



**Special - Regular Meeting Agenda
City Council**

Steve Tate - Mayor
Rich Constantine - Mayor Pro Tem
Larry Carr - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, May 16, 2018 6:30 pm

**Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037**

AMENDED AGENDA

Please note that this agenda has been amended.

A third closed session item has been added.

Item 14, *Potential next steps on cannabis regulations and taxation, increase to transient occupancy tax, and establishment of Tourism Business Improvement District*, has been moved to the end of the agenda and is now item 16.

SPECIAL/REGULAR MEETING

(6:30 P.M. Closed Session/ 7:00 P.M. Regular Meeting)

A special meeting of the City Council is called at 6:30 p.m. for the purpose of conducting a closed session.

Closed sessions are not open to the public. Students should attend the 7:00 pm Regular City Council meeting.

SPECIAL MEETING

6:30 P.M.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
(Deputy City Clerk Bigelow)

CLOSED SESSION

CLOSED SESSION ANNOUNCEMENT

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Pursuant to Government Code section 54956.9(d)(1)
Case Name: Morgan Hill Hotel Coalition, et al. v. City of Morgan Hill
Case Number: California Supreme Court Case No. S243042

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Authority: Pursuant to Government Code section 54956.9(b)
Number of Cases: 1
Potential Plaintiff: Morgan Hill Hotel Coalition

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Pursuant to Government Code section 54956.9(d)(1)
Case Name: United States of America v. State of California
Case Number: U.S. District Court, Easter Dist., California No. 18-264

RECONVENE

REGULAR MEETING

7:00 P.M.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

May 16, 2018

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Carr

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PROCLAMATIONS

Proclaiming May 15, 2018 as National Peace Officers Memorial Day and the week of
May 13-19, 2018 as National Police Week

Proclaiming the week of May 20-26, 2018 as Public Works Week

Proclaiming the Month of May as Older Americans Month

Proclaiming the Month of May as Foster Care/Resource Parent Awareness Month

RECOGNITIONS

Recognizing Gladys Aichele for 20+ years of volunteering with the Senior Center

Recognizing the Library Culture and Arts Commission for the Art a la Carte Program

Recognizing Merrill Lynch Morgan Hill for Community Services

MERRILL LYNCH RECOGNITION PRESENTATION

PRESENTATIONS

YAC PRESENTATION - ASSET #18 YOUTH PROGRAMS

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

HANDOUT FROM PUBLIC

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. RESIGNATION OF LIBRARY, CULTURE, AND ARTS COMMISSIONER

Recommendation:

1. Accept Maria Antunes resignation from the Library, Culture, and Arts Commission effective immediately; and
2. Direct the City Clerk to continue recruitment efforts to fill an unexpired term ending April 1, 2019, on the Library, Culture, and Arts Commission.

2. ACCEPT DONATION FROM COMMUNITY LAW ENFORCEMENT FOUNDATION

Recommendation:

Accept donations of equipment and monies from the Morgan Hill Community Law Enforcement Foundation and adopt resolution to amend the City's Fiscal Year 17-18 General Fund budget accepting a donation of \$1,385 and appropriating \$1,385.

3. APPROVE CITY COUNCIL AND PLANNING COMMISSION EMAIL POLICY

Recommendation:

Review and Approve the City Council and Planning Commission Email Policy.

4. APPROVE COMMUNITY PROMOTIONS FUNDING REQUESTS FOR 2018

Recommendation:

Approve Fiscal Year 2018-19 Community Promotions Funding Requests totaling \$41,800.

5. REBUILDING TOGETHER REHAB PROGRAM AGREEMENT

Recommendation:

1. Approve agreement for consultant services for Rebuilding Together of Silicon Valley to provide home repair services for \$200,000 for two years of service; and
2. Authorize the City Manager to execute and administer such agreement.

6. ACQUISITION OF THE 18428 JADE LANE BELOW MARKET RATE (BMR) HOME BY THE CITY HOUSING FUND

Recommendation:

Adopt resolution:

1. Authorizing acquisition of the Moderate, Below Market Rate (BMR) home located at 18428 Jade Lane to re-sell to an income-eligible buyer, preserving the unit within the City's affordable housing inventory at 120% of the Area Median Income and extending the affordability covenants; and
2. Approving an amendment to the City's Fiscal Year 2017-18 budget, appropriating \$601,300 from the Housing Fund (255) for short term expenses associated with the acquisition and rehabilitation of the home located at 18428 Jade Lane.

7. AIRBNB VOLUNTARY COLLECTION AGREEMENT

Recommendation:

Authorize the City Manager to negotiate and execute a Voluntary Collection Agreement with Airbnb Inc. for the collection of the City's Transient Occupancy Tax on behalf of Airbnb hosts who rent their residences to others using the Airbnb application and platform.

8. AMEND REIMBURSEMENT AGREEMENT WITH THE CALIFORNIA HIGH SPEED RAIL AUTHORITY TO EXTEND THE TIME DURATION OF THE CURRENT AGREEMENT

Recommendation:

Approve the amendment to the reimbursement agreement to extend the contract term to June 30, 2020.

9. APPROVE FIRST AMENDMENT TO AGREEMENT WITH MORGAN HILL J.E.T. ELECTRIC, INC.

Recommendation:

Approve the First Amendment to the maintenance service agreement with Morgan Hill J.E.T. Electric, Inc. for \$85,000 for three years of service.

10. AMEND AGREEMENT WITH ASSET PROTECTION GROUP PRIVATE SECURITY, INC.

Recommendation:

Approve the Second Amendment to Consultant Agreement with Asset Protection Group Private Security Inc. for \$105,000 for three years of service.

11. CONSULTANT AGREEMENT WITH NYANDA AND ASSOCIATES LLC, DBA HOUSEKEYS FOR BMR AND LOAN ADMINISTRATION

Recommendation:

1. Approve consultant agreement for BMR and loan administration services through June 30, 2020, for \$1,050,000; and
2. Authorize the City Manager to execute and administer the contract.

12. APPROVE THE MAY 2, 2018 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

13. PROVIDE DIRECTION TO STAFF REGARDING ORDINANCES TO PREVENT GUN VIOLENCE

Recommendation:

Direct the City Attorney to draft, for Council consideration, ordinances:

1. Creating a duty to report the theft or loss of firearms
2. Requiring the safe storage of firearms when not in use
3. Prohibiting the possession of large capacity magazines
4. Requiring a permit to conduct retail firearms sales

Estimated Time: 15 Minutes

PUBLIC HEARING

14. INITIATE ANNUAL ASSESSMENT PROCESS FOR LANDSCAPE ASSESSMENT DISTRICT NUMBER 1

Recommendation:

Adopt resolutions approving the following actions:

1. Initiate the proceedings for the levy of assessments for Fiscal Year 2018-19;
2. Provide approval of the Engineer's Annual Report and the proposed assessment levy; and
3. Declare the City Council's intention to levy the assessments in the District and to set the Public Hearing date for June 6, 2018.

Estimated Time: 10 Minutes

15. ZA2016-0006: A COMPREHENSIVE UPDATE OF TITLE 18 - ZONING OF THE CITY OF MORGAN HILL MUNICIPAL CODE INCLUDING AN AMENDMENT TO THE CITY'S OFFICIAL ZONING MAP CONSISTENT WITH THE MORGAN HILL 2035 GENERAL PLAN (ZONING CODE UPDATE)

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of Zoning Code Update Ordinance; and
3. Introduce Zoning Code Update Ordinance.

Estimated Time: 60 Minutes

OTHER BUSINESS

16. POTENTIAL NEXT STEPS ON CANNABIS REGULATIONS AND TAXATION, INCREASE TO TRANSIENT OCCUPANCY TAX, AND ESTABLISHMENT OF TOURISM BUSINESS IMPROVEMENT DISTRICT

Recommendation:

Provide direction on potential next steps for:

1. Cannabis regulations and taxation;
2. Transient Occupancy Tax increase; and
3. Tourism Business Improvement District establishment

Estimated Time: 75 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.



Sustainable Morgan Hill Vision

Morgan Hill is a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage ·
Enhancing Diversity and Inclusiveness

2018 STRATEGIC PRIORITIES

Community Engagement and Messaging

Economic Development and Telecommunications

Financial Stewardship

Infrastructure

Regional Initiatives

2018 STRATEGIC PRIORITIES:



Community Engagement and Messaging

The City of Morgan Hill will tell our story through outreach and by working closely with our community in presenting our vision, priorities, and financial needs, and by engaging citizens and business owners to find affordable and sustainable solutions. The City's communications, services, public spaces, and projects will embrace all community members as partners, encouraging public participation.



Economic Development and Telecommunications

The Economic Blueprint will continue to be implemented, with a primary goal of attracting jobs and investment into our community. The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure with private sector partnerships. The plan will be used to signal Morgan Hill's support for business expansion.



Financial Stewardship

We will be financial stewards of the City's assets to ensure long-term fiscal sustainability. New revenue sources, including a possible tax measure, will be considered to fund increasing costs to deliver services and complete infrastructure projects. The City will closely manage its expenditures to maintain its general fund reserve. The labor contracts will be negotiated using the City's adopted Employee Compensation Guiding Principles.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for transportation projects and road maintenance. For High Speed Rail, we will strongly advocate for the route with the least impact on Morgan Hill.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. A regional approach will be employed to address many priorities, including but not limited to, homelessness, animal services, teen suicide, High Speed Rail, and land use (Catholic High School, Outdoor Sports Center, agricultural preservation, and city limits). This regional involvement will include partnering with the League of California Cities, Valley Transportation Authority, Caltrain, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.