Residential Permit Parking Areas; and
- d. Provide Feedback and/or Direction on the Paid Parking Program Options, Pricing Models, Service Delivery Scenarios, and Staffing Alternatives Required to Support a Functioning and Effective Downtown Paid Parking Program

REMARKS:

Attachment 5 contains public comments received between 11:01 a.m. Thursday, August 10, 2023, and 11:00 a.m. Monday, August 14, 2023.

Attachments received with the Staff Report:

1. Downtown and Olive Zone Boundaries
2. Cost Recovery Evaluation
3. Parking Staffing Plan
4. Case Studies

PREPARED BY: Nicolle Burnham
Director of Parks and Public Works

PAGE 2 OF 2

SUBJECT: Paid Parking Models and Strategies and Other Recommendations

DATE: August 14, 2023

Attachments received with this Addendum B:

5. Public Comments received between 11:01 a.m. Thursday, August 10, 2023, and 11:00 a.m. Monday, August 14, 2023

From: [REDACTED]
Sent: Friday, August 11, 2023 12:50 PM
To: Council <Council@losgatosca.gov>
Cc: Monica Renn <mrenn@losgatosca.gov>; Mike Millen <[REDACTED]>
Subject: Los Gatos Downtown Paid Parking Program comments

[EXTERNAL SENDER]

Dear Council:

I have reviewed the staff report and I attended one of the meetings this week about the parking programs in town.

First, I am very much in support of the current employee parking program and I believe it should be expanded to include Saturdays (currently it is Monday through Friday only).

Second, I am very much against any paid customer parking program. Such a program will harm my tenants, discourage customers from coming to Los Gatos, further reduce our competitiveness with downtown Campbell, and the program will cost a lot of money and the costs will naturally increase dramatically as time goes on.

The entire issue of a paid customer parking program appears to be caused by high school students parking spilling out on the Main Street area and clashing with salon customer parking. This is not a good reason to create a new downtown-wide program that will have so many negative effects. One solution to the high school kids parking issue is to have the town contact our state senator and state representative and ask them to change California law and allow high school kids to carpool together to and from school ONLY. This will not be a safety issue and will cut the number of kids driving to school by 50% or more. A simple, cost effective solution that protects the community and does not require another government program.

I urge you to expand the employee program to include Saturdays.

I urge you to reject all paid customer parking programs for downtown Los Gatos.

Thank you,

Mark Millen

Los Gatos, CA

-----Original Message-----

From: Mary Patterson <[REDACTED]>
Sent: Wednesday, July 26, 2023 3:03 PM
To: Town Manager <Manager@losgatosca.gov>
Subject: Parking

[EXTERNAL SENDER]

If you require people to pay for parking, they will not come and there will be more empty store fronts!!!

M. Patterson
Resident

Sent from my iPhone

From: Inder Singh <[REDACTED]>
Sent: Friday, August 11, 2023 1:06 PM
To: Council <Council@losgatosca.gov>
Subject: Against paid parking

[EXTERNAL SENDER]

Hello Council,

Paid parking will really make shopping not a pleasant experience for my customers.

I currently also have a location at Valley Fair Mall, last year Valley Fair started paid parking which was so annoying for customers. I had lot of Los Gatos customers shopping at Valley Fair I can't tell you how many customers said to me personally they will never shop at valley Fair again. which is what made me come to Los Gatos. now same thing again.

It is my humble request to drop the idea of paid parking for customers.

Regards
Inder singh

Departures
301N Santa Cruz Ave
Los Gatos Ca 95030

From: [REDACTED] <[REDACTED]>
Sent: Friday, August 11, 2023 12:50 PM
To: Council <Council@losgatosca.gov>
Cc: Monica Renn <mrenn@losgatosca.gov>; Mike Millen [REDACTED]
Subject: Los Gatos Downtown Paid Parking Program comments

[EXTERNAL SENDER]

Dear Council:

I have reviewed the staff report and I attended one of the meetings this week about the parking programs in town.

First, I am very much in support of the current employee parking program and I believe it should be expanded to include Saturdays (currently it is Monday through Friday only).

Second, I am very much against any paid customer parking program. Such a program will harm my tenants, discourage customers from coming to Los Gatos, further reduce our competitiveness with downtown Campbell, and the program will cost a lot of money and the costs will naturally increase dramatically as time goes on.

The entire issue of a paid customer parking program appears to be caused by high school students parking spilling out on the Main Street area and clashing with salon customer parking. This is not a good reason to create a new downtown-wide program that will have so many negative effects. One solution to the high school kids parking issue is to have the town contact our state senator and state representative and ask them to change California law and allow high school kids to carpool together to and from school ONLY. This will not be a safety issue and will cut the number of kids driving to school by 50% or more. A simple, cost effective solution that protects the community and does not require another government program.

I urge you to expand the employee program to include Saturdays.

I urge you to reject all paid customer parking programs for downtown Los Gatos.

Thank you,

Mark Millen
Los Gatos, CA

-----Original Message-----

From: Sue Farwell [REDACTED]
Sent: Monday, August 14, 2023 10:45 AM
To: Monica Renn <mrenn@losgatosca.gov>
Subject: Council Parking Agenda

[EXTERNAL SENDER]

Esteemed Council Members,

I would like to offer my input on the downtown paid parking models in the report proposed by staff of the council meeting. Monica Renn and Nicole Burnham presented the different options at a stakeholder meeting last week at the chamber of commerce. I haven't reviewed at the Dixon parking report in a while, but both Monica and Nicole referenced the report with regard to many of the models in the proposals.

On the updated fee schedule I feel the cost recovery as proposed for residential parking is fair under (a.i). I live in a residential parking zone and without the residential permits I would not be able to find parking near my home. I also feel that the town needs to keep the 2 visitor parking permits per address at no fee, these are used occasionally and should be included if you have paid for a residential parking permit. I would like to express my strong dislike of the "Get a Permit" web app to pay for residential permits. The website is difficult to update and their response time and ability to resolve issues is terrible.

Matching rates in the olive zone for employee parking seems equitable as well and should be included in a town wide employee parking permit fee. The purpose of the employee parking permit is to allow employees to park once and not have to continually move their car. This permit should cost a minimal amount and be renewable every 6 months. The renewal process should be seamless, and perhaps a \$10 or \$20 fee associated with the permit would allow for the cost recovery of processing the permit. This will help with the accounting of the true number of employee parking permits issued and the number of required employee parking spaces. The system now has no accounting of "active" and "non-active" employee permits since they are free they in essence don't expire, so the town really has no idea of the true number of employee parking spaces needed. Having proof of employment and a small fee associated with the issuance and renewal of the employee permit will result in the expired permits to be removed from the system.

On the option for paid parking, perhaps we're not "there" yet if we can control the actual need for employee parking, but it would allow for a longer or all day option for our customer base. In considering the paid parking structure, none of the options presented allow for a 30 minute or 1 hour free on street parking only. I understand these are "prime" parking spaces to charge a fee, but if the time limits were shortened then the parking spaces would turn over more often, encouraging the longer parking time limits to move to the surface lots. This eliminates the

need for multiple parking pay stations on the street, and the ability to quickly park and shop for to-go items or a make a quick retail shopping trip easy.

In my opinion, the paid parking would encourage customers to stay longer and not worry about getting a ticket. The consensus in the most of the options is to allow for 3 free hours, and then charge a fee on an hourly or full day basis. If this was implemented with \$1.00 per hour rate after 3 hours or a \$5.00 all day option the cost should be acceptable to most of our customer base. This should allow for the cost recovery, not necessarily a profit or revenue option, but we shouldn't be trying to profit off our parking if we are not going to use the money to build another parking garage.

Oak Meadow parking...allow for a free 1 hour option to encourage the use of the play structures which is so important and enjoyable for the kids.

There are so many options presented, perhaps the best move is to eliminate at least 2 of the options, or create an option 4 that has the best of the 3 paid parking scenarios included. I myself do not like the idea of the pay stations on the street, so I would encourage all street parking to be short term and free. I also do not like the no re-park rule, what if you need to make 2 trips to downtown, not you will be ticketed for re-parking in the same or different lot.

Sincerely,
Sue Farwell



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 14

DESK ITEM

DATE: August 15, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Receive the Report on Downtown Paid Parking Program Models and Consider the Following Actions:

- a. Direct Staff to Return to Council with an Updated Fee Resolution to:
 - i. Increase the Rates Effective January 1, 2024 for Residential Permit Parking to \$52 per Year for Vehicle One, and \$72, \$92, and \$112 for Vehicles Two, Three, and Four, Respectively;
 - ii. Set Rates for Residential Permits in the Olive Zone to Match Rates for the Town's Other Residential Parking Zones Effective January 1, 2024; and
 - iii. Eliminate the Annual Fee for Employee Parking in the Olive Zone Effective January 1, 2024;
- b. Provide Direction to Staff Regarding the Establishment of Residential Permit Rates for Low Income Residents Defined as Households with Income of Less than 80% of Area Median Income;
- c. Provide Direction to Staff Regarding the Two Free Visitor Passes that are Available to Each Household in the Residential Permit Parking Areas; and
- d. Provide Feedback and/or Direction on the Paid Parking Program Options, Pricing Models, Service Delivery Scenarios, and Staffing Alternatives Required to Support a Functioning and Effective Downtown Paid Parking Program

REMARKS:

The staff report had a couple of errors and this Desk Item provides the correct information.

- The staff report incorrectly stated that the residential rate in the Olive Zone was \$248. The cost of all residential permits is \$42 a year per vehicle. The Villa/East Main Street Residential Permit Parking district is on the east side of Highway 17, includes Villa Avenue and Jackson Street, and overlaps with the Olive Zone business parking (which is not to be confused with the Olive District Residential Permit area that is located west of N. Santa Cruz Avenue near Robert's Road and the Department of Motor Vehicles office).

PREPARED BY: Nicolle Burnham
Director of Parks and Public Works

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

REMARKS (continued):

- In the “Existing Staffing Resources and Challenges” section on page 9 of the report, the gap that has occurred without the temporary, part-time Parking Manager is in parking management and community outreach. Specifically, there is no staff assigned for permit parking program oversight and analysis, policy development, research, data collection and analysis, parking striping/signage maintenance, parking vendor contracts and management, equipment and technology procurement and implementation, and other efforts (e.g., preparation of reports).

All parking permits are handled by the Police Department’s Community Outreach Coordinator, including all downtown employee permits. This is the staff member who is currently providing direct customer service to all businesses, employees, and residents interested in any of the Town’s parking permits. Even though the permit application is on-line, considerable hand holding is needed to help customers navigate the software and respond to questions.

Attachment 6 contains public comments received between 11:01 a.m. Monday, August 14, 2023, and 11:00 a.m. Tuesday, August 15, 2023.

Attachment 7 contains a PowerPoint presentation.

Attachments previously received with the Staff Report:

1. Downtown and Olive Zone Boundaries
2. Cost Recovery Evaluation
3. Parking Staffing Plan
4. Case Studies

Attachments previously received with Addendum B:

5. Public Comments received between 11:01 a.m. Thursday, August 10, 2023, and 11:00 a.m. Monday, August 14, 2023

Attachments received with Desk Item:

6. Public Comments received between 11:01 a.m. Monday, August 14, 2023, and 11:00 a.m. Tuesday, August 15, 2023
7. PowerPoint Presentation

From: Julie Conlisk <[REDACTED]>

Sent: Monday, August 14, 2023 7:57 PM

To: Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Rob Moore <RMoore@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Town PPW <ppw@losgatosca.gov>

Cc: Brian Conlisk <[REDACTED]>

Subject: NO - TO PAID PARKING PROGRAM

[EXTERNAL SENDER]

To: Los Gatos Town Council, Parks and Public Works

We have reviewed staff's presentation and object for numerous reasons. We believe adding parking fees will **NEGATIVELY IMPACT** DOWNTOWN RETAIL AND SERVICES (We are not involved any downtown business other than as patrons and can walk to town most days). We are long time residents who have always supported the downtown merchants and restaurants. Our town retail has suffered through many life altering events; most notably the internet shopping and now, unique to Los Gatos, is the beach traffic. In order for Los Gatos merchants to survive they need not only town support but support from neighboring communities. Access and parking are key. Adding paid parking programs and the town looking for a further revenue source from retail shoppers or diners is very wrong.

Why put yet another obstacle in our town's business' path? Some of our concerns with the proposal include:

- *People should be able to pull in and park, not find a Kiosk or download an app to do so.
- *Can you pull in to a spot and not mess with a parking meter if you are staying less than 2 hours?
- *What about people who are not tech savvy and find using an app confusing?
- *Parking apps are not universal, visitors will be required to download an app in order to park.

We should be trying to figure out how to make Los Gatos more user friendly, not more challenging. We should not be in a hurry to change the small town feel of Los Gatos.

The town should not be looking for revenue from downtown shopping and dining visitors, especially when retailers are already struggling.

Best regards,
Brian and Julie Conlisk

From: Paul Gunsky <[REDACTED]>

Sent: Monday, August 14, 2023 9:40 PM

To: Town PPW <ppw@losgatosca.gov>; Monica Renn <mrenn@losgatosca.gov>

Subject: Downtown Parking Discussion - Comments from CineLux Theatres, Operator of The Los Gatos Theatre

[EXTERNAL SENDER]

Honorable Mayor and Town Council:

I am providing this comment as the managing entity of The Los Gatos Theatre. I did attend the recent workshop provided by the Town. However unfortunately I am out of town August 15 and find it necessary to provide comment in the best interest of the theatre regarding possible changes to the downtown parking program.

CineLux Theatres has been granted the privilege of operating this iconic theatre since late 2022. The relaunch of this theatre has been challenging as it was closed for nearly three years. The Los Gatos Theatre was the last cinema in Santa Clara County to reopen after the pandemic.

As an industry, we are still recovering as we wait for Hollywood Studios to return to their pre pandemic levels of films released. At The Los Gatos Theatre we have worked tirelessly to engage the community and to be a good steward of the theatre.

The theatre's attendance has consistently increased over the past eight months. We are still building awareness and expect attendance to increase. The Theatre's patrons frequent other nearby restaurants and businesses. It's truly a win win for the downtown.

I am concerned that a paid downtown parking program will negatively affect the The Los Gatos Theatre. Unlike other businesses in the downtown, the theatre's product (filmed entertainment) is identical and simultaneously exhibited in other nearby cinemas; cinemas that do not require paid parking. There is no other cinema in Santa Clara County which requires paid parking (exception Valley Fair which is Validated by Westfield / Property owner).

There are very few downtown theatres which still exist. It was through the Goetz's vision and commitment which preserved this wonderful venue. A paid parking program would greatly reduce the appeal and convenience of The Los Gatos Theatre.

For the record, CineLux Theatres introduced reserved seating which eliminates "overlap" parking. In other words the audience will leave prior to the arrival of the next audience. Reserved seating eliminates the need for guests to arrive early, as their seats have already been selected online.

My apologies for my absence. I do look forward to working with the Town and the community in keeping The Los Gatos Theatre vibrant and the center piece of the downtown.

With regards,

Paul Gunsky
Manager,
CineLux Theatres Los Gatos LLC



P.O. Box 54100, San Jose, CA 95154 USA

Phone: 408-559-7469

Fax: 408-580-5000

Email: Paul@CineLuxMovies.com

www.CineLuxTheatres.com

[facebook.com/CineLuxTheatres](https://www.facebook.com/CineLuxTheatres)

<https://www.instagram.com/cineluxtheatres>

--

Paul Gunsky

From: Heather Maggetti <[REDACTED]>
Sent: Tuesday, August 15, 2023 6:51 AM
To: Town PPW <ppw@losgatosca.gov>
Subject: Town council meeting parking

[EXTERNAL SENDER]

Good morning!

I am the owner of Parlour 308 hair salon at 308 E. Main St. This October, we proudly celebrate our 17th year of being in business. I'm sure I don't need to tell you that the last few years have been difficult. Covid was particularly hard on hair salons. Thankfully, we managed to weather the storm and rebuild to become a successful storefront once again.

The beginning of 2023 was a turning point for us. We were finally seeing both stylist and clients feeling comfortable enough to return to the salon. As that happened, road construction was booming (I understand that was unavoidable), The Club Gym completed their remodel, and many sophomore high schoolers were getting their drivers licenses and able to drive themselves to school for the first time. These things combined have been the perfect storm and leave us with virtually no place for either our stylist or our patrons to park. It's been challenging to say the least! Clients come in upset and stylist have to interrupt their workday every 90 minutes to run out and try and find a new parking spot! It's exasperating!

I was made aware the the town of Los Gatos provides parking permits downtown for the low, affordable price of \$42 and even has special spots designated for employee parking only! Our side of town pays \$252 for a parking permit and has no special spots! I have to ask... why the preferential treatment??? I attended the town council meeting last week to hear what possible options are being considered. The "pay to stay" option I believe will only make our parking situation worse on E. Main. Parents of Los Gatos high school students will have NO problem paying for their students to park in olive zone parking all day and this is pretty much the only lot available for out patrons to park. This option will be absolutely disasterous for our side of town. I support "pay to stay" in down town proper... University and Santa Cruz Avenue but implementing anywhere near the high school will only worsen the existing problem!

Our salon provides a space for over 20 professional independent contractors to call home. That's over 20 business liceses to the town of Los Gatos each year! Our clients also bring a TON of business to other storefronts and restaurants throughout town... our clientele spans the Bay Area and they love to make a day of it when they get their hair done.

I was born and raised in this town and have called it home for nearly 53 years. I went to school at both St Mary's and Los Gatos high school. I have watched this town evolve from small village to a booming epicenter of commerce for the Bay Area. I love this town and have always been proud to call it my home! We donate constantly to fund raising events and really try to be a strong member of the community. I beg of you to consider helping us! Our parking situation is hurting our business!

Thank you for your consideration!

Heather Maggetti
Owner
PARLOUR 308
[REDACTED]

Sent from my iPad

-----Original Message-----

From: Karen Jensen <[REDACTED]>

Sent: Tuesday, August 15, 2023 7:59 AM

To: Town PPW <ppw@losgatosca.gov>

Subject: NO Paid Parking please

[EXTERNAL SENDER]

Hello

My name is Karen Jensen. I have lived in Los Gatos for 25 years now. I currently own a retail business at 88 West Main St. for 15 years.

The paid parking program would be a horrible idea. It would negatively impact our retail and restaurant business in town. Retailers already suffer enough with Internet shopping and our beach traffic. The town should not be looking for extra revenue from downtown shopping and dining visitors.

Let our town work on being more user-friendly, not more challenging.

Thank you,

Karen Jensen
Loma Alta Ave
Los Gatos

Sent from my iPhone

From: Mark Oliveriez <[REDACTED]>

Sent: Monday, August 14, 2023 8:46 PM

To: Council <Council@losgatosca.gov>

Subject: Public Comments #14 a,d Parking

[EXTERNAL SENDER]

Dear Council members,

14a. I understand the desire to solve problems and increase revenue for the city/town, but increasing the parking permits fees for residents or owners should not be the solution, nor should it be considered. Residents and owners should not be singled out or burdened by additional fees because of where they live. Residents and owners that live just outside of downtown do not pay any permit fees (as it should be) and neither should residents or owners of downtown homes. It's not fair, it does not solve any parking problems; and it only serves to punish downtown residents for living where they do. Increases like these seem to be done without thought or consideration to what

is right or fair to all residents of the community. Just because you can is not a reason to do something.

14d. This is another bad idea which falls into the same category of "just because you can, it does not mean it's a good idea". Paid parking in downtown Los Gatos would be a disaster to businesses, and another bad idea. Do not allow the town Los Gatos to become a penny wise, but pound foolish town. I am a local residential and commercial real estate sales broker, as well as a consumer of local retail and business. The current 2-hour and 3-hour parking is a must, and a benefit to keeping the businesses thriving in this town. Meters are a pain and not welcoming to a consumer. Yes, they are in many cities and towns, but not in all, and that's a good thing. Whether the meters have apps, credit cards or coins, **nobody** likes them and the initial feeling a downtown visitor gets is you are not really welcome here, but we will take your money whether to stay long or not. No, No and wrong. Let this town be a welcoming town, that means: make it easy to park and easy to hang out. With the current parking times a family can easily enjoy shopping, dining and visiting professional businesses without feeling rushed because of some silly meter. In fact, if any change were to be made, I would say "make all 2-hour parking, 2.5 or 3-hour parking". This would actually allow for a more relaxed visit.

In conclusion, I believe I speak for most of our Los Gatos residents when I say: "do not let yourself be swayed by the illusion of progress." Leave meters, high permit fees, or short stays to the big cities who really don't care whether you feel welcome or not. That way of thinking is not what Los Gatos is about, so I implore you not to allow these proposals to occur.

Thank you for your time,

Mark Oliverrez
University Ave Resident/Owner
[REDACTED]

From: Ginger Rowe <[REDACTED]>
Subject: Pay to Stay Parking
Date: August 15, 2023 at 11:00:39 AM PDT
To: pppw@losgatosca.gov
Cc: mristow@losgatosca.gov, mbadame@losgatosca.gov, mhudes@losgatosca.gov,
RMoore@losgatosca.gov, rennie@losgatosca.gov

Good morning,

While I have been reading, following, and dealing with parking issues from a business perspective as well as a residence for the past 30+ years. I do not agree that now is the time for our downtown business community to making changes like this. Those of us that have been around long enough have drugged through the past several years during Covid to stay alive, staff, and deal with changing times, business environment, etc. This past year has brought even more challenges with the downturn in the economy and threat of another extended recession.

I feel that any more hurdles that we as businesses would have to face could potentially devastate us. I can't say that I am completely opposed to a "pay to stay" model for our parking lots, eventually....many customers complain constantly about the limited time for things in town. I would say either first address extending time by an hour for free currently, or wait until there has been an upswing in business in general before implementing another change in what we are facing as brick and mortar stores. I also firmly believe that it would have to be approached in a very careful manner in the future.

Thank you,

Ginger Rowe
Time Out Clothing
108 N. Santa Cruz Avenue
Los Gatos, CA. 95030
(408) 354-8653
www.timeoutclothing.com

From: Rachael Martines <[REDACTED]>
Sent: Tuesday, August 15, 2023 8:44 AM
To: Town PPW <pppw@losgatosca.gov>
Subject: Parking council meeting

[EXTERNAL SENDER]

Ladies and gentlemen of the city council,

Im Writing to address a pressing concern that affects the heart of our community – the limited availability of affordable permit parking for our local business employees.

My number 1 topic & concern,
Is some thing that the town could solve for us right away!

The parking permits, and they all of zone for a business license holders!

The ongoing construction projects, coupled with the demand for high school parking and the scarcity of accessible public parking, have created a complex issue that requires our immediate attention and collaborative solutions.

As we witness our city evolve with new construction projects, it is essential to acknowledge the strain this places on our local businesses. The Business owners, who contribute to our vibrant economy often struggle to find affordable and convenient parking options, hindering their ability to serve our community effectively.

Simultaneously, our local high school students deserve a secure and organized parking solution that doesn't encroach upon the needs of our local businesses. Their education and safety must remain paramount, without exacerbating the parking challenges we face.

This would include a second route for the school traffic to come and go from the high school, as well as a parking structure on school grounds for the students and special events and sports events.

The scarcity of accessible public parking compounds this issue. As we strive for a city that thrives, we must recognize the importance of accommodating residents and visitors alike. A well-planned public parking system will not only alleviate

the congestion but also foster an environment where everyone can enjoy the amenities our city has to offer.

Los Gatos needs parking structures in several areas of the town, before any new housing projects come along!

Los Gatos is bursting at the seams and businesses are suffering to the lack of parking and the effects the high school has on the town with their lack of parking.

I urge this council to consider a multi-faceted approach that balances the interests of all stakeholders.

Starting with granting our business license holders within our salon, free or same price parking permits as what they are offering downtown business license holders.

Collaborating with local businesses, schools, and urban planning experts, we can design a comprehensive parking strategy that accounts for the ongoing construction, serves the needs of our local high school, and provides ample accessible parking options for residents and visitors.

Let us seize this opportunity to demonstrate our commitment to the vitality and harmony of our community. By addressing this issue, we can enhance the quality of life for all and ensure that our city remains a welcoming and prosperous place for generations to come.

Thank you for your time and consideration.

Rachael Martines
Parlour 308

Permit Parking Recommendations and Paid Parking Program Models

Town Council Meeting
August 15, 2023

PARKING PROGRAM ACCOMPLISHMENTS

1. Established successful downtown employee parking pilot program
2. Released Request for Proposals for pay station kiosks and pay to stay software
3. Acquired license plate recognition (LPR) system to support parking enforcement
4. Developed wayfinding and signage program and associated cost estimates
5. Staffed 0.25 Temporary Parking Manager from July 1, 2020 through June 30, 2023

BACKGROUND

Council direction from December 6, 2022

1. Implement the wayfinding program
2. Evaluate the charges for residential permits
3. Explain how a paid parking program could help the downtown business community
4. Determine the necessary fees and charges for a parking program that would be fully cost recoverable (consider \$2.00 to \$2.50 per hour for off-street lots)



WAYFINDING PROGRAM UPDATE

August 2023	Design Documents Complete
Early Fall 2023	Staff will Seek Construction Authorization for Bidding
Winter 2024	Construction / Implementation of Program Begins



RESIDENTIAL PERMIT PROGRAM

- Protect residents from spillover parking
- Escalating rates:
 - ✓ Encourage use of garage/driveway parking
 - ✓ Reduce excess parking on-street
- Administered by Police Department
- Current Rate: \$42 per vehicle for up to four vehicles + two free visitor passes + contractor passes at \$25 per day



RESIDENTIAL PERMIT PROGRAM

Proposed 2024 Rates: \$52, \$72, \$92, \$112 for first four vehicles

Discussion Points:

- Should visitor passes remain free?
- Should there be a reduced fee for low-income households?

OLIVE ZONE

- Existing: Employee permits \$248 per year
- Recommend setting Olive Zone employee permits to match downtown rates.

WHY PAID PARKING?

*General Plan Element MOB-14.2: **Implement parking management** or Transportation Demand Management (TDM) in the Downtown **to address long-term (employee) and short-term (customer) parking demands and maximize the efficient use of parking***

- Paid parking is a management tool, not revenue generation
- Maximize efficient use of available parking resources
- Improve the experience for all users by reducing the time it takes to find available parking
- Increase turnover of parking space occupancy and maximize underutilized parking spaces to improve the economic vitality of downtown

PARKING MANAGEMENT OPTIONS

Current Town Approach



		Option 1	Option 2	Option 3A	Option 3B
Strategy	On-/Off-Street	For Downtown only: - Free, 2h time limit on-street - 2h free, then \$2.50/h off-street For Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - 0h free, \$1.25/h on-street - 2h free, \$1.00/h off-street	For Downtown & Olive Zone: - 0h free, \$3.00/h on-street - 2h free, \$2.50/h off-street
	Permits/Other	- Escalating rate model for Residential Parking Permits: Permit 1 \$42; Permit 2 \$60; Permit 3 \$80; Permit 4 \$100; low-income permit \$25 (per year) - Employee Parking Permits (all zones): \$10/month (\$120/year); \$5/month for low-income rate (\$60/year) - Introduce 30-minute short-term spaces on-street - Shift Oak Meadow Park responsibilities and revenue to parking fund.			

REVENUE ASSUMPTIONS

- Implement \$6 per vehicle per day fee at Oak Meadow Park
- Implement fee for on-street parking spaces (Options 3A and 3B)
- Charge for parking in the Olive Zone at the same rate as downtown
- Charge for employee parking passes (\$10 per month; \$5 per month for low-income)
- Increase rates for residential permits
- Allocate Tesla charging station revenue to parking program

EXPENSE ASSUMPTIONS

- Includes ongoing equipment management and charges for credit card transactions
- Includes additional staffing necessary for program to fully function

	Existing Staff	Additional Staff		
		Option 1	Option 2	Option 3A/3B
Program Management	<ul style="list-style-type: none"> • 0.25 Manager (through 6/2023) • Traffic Sergeant (1 day/week) • Police Community Outreach Coordinator (30+hr/week) 	1.0 Parking Manager	1.0 Parking Manager	1.0 Parking Mgr 1.0 Admin Assistant
Enforcement	2 Parking Compliance Officers (PCO)	1.0 PCO	1.0 PCO	2.0 PCO
Field Staff	None	1.0 Maintenance Worker	N/A	1.0 Maintenance Worker
Park Services	NA – No paid parking	1.0 Park Service Officer (PSO)	1.0 PSO	1.0 PSO

COST ANALYSIS

Option 1	Option 2	Option 3A	Option 3B
For Downtown only: - Free, 2h time limit on-street - 2h free, then \$2.50/h off-street For Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - Free, 2h time limit on-street - Free, 3h time limit off-street	For Downtown & Olive Zone: - 0h free, \$1.25/h on-street - 2h free, \$1.00/h off-street	For Downtown & Olive Zone: - 0h free, \$3.00/h on-street - 2h free, \$2.50/h off-street
- Escalating rate model for Residential Parking Permits: Permit 1 \$42; Permit 2 \$60; Permit 3 \$80; Permit 4 \$100; low-income permit \$25 (per year) - Employee Parking Permits (all zones): \$10/month (\$120/year); \$5/month for low-income rate (\$60/year) - Introduce 30-minute short-term spaces on-street - Shift Oak Meadow Park responsibilities and revenue to parking fund.			

Estimated Annual Budget ⁵					
Revenue Total		\$300,388.50	\$254,409.00	\$1,443,872.24	\$3,111,057.20
OPEX	Equipment ⁶	\$142,718.65	\$12,054.14	\$256,670.69	\$304,185.46
	Staffing	\$540,118.99	\$378,004.45	\$821,998.09	\$821,998.09
	Total OPEX	\$682,837.64	\$390,058.59	\$1,078,668.78	\$1,126,183.55
Year 1 Net Gain/Loss		-\$382,449.14	-\$135,649.59	\$365,203.46	\$1,984,873.65
Initial CAPEX ⁷		\$217,500.00	\$56,000.00	\$540,500.00	\$540,500.00

PAID PARKING CONSIDERATIONS

- Merchant validation program could be established with Option 3A or 3B
- Consultant cost analysis assumed that all staff are Town employees.
- Alternatives include:
 - Staffing Alternative A: Town staff is added to support program
 - Staffing Alternative B: Town contracts a Parking Manager to support development of program
 - Staffing Alternative C: Contract services needed for entire program

STAFFING CONSIDERATIONS

- If Council decides not to pursue paid parking at this time, staff resources are still needed for the administration of employee permit and residential permit programs.
- Options include:
 - Direct a modification to the budget to reinstate the temporary Parking Manager position, or
 - Realign the duties of an existing staff (from Parks and Public Works or Police Department), recognizing that other work would not be completed.

RECOMMENDED ACTIONS SUMMARIZED

- Direct the Preparation of the Town's Fee Resolution, effective January 1, 2024, to:
 - ✓ Increase Residential Permit Parking to \$52, \$72, \$92, and \$112 for Vehicles One, Two, Three, and Four,
 - ✓ Set Residential Permit Rates in the Olive Zone to Match Rates in Other Residential Parking Zones,
 - ✓ Eliminate the Annual Fee for Employee Parking in the Olive Zone;
- Provide Direction Regarding the Establishment of Residential Permit Rates for Low-Income Residents (Households with Income of Less than 80% of Area Median Income)
- Provide Direction Regarding the Two Free Visitor Passes that are Available to Each Household in the Residential Permit Parking Areas
- Provide Feedback and/or Direction on the Paid Parking Program Options, Pricing Models, Service Delivery Scenarios, and Staffing Alternatives Required to Support a Functioning and Effective Downtown Paid Parking Program



MEETING DATE: 08/15/2023

ITEM NO: 15

**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

DATE: August 10, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive and Discuss a Status Update on the 2023-2031 Housing Element Process

RECOMMENDATION:

Receive and discuss a status update on the 2023-2031 Housing Element process.

BACKGROUND:

The following is a summary of public meetings, formal California Department of Housing and Community Development (HCD) comment letters received, and other actions taken toward the certification of the Housing Element in 2023. Attachment 1 contains a more detailed summary of events and the schedule moving forward.

- January 12, 2023 – Town received a HCD findings/comment letter.
- January 30, 2023 – Town Council adopted the 2023-2031 Housing Element with modifications to the Sites Inventory.
- February 3 to 10, 2023 – Seven-day public review period for the 2023-2031 Housing Element as adopted by the Town Council on January 30, 2023.
- February 13, 2023 – Town submitted the adopted 2023-2031 Housing Element to HCD. A cover letter was included in the submittal describing that the Town was in the process of addressing all the remaining comments found in the HCD findings/comment letter and would be resubmitting a Draft Revised Housing Element after all the revisions were completed. The cover letter and submittal documents are available online at: <https://www.losgatosca.gov/HousingElement>.

PREPARED BY: Jennifer Armer, AICP
Planning Manager

Reviewed by: Town Manager, Town Attorney, Assistant Town Manager, and Community Development Director

BACKGROUND (continued):

- February 16, 2023 – The Housing Element Advisory Board (HEAB) met to review and discuss the HCD findings/comment letter, and how the comments and findings would be addressed.
- March 16, 2023 – The HEAB reviewed the Draft Revised 2023-2031 Housing Element which included modifications to the Town Council adopted 2023-2031 Housing Element in response to the January 12, 2023, HCD comments.
- March 23 to 30, 2023 – Seven-day public review period for the Draft Revised 2023-2031 Housing Element as recommended by the HEAB.
- March 31, 2023 – The Town submitted the Draft Revised 2023-2031 Housing Element to HCD for review. The March 31, 2023, cover letter, and submittal documents are available online at: <https://www.losgatosca.gov/HousingElement>.
- April 4, 2023 – The Town Council reviewed and discussed the Draft Revised 2023-2031 Housing Element as submitted to the HCD on March 31, 2023.
- April 14, 2023 – The Town received a HCD findings/comment letter on the adopted Housing Element that was submitted to HCD on February 13, 2023.
- April 21, 2023 and May 10, 2023 – Staff met with the Town’s HCD reviewer to discuss the March 31, 2023 resubmittal and to receive preliminary feedback.
- May 30, 2023 – The Town received a HCD findings/comment letter on the Draft Revised Housing Element. The findings/comment letter is in reference to the Town’s Draft Revised Housing Element submitted to HCD on March 31, 2023. HCD determined that the Town’s Draft Revised Housing Element addresses many statutory requirements, and identified revisions necessary to comply with State Housing Element law.
- June 15, 2023 – The HEAB met to review and discuss the May 30, 2023 HCD findings/comment letter, and how the comments and findings could be addressed.
- June 20, 2023 – Staff met with the Town’s HCD reviewer to receive clarification on HCD’s most recent findings/comment letter. The HCD reviewer provided examples from the City of Torrance, Rolling Hills, and Rolling Hills Estates on housing programs that address Affirmatively Furthering Fair Housing (AFFH). This information was provided Town’s AFFH consultant, Root Policy Research, to strengthen this portion of the Town’s Housing Element.
- On July 20, 2023 – The HEAB met to review and discuss portions of the Town’s Interim Working Draft Revised Housing Element.

On August 1, 2023, two Council Members requested a Housing Element status update be added as an agenda item on the next possible Town Council meeting. The Mayor scheduled the item for August 15, 2023.

DISCUSSION:

A. Housing Element Advisory Board

On July 20, 2023, the HEAB held a special meeting to review and discuss portions of the Town's Interim Working Draft Revised Housing Element, as well as the Interim Working Draft Response Memorandum breaking HCD's findings/comment letter into individual comments and summarizing the modifications staff has prepared thus far (https://www.losgatosca.gov/AgendaCenter/ViewFile/Agenda/_07202023-2313). The HEAB provided feedback that significant work had been accomplished toward addressing HCD comments, and that the HEAB looked forward to learning more about the analysis from the Town's consultants.

On August 24, 2023, the HEAB is scheduled to hold a special meeting to review and discuss additional modifications to the Interim Working Draft Revised Housing Element. The content of the new revisions is expected to focus primarily on the topics of AFFH and providing additional information for the properties identified in the Sites Inventory. The staff report packet will be published online on Friday, August 18, 2023.

B. Timelines

In response to comments from the HEAB at the June 15, 2023, meeting, Town staff prepared and posted a timeline online for the Housing Element update process and a separate scheduled for the Zoning and General Plan amendments to help the community understand where the Town is in these processes, and what remains to be completed. The timeline for the Housing Element update process is provided as Attachment 1, and the timeline for the Zoning and General Plan amendments is provided as Attachment 2.

C. Consultants

Throughout the Housing Element update process, the Town had worked with EMC Planning Group Inc. For this final phase of the Housing Element update process the Town's needs are more focused, and for this reason, the Town has contracted with Root Policy Research, who has previously provided AFFH analysis as a subconsultant of EMC Planning Group Inc., and Veronica Tam and Associates, who has a strong history and reputation for assisting agencies in obtaining certification of their Housing Elements. The proposal provided by Veronica Tam and Associates for the services is provided as Attachment 3.

D. Meetings with HCD

The Housing Element update process has included meetings and consultation with the Town's HCD reviewer throughout the process. The most recent meeting occurred on June

DISCUSSION (continued):

20, 2023, in which Town staff received some clarification on the comments received on May 30, 2023. With the assistance of the Town's consultant, a meeting is now being scheduled with the Town's HCD review and with Paul McDougall for the first week of September. The goal for this meeting is to review the Town's proposed methodology for addressing the remaining HCD comments and to confirm the methodology meets their expectations.

E. January 31, 2024 Rezoning Deadline

If a Housing Element is not certified by May 31, 2023, the rezonings of the properties on the Sites Inventory to the minimum density specified in the Inventory must be completed by January 31, 2024. The deadline is specific to the rezoning of sites on the Housing Element Sites Inventory; this is not a deadline to obtain certification of a Housing Element.

While the deadline could affect the process for updating the Town's Housing Element by requiring that rezoning be completed prior to certification of the Housing Element, it does not trigger any additional State requirements or allow the State to take over the Town's land use authority of proposed development applications. If the necessary rezoning is not complete by January 31, 2024, HCD will not be able to certify the Housing Element until the rezoning has been completed. In addition, HCD is authorized to refer to the agency to the State Attorney General. (Gov. Code Section 65585(i), (j)).

It is the intent of the Town to complete the rezoning by the deadline to prevent delay in certification of the Town's Housing Element.

F. Sites Inventory

The Town's adopted Housing Element contains a buffer of 16 percent of units above the Regional Housing Needs Allocation (RHNA) of 1,993 housing units to accommodate instances in which planning applications are approved at a density below the density described in the Town's Housing Element. The most recent Draft Revised Housing Element submitted to HCD in March 2023 contains a buffer of 25 percent.

The Town has received four Senate Bill 330 (SB 330) preliminary applications. The second phase of the North Forty, the Post Office project, and the Los Gatos Lodge project have submitted SB 330 preliminary applications that propose density and affordability distributions below the density and affordability distributions described in the March 2023 Draft Revised Housing Element.

In the event that formal planning applications are approved that create a shortfall of units in the Town's Sites Inventory, the Town will need to comply with the State's "no net loss"

DISCUSSION (continued):

provisions. The State “no net loss” law requires that, if and when a project is approved below the density described in the Town’s Housing Element, the Town must rezone sufficient sites to make up the shortfall within six months of project approval. In other words, the “no net loss” provisions kick in upon project approval. Town staff has discussed the SB 330 preliminary applications with our HCD reviewer at least twice, and HCD knows that the Town intends to comply with the “no net loss” provisions if a project approval results in a shortfall.

While there is no requirement to adjust the Sites Inventory until project approval, there is nothing prohibiting the Town from increasing the buffer now. However, Town staff is not recommending that the Town do so at this time. Town staff is concerned that making the adjustment to the Sites Inventory at this point in time may delay HCD’s certification of the Town’s Housing Element by introducing new information that was not previously reviewed.

That said, HCD’s May 2023 comment letter asks for the Town to provide more documentation that there is a “realistic possibility” that the sites in the sites inventory will be redeveloped. Town staff is currently working with the Town’s consultant to provide an analysis of the “realistic possibility” of redevelopment for HCD’s review. If this analysis demonstrates that there is in fact not a “realistic possibility” of redevelopment, Town staff will recommend that the Sites Inventory be expanded.

PUBLIC COMMENTS AND COUNCIL MEMBER QUESTIONS:

At the time of this report’s preparation, the Town has not received any public comments. Questions from the Vice Mayor, sent to Town staff are included as Attachment 4. Discussion of the issue raised by the Vice Mayor is discussed under the Sites Inventory section of this report.

Public comments are encouraged throughout the Housing Element update process and can be emailed to HEUpdate@losgatosca.gov.

CONCLUSION:

Staff looks forward to the Town Council’s discussion.

COORDINATION:

The Community Development Department coordinated with the offices of the Town Attorney and Town Manager in the preparation of this report.

PAGE 6 OF 6

SUBJECT: Receive and Discuss a Status Update on the 2023-2031 Housing Element Update Process

DATE: August 10, 2023

ENVIRONMENTAL ASSESSMENT:

An Environmental Analysis was prepared for the Housing Element update. Although the Housing Element update could have a significant effect on the environment, it was found that all potentially significant effects have been analyzed adequately in the Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), pursuant to applicable standards including CEQA Guidelines Section 15168(c)2, and the Housing Element update is consistent with the growth projections evaluated in the General Plan EIR. A copy of the Environmental Analysis is available online at: <https://www.losgatosca.gov/1735/General-Plan---Housing-Element>.

Attachments:

1. Housing Element Update Timeline
2. Zoning and General Plan Amendments Timeline
3. Veronica Tam and Associates Proposal
4. Questions from the Vice Mayor
5. Public Comment received before 11:00 a.m. on August, 10, 2023

Housing Element Timeline

- Resolution 2021-032 Adopted by the Town Council to Establish the Housing Element Advisory Board (HEAB) – August 3, 2021
- 17 HEAB Meetings: October 2021 – June 2023 (*Subsequent meetings noted below.*)
- Housing Element Community Meeting – March 31, 2022
- Joint Study Session – Town Council, Planning Commission, and HEAB – April 6, 2022
- Seven-Day Public Review Draft Period: August 29 – September 27, 2022
- Initial Public Review Draft Submitted to HCD (first submittal): October 14, 2022
- Planning Commission and Town Council Hearings on Draft Housing Element: January 2023
- HCD Comment Letter (on first submittal) Received: January 12, 2023
- Housing Element Adopted by the Town Council: January 30, 2023
- Adopted Housing Element Submitted to HCD (second submittal): February 13, 2023
- Draft Revised Housing Element Submitted to HCD (third submittal): March 31, 2023
- Town Council Meeting: April 4, 2023
- HCD Comment Letter (on second submittal) Received: April 14, 2023
- HCD Comment Letter (on third submittal) Received: May 30, 2023
- Housing Element Advisory Board Meeting: July 20, 2023
- **Special Housing Element Advisory Board Meeting: August 24, 2023 (WE ARE HERE)**
- *Tentative* Housing Element Advisory Board Meeting: late September 2023
- *Tentative* Seven-Day Public Review Draft Period: September 22 – 29, 2023
- *Tentative* Draft Revised Housing Element Submitted to HCD (fourth submittal): October 9, 2023
- *Tentative* HCD Comment Letter (on fourth submittal) Expected to be Received: December 8, 2023
- *Tentative* Planning Commission Meeting to Recommend Adoption of the Draft Revised Housing Element (fourth version): December 13, 2023
- *Tentative* Town Council Hearing to Adopt the Draft Revised Housing Element (fourth version): January 16, 2024
- *Tentative* Certification by HCD (fourth version): February 23, 2024

ATTACHMENT 1

***This Page
Intentionally
Left Blank***

Zoning and General Plan Amendments Timeline

- Special General Plan Committee Meeting: July 20, 2023
- **Planning Commission Meeting(s) to Consider Recommendation on the Zoning and General Plan Amendments: August 23, 2023 (WE ARE HERE)**
- *Tentative* Town Council Meeting(s) to Adopt the Zoning and General Plan Amendments: October – November 2023
- *Tentative* Town Council Second Reading of Zoning Ordinance Amendments: December 19, 2023
- *Tentative* Effective Date of Zoning Code Amendments: January 18, 2024
- HCD Deadline to Complete the Rezoning: January 31, 2024*

* Because the Housing Element was not certified by May 31, 2023, the rezonings must be completed by January 31, 2024. The deadline is specific to the rezoning of sites on the Housing Element Sites Inventory; this is not a deadline to obtain certification of a Housing Element. If a Housing Element is adopted after January 31, 2024, HCD cannot find it in compliance with State Law until all necessary rezonings are adopted.

***This Page
Intentionally
Left Blank***



June 18, 2023

Joel Paulson, Director
Community Development Department
110 E. Main Street
Los Gatos, CA 95030

Dear Mr. Paulson:

Veronica Tam and Associates, Inc. (VTA) is pleased to submit this proposal to assist the Town of Los Gatos in the Housing Element update. Our scope of work focuses on addressing specific comments of the State Department of Housing and Community Development (HCD) on the Town's Revised Draft Housing Element, as outlined in the May 30, 2023 HCD letter.

VTA has substantial experience in preparing Housing Elements and we are familiar with new State laws and HCD review standards. For the current 6th cycle Housing Element, as of June 2023, VTA has assisted more than 40 jurisdictions in the SCAG, SANDAG, and ABAG regions in achieving Housing Element compliance.

We look forward to discussing our proposal with you. Please let me know if you have questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Veronica Tam', is written over a light blue horizontal line.

Veronica Tam, AICP
Principal

Project Understanding

The Town of Los Gatos submitted a revised the Housing Element on March 31, 2023, and received HCD comment letter on May 30, 2023. We understand that the Town is requesting supplemental consulting assistance to address findings in this letter.

We also understand that the Town has already retained a separate consultant to address the Affirmatively Furthering Fair Housing (AFFH) requirements. Therefore, our proposed scope of work includes assistance in responding to two specific HCD comments (#4 and #23) as requested by the Town.

Scope of Work

Task 1: Housing Element Revisions

Sites Inventory: This is by far the most difficult comment to address. Based on responses provided by staff, additional revisions are still needed to meet HCD standards. Specifically:

- Justification of SB 9 trend and lot eligibility analysis. Typically, this analysis involves looking at lot size and lot coverage to identify eligible parcels. Then estimate the number of parcels that may process an SB 9 application based on recent trends.
- Realistic Capacity - Likelihood of mixed use sites being redeveloped without housing. A general discussion is usually not adequate. The Town should provide specific data to substantiate trend.
- Nonvacant Sites – The Town qualified some sites based on property owner interest. However, quite a few parcels have no “substantial evidence” to demonstrate existing uses would not impede redevelopment. VTA has developed a methodology to establish “substantial evidence” as required by State law:
 - Review existing conditions of parcels with pipeline projects or developer/owner interest. These include types of existing uses, age of structures, improvement to land value ratio, existing floor area ratio or lot coverage, among other factors that describe the existing conditions of uses on site.
 - Compare parcel-by-parcel, the existing conditions of parcels in the inventory with the thresholds established based on pipeline projects and parcels with redevelopment interest.
- Small Sites – The Town’s proposed strategy of shifting small sites to Above Moderate Income RNA may be the most efficient approach.

Land Use Controls: We will work with staff to address HCD comments on governmental constraints such as development standards, planning and development impact fees,

local processing procedures, and reasonable accommodation procedures, among others. We will work with staff to compile the responses.

Special Housing Needs: This section will be comprehensively updated to include an estimate of numbers of special needs households, housing needs, and resources available. To the extent data is available, tenure and income information will be included.

Programs and Quantified Objectives: Programs will be comprehensively reviewed and revised to establish specific timelines and objectives. The ADU program will be expanded to include a mid-cycle review. The adequate sites program (Program D – Additional Housing Capacity) will be revised to reflect the Town’s RHNA obligations and specific requirements under State law. We will work with staff to develop quantified objectives that are achievable.

Public Comments: We will summarize public comments received and how the Town responded to these comments.

AFFH Analysis: We will assist in the response to the two specific comments on AFFH:

#4 Identified Sites and AFFH – This analysis requires that we use GIS to compare the distribution of RHNA units by income group with AFFH factors such as concentration of minority and low income populations, concentration of housing cost burden and overcrowding, location of RE/CAP and RCAA neighborhoods, and TCAC resource categories, among other factors. We will also provide a summary of RHNA units by either neighborhood or by census tract. Based on this detailed analysis, the Town may need to include place-based strategies for neighborhood improvements.

#23 AFFH Actions: We recommend reorganizing the Town’s current AFFH actions to a template provided by HCD. Actions will be provided for each of the five themes required by HCD: 1) fair housing outreach and education; 2) housing mobility; 3) new opportunities in high resource areas; 4) place-based strategies for neighborhood improvements; and 5) tenant protection and anti-displacement. Each action is also required to include specific timeline, geographic target, and measurable outcomes. By reorganizing into the HCD format, we can identify the gaps in actions and commitments. New actions may also be needed, depending on the conclusions of the revised AFFH analysis.

Task 2: HCD Communications

We recommend setting up meetings with HCD to discuss our approach to responding to their comments. We will coordinate regular check-in meetings with HCD to discuss our proposed strategies for addressing their comments. As necessary, when appropriate the final round of revisions, we can arrange a live edit session with HCD to make the final edits to confirm certification of the Housing Element.

Task 3: Project Management and Communications

We anticipate having routine meetings and email communications with staff (virtually) to discuss project progress and issues. Based on the scope outlined above, the most time-consuming task is substantiating the adequacy of sites inventory, especially the nonvacant sites. We propose the following tentative schedule for the Housing Element:

Milestone	Timeline (days from contract initiation)
Data Collection	10 days
Revised Housing Element	45 days
Staff Review	55 days
Resubmittal to HCD	65 days
Review and Revise final HCD comments	125 days

This schedule assumes that the Town would resubmit the Revised Draft Housing Element to HCD for a formal review. If the Town prefers an informal review, then the schedule may be condensed.

Budget

We recommend structuring this project as time-and-materials with a not-to-exceed amount.

Task	Tam	Planners	GIS/Tech	Estimated
	\$	\$	\$	Fee
1. Housing Element Revisions	200	135	135	\$ 43,100
2. HCD Communications	40	240	20	\$ 4,000
3. Project Management and Communications	20			\$ 4,000
Total	80	240	20	\$ 51,100

Qualifications

Veronica Tam and Associates, Inc. (VTA) is a California corporation located in Pasadena, California. VTA was established in November 2005 and has since been providing housing and community development consulting to local jurisdictions throughout California. We provide assistance in the following areas:

- Housing Element updates
- Zoning revisions for housing-related issues
- Special housing studies
- Consolidated Plan and related reports
- Grants administration and technical assistance
- Analysis of Impediments to Fair Housing Choice
- Environmental clearance for housing-related plans and projects

Housing Element Preparation and REAP Technical Assistance

We are well known for our expertise in State Housing Element law. We have prepared Housing Elements for jurisdictions throughout the State and maintain an excellent track record of receiving State certification. The following are some of our 5th and 6th cycles Housing Element work. Blue jurisdictions are those that have been certified for the 6th cycle, demonstrating our understanding in the new State law and our success in assisting our clients. The remaining 6th cycle works are underway.

We are also taking over several Housing Element works from other consultants who are not able to complete the projects. These include Beverly Hills, Hermosa Beach, La Mirada, Mission Viejo, Norwalk, San Mateo, and Goleta.

- | | | |
|---------------------------------------|-----------------------------------|--------------------------------------|
| ▪ Bell Gardens ^{5,6} | ▪ Laguna Beach ⁶ | ▪ Rolling Hills Estates ⁶ |
| ▪ Berkeley ⁶ | ▪ La Mesa ^{5,6} | ▪ Rosemead ⁶ |
| ▪ Beverly Hills ⁶ | ▪ La Mirada ⁶ | ▪ Salinas ^{5,6} |
| ▪ Buena Park ^{5,6} | ▪ La Puente ⁶ | ▪ San Clemente ^{5,6} |
| ▪ Camarillo ^{5,6} | ▪ Long Beach ^{5,6} | ▪ San Diego County ⁶ |
| ▪ Capitola ⁶ | ▪ Los Angeles County ⁶ | ▪ San Fernando ^{5,6} |
| ▪ Claremont ⁶ | ▪ Marin County ⁶ | ▪ San Ramon ⁶ |
| ▪ Corona ^{5,6} | ▪ Marina ^{5,6} | ▪ Santa Barbara County ⁶ |
| ▪ Culver City ⁶ | ▪ Mission Viejo ⁶ | ▪ Santee ^{5,6} |
| ▪ Cypress ⁶ | ▪ Monterey County ⁵ | ▪ Seaside ^{5,6} |
| ▪ El Cajon ^{5,6} | ▪ Ojai ⁶ | ▪ Simi Valley ^{5,6} |
| ▪ El Centro ^{5,6} | ▪ Oceanside ⁶ | ▪ South Gate ^{5,6} |
| ▪ El Segundo ^{5,6} | ▪ Palo Alto ⁶ | ▪ Thousand Oaks ⁶ |
| ▪ Escondido ^{5,6} | ▪ Pacific Grove ⁶ | ▪ Torrance ⁶ |
| ▪ Gardena ⁶ | ▪ Palmdale ⁶ | ▪ Tracy ^{5,6} |
| ▪ Glendora ^{5,6} | ▪ Pasadena ⁶ | ▪ Ventura ⁶ |
| ▪ Hermosa Beach ⁶ | ▪ Petaluma ⁶ | ▪ Vista ^{5,6} |
| ▪ Imperial Beach ^{5,6} | ▪ Rancho Cucamonga ⁶ | ▪ Walnut ^{5,6} |
| ▪ Jurupa Valley ^{5,6} | ▪ Redondo Beach ^{5,6} | ▪ West Hollywood ^{5,6} |
| ▪ La Canada Flintridge ^{5,6} | ▪ Riverside ⁶ | ▪ Westlake Village ⁶ |

In addition to directly assisting our clients with Housing Element preparation, VTA has also been retained by various Council of Governments (COGs) to provide technical assistance. These include:

- ABAG – Marin County Collaborative
- ABAG – Contra Costa County Collaborative
- San Joaquin Valley Collaborative
- GCCOG – Gateway Cities Council of Governments

***This Page
Intentionally
Left Blank***

From: Mary Badame <MBadame@losgatosca.gov>
Sent: Thursday, August 3, 2023 3:14 PM
To: Laurel Prevetti <LPrevetti@losgatosca.gov>
Subject: Fwd: Latest Table 10-3..pdf - adjusted to reflect SB 330 for B-1 and D-1

Dear Laurel,

I remain very concerned with our Housing Element not obtaining certification from HCD.

I am forwarding Table 10-3 with revisions which counters what was submitted to HCD.

SB 330 applications for the N40 D-1 site and the Los Gatos Lodge B-1 site are “pending projects” and are listed as such on the Town’s website. The property owners have clearly stated on their applications there is no intention of developing at the densities and the number of units per income category.

Adjusting Table 10-3 to reflect the number of units in the received SB 330 applications, shows there is a shortfall of 109 very low units and 5 moderate units from the Town’s RHNA of 537 very-low units and 320 moderate units. Additionally, there is only an 8% buffer over the 310 low-income units which is less than the 15% buffer requested by HCD.

I am seeking answers to discrepancies and representations - including the statement “Los Gatos reasonably expects that a total of 2492 units will be developed, as described in the tables below”.

Can you confirm the adjusted Table 10-3 correctly shows the RHNA shortfall once the densities and units by income in the SB 330 applications for sites B-1 and D-1 are accounted for?

What do you expect HCD will do once they fully understand the B-1 and D-1 property owners have no intention of developing at the densities and units by income category as represented by our Town?

If sites B-1 and D-1 are adjusted to reflect the planned units in the SB 330 applications, can you confirm that the Town has sufficient units in the 15% buffer to meet our RHNA requirements for all income categories?

If the Town adds more parcels to the site inventory now, how does that impact the likelihood of obtaining HCD certification? Wouldn’t it increase the likelihood?

If we do nothing and file the HE with no additional parcels, how confident are you that HCD will certify the HE, ignoring the shortfall in densities and income units on B-1 and D-1 sites?

I look forward to discussion at our next Council meeting.

Kind Regards,
Mary

From: Mary Badame <MBadame@losgatosca.gov>
Sent: Friday, August 4, 2023 2:55 PM
To: Laurel Prevetti <LPrevetti@losgatosca.gov>
Subject: Fwd: Final spreadsheet Site Inventory for B-1 and D-1 and HCD comment letter to LAH addressing lack of owner interest in development

Dear Laurel,

Thank you for the Council Referral on my prior email regarding the Housing Element.

Can you please retract the prior attachment of Tqble 10-3 and replace with the attached site inventory analysis. Also included and requesting distribution with the Referral is the attached HCD comment letter regarding the Town of Los Altos Hills..

Kind Regards,
Mary

Get [Outlook for iOS](#)

From: Phil Koen
Sent: Friday, August 4, 2023 2:10:41 PM
To: Mary Badame <MBadame@losgatosca.gov>
Subject: Final spreadsheet Site Inventory for B-1 and D-1 and HCD comment letter to LAH addressing lack of owner interest in development

[EXTERNAL SENDER]

Analysis of adequacy of Site Inventory								
	Zipcode	APN	VL	L	M	A	Total	Acres
N40 Parcels - Site D-1 inventory								
14859 Los Gatos Boulevard	95032	424-07-094	35	17	17	18	87	2.9
16392 Los Gatos Boulevard	95032	424-07-095	9	4	5	5	23	0.78
16260 Burton Road	95032	424-07-053	5	2	3	3	13	0.44
16250 Burton Road	95032	424-07-009	5	2	3	3	13	0.44
14917 Los Gatos Boulevard	95032	424-07-081	45	22	22	23	112	3.74
14925 Los Gatos Boulevard	95032	424-07-115	73	36	36	37	182	6.07
Los Gatos Boulevard	95032	424-07-116	12	6	6	7	31	1.02
>>Total			184	89	92	96	461	15.39
SB 330 Application received by Town			0	88	0	349	437	
(Shortfall)/Excess from Site Inventory D-1			(184)	(1)	(92)	253	(24)	
Los Gatos Lodge - Site B-1 inventory								
50 Los Gatos-Saratoga Road	95030	529-24-032	76	75	51	9	211	7.04
Los Gatos-Saratoga Road	95030	529-24-001	9	9	9	18	45	1.49
Los Gatos-Saratoga Road	95030	529-24-003	1	2	2	3	8	0.28
>>Total			86	86	62	30	264	8.81
SB 330 Application received by Town			0	32	0	126	158	
(Shortfal)/Excess from Site Inventory B-1			(86)	(54)	(62)	96	(106)	
>>Total Shortfall from Site Inventory for B-1 and D-1			(270)	(55)	(154)	349	(130)	
Table 10-3 Total Estimated Housing Site Inventory			646	362	347	642	1,997	
Adjusted Table 10.3 Total Estimated Housing Site Inventory			376	307	193	991	1,867	
ADU			20	60	60	60	200	
Senate Bill 9						96	96	
Pipeline Projects				1		200	201	
Total			396	368	253	1,347	2,364	
RHNA 6th Cycle			537	310	320	826	1,993	
(Shortfall)/Excess over RHNA			(141)	58	(67)	521	371	

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

2020 W. El Camino Avenue, Suite 500
 Sacramento, CA 95833
 (916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 25, 2023

Sofia Mangalam, Director
 Planning and Building Department
 Town of Los Altos Hills
 26379 Fremont Road
 Los Altos Hills, CA 94022

Dear Sofia Mangalam:

RE: Town of Los Altos Hills' 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the Town of Los Altos Hills' (Town) draft housing element that was received for review on October 27, 2022 along with revisions on January 9, 2023. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on December 22, 2022 with yourself, City Manager Peter Pirnejad, and attorneys Steve Mattas and Claire Lai from Meyers Nave. In addition, HCD considered comments from Kevin Meyer, YIMBY Law, South Bay YIMBY, Sasha Zborzek, Adam Buchbinder, Elain Haight, Chuong Vu, Campaign for Fair Housing Elements, and the League of Women Voters of Los Altos-Mountain View Area pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes these revisions needed to comply with State Housing Element Law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the Town fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the town should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the Town will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the town to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the work and assistance the Town's housing element team provided during the update and review. We are committed to assisting the Town in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Reid Miller, of our staff, at Reid.Miller@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX TOWN OF LOS ALTOS HILLS

The following changes are necessary to bring the Town's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The review requirement is one of the most important features of the element update. The review of past programs should describe progress in implementation of previous actions, including results compared to objectives and evaluate the effectiveness of actions to make appropriate adjustments in the current planning period. Specifically, the prior element included Program 19 (Support Foothill College). This Program was geared toward promoting housing variety and affordability, housing mobility and inclusion into the Town given the lack of multifamily zoning. Yet, the current element does not evaluate past commitments, progress or effectiveness and merely states a new program is included. For example, the Program committed to amend the general plan and zoning to permit multifamily as well as meeting with developers and applying for funding to encourage affordable multifamily development.

The element omits the depth and importance of this commitment and did not discuss or evaluate the effectiveness of multifamily zoning, lack of alternative measures taken and outreach efforts. To address this requirement, the element must fully describe past commitments, progress in implementation, evaluate effectiveness and then discuss appropriate adjustments in the current planning period. Given the apparent lack of effectiveness and success in developing multifamily choices and affordability, this analysis should particularly focus on zoning for a variety of housing types, including multifamily and discuss significant actions to promote housing choice, affordability, and mobility to facilitate inclusion beyond the regional housing need allocation (RHNA) and beyond complying with related state laws (e.g., ADU law and SB 9).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Income and Racial Concentration of Affluence (RCAA): The element briefly mentions incomes in the Town compared to the region as well as the entire Town's status as a RCAA. The element should include specific analysis of income and RCAA at a regional level (Town compared to the broader region). The analysis should at least address trends, conditions, coincidence with other fair housing factors (e.g., race, highest resource, overpayment), effectiveness or absence of past strategies (e.g., lack of publicly assisted housing and lack of multifamily zoning), local data and knowledge and other relevant factors. The element must add or modify meaningful programs based on the outcomes of this analysis, including actions to improve housing mobility within and beyond Town boundaries (not limited to the RHNA).

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element includes some general discussion and conclusions that identified sites for lower-income households, while concentrated on three sites in a proposed multifamily housing overlay, do not exacerbate existing patterns of development in the Town. In addition, the element should include analysis to support these conclusions, including the number of units per site by income group for each of the AFFH categories relative to the existing patterns (number of households), impacts on patterns of disproportionate housing needs (e.g., overpayment, overcrowding, displacement) and expanding on the reasoning for apparently isolating the RHNA for lower-income households. Further, if the inventory continues to isolate the RHNA for lower-income households in certain areas, the element must have commensurate programs related to housing mobility and new opportunities in higher opportunity areas (beyond RHNA and throughout the Town) to promote inclusion and AFFH throughout the Town.

Local Data and Knowledge: The element does not address this requirement. The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the Town related to fair housing issues. The housing element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. For example, the element could include information from code enforcement officers related to housing conditions, lack of public investment in affordable housing and relationships with the college.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess contributing factors and prioritize those factors then formulate appropriate policies and programs.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low Income (ELI): While the element reports on households by income and mentions ELI households, it must analyze the housing needs of ELI households to formulate appropriate policies and programs. The analysis should address trends, tenure, overpayment, overcrowding and other characteristics and examine resources, disproportionate housing needs and the magnitude of the gap in addressing housing needs. Based on the outcomes of the analysis, the element should add or modify programs as appropriate.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Realistic Residential Capacity: While the element notes a lack of past trends or experience with multifamily development, it must still include a methodology for calculating residential capacity and account for land use controls and recent experience, including affordability. To address this requirement, the element could utilize a minimum density and no further analysis is required. Otherwise, the element could examine trends in the broader region in comparable zones by listing developments by zones, allowable and built density and affordability. In addition, since the element is utilizing an overlay zone, uses in the base zoning are still allowed and the methodology should account for the likelihood that development will occur or not occur according to the uses allowed by the base zoning. For example, the element could explain interest in multifamily development and add or modify programs to establish incentives for multifamily development and evaluate (mid-planning period) the effectiveness of the new zone in promoting multifamily development, including appropriate responses if the zoning is not effective. Alternatively, the element could commit to replace the base zoning with a multifamily zone instead of an overlay zone.

Suitability of Nonvacant Sites: The element identifies nonvacant sites to accommodate the regional housing need for households of all incomes. not adequate to demonstrate the suitability of these sites. A complete analysis should describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, including market demand for the current uses, leases or other indicators of turnover in uses.

Additionally, HCD received several public comments related to the lack of availability of identified sites such as owners of both the Foothill College site and the St. Nicholas Catholic School site explaining no interest in residential development in the planning period. While expressed interest in development is not necessarily required for sites to be used in the Town's sites inventory, statements made by these property owners seem to indicate that residential development on these sites is highly unlikely in the planning period, especially at the densities and affordability levels indicated in the element. The element should address this lack of owner interest in development and provide alternative sites as needed to accommodate the Town's RHNA.

Finally, while the element notes that greater than 50 percent of the lower-income RHNA is identified on vacant sites, upon a complete analysis of identified sites, if this conclusion changes, specific actions are necessary if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Large Sites: Sites greater than ten acres are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of these sites. The element currently discusses how smaller portions of larger sites will be used toward the lower-income RHNA. However, the element should discuss how these smaller portions will be established and add or modify programs to encourage appropriately sized parceling or site planning. For example, the analysis could describe interest and plans from property owners or comparable developments in nearby communities.

N40!

Senate Bill 9 (Statutes of 2021) Projections: The element is projecting 32 units that will be developed based on the passage of SB 9 (Statutes of 2021) to accommodate a portion of its above moderate income RHNA. To utilize projections based on SB 9 legislation, the element must: 1) include a site-specific inventory of sites where SB 9 projections are being applied; 2) include a nonvacant sites analysis demonstrating the likelihood of redevelopment and that the existing use will not constitute as an impediment for additional residential use and; 3) include programs and policies that establish zoning and development standards early in the planning period and implement incentives to encourage and facilitate development. The element should support this analysis with local information such as local developer or owner interest to utilize zoning and incentives established through SB 9.

Accessory Dwelling Units (ADU): The element uses the Association of Bay Area analysis of ADU rents. However, these assumptions should also consider the Town's survey information and market rents from comparable and nearby communities and projections and affordability assumptions should consider other relevant factors such as availability of the units for rent.

Availability of Infrastructure: While the element includes some discussion of water and sewer capacity, it should specifically address whether sufficient total capacity is available or planned to accommodate the RHNA and modify Program B-8 (Infrastructure) as appropriate based on the outcomes of the analysis.

Environmental Constraints: While the element generally describes potential environmental constraints, it must still describe how these conditions relate to the St. Nicholas Catholic School and Twin Oaks Court Sites. In addition, the element should discuss any other known environmental or other conditions (e.g., shape, contamination, easements, accessibility) that could preclude or impact housing development on identified sites in the planning period.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the Town must submit an electronic sites inventory with its adopted housing element. The Town must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Employee Housing*: The element includes a program to amend zoning to permit employee housing similar to single-family uses pursuant to Health and Safety Code section 17021.5. However, the element should also discuss compliance with Health and Safety Code sections 17021.6 and 17021.8 and add or modify programs if necessary. For example, Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in zones allowing agricultural uses.
- *Emergency Shelters*: The element notes emergency shelters are permitted in the R-A zone but should also clarify these uses are permitted without discretionary action. In addition, the element lists several development standards that may impact capacity and the analysis should account for these factors. The element should also include specific commitment to amend development standards which appear to be constraints or contrary to state law including spacing or proximity provisions, bed limits and parking requirements. Finally, if intending to identify a new zone, the element should discuss potential capacity and include specific commitment to amend zoning appropriately, including development standards that comply with Government Code section 65583, subdivision (a)(4). Finally, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: While the element generally describes land-use controls and identifies constraints on development, it then concludes the new multifamily overlay zone will address these constraints. However, the element should discuss the constraints on existing allowable uses and add or modify programs as appropriate. In addition, the element, based on public feedback (p. 9) notes the line contour formula may be a constraint but should include specific analysis as a potential constraint. This

analysis should also discuss story poles. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and ability to achieve maximum densities.

In addition, the Town does not contain any provisions for development on sites less than one acre, severely impacting housing choices since Town incorporation (p. 112) and there are no multifamily units in the Town. Essentially, there is a lack of a variety of minimum lot sizes and allowable densities. The lack of a variety of lot sizes and densities can impact housing supply, choices and affordability. As a result, the element should include analysis of the impacts of a large lot land use pattern and include programs as appropriate such as establish zoning for a variety of lot sizes and densities regardless of RHNA. These programs should further commit to appropriate development standards to facilitate intended densities.

Finally, the element lists various standards to implement Government Code sections 65852.21 and 66411.7 (SB 9) but should also analyze those standards, compliance with the law and add or modify programs as appropriate to comply with state law.

Fees and Exaction: The element lists total development fees for single-family and multifamily development but should also list the various fees that comprise the total fees per unit. For example, the element should list and evaluate the various impact fees per unit for impacts on housing cost.

Processing and Permit Procedures: While the element generally describes processing and permitting procedures, it must still list and evaluate the site development permit and design review, including typical approval findings, typical number of hearings if applicable, and timing and then evaluate impacts on housing supply, cost, feasibility and approval certainty.

Constraints on Housing for Persons with Disabilities: The element concludes the Town has a definition of family that does pose a constraint to housing for persons with disabilities. However, the element should evaluate its potential impacts, including impacts on unrelated persons. For example, the element could explain the application of provisions such as “close social or economic or psychological commitments to each other” and whether that impacts unrelated persons.

On/Off-Site Improvements: The element generally describes some on-site improvements but identify the actual standards and any off-site improvements applied to typical development then analyze impacts on housing costs and add or modify programs if appropriate.

Codes and Enforcement: The element explains that code enforcement is generally reactive in response to complaints but should also discuss which building code is utilized (e.g., 2022) and identify and analyze any local amendments for impacts on housing costs.

Other Local Ordinances: The element must analyze any locally adopted ordinances that directly impacts the cost and supply or residential development (e.g., inclusionary requirements, short term rentals, growth controls).

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Approval Times: The element must identify the length of time between receiving approval for housing development and submittal of application for building permits and discuss any hindrances on construction.

C. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the Town may need to add or revise programs to address an additional shortfall of sites or zoning available to encourage a variety of housing types. Additionally, the element should be revised as follows:

- *Shortfall of Sites:* The element describes a shortfall of sites and indicates rezoning will occur to accommodate the RHNA. While the element includes Program A-1 (Availability of Adequate Sites for New Housing to meet the RHNA), it must specifically commit to acreage, allowable densities, appropriate development standards, anticipated units and meet all requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).
- *Program A-3 (Town-owned Sites):* The Program should go beyond reviewing sites and commit to identify sites, including a schedule of actions to facilitate development, compliance with the Surplus Land Act and numerical objectives.
- *Program E-2 (Emergency Shelters):* The Program should specifically commit to remove or modify development standards or identify an additional zone based on a complete analysis as described in Finding B3.

- *Program E-4 (Transitional and Supportive Housing)*: The Program commits to amend zoning to comply with AB 2162 (By-right Permanent Supportive Housing) but should also specifically commit to permit transitional and supportive housing as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. These requirements are separate and in addition to AB 2162.
- *Program E-9 (Single Room Occupancy (SRO))*: The Program should explore and establish additional zoning opportunities given the lack of results in the prior planning period.
- *Future Zones*: The element should commit to allow uses as appropriate in any future zones, including in the multifamily zones or other zones that may be created as a result of a complete analysis of zoning for a variety of housing types. For example, future zoning may need to incorporate transitional and supportive housing and ADUs.

2. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element must include a program to assist in the development of adequate housing to meet the needs of lower and moderate-income households, including ELI and special needs households. These actions should be significant and specific, given the lack of implementation and results in the prior planning periods. Examples of actions include proactive an annual outreach to developers of affordable housing, assisting with funding, supporting funding applications, land acquisition, priority processing, fee waivers, concessions and incentives beyond State Density Bonus Law, assistance with infrastructure and site improvements and monitoring and adjustment at least annually.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Findings B4 and B5, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends.

Actions must have specific commitment, discrete timing, geographic targeting and metrics or numerical targets. Programs, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity areas (throughout the Town), place-based strategies for community preservation and revitalization and displacement protection. For example, the element must add significant and meaningful housing mobility and new housing choices and affordability actions (not limited to the RHNA) to overcome the existing patterns in the Town related to the broader region.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

While the element includes Program A-7 (ADU Tracking and Monitoring) to monitor ADU production and affordability and adopt another ADU program, if necessary, the Program should commit to rezoning if production and affordability is significantly not meeting assumptions in the sites inventory.

From: [Phil Koen](#)
To: [Gabrielle Whelan](#)
Cc: [Laurel Prevetti](#); [Joel Paulson](#); [Jennifer Armer](#); [Maria Ristow](#); [Mary Badame](#); [REDACTED]; [Wendy Wood](#)
Subject: Re: HCD-comment-letter-January-25-2023.pdf - public comment on HE
Date: Monday, August 7, 2023 10:28:59 AM
Attachments: [Site Inventory Analysis.xlsx](#)
[HCD-comment-letter-January-25-2023.pdf](#)

[EXTERNAL SENDER]

Hello Gabrielle,

Thank you for your reply to the LGCA email. While you addressed a few points, there seems to be a major disconnect regarding a number of critical Housing Element issues.

We agree the “no net loss” provisions come into play at the time the Town is evaluating a development site for approval that was included in the Housing Element Site inventory. However, you fail to point out the Town’s legal obligation is to first develop a site inventory that accurately reflects, based on substantial evidence, the development potential of specific sites in order to determine the Town’s capacity to accommodate residential development and reconcile that capacity with the Town’s RHNA. This is the entire reason for doing a proper and accurate site inventory analysis.

By ignoring the property owners stated development intentions, the Town is misrepresenting the development potential of the B-1 and D-1 sites. The SB 330 applications are valid “pending projects” the Town has received. SB 330 applications are “deemed complete” once received, vest development rights and should be included in the site inventory as “pending projects” reflecting the development densities and units by income level proposed by the property owners. For more information on “pending projects” please refer to HCD’s Site Inventory Guidebook.

The current site inventory assumes sites B-1 and D-1 will be developed at higher densities with more lower income units than the property owners have stated in their SB 330 applications and other written communications to the Town. By doing this, the Town is overstating the ability to accommodate the Town’s RHNA by income category, which is inconsistent with affirmatively furthering fair housing and undermines the entire site inventory process. These actions also create the false impression there is a 25% buffer to accommodate instances in which future planning applications are approved at lower development densities than described in the Site Inventory.

Once the site inventory is adjusted to reflect the planned development for sites B-1 and D-1 there are material RHNA deficits in the Very-Low (141 units) and Medium Income (67 units) categories and only an 8% buffer in the Low Income category. This is why more sites are needed to provide for the

development of lower and moderate-income housing units. Please refer to the attached spreadsheet which details the RHNA deficits.

This point was missed and worse it was suggested without any factual basis there is no requirement to adjust these sites to reflect the property owners known intent “until project approval”. Given this is the Staff’s position, LGCA strongly suggests the Town seek HCD technical assistance with regard to the SB 330 applications for sites B-1 and D-1 so a site inventory can be developed which would meet Housing Element Law and thus avoid more delay in obtaining HCD site certification. The Town’s analytical and evidentiary obligations under the Housing Element Law are significant and the penalties associated with non-compliance are severe.

LGCA is also troubled by the Staff’s recommendation not to “introduce new information that was not previously reviewed” simply because the new information “may delay HCD’s certification of the Town’s Housing Element”. First, choosing not to disclose to HCD the SB 330 applications were received subsequent to filing on March 31, 2023 the Housing Element for HCD review, while knowing the property owners have no intention of developing the sites as shown in the site inventory is highly questionable. What is the legal basis for not disclosing the development intentions of the property owners knowing this information most likely would impact HCD’s certification?

Secondly, it is unclear to us why there would be a delay in certification if more sites were added to the site inventory for lower income categories and the development capacities for B-1 and D-1 were adjusted to reflect the property owners’ plans. In fact, once HCD is fully informed of the SB 330 applications and the inability to meet RHNA by income category, it is highly likely an unchanged site inventory will be rejected resulting in further delay in certification which is the very outcome the Town is trying to avoid.

With regard to HCD’s comment letter to Los Altos Hills, you fail to mention the most important point HCD made which is on point with adding more sites. In the comment letter on page 3, HCD clearly states that when property owners indicate residential development is highly unlikely in the planning period, especially at the densities and affordability levels indicated in the element, the element should address this lack of owner interest and provide alternative sites as needed to accommodate the Town’s RHNA. HCD could not have made this clearer. This should provide sufficient evidence that the Town needs to add more sites to accommodate the Town’s RHNA.

Lastly with regard to CFH vs. La Cañada Flintridge there are number of important issues to take note of. First, in order to avoid the statutory bar under section 65588(c)(4)(C)(iii) the Town must complete the rezoning required by sections 65583(c)(1)(A) and 65583.2(c). Secondly, the Town cannot be considered to be in substantial compliance until the rezoning is complete and the builder’s remedy will remain available to property owners until substantial compliance. Lastly, the Town cannot move forward with rezoning until the Housing Element has been certified by HCD and the Town adopts a substantially compliant Housing Element. This is why a certified site inventory must be obtained before rezoning can be completed.

Please let me know if you have any questions. The LGCA goal is the same as the Town’s - namely to

full comply with RHNA and achieve Housing Element certification as quickly as possible.

Thank you,

Phil Koen
On Behalf of LGCA

<!--[if !supportLineBreakNewLine]-->
<!--[endif]-->

On Aug 4, 2023, at 12:29 PM, Gabrielle Whelan <GWhelan@losgatosca.gov> wrote:

Hello, Mr. Koen.

Thank you for your thoughtful email.

One of your questions was about the need for the Town to expand its Sites Inventory in order to gain HCD certification of the Town's Housing Element. Your question is precipitated by the fact that the Town has received several SB 330 pre-applications, which describe projects with fewer units and fewer affordable units than were allocated to the sites in the Town's Housing Element Sites Inventory. As you know, if sites are developed with fewer units and fewer affordable units than described in the Sites Inventory and there is an insufficient buffer to accommodate those sites elsewhere, the state "no net loss" provisions kick in. The state "no net loss" provisions require that, within six months of a project approval resulting in a shortfall, the Town must rezone sufficient sites elsewhere to make up the difference.

The Town's adopted Housing Element contains a buffer of 16% to accommodate instances in which planning applications are approved at a density below the density described in the Town's Housing Element (The most recent proposed Housing Element revisions submitted to HCD contain a buffer of 25%). The second phase of the North 40 project, the Post Office project, and the Los Gatos Lodge project have submitted SB 330 pre-applications that propose density

and affordability distributions below the density and affordability distributions described in the Town's Housing Element. In the event that formal planning applications are approved that use up the Town's buffer, the Town will need to comply with the state's "no net loss" provisions. The Town will have six months from project approval to do so. Town staff has discussed the SB 330 pre-applications with the HCD reviewer at least twice and HCD knows that the Town intends to comply with the "no net loss" provisions if a project approval results in a shortfall.

While there is no requirement to adjust the Sites Inventory until project approval, there is nothing prohibiting the Town from increasing the buffer now. However, Town staff is not recommending that the Town do so at this juncture. Town staff is concerned that making the adjustment to the Sites Inventory at this point in time may delay HCD's certification of the Town's Housing Element by introducing new information that was not previously reviewed. That said, HCD's May comment letter asks for the Town to provide more documentation that there is a "realistic possibility" that the sites in the sites inventory will be redeveloped. Town staff is currently working with the Town's consultant to provide an analysis of the "realistic possibility" of redevelopment for HCD's review. If this analysis demonstrates that there is in fact not a "realistic possibility" of redevelopment, Town staff will recommend that the Sites Inventory be expanded.

Thank you also for providing a copy of HCD's comment letter to Los Altos Hills. I read that letter to say that, if the jurisdiction does not have a certified Housing Element within 120 days of January 31, 2023, its rezonings must be completed no later than January 31, 2024. If the jurisdiction has not completed its rezonings by then, its Housing Element will not be able to be certified until the rezonings have been completed. (That comports with the Town's understanding of the statutory requirement.) In order to make sure that the Town of Los Gatos's necessary rezonings are completed by

January 31st, Town staff is recommending that the Town process its rezonings concurrently with seeking HCD certification.

With regard to the court case, are you referring to the Californians for Home Ownership v. La Canada Flintridge decision? For jurisdictions that are part of the Southern California Association of Governments, state law provides that a Housing Element is out of compliance if HCD had not approved the Element by October 15, 2022, and the jurisdiction had not adopted the required rezoning by October 15, 2022. For jurisdictions like Los Gatos that are part of the Association of Bay Area Governments, if HCD has not certified a Housing Element by May 31, 2023, the jurisdiction must adopt all required zoning by January 31, 2024, or the Housing Element will be out of compliance with state law. In the La Canada Flintridge decision, the court held that the jurisdiction's Housing Element was out of compliance with state law because the jurisdiction had not completed the required rezoning by the October 15, 2022, deadline. Here, Town staff is working to complete the rezonings prior to the January 31, 2024, deadline.

Please let me know if you have any follow-up questions.

Gabrielle Whelan • Town Attorney

Town Attorney's Office • 110 E Main Street, Los Gatos, CA 95030
Desk: 408.354.6818 • gwhelan@losgatosca.gov
www.losgatosca.gov • <https://www.facebook.com/losgatosca>

From: Phil Koen <pkoen@monteropartners.com>

Sent: Thursday, July 27, 2023 3:20 PM

To: Gabrielle Whelan <GWhelan@losgatosca.gov>

Subject: HCD-comment-letter-January-25-2023.pdf

[EXTERNAL SENDER]

Hello Gabrielle,

I hope you are having a good summer.

I'm writing to you in the hope you will advise the Staff to conform the current HE site

inventory to the SB 330 applications that have been filed for the N40 and the Los Gatos Lodge parcels. These applications are materially different in terms of total number of units, development densities, and the income distribution of units to be developed when compared to the site inventory.

As you know, the housing element relies on these two non-vacant development sites to accommodate more than 50% of the RHNA for lower income households. Therefore the housing element must demonstrate based on substantial evidence that the sites will reasonably be developed as planned in the next 8 years. In reading the SB 330 applications it is very clear that the developers have no intention of developing the parcels as planned in the site inventory.

Joel Paulson has gone on the record at the last General Plan Committee meeting categorically stating that the site inventory did not have to be adjusted to reflect the SB 330 applications. We strongly differ with that view and hope you will agree with us.

I have attached the HCD comment letter for Los Altos Hills which squarely addresses this point. From a simple reading of the letter, HCD will require the Town to make the adjustment to conform to the SB 330 applications which will require more parcels to be added to the site inventory to make up the difference. The only reason HCD has not made this comment to the Town to date is HCD is not aware of these developments. The SB 330 applications were received after the Town's submitted the last draft HE to HCD for review.

You should work under the assumption HCD will be made aware of these applications. The Town should be proactive and add more sites now to address the shortfall in low income units.

If the Town doesn't add more parcels and submits the current draft of the site inventory, HCD will undoubtedly reject the HE and require more changes to be made which will only further delay the certification process. This only harms the Town even more.

Lastly, a recent court case has found that the builders remedy will remain available to developers until the Town obtains HCD certification and completes all required zoning.

We hope you agree with our position and will advise the Staff to immediately add more parcels to the site inventory.

Thanks,

Phil Koen

Analysis of adequacy of Site Inventory

	Zipcode	APN	VL	L	M	A	Total	Acres
N40 Parcels - Site D-1 inventory								
14859 Los Gatos Boulevard	95032	424-07-094	35	17	17	18	87	2.9
16392 Los Gatos Boulevard	95032	424-07-095	9	4	5	5	23	0.78
16260 Burton Road	95032	424-07-053	5	2	3	3	13	0.44
16250 Burton Road	95032	424-07-009	5	2	3	3	13	0.44
14917 Los Gatos Boulevard	95032	424-07-081	45	22	22	23	112	3.74
14925 Los Gatos Boulevard	95032	424-07-115	73	36	36	37	182	6.07
Los Gatos Boulevard	95032	424-07-116	12	6	6	7	31	1.02
>>Total			184	89	92	96	461	15.39
SB 330 Application received by Town			0	88	0	349	437	
(Shortfall)/Excess from Site Inventory D-1			(184)	(1)	(92)	253	(24)	
Los Gatos Lodge - Site B-1 inventory								
50 Los Gatos-Saratoga Road	95030	529-24-032	76	75	51	9	211	7.04
Los Gatos-Saratoga Road	95030	529-24-001	9	9	9	18	45	1.49
Los Gatos-Saratoga Road	95030	529-24-003	1	2	2	3	8	0.28
>>Total			86	86	62	30	264	8.81
SB 330 Application received by Town			0	32	0	126	158	
(Shortfall)/Excess from Site Inventory B-1			(86)	(54)	(62)	96	(106)	
>>Total Shortfall from Site Inventory for B-1 and D-1			(270)	(55)	(154)	349	(130)	
Table 10-3 Total Estimated Housing Site Inventory			646	362	347	642	1,997	
Adjusted Table 10.3 Total Estimated Housing Site Inventory			376	307	193	991	1,867	
ADU			20	60	60	60	200	
Senate Bill 9						96	96	
Pipeline Projects				1		200	201	
Total			396	368	253	1,347	2,364	
RHNA 6th Cycle			537	310	320	826	1,993	
(Shortfall)/Excess over RHNA			(141)	58	(67)	521	371	

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 25, 2023

Sofia Mangalam, Director
Planning and Building Department
Town of Los Altos Hills
26379 Fremont Road
Los Altos Hills, CA 94022

Dear Sofia Mangalam:

RE: Town of Los Altos Hills' 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the Town of Los Altos Hills' (Town) draft housing element that was received for review on October 27, 2022 along with revisions on January 9, 2023. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on December 22, 2022 with yourself, City Manager Peter Pirnejad, and attorneys Steve Mattas and Claire Lai from Meyers Nave. In addition, HCD considered comments from Kevin Meyer, YIMBY Law, South Bay YIMBY, Sasha Zborzek, Adam Buchbinder, Elain Haight, Chuong Vu, Campaign for Fair Housing Elements, and the League of Women Voters of Los Altos-Mountain View Area pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes these revisions needed to comply with State Housing Element Law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the Town fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the town should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the Town will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the town to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the work and assistance the Town's housing element team provided during the update and review. We are committed to assisting the Town in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Reid Miller, of our staff, at Reid.Miller@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX TOWN OF LOS ALTOS HILLS

The following changes are necessary to bring the Town's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The review requirement is one of the most important features of the element update. The review of past programs should describe progress in implementation of previous actions, including results compared to objectives and evaluate the effectiveness of actions to make appropriate adjustments in the current planning period. Specifically, the prior element included Program 19 (Support Foothill College). This Program was geared toward promoting housing variety and affordability, housing mobility and inclusion into the Town given the lack of multifamily zoning. Yet, the current element does not evaluate past commitments, progress or effectiveness and merely states a new program is included. For example, the Program committed to amend the general plan and zoning to permit multifamily as well as meeting with developers and applying for funding to encourage affordable multifamily development.

The element omits the depth and importance of this commitment and did not discuss or evaluate the effectiveness of multifamily zoning, lack of alternative measures taken and outreach efforts. To address this requirement, the element must fully describe past commitments, progress in implementation, evaluate effectiveness and then discuss appropriate adjustments in the current planning period. Given the apparent lack of effectiveness and success in developing multifamily choices and affordability, this analysis should particularly focus on zoning for a variety of housing types, including multifamily and discuss significant actions to promote housing choice, affordability, and mobility to facilitate inclusion beyond the regional housing need allocation (RHNA) and beyond complying with related state laws (e.g., ADU law and SB 9).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Income and Racial Concentration of Affluence (RCAA): The element briefly mentions incomes in the Town compared to the region as well as the entire Town's status as a RCAA. The element should include specific analysis of income and RCAA at a regional level (Town compared to the broader region). The analysis should at least address trends, conditions, coincidence with other fair housing factors (e.g., race, highest resource, overpayment), effectiveness or absence of past strategies (e.g., lack of publicly assisted housing and lack of multifamily zoning), local data and knowledge and other relevant factors. The element must add or modify meaningful programs based on the outcomes of this analysis, including actions to improve housing mobility within and beyond Town boundaries (not limited to the RHNA).

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element includes some general discussion and conclusions that identified sites for lower-income households, while concentrated on three sites in a proposed multifamily housing overlay, do not exacerbate existing patterns of development in the Town. In addition, the element should include analysis to support these conclusions, including the number of units per site by income group for each of the AFFH categories relative to the existing patterns (number of households), impacts on patterns of disproportionate housing needs (e.g., overpayment, overcrowding, displacement) and expanding on the reasoning for apparently isolating the RHNA for lower-income households. Further, if the inventory continues to isolate the RHNA for lower-income households in certain areas, the element must have commensurate programs related to housing mobility and new opportunities in higher opportunity areas (beyond RHNA and throughout the Town) to promote inclusion and AFFH throughout the Town.

Local Data and Knowledge: The element does not address this requirement. The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the Town related to fair housing issues. The housing element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers. For example, the element could include information from code enforcement officers related to housing conditions, lack of public investment in affordable housing and relationships with the college.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess contributing factors and prioritize those factors then formulate appropriate policies and programs.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low Income (ELI): While the element reports on households by income and mentions ELI households, it must analyze the housing needs of ELI households to formulate appropriate policies and programs. The analysis should address trends, tenure, overpayment, overcrowding and other characteristics and examine resources, disproportionate housing needs and the magnitude of the gap in addressing housing needs. Based on the outcomes of the analysis, the element should add or modify programs as appropriate.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Realistic Residential Capacity: While the element notes a lack of past trends or experience with multifamily development, it must still include a methodology for calculating residential capacity and account for land use controls and recent experience, including affordability. To address this requirement, the element could utilize a minimum density and no further analysis is required. Otherwise, the element could examine trends in the broader region in comparable zones by listing developments by zones, allowable and built density and affordability. In addition, since the element is utilizing an overlay zone, uses in the base zoning are still allowed and the methodology should account for the likelihood that development will occur or not occur according to the uses allowed by the base zoning. For example, the element could explain interest in multifamily development and add or modify programs to establish incentives for multifamily development and evaluate (mid-planning period) the effectiveness of the new zone in promoting multifamily development, including appropriate responses if the zoning is not effective. Alternatively, the element could commit to replace the base zoning with a multifamily zone instead of an overlay zone.

Suitability of Nonvacant Sites: The element identifies nonvacant sites to accommodate the regional housing need for households of all incomes. not adequate to demonstrate the suitability of these sites. A complete analysis should describe the methodology used to determine the additional development potential within the planning period. The methodology must consider factors including the extent to which existing uses may impede additional residential development, including market demand for the current uses, leases or other indicators of turnover in uses.

Additionally, HCD received several public comments related to the lack of availability of identified sites such as owners of both the Foothill College site and the St. Nicholas Catholic School site explaining no interest in residential development in the planning period. While expressed interest in development is not necessarily required for sites to be used in the Town's sites inventory, statements made by these property owners seem to indicate that residential development on these sites is highly unlikely in the planning period, especially at the densities and affordability levels indicated in the element. The element should address this lack of owner interest in development and provide alternative sites as needed to accommodate the Town's RHNA.

[Handwritten red 'X' mark]

Finally, while the element notes that greater than 50 percent of the lower-income RHNA is identified on vacant sites, upon a complete analysis of identified sites, if this conclusion changes, specific actions are necessary if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Large Sites: Sites greater than ten acres are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of these sites. The element currently discusses how smaller portions of larger sites will be used toward the lower-income RHNA. However, the element should discuss how these smaller portions will be established and add or modify programs to encourage appropriately sized parceling or site planning. For example, the analysis could describe interest and plans from property owners or comparable developments in nearby communities.

N40!

Senate Bill 9 (Statutes of 2021) Projections: The element is projecting 32 units that will be developed based on the passage of SB 9 (Statutes of 2021) to accommodate a portion of its above moderate income RHNA. To utilize projections based on SB 9 legislation, the element must: 1) include a site-specific inventory of sites where SB 9 projections are being applied; 2) include a nonvacant sites analysis demonstrating the likelihood of redevelopment and that the existing use will not constitute as an impediment for additional residential use and; 3) include programs and policies that establish zoning and development standards early in the planning period and implement incentives to encourage and facilitate development. The element should support this analysis with local information such as local developer or owner interest to utilize zoning and incentives established through SB 9.

Accessory Dwelling Units (ADU): The element uses the Association of Bay Area analysis of ADU rents. However, these assumptions should also consider the Town's survey information and market rents from comparable and nearby communities and projections and affordability assumptions should consider other relevant factors such as availability of the units for rent.

Availability of Infrastructure: While the element includes some discussion of water and sewer capacity, it should specifically address whether sufficient total capacity is available or planned to accommodate the RHNA and modify Program B-8 (Infrastructure) as appropriate based on the outcomes of the analysis.

Environmental Constraints: While the element generally describes potential environmental constraints, it must still describe how these conditions relate to the St. Nicholas Catholic School and Twin Oaks Court Sites. In addition, the element should discuss any other known environmental or other conditions (e.g., shape, contamination, easements, accessibility) that could preclude or impact housing development on identified sites in the planning period.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the Town must submit an electronic sites inventory with its adopted housing element. The Town must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Employee Housing:* The element includes a program to amend zoning to permit employee housing similar to single-family uses pursuant to Health and Safety Code section 17021.5. However, the element should also discuss compliance with Health and Safety Code sections 17021.6 and 17021.8 and add or modify programs if necessary. For example, Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in zones allowing agricultural uses.
- *Emergency Shelters:* The element notes emergency shelters are permitted in the R-A zone but should also clarify these uses are permitted without discretionary action. In addition, the element lists several development standards that may impact capacity and the analysis should account for these factors. The element should also include specific commitment to amend development standards which appear to be constraints or contrary to state law including spacing or proximity provisions, bed limits and parking requirements. Finally, if intending to identify a new zone, the element should discuss potential capacity and include specific commitment to amend zoning appropriately, including development standards that comply with Government Code section 65583, subdivision (a)(4). Finally, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land Use Controls: While the element generally describes land-use controls and identifies constraints on development, it then concludes the new multifamily overlay zone will address these constraints. However, the element should discuss the constraints on existing allowable uses and add or modify programs as appropriate. In addition, the element, based on public feedback (p. 9) notes the line contour formula may be a constraint but should include specific analysis as a potential constraint. This

analysis should also discuss story poles. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and ability to achieve maximum densities.

In addition, the Town does not contain any provisions for development on sites less than one acre, severely impacting housing choices since Town incorporation (p. 112) and there are no multifamily units in the Town. Essentially, there is a lack of a variety of minimum lot sizes and allowable densities. The lack of a variety of lot sizes and densities can impact housing supply, choices and affordability. As a result, the element should include analysis of the impacts of a large lot land use pattern and include programs as appropriate such as establish zoning for a variety of lot sizes and densities regardless of RHNA. These programs should further commit to appropriate development standards to facilitate intended densities.

Finally, the element lists various standards to implement Government Code sections 65852.21 and 66411.7 (SB 9) but should also analyze those standards, compliance with the law and add or modify programs as appropriate to comply with state law.

Fees and Exaction: The element lists total development fees for single-family and multifamily development but should also list the various fees that comprise the total fees per unit. For example, the element should list and evaluate the various impact fees per unit for impacts on housing cost.

Processing and Permit Procedures: While the element generally describes processing and permitting procedures, it must still list and evaluate the site development permit and design review, including typical approval findings, typical number of hearings if applicable, and timing and then evaluate impacts on housing supply, cost, feasibility and approval certainty.

Constraints on Housing for Persons with Disabilities: The element concludes the Town has a definition of family that does pose a constraint to housing for persons with disabilities. However, the element should evaluate its potential impacts, including impacts on unrelated persons. For example, the element could explain the application of provisions such as “close social or economic or psychological commitments to each other” and whether that impacts unrelated persons.

On/Off-Site Improvements: The element generally describes some on-site improvements but identify the actual standards and any off-site improvements applied to typical development then analyze impacts on housing costs and add or modify programs if appropriate.

Codes and Enforcement: The element explains that code enforcement is generally reactive in response to complaints but should also discuss which building code is utilized (e.g., 2022) and identify and analyze any local amendments for impacts on housing costs.

Other Local Ordinances: The element must analyze any locally adopted ordinances that directly impacts the cost and supply of residential development (e.g., inclusionary requirements, short term rentals, growth controls).

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Approval Times: The element must identify the length of time between receiving approval for housing development and submittal of application for building permits and discuss any hindrances on construction.

C. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the Town may need to add or revise programs to address an additional shortfall of sites or zoning available to encourage a variety of housing types. Additionally, the element should be revised as follows:

- *Shortfall of Sites:* The element describes a shortfall of sites and indicates rezoning will occur to accommodate the RHNA. While the element includes Program A-1 (Availability of Adequate Sites for New Housing to meet the RHNA), it must specifically commit to acreage, allowable densities, appropriate development standards, anticipated units and meet all requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i).
- *Program A-3 (Town-owned Sites):* The Program should go beyond reviewing sites and commit to identify sites, including a schedule of actions to facilitate development, compliance with the Surplus Land Act and numerical objectives.
- *Program E-2 (Emergency Shelters):* The Program should specifically commit to remove or modify development standards or identify an additional zone based on a complete analysis as described in Finding B3.

- *Program E-4 (Transitional and Supportive Housing)*: The Program commits to amend zoning to comply with AB 2162 (By-right Permanent Supportive Housing) but should also specifically commit to permit transitional and supportive housing as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. These requirements are separate and in addition to AB 2162.
- *Program E-9 (Single Room Occupancy (SRO))*: The Program should explore and establish additional zoning opportunities given the lack of results in the prior planning period.
- *Future Zones*: The element should commit to allow uses as appropriate in any future zones, including in the multifamily zones or other zones that may be created as a result of a complete analysis of zoning for a variety of housing types. For example, future zoning may need to incorporate transitional and supportive housing and ADUs.

2. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element must include a program to assist in the development of adequate housing to meet the needs of lower and moderate-income households, including ELI and special needs households. These actions should be significant and specific, given the lack of implementation and results in the prior planning periods. Examples of actions include proactive an annual outreach to developers of affordable housing, assisting with funding, supporting funding applications, land acquisition, priority processing, fee waivers, concessions and incentives beyond State Density Bonus Law, assistance with infrastructure and site improvements and monitoring and adjustment at least annually.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Findings B4 and B5, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends.

Actions must have specific commitment, discrete timing, geographic targeting and metrics or numerical targets. Programs, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity areas (throughout the Town), place-based strategies for community preservation and revitalization and displacement protection. For example, the element must add significant and meaningful housing mobility and new housing choices and affordability actions (not limited to the RHNA) to overcome the existing patterns in the Town related to the broader region.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

While the element includes Program A-7 (ADU Tracking and Monitoring) to monitor ADU production and affordability and adopt another ADU program, if necessary, the Program should commit to rezoning if production and affordability is significantly not meeting assumptions in the sites inventory.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 15
ADDENDUM

DATE: August 11, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive and Discuss a Status Update on the 2023-2031 Housing Element Process

REMARKS:

The staff report included a statement that at the time of the report's preparation, the Town had not received any public comments. This statement should have been omitted from the report because a comment was received and included as Attachment 5.

Attachments received with the Staff Report:

1. Housing Element Update Timeline
2. Zoning and General Plan Amendments Timeline
3. Veronica Tam and Associates Proposal
4. Questions from the Vice Mayor
5. Public Comment received before 11:00 a.m. on August 10, 2023

PREPARED BY: Jennifer Armer, AICP
Planning Manager

Reviewed by: Town Manager, Town Attorney, Assistant Town Manager, and Community Development Director

This page is intentionally left blank



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/15/2023

ITEM NO: 15
ADDENDUM B

DATE: August 14, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive and Discuss a Status Update on the 2023-2031 Housing Element Process

REMARKS:

Attachment 6 contains additional public comment received between 11:01 a.m., Friday, August 11, 2023, and 11:00 a.m., Monday, August 14, 2023.

Attachments previously received with the Staff Report:

1. Housing Element Update Timeline
2. Zoning and General Plan Amendments Timeline
3. Veronica Tam and Associates Proposal
4. Questions from the Vice Mayor
5. Public Comment received before 11:00 a.m. on August 10, 2023

Attachments received with this Addendum B:

6. Public Comment received between 11:01 a.m., August 11, 2023, and 11:00 a.m., August 14, 2023

PREPARED BY: Jennifer Armer, AICP
Planning Manager

Reviewed by: Town Manager, Town Attorney, Assistant Town Manager, and Community Development Director

This page is intentionally left blank

From: Phil Koen

Sent: Friday, August 11, 2023 11:36 AM

To: Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; rmoore@losgatosca.gov <rmoore@losgatosca.gov>

Cc: Wendy Wood <WWood@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Joel Paulson <jpaulson@losgatosca.gov>; jvannada

Subject: Agenda Item 15 - public comment

[EXTERNAL SENDER]

Dear Town Council Members,

In reference to Agenda Item #15, the Staff report on page 3 discusses meetings with HCD. The report discloses a meeting which occurred on June 20, 2023 during which "Town staff received some clarification on the comments received on May 30, 2023."

On August 4, 2023 I filed a PRA-2023-41 asking for all notes, emails, voicemails or other documents in the Staff's possession which disclose all discussions between Staff and HCD as described in Ms. Whelan's email to me received August 4, 2023. Presumably the June 20, 2023 was one of the two meetings Ms. Whelan mentioned in her email.

I received a reply to the PRA stating that there were no records. I have attached the PRA and the Town's response for your review.

I thought this information should be fully disclosed. I don't understand how substantive conversations with HCD are not captured by Staff in any written memos or notes. Going forward I would suggest that all conversations with HCD be memorialized in writing so there is a clear record of discussions which can be shared with the Town Council and public.

Thank you,

Phil Koen



CA Jenna De Long
To: Philip Koen >

Monday

Town of Los Gatos, CA. Records Request PRA-2023-41 No Responsive Records

RE: Record Request [Request Number: PRA-2023-41](#)

Dear Phil Koen,

As a preliminary matter, the California Public Records Act ("Act") authorizes members of the general public to inspect and receive copies of existing records which have been reasonably identified by the requestor, and which records are not exempt from disclosure under that Act. The Act also permits the Town to redact privileged or exempt information from a record and produce the remainder if the information is reasonably able to be segregated. The Town is under no obligation to create documents that do not exist in the normal course of business.

The Town has no records responsive to your request.

If you have any questions or require any additional information, please contact this office at clerk@losgatosca.gov.

The Town deems this request complete as of today's date.

Sincerely,

Jenna De Long, CMC, CPMC
Deputy Town Clerk
Town of Los Gatos
110 Main St.
Los Gatos, California 95030
408.354.6834



Mail 9:55 AM Fri Aug 11

AA

logatosca.justfoia.com

Pending Planning Proj... Agendas/Minutes | To... mccmeetings.blob.co... Los Gatos, CA Record... Los Gatos, CA Record...

LOS GATOS, CA

RECORDS REQUESTS

New Request

Track

Search

Request #PRA-2023-41

Please provide all notes, emails, voicemails, or other documents written or in digital format in the Staff's possession which disclose all discussions between Staff and HCD as described in Ms. Whelan's August 4 2023 email to Planning Commissioners and HEAB members regarding all SB 330 applications received by the Town and the Town's intention to comply with "no net loss" laws.

Details

Submitted

Fri, Aug 04, 2023

Status

Completed

Requested Documents

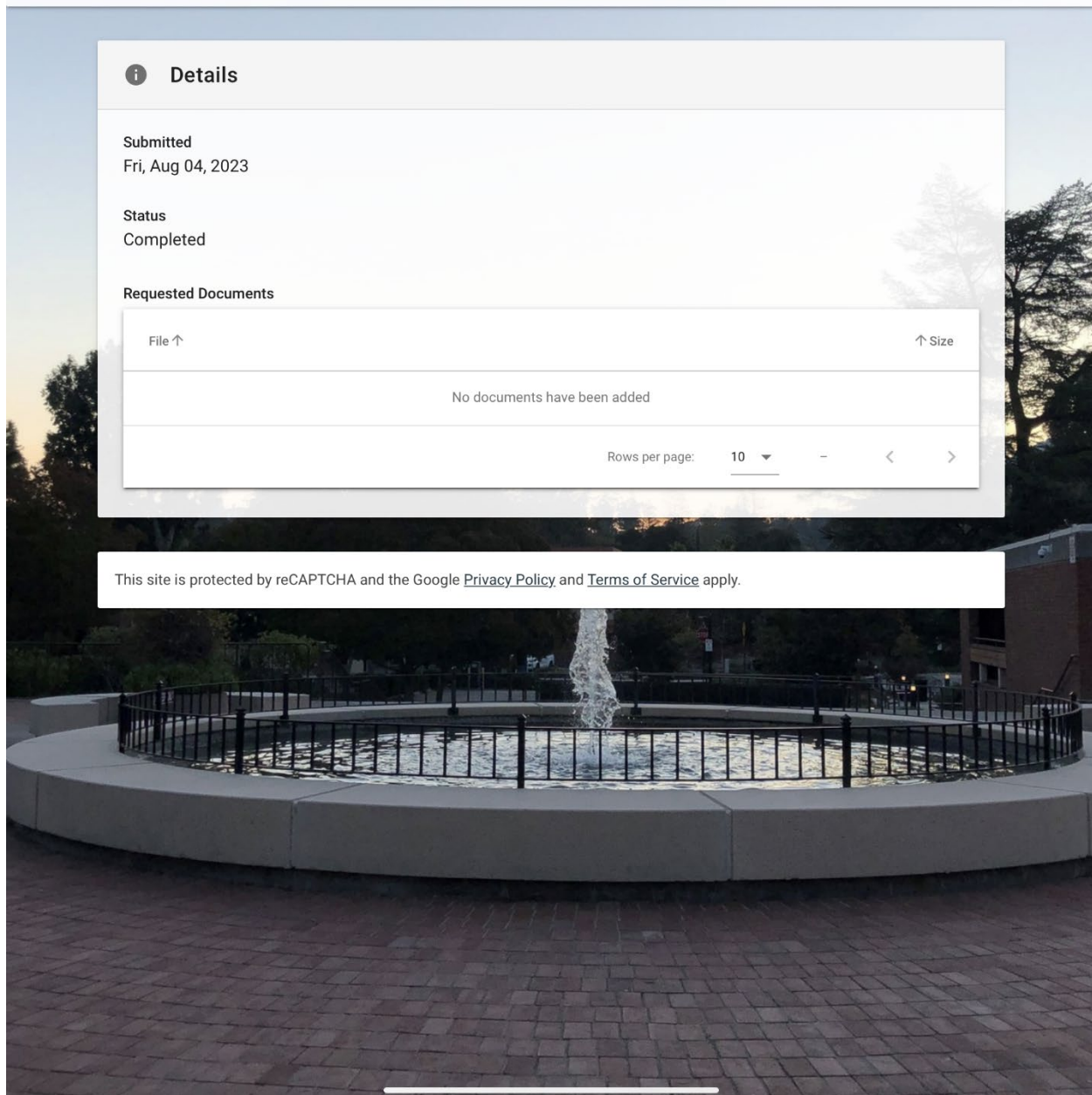
File ↑

↑ Size

No documents have been added

Rows per page: 10

This site is protected by reCAPTCHA and the Google [Privacy Policy](#) and [Terms of Service](#) apply.



Page 352

ATTACHMENT 6

From: Phil Koen

Sent: Friday, August 11, 2023 12:51 PM

To: Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; rmoore@losgatosca.gov <rmoore@losgatosca.gov>

Cc: Joel Paulson <jpaulson@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Wendy Wood <WWood@losgatosca.gov>; Gabrielle Whelan <GWhelan@losgatosca.gov>

Subject: Agenda Item 15 - corrected table 10-3

[EXTERNAL SENDER]

Dear Town Council Members,

The Staff report discusses the site inventory and states that the most recent draft submitted to HCD contains a buffer of 25%. Table 10-3 did not show the total estimated units to be developed compared to RHNA plus a 25% buffer. The buffer was 15%. I have attached the most recent Table 10-3 published by the Town.

Once you adjust the buffer to 25%, the estimated development units for VL and Above Moderate income categories are a deficit of 5 units and 35 units respectively.

Therefore the statement that there is a 25% buffer for all income categories can not be made.

Thank you,

Phil Koen

10. Housing Element

Table 10-3 Summary of Vacant and Underutilized Housing Sites

Item	Very Low	Low	Moderate	Above Moderate	Total
Total Estimated Housing for Sites in Inventory	646	362	347	642	1,997
Accessory Dwelling Units	20	60	60	60	200
Senate Bill 9				96	96
Pipeline Projects		1		200	201
Total	666	423	407	998	2,494
RHNA	537	310	320	826	1,993
Buffer (15%) 25%	134 81	78 46	80 48	207 124	499 289
RHNA + Buffer 25%	671 618	388 356	400 368	1,033 950	2,492 2,282
Difference Between Housing Estimate and RHNA + Buffer	(5) 48	35 67	7 39	(35) 48	2 202

Source: EMC Planning Group, Inc; Town of Los Gatos

10.3.3 Summary of Quantified Objectives

While the Town cannot control the amount of housing that is built during any specific period of time, the Town does intend to make an effort to achieve housing production at a level that is consistent with its RHNA.

Many programs and policies reduce barriers and create opportunities for a balanced community. These goals are essential to meeting the Town's housing needs, but are more qualitative in nature. The 2,494 units that Los Gatos takes credit for on its Sites Inventory are sufficient to meet the Town's RHNA of 1,993 units. Between Implementation Programs J, AS, and AU, it is assumed that 11 housing units will be rehabilitated, and all existing affordable units will be conserved or preserved. Los Gatos reasonably expects that a total of 2,494 units will be developed, as described in the tables below:

Table 10-4 2023-2031 Quantified Objectives

Income Category	New Construction	Rehabilitation	Construction Conservation/ Preservation
Very Low Income	666	5	0 49
Low Income	423	6	0 136
Moderate Income	407	0	0 179
Above Moderate Income	998	0	0 114
Totals	2,494	11	0 478

Source: Town of Los Gatos

- **New Construction Objective:** Reflects the Town's 2023-2031 RHNA.
- **Rehabilitation Objective:** Reflects goal to assist a total of 11 very low-income and low-income households through Implementation Programs J, AS, and AU.
- **Conservation/Preservation Objective:** ~~Reflects maintaining affordability on the current inventory of 257 Below Market Price (BMP) rental units, maintaining affordability of 107 Housing Choice Vouchers, and preserving 114 existing mobile home units in the Bonnie View mobile home park and Creekside Village. The Town does not expect the following unit types to be at risk of conversation: BMP rental units; Housing Choice Vouchers; and existing mobile home units in mobile home parks.~~