



Special - Regular Meeting Agenda

City Council

Rich Constantine - Mayor
Rene Spring - Mayor Pro Tem
Yvonne Martinez Beltran - Council Member
Larry Carr - Council Member
John McKay - Council Member

Wednesday, March 6, 2019 5:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 p.m. for the purpose of conducting a Housing Workshop.

5:00 p.m. Housing Workshop

7:00 p.m. Regular Meeting

SPECIAL MEETING

5:00 P.M.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
Deputy City Clerk Michelle Bigelow

HOUSING WORKSHOP

1. 2019 HOUSING PROGRAM UPDATE

Recommendation:

Receive Report.

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.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Martinez Beltran

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

OTHER REPORTS

PROCLAMATION

Proclaiming the month of March as Youth Art Month
Sharon DeHart

PRESENTATIONS

Valley Water
Upper Llagas Creek Flood Control Project
John Varela, Director and Stephen Ferranti, Project Manager

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)

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

2. APPROVE MEMORANDUM OF UNDERSTANDING ACCEPTING LAW ENFORCEMENT TOBACCO GRANT FROM STATE OF CALIFORNIA DEPARTMENT OF JUSTICE

Recommendation:

Adopt resolution:

1. Authorizing the City Manager to execute and administer the Memorandum of Understanding with the California Department of Justice to accept grant funds for the Law Enforcement Tobacco Grant for a total amount of \$561,649 over three fiscal years; and
2. Amending the City's FY 2018-19 and Fiscal Year (FY) 2019-20 adopted budget to appropriate expenditure of the grant funding of \$137,874 in FY 2018-19 and \$207,061 in FY 2019-20, in the General Fund (010).

3. ADOPT RESOLUTION APPROVING EMERGENCY MANAGEMENT PERFORMANCE GRANT AGREEMENT - 2018

Recommendation:

Adopt resolution:

1. Authorizing the City Manager to execute and administer the Memorandum of Understanding with the County of Santa Clara for the 2018 Emergency Management Performance Grant; and
2. Amending the City's Fiscal Year 2018-19 adopted budget to recognize revenue and appropriating related expenditure, in the amount of \$1,450, from the General Fund (010).

4. IMPACT FEE FINANCING AGREEMENT-BRIDGE GROUP INVESTMENTS, LLC

Recommendation:

Adopt resolution authorizing the City Manager to execute a Sewer and Traffic Impact Fee Financing Agreement, consistent with the Sewer and Traffic Impact Fee Deferral Program and Government Code section 53083, with Bridge Group Investments, LLC, Inc. for the development of a new Warehouse and Distribution Facility for Shoe Palace Corporation.

5. UPDATE ON DOWNTOWN SPECIAL EVENTS AND STREET CLOSURES

Recommendation:

Receive update on Downtown Special Events and Street Closures.

6. ADOPT RESOLUTION AUTHORIZING THE DISPLAY OF THE NATIONAL FLAG OF INDIA AT THE COMMUNITY AND CULTURAL CENTER IN RECOGNITION OF THE ANNUAL CELEBRATION OF INDIA'S INDEPENDENCE DAY

Recommendation:

Adopt resolution authorizing the display of the national flag of India at the Community and Cultural Center annually during the month of August to commemorate India's Independence Day.

7. APPROVE CITY SPONSORSHIP OF PHILANTHROPY NIGHT, INDIAN FLAG RAISING, AND FUTURE WOMEN LEADERS CONFERENCE EVENTS AT THE COMMUNITY AND CULTURAL CENTER

Recommendation:

1. Authorize the City Manager to waive facility rental fees of \$3,000 for Morgan Hill Community Foundation's November 2019 Philanthropy Night Celebration.
2. Authorize the City Manager to waive facility rental fees of \$726 for Indian Association of South Santa Clara County's August 2019 Flag Raising ceremony.
3. Authorize the City Manager to waive facility rental fees of \$651 for American Association of University Women's April 2019 Future Women Leaders Conference.
4. Authorize the City Manager to waive facility rental fees of \$3,000 for American Association of University Women's April 2020 Future Women Leaders Conference.

8. 2018-19 PAVEMENT REHABILITATION PROJECT UPDATE

Recommendation:

Receive an update on the Pavement Rehabilitation Project for Fiscal Year (FY) 2018-19.

9. ADOPT RESOLUTION APPROVING FY2019-20 LIST OF STREET REHABILITATION PROJECTS FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT

Recommendation:

Adopt resolution approving a list of street rehabilitation Projects Funded by SB 1, the Road and Repair Accountability Act of 2017.

10. APPROVE MASTER STREET TREE PLAN

Recommendation:

Approve Master Street Tree Plan.

11. RATIFY CITY POSITION ON PENDING LEGISLATION HR 530 "ACCELERATING BROADBAND DEVELOPMENT BY EMPOWERING LOCAL COMMUNITIES ACT OF 2019"

Recommendation:

Receive legislative correspondence in support of HR 530 "Accelerating Broadband Development by Empowering Local Communities Act of 2019."

12. APPROVE THE FEBRUARY 20, 2019 MEETING MINUTES

Recommendation:

Approve Minutes.

13. APPROVE THE FEBRUARY 27, 2019 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

14. ADOPT RESOLUTION DECLARING INTENT TO IMPLEMENT NEW WASTEWATER RATES, COMMENCING PROPOSITION 218 NOTICES, AND SETTING MAY 1, 2019 AS DATE FOR A PUBLIC HEARING

Recommendation:

Adopt resolution:

1. Declaring intent to adjust wastewater rates;
2. Authorizing the commencement of Proposition 218 noticing; and
3. Setting May 1, 2019 as the date for Public Hearing and new wastewater rates adoption.

Estimated Time: 15 Minutes

15. ORDINANCE AMENDING SECTIONS 14.04.020 PURPOSE AND 14.04.070 ALTERNATIVES OF CHAPTER 14.04, INCLUSIONARY HOUSING

Recommendation:

1. Waive the first and second reading of the ordinance; and
2. Introduce ordinance.

Estimated Time: 30 Minutes

16. REPORT REGARDING HOMELESSNESS IN MORGAN HILL

Recommendation:

Receive Report and provide direction.

Estimated Time: 45 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.

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Panwala v. City of Morgan Hill, Santa Clara County
Case No. 18-CV-333795

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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:

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community

Choose Morgan Hill:

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

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 Community History ·
Enhancing Diversity and Inclusiveness · Advancing Regional Initiatives

2019-2020 STRATEGIC PRIORITIES

Agricultural Preservation
Cannabis Policy
Community Engagement and Messaging
Economic Development
Financial Stewardship
High Speed Rail
Homelessness
Housing Infrastructure
Telecommunications
Traffic/Transportation



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Leslie Little, Assistant City Manager for Community Development
APPROVED BY: City Manager

2019 HOUSING PROGRAM UPDATE

RECOMMENDATION(S)

Receive Report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2019 Strategic Priorities
Regional Initiatives

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

The purpose of this report is to provide an update on the City's Affordable Housing Program, Regional Housing Needs Assessment (RHNA) progress, and to highlight new State Housing and Community Development Department (HCD) reporting requirements due to recent changes in State Law. In addition, attached to this narrative are reports from other agencies and articles intended to inform the Council and community of new legislation and proposed initiatives which may impact the City's future housing activities. Finally, the schedule for the review and filing of the annual report to HCD on the City's General Plan and Housing Element is included in the report below.

BACKGROUND:

The City's housing portfolio consists of 14,415 housing units, of which 1,682 or nearly 12% (1 of every 8) are affordable and deed restricted. In addition, the City has over 800 mobile home units, which are affordable by design, and protected with limited rental increases by the City's 1988 Mobile Home Ordinance.

Although the City of Morgan Hill has produced a significant amount of affordability per capita, over the past year the City has been tasked with responding to changing legislation which requires deeper levels of affordability be produced in accordance with RHNA goals. This translated to the State setting goals for the number of units which represent the City's fair share of production, and a requirement to produce those housing units with affordability to specific extremely low, very low, low, and moderate-income families within a set time-frame.

State law requires each local government in California to adopt a Housing Element as part of its General Plan demonstrating how the community plans to meet the existing and projected housing needs of people at all income levels. The current Housing

Element cycle established by the HCD is 2015-2022. HCD in collaboration with the Bay Area's council of government (COG), the Association of Bay Area Governments (ABAG), determines each community's housing fair share and which numbers are distributed to individual cities based on State population projections and local conditions. These designations establish RHNA goal numbers. Cities are required to report annually to HCD on the progress made towards those goals. These reports are due April 1 of each year.

The City of Morgan Hill has historically met its "overall" housing production numbers but has been unable to meet production as a function of affordability level. With the dissolution of redevelopment in 2011, these affordable housing efforts became out of reach for Morgan Hill and many other communities who lacked local funds to invest in affordable housing projects. For the current eight-year cycle (2015-2022), Morgan Hill's RHNA allocation is a total of 928 units. 612 or 66% of those units are required to be at Extremely low/Very Low Income (VLI), Low Income (LI) or Moderate-Income levels. As of the April 1, 2019 reporting, the City will show that it has met all income category production goals, except for the very low income category. Of affordable units assigned (612) the report will indicate 67% of the goal met.

Because Morgan Hill utilizes the RDCS, and annual reporting will not "count" units in the pipeline, only units with construction permits through 2018 will appear in the Morgan Hill annual progress report (APR) in 2019; thus, it will indicate production deficiencies of 201 very low-income units. Fortunately, because of the upcoming commitments that the City is aware of (MWest's 78 very low allocations and Evergreen's 8 very low allocations), the City may be able to count 86 additional very low-income units if construction permits are obtained before the end of this cycle, or by December 31, 2022. If all pledged units are built, the total still needed in the very low-income category is 115, resulting in production of 79% of the total affordable units assigned. Although the City has already met its total gross housing production numbers of 928 units for the entire RHNA cycle, to date it has not met its very low-income production obligation. The new RHNA reporting requires accountability for all the assigned units by income category, and therefore demonstrates that Morgan Hill has met 67% of its RHNA by 2017 and 79% of RHNA through 2018.

Beginning in 2017, Measure "S" allows a maximum of 215 units annually or 1,720 total, to be permitted citywide during an 8-year housing cycle. If all things remain constant, 66% of 1720 is 1135 units.

Previously the RHNA reporting process captured only construction permits issued by affordability category. Due to increasing performance scrutiny, the reporting process is more complex and detailed. HCD now requires cities to report:

1. Data on housing units and development for which an application was filed and deemed complete
2. Identification of sites required by no net loss
3. Annual Building Activity

4. Progress in meeting Housing Element programs and policies (BMR, Down payment Assistance, Homebuyer Education)
5. Total Number of Units requested, number of units approved, affordability category of units approved and denied
6. Number of units entitled, permitted and certificate of occupancy
7. Units rehabilitated; units lost to demolition for another purpose

The schedule for review and submittal of the annual report is:

- Planning Commission RHNA Update - February 12, 2019
- City Council 2019 Affordable Housing Program Update – March 6, 2019
- Planning Commission Review of HCD Annual Progress Report (APR) – March 12, 2019
- City Council Review and Authority to submit HCD APR – March 20 or March 27, 2019
- Report filed electronically, no later than March 31, 2019

Going Forward

Historically low State housing supplies, as well as recent changes to State housing laws, now require the City to strengthen its affordable housing efforts. The latest economic boom has created what many have called a “housing crisis” statewide. On May 2, 2018, the City Council was presented with an informational packet providing an overview of new Housing Accountability Act requirements, and Morgan Hill’s RHNA housing goals. Additionally, the Council received a Keyser Marston and Associates (KMA) report, “Strategy for Increasing the Supply of Affordable Housing” and discussed a menu of options and policy considerations to increase affordable housing production at specific income levels, and the implications of modifications to the RDCS Program. The Council directed staff to take steps to prepare policy documents related to affordable housing accountability and production as well as an Inclusionary Housing Policy. Subsequently, the City Council adopted an inclusionary housing policy of 15% for all market rate rental and ownership housing outside of the Downtown and 10% within the Downtown. Beyond the Inclusionary Housing Ordinance, the City Council has asked the staff and the Planning Commission to seek out ways to use the RDCS and planning incentives to focus efforts on increasing local housing supply to meet the regional fair share goals established.

This could include a number of actions utilizing RDCS, or require changes to zoning and the General Plan:

1. Awarding allocations to projects designed to meet the reach of the missing middle; smaller units, smaller lots, more multi-family
2. Prioritizing award of allocations to projects that are more affordable, discouraging large lot, single family development
3. Prioritizing award of allocations to projects which provide more than the minimum 15% inclusionary units

4. Complete Specific Plan for Monterey Corridor requiring Missing Middle or affordable construction, and preparing EIR clearance for construction of new units
5. Modifying the General Plan goal of a mix of 70% single family/30% multi-family
6. Convening the community is a process which identifies where higher density units should be located
7. Remove impediments to Accessory Dwelling Unit construction such as zoning restrictions in single family attached and multifamily zoning districts, side and rear-yard setbacks as well as public right of way and undergrounding enhancements.

Finally, newly introduced legislation, such as SB 50 (Weiner) and SB 330 (Skinner) now depart from providing any credit for fulfillment of RHNA obligations and the concept of ensuring that all cities produce their “fair share” of housing. They instead clear the way for statewide discussions about “how many more units could be built with State exemption or without local regulation.”

Additional Discussion

Included in the City Council packet for this meeting is the Committee to House the Bay Area (CASA) Legislative update, CASA compact, and the Governor’s Housing Budget proposal for 2019 as well as a variety of articles and descriptions of regional housing issues.

COMMUNITY ENGAGEMENT:

This report is intended to inform the City Council and community.

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 2, 2018 – City Council was presented an informational report with an overview of the requirements of the Housing Accountability Act. This item is a continuation of the City Council goal setting workshop and the RHNA update initially scheduled but deferred from the regular agenda of February 20, 2019.

FISCAL AND RESOURCE MPACT:

Preparation of this report is an activity within the Development Services Department’s annual workplan.

CEQA (California Environmental Quality Act):

Not a project, as this is an administrative activity (reporting) of government that will not result in direct or indirect physical change in environment.

LINKS/ATTACHMENTS:

1. CASA Legislative Update
2. CASA Compact (web link)
3. Governor's Housing Budget Proposal

4. What is Gavin Newsom's Plan
5. Details of Newsom's Housing Plan
6. 500M Bay Area Housing Fund
7. Stop Deepening the housing crisis article
8. Bay Area Housing Crisis Forum article
9. Senate Bill 330 (web link)
10. Senate Bill 50 (web link)
11. SB 50 (Weiner) More Homes Act
12. Scott Wiener and state land use authority



Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: February 1, 2019

FR: Executive Director

RE: CASA Local Outreach & Legislative Engagement / Update

Local Government Outreach

Following direction from the MTC and the ABAG Executive Committee, staff has been very busy over the last month and a half presenting the CASA Compact to local elected officials and staff in various forums, including sub-regional division meetings of the League of California Cities, joint meetings of city councils, county conferences of cities, and county transportation agencies, economic development organizations, and others (see Attachment A). Key messages that have been heard to date include:

- Concern about the potential redirection of local funds (e.g. sales tax, local parcel tax) and associated impacts to local services
- Concern over loss of local control over zoning decisions
- Concern about a “one-size-fits-all” approach to upzoning (CASA Compact Item 5)
- Concern that creating a new regional agency to help address the housing crisis is duplicative and a waste of resources (CASA Compact Item 10)
- Concern about loss of local control over fee rates due to the various local infrastructure and services that are paid for by fees (schools, parks, etc.) and potential legal implications associated with nexus studies (CASA Compact Item 7)
- Concern the CASA Compact only addresses the “supply side” of the jobs/housing balance equation; we need to also think about limiting the “demand side,” i.e. job growth.
- With respect to the 75 percent of funds that the CASA Compact states will be returned to the *county* where funds are generated, how will funds be distributed *within* the county?
- Need to do a better job bringing transportation to where the affordable housing is already located, (Central Valley), not just building housing where the jobs are.
- Need to address concentration of new jobs in S.F./West Bay and more affordable housing in East Bay by creating new policies and incentives to encourage job growth in East Bay to decrease commuting and greenhouse gas emissions.

Engagement with Local Elected Officials on CASA Legislation

The ABAG motion authorizing President Rabbitt to sign the CASA Compact requested that staff develop a task force of elected officials throughout the Bay Area to provide feedback on specific legislation related to CASA. Staff recommends we convene an ad hoc committee of local elected

officials representing the region's geographic diversity and including representatives of small, medium and large cities who are not currently serving on MTC or the ABAG Executive Board to meet monthly or as needed, by phone or in person, to be briefed on and provide input regarding CASA-related legislation. We seek your suggestions on the general composition of such a group.

Ongoing Outreach and Public Information

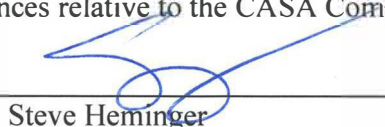
Understanding that there will continue to be requests for further outreach to local government and other organizations over the coming months, but there is also a basic institutional limit on what is actually feasible, we recommend the following steps:

- ABAG and MTC continue to have Joint Legislative Committee meetings for the foreseeable future and that CASA related items updates be featured each month.
- Provide an opportunity for CASA to be discussed by the full boards at MTC and the ABAG Executive Board.
- Staff will create a monthly CASA related newsletter, summarizing these updates and use our list serves to inform members of the Commission and the Executive Board.
- Staff will share newsletter with other interested stakeholders, such as city and county staff, county congestion management agencies and transit agencies.
- Continue to participate in events convened by the League of California Cities during the legislative session.

Legislative Update

Few new bills have been introduced or amended related to housing since our January update but we anticipate a flurry of additional activity towards the end of the month due to the February 22nd bill introduction deadline. At the time this memo was finalized, the Bay Area caucus had just held a retreat during which the CASA Compact was presented and discussed. MTC Chairman Mackenzie and ABAG President Rabbitt were invited to speak, along with the three CASA Co-Chairs.

A key theme of the discussion was the goal of recognizing that CASA is a Compact of divergent interests and the importance of seeking to move the entire package forward in Sacramento. Bay Area members at the retreat seemed to share this goal while also recognizing the enormity of the housing challenge that has built up over decades, and the similar scale of the political challenge before them. Attachment B is an update of the table of CASA-related bills from last month, this time including more detail and noting some differences relative to the CASA Compact.


 Steve Heminger

Attachments:

- Attachment A: CASA Local Government Outreach Schedule – Last Updated: 1/28/19
- Attachment B: CASA-Related Bill Summary, February 1, 2019

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Attachment: CASA Legislative Update (2229 : 2019 Housing Program Update)

CASA Local Government Outreach Schedule – Last Updated: 1/28/19

Meeting Date	Organization
December 12, 2018	Alameda County Mayors' Conference
January 9, 5 pm	League of Cities/North Bay Division (includes 4 North Bay Counties) meeting Homeward Bound
January 10, 7 pm	Contra Costa Conference of Mayors
January 10, 7 pm	Santa Clara County Cities Association Meeting, Sunnyvale City Hall, 456 W Olive Ave.
January 17, 8 am	Home for All Steering Committee (San Mateo)
January 24, 7 pm	East Bay League of Cities Meeting, Walnut Creek
January 29, 10 am	East Contra Costa (EC ² , a collaborative of cities, the county, chambers and special districts), Oakley City Hall
January 30, 11:30 am	Peninsula League of Cities Division
January 30, 5:30-7:30 pm	Cities of Fremont/Hayward City/Newark/San Leandro/Union City
January 31, 2 pm	Alameda County Transportation Commission
February 20, 1:30 pm	Napa Valley Transportation Authority
February 21, 12-1:30 pm	City Managers Group of Contra Costa, City of Walnut Creek, City Hall on the 3rd floor
February 22, 6 pm (tentative timing)	San Mateo County Council of Cities
February 25, 5:30 pm	Solano City & County Coordinating Council
February 26 –12:30 pm	East Bay Leadership Council, Housing Committee, Walnut Creek
February 27, 7:00 pm (tentative timing)	Marin County, Council of Mayors and Councilmembers, Sausalito
March 1, 11:30 am – 1:00 pm	East Bay Economic Development Alliance,
March 7	Contra Costa Mayors' Conference Meeting in San Ramon

Attachment: CASA Legislative Update (2229 : 2019 Housing Program Update)

**Attachment B
Agenda Item 7d**

CASA-Related Bill Summary, February 1, 2019

CASA Compact Item	Related Bill(s)	Summary
1. Just Cause Eviction		
2. Rent Cap	AB 36 (Bloom)	Spot bill*
3. Rent Assistance & Legal Counsel	SB 18 (Skinner)	The “ <i>Keep Californians Housed Act</i> ” authorizes an unspecified appropriation from the budget for the Department of Housing and Community Development (HCD) provide grants to local agencies to provide rental and legal assistance.
4. Accessory Dwelling Units (ADUs)	AB 68 (Ting) Coauthors: Gloria/Skinner/Wiener	Prohibits local ADU standards from (1) including requirements on minimum lot size, floor area ratio or lot coverage; (2) mandating off-street parking spaces be replaced when a garage or carport is demolished in construction of an ADU; and (3) clarifies definition of an “owner occupant” for purposes of local requirements for owner-occupancy; (4) requires an ADU (attached or detached) of at least 800 square feet and 16 feet in height to be allowed. Reduces the allowable time to issue a permit from 120 days to 60 days. Provides that if a local agency has not adopted an ordinance consistent with its provisions, the local agency shall approve permits for a “junior ADU”** ministerially
	AB 69 (Ting)	Spot bill
	SB 13 (Wieckowski)	Spot bill indicating intent to reduce impact fees on ADUs
5. Minimum Zoning	SB 4 (McGuire)	Spot bill
	SB 50 (Wiener)	- Allows upzoning within ½-mile of transit and in high-opportunity areas. Provides for a five-year deferral of bill’s provisions in “sensitive communities” that would be defined by HCD in conjunction with community groups. - Establishes a new “equitable communities incentive” (ECI) option that a local jurisdiction would be required to offer a developer proposing a project that is either a “transit-rich housing project” or a “job-rich housing project.” In all cases of a qualifying ECI, a developer would receive waivers from maximum controls on density and parking requirements above 0.5/unit, up to three additional concessions or incentives from Density Bonus Law (pursuant to Government Code 65915 (d))

Attachment: CASA Legislative Update (2229 : 2019 Housing Program Update)

		- Establishes an option, for an undetermined amount of time, for a local government to opt for a community-led planning process aimed toward increasing residential density and multifamily housing near transit stops in lieu of requirements of bill. - Defers applicability of bill in “sensitive communities” –to be defined by HCD in conjunction with local community-based organizations—until January 1, 2025. - ECI-qualifying developments with an unspecified percent of affordable units within ½-mile but outside ¼-mile of a major transit stop, would also be exempt from 1) height caps below 45 ft; 2) maximum floor-area-ratio (FAR) less than 2.5; any parking requirement. - ECI-qualifying developments with an unspecified percent of affordable units within ¼-mile of a major transit stop would also be exempt from 1) height caps below 55 ft.; 2) maximum FAR less than 3.25; any parking requirement. - Excludes sites that contain housing occupied by tenants or that was previously occupied by tenants within the preceding seven years or the owner has withdrawn the property from rent or lease within 15 years prior to the date of application.
6. Good Government		
7. Streamlining	SB 6 (Beall/McGuire)	Spot bill
8. Public Lands		
9. Funding	SB 5 (Beall)	- SB 5 authorizes local agencies to apply to the state to reinvest their share of ERAF (Educational Revenue Augmentation Fund) funds in affordable housing or other community improvement purposes. Sets an initial limit of \$200 million per year for the first five years, growing to \$250 million in 2029. - Establishes the Local-State Sustainable Investment Incentive Program which would be administered by a new Sustainable Investment Incentive Committee comprised of state agency representatives and legislative and gubernatorial appointees.

		• Authorizes a local government, joint-powers authority, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, or a transit village development district to apply to the committee for funding for a variety of projects, including construction of workforce and affordable housing, transit-oriented development, restoring neighborhoods, repairing infrastructure and parks, and protecting against sea level rise. • Requires at least 50 percent of funds to be allocated for affordable housing and workforce housing and for 50 percent of the units to be affordable.
	AB 10 (Chiu)	Expands the state's Low Income Tax Credit program by \$500 million per year, up from \$94 million.
	AB 11 (Chiu)	AB 11, the "Community Redevelopment Law of 2019" would authorize a city or county or two or more cities acting jointly to form an affordable housing and infrastructure agency that could use tax increment financing to fund affordable housing and infrastructure projects. Requires establishment of new agencies be approved by the Strategic Growth Council and that expenditure plans for such agencies be aligned with the state's greenhouse gas reduction goals. A minimum of 30 percent of funds would be required to be invested in affordable housing.
	ACA 1 (Aguiar-Curry)	Reduces vote threshold for local bonds or special taxes for affordable housing or public infrastructure.
10. Regional Housing Enterprise		

* "Spot bill" denotes a bill that is a placeholder and includes only general intent language regarding the subject with no substantive statutory changes.

** Junior ADU means a unit that is no more than 500 square feet and is contained entirely within an existing single-family structure. It may include its own bathroom or share a bathroom with the existing structure.

HOUSING AND LOCAL GOVERNMENT

California is in the midst of a housing crisis due to decades of historical underproduction of supply when compared to demand. Of the estimated 200,000 units of housing that are needed annually merely to keep up with population growth, only 113,000 units were permitted in 2017. Since 2007, fewer than 750,000 units were permitted, accounting for only 40 percent of the projected need.

Affordability is no longer a problem unique to the state's major urban centers. Throughout the state, renters struggle to pay for housing, often doing so at the expense of other basic needs such as food, health care, and transportation. While California's median income has just recently surpassed pre-recession levels, median rent has continued to rise. Statewide, half of all renters are rent-burdened, meaning more than 30 percent of their income goes to housing, and nearly a third of all renters are severely rent-burdened, with more than half of their income going to housing. Over 80 percent of low-income renters in the state are rent-burdened.

The amount of income paid toward housing, and the uncertainty of future housing costs, has broad impacts on the overall quality of life for California families. Additionally, a lack of affordable housing directly contributes to the increased homelessness seen across the state. More must be done to increase housing production across the state to ease this crisis and give more Californians the opportunity to become economically secure through reduced housing costs, and achieve the dream of homeownership.

BARRIERS TO BUILDING

Local governments have a key role in ensuring the building of adequate numbers of housing units to meet local needs. They have primary control over land use and housing-related decisions and enact policies that either encourage or discourage housing construction.

The high cost of development and local decisions are barriers to building more housing. The average total development cost of affordable housing was \$332,000 per unit for new construction projects that received housing tax credits from 2011 through 2015. Local jurisdictions add to development costs through lengthy review processes. For example, the state's 2014 Affordable Housing Cost Study found that project changes due to local design and review increased costs by seven percent. Local opposition also increased project costs. Additionally, fees such as planning service fees and impact fees charged by local governments contribute substantially to the cost of development. These fees can vary widely by jurisdiction ranging up to \$150,000 for a single-family home and \$75,000 for each multi-family housing unit.

RECENT INVESTMENTS

The state's role in housing development has generally focused on encouraging homeownership through tax policy and helping to subsidize the development of affordable units. The state has provided local jurisdictions with a variety of tools to help fulfill their housing responsibilities, including providing incentives to streamline development, promoting local accountability to adequately plan for needed housing, shortening the housing development approval process, and investing in affordable housing production through dedicated real estate transaction fee revenues (estimated at \$289 million annually) and a \$4 billion voter-approved housing bond (Chapter 365, Statutes of 2017, SB 3). (See Figure HLG-01.) Additionally, the state invests 20 percent of Cap-and-Trade auction proceeds in the Affordable Housing and Sustainable Communities program to fund land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas emissions.

Figure HLG-01
SB 3 Housing Bond Allocations
 (in Millions)

	Program	Allocation
Rental Shortage	Multifamily Housing Program	\$1,500
Farmworker	Joe Serna, Jr. Farmworker Housing Grant Program	300
Infrastructure and Incentives	Local Housing Trust Fund	300
	Transit-Oriented Development	150
	Infill Infrastructure Grant	300
Homeownership	CalHFA Down Payment Assistance	150
	CalHome	300
Veterans	CalVet Farm and Home Loan	1,000
		\$4,000

INCREASING HOUSING PRODUCTION

While some local jurisdictions have used these tools and contributed to their housing supply, more production across the state is necessary to address the larger housing crisis. The Budget includes significant investments (totaling \$1.3 billion General Fund plus expanded tax credits) to remove barriers and increase long-term housing production, particularly for low- and moderate-income housing.

SHORT-TERM PLANNING AND PRODUCTION GRANTS

The Budget includes \$750 million General Fund one-time to partner with and incentivize local governments to jump-start housing production through technical assistance and general purpose funding. The Department of Housing and Community Development (HCD) will establish higher short-term statewide goals for new housing production across all income levels and will allocate these goals to local jurisdictions. Local governments will receive grants (\$250 million of the \$750 million) to support technical assistance and staffing to develop plans to reach these higher goals. This includes, but is not limited to: rezoning for greater density, completing environmental clearance, permitting units, and revamping local processes to speed up production. The state will review these efforts and certify that certain milestones have been reached. As jurisdictions reach these milestones, funding (\$500 million of the \$750 million) will be available to cities and counties for general purposes.

LONG-TERM STATEWIDE HOUSING PRODUCTION STRATEGY

The Administration will develop a strategy to revamp the current Regional Housing Needs Assessment (RHNA) process, which determines the amount and type of housing regions and local jurisdictions must produce to meet their need. Under Chapter 370, Statutes of 2017 (AB 72) and Chapter 958, Statutes of 2018 (AB 686), HCD will be taking a more active role in housing element reviews. Moving from an advisory role, HCD will now oversee and enforce regional housing goals and production. HCD will determine a methodology for allocating housing needs to regions and local jurisdictions, with local input.

These long-term housing production targets will be more ambitious than the short-term housing goals mentioned above. As HCD develops these targets, local jurisdictions will have lead time to begin reformulating their housing plans, using the grants above to leverage other sources of funding, such as their general funds and private dollars, to meet their targets.

Going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other potential local government economic development tools to make progress toward required production goals.

MODERATE-INCOME HOUSING PRODUCTION

The Budget makes a sizable investment of \$500 million General Fund one-time in the development of housing for moderate-income households. The California Housing Finance Agency (CalHFA) will expand its Mixed-Income Loan Program, which provides loans to developers for mixed-income developments that include housing for moderate-income households at a lower subsidy level than traditional state programs. This additional investment will jump-start the estimated \$43 million in annual Chapter 364, Statutes of 2017 (SB 2) revenues dedicated for this purpose, and pair with the proposed tax credit program targeting households with incomes between 60 to 80 percent of Area Median Income (see below).

EXPANDED STATE HOUSING TAX CREDIT PROGRAM

Tax credits garner private investment in affordable housing by offering a dollar-for-dollar credit against an investor's state or federal taxes owed. Two federal credits are

provided for the state to allocate, the 9 percent credit and the 4 percent credit, which are provided annually over 10 years. The 9 percent program is competitive and provides approximately 70 percent of a project's total costs. In its two funding rounds per year, the program has been historically oversubscribed with twice as many applicants as awards. The 4 percent program, which is currently underutilized, is non-competitive and provides approximately 30 percent of a project's total costs.

The state credit program supplements these two federal credits and can be allocated over four years. The state credits pair with federal credits to reduce a given housing development project's remaining funding gap. From 2011-2018, the state program allocated \$819 million to support approximately 18,000 affordable units, for an average of \$45,500 per unit.

The Budget proposes to expand the state tax credit program in 2019-20 up to \$500 million, and up to \$500 million annually thereafter upon an appropriation. The additional authority includes \$300 million for the existing state tax credit program, targeted at new construction projects that pair with the underutilized 4 percent federal tax credit program. The remaining \$200 million will be allocated through a new program that targets housing development for households with incomes between 60 to 80 percent of Area Median Income, a population not typically served by the state's housing programs. This investment will serve as a down payment toward producing more mixed-income housing, in combination with CalHFA's Mixed-Income Loan Program expansion detailed above.

These tax credit investments are coupled with a redesign of the existing tax credit programs to promote cost containment and increase the construction of new units.

INNOVATION CHALLENGE—EXCESS STATE PROPERTY

The state has identified many excess state properties that are suitable for housing development. Additional excess state properties will be identified in an expedited manner. The Budget proposes soliciting affordable housing developers to build demonstration projects that use creative and streamlined approaches to building affordable and mixed-income housing (for example, using modular construction). Affordable housing developers selected through a competitive process will receive low-cost, long-term ground leases of excess state property. The state will confer with local governments in certain cases to discuss a land exchange when such an exchange could lead to more housing being built within the jurisdiction.

As they will not need upfront capital to purchase the land and will not need to wait for local review processes, affordable housing developers will have greater flexibility to find innovative techniques to produce units more quickly and cost-efficiently than a traditional project. Should these demonstrations prove successful, this initiative can be expanded at the state level and serve as a model to localities for more efficient building.

ECONOMIC DEVELOPMENT TOOLS MADE MORE ATTRACTIVE

Various economic development tools have been introduced following the dissolution of Redevelopment Agencies (RDAs), including Enhanced Infrastructure Financing Districts (EIFDs). However, only three EIFDs have been formed since statute created them in 2014. EIFDs can be created by cities or counties without voter approval and expend tax increment revenues without voter approval. However, an EIFD must receive 55-percent voter approval to issue debt.

The Budget encourages the formation of additional EIFDs through removal of the 55-percent voter approval requirement to issue debt. This change will allow EIFDs to support longer-term infrastructure commitments, similar to former RDAs.

The state will also make EIFDs a more attractive economic tool by pairing them with the federal Opportunity Zones program. To make Opportunity Zones more effective, the state will conform to federal law allowing for deferred and reduced taxes on capital gains in Opportunity Zones for investments in green technology or in affordable housing, and for exclusion of gains on such investments in Opportunity Zones held for 10 years or more. Additionally, the Governor's Office of Business and Economic Development will help foster relationships between local EIFDs and investors to facilitate investments for disadvantaged communities or other targeted areas. The state will explore layering additional programs on Opportunity Zones and EIFDs to increase the production of affordable and moderate-income housing.

TOTAL HOUSING AND HOMELESSNESS INVESTMENT

Housing is a statewide issue and a lack of affordable housing directly contributes to the increased homelessness seen across the state. To address these crises, the Administration proposes to make significant investments through a multi-pronged approach that includes incentives to increase housing production and additional resources to provide access to shelter and services to individuals and families with immediate needs. In total, the Budget includes \$7.7 billion across multiple departments and programs to address housing and homelessness throughout the state (see Figure HLG-02).

Figure HLG-02
2019-20 Affordable Housing and Homelessness Funding
 (Dollars in Millions)

Department	Program	Amount
Department of Housing and Community Development	Housing Planning and Production Grants	\$750
	Veterans and Affordable Housing Bond Act Programs (SB 3)	\$526
	No Place Like Home Program	\$400
	Building Homes and Jobs Fund Programs (SB 2)	\$277
	Federal Funds	\$228
	Housing for Veterans Funds	\$75
	Office of Migrant Services	\$6
	Various	\$15
California Housing Finance Agency ^{1/}	Single Family First Mortgage Lending	\$2,000
	Mixed-Income Loan Program	\$500
	Multifamily Conduit Lending	\$300
	Multifamily Lending	\$120
	Single Family Down Payment Assistance	\$113
	Special Needs Housing Program	\$20 ^{2/}
Homeless Coordinating and Financing Council	Planning and Progress Grants to Address Homelessness	\$500
Strategic Growth Council ^{3/}	Affordable Housing and Sustainable Communities	\$395
Tax Credit Allocation Committee	Low Income Housing Tax Credits (State)	\$600
	Low Income Housing Tax Credits (Federal)	\$299 ^{4/}
	Farmworker Housing Assistance Tax Credits	\$1
Department of Veterans Affairs	CalVet Farm and Home Loan Program	\$220
Department of Social Services	CalWORKS Housing Support Program	\$95
	Housing and Disability Advocacy Program	\$25
	CalWORKS Homeless Assistance Program	\$16
	CalWORKS Family Stabilization, Housing Component	\$4 ^{5/}
Department of Health Care Services	Whole Person Care Pilots - Housing Investment	\$100
	Project for Assistance in the Transition from Homelessness	\$9
	Whole Person Care Pilots Program, Health Homes Program, Mental Health Services Act Community Services and Supports, California Community Transitions Program	N/A ^{6/}
Office of Emergency Services	Domestic Violence Shelters and Services	\$54
	Domestic Violence Housing First Program	\$19
	Transitional Housing Program	\$19
	Specialized Emergency Housing	\$10
	Homeless Youth and Exploitation Program	\$1
	Youth Emergency Telephone Network	\$1
California State University	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15 ^{7/}
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15 ^{7/}
Department of Public Health	HIV Care Program	\$6
	Housing Opportunities for Persons with AIDS (HOPWA)	\$4
	Housing Plus Program	\$1
California Department of Corrections and Rehabilitation	Integrated Services for Mentally-Ill Parolees	\$4
	Specialized Treatment of Optimized Programming, Parolee Service Center, Day Reporting Center, Female Offender Treatment and Employment Program, Proposition 47 Grant Program	N/A ^{6/}
Total		\$7,743

^{1/} Amounts are based on lending activities from 2018-19 trends.

^{2/} This amount represents a voluntary allocation of Proposition 63 funds from 16 participating counties.

^{3/} The Affordable Housing and Sustainable Communities program amount reflects 20 percent of projected Cap and Trade revenues. The Transformative Climate Communities program (\$40 million for 2019-20) funds various activities, including housing as an eligible capital component; however, the investment in housing will not be determined until awards are made.

^{4/} This amount represents the 9 percent tax credits allocated in 2019 and an estimated figure for 4 percent credits to be awarded in 2019 based on 2016-2018 averages. This figure does not include the approximately \$4 billion of tax-exempt bond debt allocation that is available for award from the California Debt Limit Allocation Committee.

^{5/} This amount represents an estimate of the portion of the program associated with housing and homelessness activities.

^{6/} The state provides a number of wrap-around supportive services through these programs, including housing support and application assistance, which cannot be separated from the Department of Health Care Services' and Department of Corrections and Rehabilitation's general budgets.

^{7/} This program supports basic needs partnerships for low-income students facing housing or food insecurity.

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From the Silicon Valley Business Journal:

<https://www.bizjournals.com/sanjose/news/2019/02/04/gavin-newsom-california-housing.html>

What's Gavin Newsom's plan to tackle California's housing crisis?

Feb 4, 2019, 5:34am PST

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From the poor folks living in cars or camping in parks, to reports suggesting rents are outstripping both wages and new construction, to builders saying they would build more if they could, no one disagrees: California needs more housing.

As perhaps the largest single issue facing the new gubernatorial administration, then, it makes sense that new Gov. Gavin Newsom has made housing a top priority, with a flurry of proposals to boost supply contained in his proposed 2019-20 state budget. Following that, Newsom has ordered other steps outside the budget process toward the same end, and talked of meeting with apartment owners and other groups to address rents.

The net goal, according to Newsom, can be defined in pure numbers: Boosting the state's new housing supply by 3.5 million units by 2025, or more than 583,000 a year, every year. California hasn't built that much in any year going back to the 1950s; the closest it came was in 1963, according to the state Construction Industry Research Board, when the figure was 322,018.

Even during the homebuilding boom of the early 21st century, fueled by loose lending, the state's 2004 peak was 212,960, less than half the figure the new governor is aiming for.

Those daunting statistics aside, many housing industry players and observers believe it's worth the effort.

"If you can unleash the private sector along with the affordable housing component, you can approach those figures," said Dan Dunmoyer, president for the California Building Industry Association, the statewide advocacy group for homebuilders.

Newsom's housing push has a number of components, both building on existing programs and in some cases creating new ones. Those contained in the budget proposal include:

- Tying distribution of state transportation money to municipalities building their fair share of housing
- Allocating \$500 million from the state budget for an expanded loan program to mixed-income developments receiving lower-than-typical subsidies from state programs
- Another \$750 million from the state budget to partner with local governments to get housing projects processed more quickly, and establish higher short-term goals for new housing production
- Committing \$500 million specifically to build housing for the homeless, accompanied by streamlined environmental review for new shelters
- Encouraging the creation of more enhanced infrastructure financing districts to pair with federally designated opportunity zones to create housing in poorer communities



STEPHANIE HAYS | SACRAMENTO BUSINESS JOURNAL
Gov. Gavin Newsom plans to build 3.5 million homes by 2025.

In addition, Newsom has endorsed legislation making it easier to build housing near transit stops, reviewing fee structures that discourage housing and taking another look at modifying the California Environmental Quality Act to ensure it's used to take environmental impacts into account rather than to just stymie housing projects. He's also asked for an inventory of state-owned properties where new housing could be developed, and floated the idea of working with apartment owners to cap rent increases.

On the surface, the list of policy options would seem likely to have an effect in the Sacramento region. Officials with the city of Sacramento are pushing investors and developers to initiate projects in opportunity zones. And tying transportation dollars to building homes could prod cities like Davis, where residents like new bike trails but blanch at many housing proposals.

Many challenges

Greg Paquin of The Gregory Group, a Folsom-based consulting firm to homebuilders, said a bold, long list of policy prescriptions is what's needed. Beyond just approvals, he said, builders face fluctuating materials costs and a shortage of labor as hindrances to producing more homes.

"It's time to start making some difficult choices and decisions," he said. "It's only going to get harder if we don't."

He also said he'd endorse CEQA reform and encouraging more housing near transit, as well as re-using forlorn commercial properties. But Paquin noted that as a developer has pushed to redevelop a mall in Cupertino in recent years, residents have come out in force to oppose it.

Paquin said that policymakers should pay more attention to voters who favor more housing in their communities, and not just to those who oppose it.

But even with widespread agreement about the need for more housing, there's less unanimity on what kind or how.

Before Newsom released his proposals, Housing California, a statewide nonprofit advocacy group for affordable housing, preached emphasis on new projects for lower incomes. State residents with less money are feeling the effects of the housing crunch most severely, said executive director Lisa Hershey.

Housing California's seven-point plan for addressing the housing crisis includes a collaborative leadership approach to the issue, moving the conversation away from housing as a commodity or consumer product, and tracking the progress of new programs and policies as they're implemented to see how well they're working.

"I am optimistic, if everyone comes up with bold solutions, paired with equity," Hershey said. "Even business owners recognize this is an issue for their employees."

Building on measures approved by state voters last November, Newsom's proposals would include large investments in new affordable housing. But Dunmoyer, of CBIA, said those dollars need to be put in context of how expensive California housing is to build.

The state has \$12 billion in bonds set aside for affordable housing, he said, but such housing typically costs about \$580,000 a unit. Affordable projects often are more expensive on a per-unit basis because of prevailing-wage requirements for the contractors that work on them, builders can't pass along as many costs because future residents have lower incomes and affordable housing require financing to be cobbled together through several mechanisms. Because of the high cost of affordable housing, that \$12 billion in bonds will pay for 20,000 to 25,000 units at best, Dunmoyer said. The goal for new housing is in the millions.

Meeting that goal will therefore also require building more market-based, middle-income housing, Dunmoyer said. He said that the price tag for 3.5 million homes is about \$2 trillion, far beyond the scope of even the state's budget. "On the private side, those are big numbers, but they're not out of whack."

Dunmoyer believes CEQA reform is a challenge the new governor has to tackle. Newsom's predecessor, Gov. Jerry Brown, also pledged to reform CEQA when he took office in 2011, but toward the end of his tenure said that it was too difficult to achieve.

Dunmoyer said the state also needs to dig into the details of fees that go into construction of every home, as the pass-through costs they create make it difficult for builders to create affordable housing.

Newsom's policy goals for working with local jurisdictions would seem to echo another request of builders, for a single point of contact a builder can turn to as a project is processed by a myriad of public agencies.

"We have found ourselves lost inside of a bureaucracy, and we can't find a way to yes," Dunmoyer said.

While they constitute the strongest policy directives from the governor's office for housing in decades, what Newsom has laid out hasn't met universal acclaim. After the policy was released, affordable housing advocates said too much of it centers on giving leeway to private companies that typically don't build housing for people at the lower end of the spectrum. Tenant advocacy groups said rent control is also missing from the discussion.

The state budget proposal in January is typically an opening salvo; state legislators, economic conditions and the governor's own priorities can and often do shift the budget's makeup before its final adoption in June.

But in announcing his policies, Newsom has signaled he sees nothing less than the state's future at stake if housing isn't made a priority.

"The cost of housing — both for homeowners and renters — is the defining quality-of-life concern for people across the state," he said in announcing one set of new policies this month. "Housing costs threaten to erode our state's long-term prosperity and are driving hardworking Californians to look for opportunities elsewhere."

Ben van der Meer
Staff Writer
Sacramento Business Journal



Here Are the Details of Newsom's Housing Plan

BY CP&DR STAFF

During his campaign, Gov. Gavin Newsom committed to a goal of building 3.5 million housing units in California by 2025 and promised a "Marshall Plan" for housing. The housing strategy he laid out in his budget proposal contains many big ideas – including both carrots and sticks for local government. Here they are:

The Sticks

Short-Term Housing Production

The budget summary says that the Department of Housing & Community Development "will establish higher short-term statewide goals for new housing production across all income levels and will allocate these goals to local jurisdictions." The budget summary does not address the question of whether and how this effort will interact with the Regional Housing Needs Assessment process.

Long-Term Housing Production

The budget summary says that HCD will revamp the current RHNA process and develop a new methodology to determine RHNA targets. This process would almost certainly increase the RHNA numbers for most regions and most local jurisdictions, which could mean that more projects at the local level will be eligible for SB 35 (since local jurisdictions are less likely to meet their targets). Again, the budget summary is silent on the question of how this process might intersect with the existing RHNA process and the role that Councils of Governments might play.

The budget summary also calls for a much more aggressive role to be played by HCD, taking advantage of last year's AB 72, which gives HCD the power to review local housing elements continuously, rather than only at certain points in the RHNA cycle.

Newsom has also said he hopes to link transportation money – specifically, the gas tax money included in the

transportation package last year – to housing production. At his budget press conference he said: "If you're not hitting your goals, I don't know why you get the money." But it is not clear whether he has the legal authority to withhold any transportation funds due to lack of housing production.

Carrots

Newsome has consistently stated that he has put \$1.75 billion in new money on the table for housing. Here's how that breaks down

Grants and Technical Assistance To Achieve High Production Goals: \$250 million

The budget contains \$250 million for grants to local governments to make process changes that will increase housing production. This could include general plan updates, zoning ordinances, and the like. These funds would come on top of the expected \$100-150 million available for similar purposes to local governments under the first year of SB 1, the real estate transfer tax. Thus, local governments could have access to upwards of \$400 million to do housing-related planning.

Cash For Local Governments: \$500 million

In addition, the budget calls for \$500 million in unrestricted funds to be doled out to local governments that hit housing production goals. The budget contains no hint of the mechanism that would be devised to hand out the funds.

Moderate-Income Housing: \$500 Million

A one-time infusion of \$500 million would be given to existing CalHFA moderate-income housing programs.

Low-Income Housing Tax Credit: \$500 million

The state low-income housing tax credit, which is often coupled with federal tax credits in creating affordable housing projects, will be funded at \$500 million – a more

>>> Here Are the Details of Newsom's Housing Plan

— CONTINUED FROM PAGE 13

than \$400 million increase.

OTHER PROPOSALS

Enhanced Infrastructure Financial Districts

Newsom has proposed removing the vote requirement for EIFDs and encouraging a strategy that pairs EIFDs with Opportunity Zone investments.

State Surplus Land

Newsom has proposed an ambitious effort to prioritize state-owned surplus land for affordable housing projects, which may or may not require local approval.

A couple of days after the budget, Newsom issued an executive order calling on the Department of General Services to do an immediate inventory of state-owned parcels and HCD to create a screening tool for suitability for affordable housing.

The executive order also holds out the possibility of local governments and the state swapping property, if the locals

own property suitable for affordable housing.

WHAT'S NOT IN THE PACKAGE

Newsom's package does *not* contain two strategies often discussed as necessary for a major housing effort:

No major CEQA reform. With labor strongly supporting CEQA, Newsom chose not to propose major CEQA reform, though he may be counting on SB 35 and potential subsequent legislation to create ministerial processes that end-run CEQA. He did propose CEQA streamlining for homeless projects.

No redevelopment or TIF programs. Local governments have often said they cannot hit affordable housing goals without a revival of redevelopment or some similar tax-increment financing system that includes school property tax funds, which would be a hit on the state general fund budget. Newsom did not propose any redevelopment or TIF programs that would hit the state general fund on a permanent basis. ■

Position Available, SCAG

Southern California Association of Governments, Executive Director

The Southern California Association of Governments represents the country's largest metropolitan planning organization. The six-county SCAG region includes Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties, and 191 cities covering 38,000 square miles. The Executive Director reports directly to the Executive Committee (Regional Council Officers and Policy Committee Chairpersons of the Regional Council) and oversees an organization with 145 allocated positions and an annual budget in excess of \$72.5 million. The ideal candidate will be a strategic thinker with the ability to guide concepts into action and possess a keen and deep understanding of SCAG's membership. This position requires significantly responsible managerial and administrative experience in

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From the Silicon Valley Business Journal:

<https://www.bizjournals.com/sanjose/news/2019/01/24/bay-area-housing-fund-chan-zuckerberg-facebook.html>

Chan Zuckerberg Initiative and others team up on \$500M Bay Area housing fund

Jan 24, 2019, 1:38pm PST

A week after Gov. Gavin Newsom called on large California employers to pour \$500 million into housing, a consortium of Bay Area organizations said they are trying to do just that.

A team consisting of the San Francisco Foundation, Chan Zuckerberg Initiative, Ford Foundation, Facebook, Genentech, the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, Silicon Valley Community Foundation and Bay Area Local Initiatives Support Corp. launched the Partnership for the Bay's Future.

The partnership aims to raise up to \$500 million for an investment fund to preserve and produce affordable housing in the Bay Area and provide \$40 million in grants to promote policies that encourage more housing production.

The launch comes at a time when Bay Area housing costs have skyrocketed, many people earning under \$100,000 per year are routinely priced out, and players outside of the housing sphere are trying to come up with solutions.

"We cannot make meaningful progress toward equity and inclusive prosperity in the region without addressing the affordable housing crisis," said Fred Blackwell, CEO of the San Francisco Foundation, in a statement.

Newsom's call came on the heels of Microsoft's pledge to pump \$500 million into middle-income housing in the Seattle region. The difference is that Microsoft is committing its own funds while the partnership plans to raise the \$500 million over the next five years from various sources. So far, the partnership has secured close to \$260 million for the investment fund and nearly \$20 million for an intended \$40 million for the policy fund.

The Chan Zuckerberg Initiative put up \$40 million for the investment fund and \$10 million for the policy fund. The CZI is a the philanthropic organization founded by Facebook founder Mark Zuckerberg and Priscilla Chan to advance social causes.

Last week, health care provider Kaiser Permanente said it would start providing housing to homeless people to prevent and treat illnesses.

Another regional initiative, CASA, the Committee to House the Bay Area, in December came up with a plan to raise about \$1.5 billion in new tax revenue to fund a variety of housing programs.

The Partnership for the Bay's programs will focus on San Francisco, Contra Costa, Alameda, San Mateo and Santa Clara counties. Its strategy is two-fold:

The investment fund will provide loans to developers and housing organization for buying land for a low-income housing development, building housing for formerly homeless people, and financing acquisitions of existing low-cost apartment



VICKI THOMPSON | SILICON VALLEY BUSINESS JOURNAL
Facebook CEO Mark Zuckerberg and his wife, Dr. Priscilla Chan, have put \$50 million into a new Bay Area housing investment fund via their Chan Zuckerberg Initiative.

buildings. The loans will come with lower interest rates than traditional financing. It would seek to preserve and produce more than 8,000 homes over the next decade.

The policy grants will pay for resources for local governments to improve their housing programs. That could mean funding staff positions to expedite housing applications, streamline zoning policies and to create new policies that can encourage more housing production and tenant protections. Adopting those policies and practices would stabilize and expand housing for 175,000 households over the next five years, the partnership estimates.

"It's terrific that we've got the private sector stepping up with this kind of investment fund," said Carol Galante, director of the Turner Center for Housing Innovation at the University of California, Berkeley.

The most important thing, she said, is that the investment fund is flexible in what kinds of housing and programs it can fund and can fill a gap between what public subsidies and private capital typically fund. That is key for housing the "missing middle" — people who earn too much to qualify for subsidized housing but don't earn enough to afford market-rate housing. Most new housing that is built in the Bay Area falls on either end of the affordability spectrum: subsidized for low-income residents or high-end luxury.

Most of the subsidies, grants and public funding for low-income housing can't be used for moderate or middle-income housing, Galante said, and at the same time market-rate developers target the high end since because development costs are so high in the Bay Area.

The partnership wants to provide developers with low-cost financing that they can use to build new housing or acquire existing buildings that are "naturally affordable," which tend to be smaller, older apartment buildings where landlords don't charge exorbitant rents.

Some cities such as San Francisco and Oakland already have those types of programs, but many smaller cities do not.

"We need to get outside the current ecosystem," Galante said. "If it's just the same thing that all the government is doing, it won't be as effective. (The partnership's) intent is to be nimble and insert themselves in the gaps that need to be filled."

One key driver of the housing crisis is that the Bay Area has added about 750,000 jobs since 2010 but cities have only permitted 167,200 homes, according to the Building Industry Association of the Bay Area. That means that for every 4.5 jobs created, only one new home entered the pipeline. Economists say regions should add 1.5 homes per new job to maintain a balanced housing market. That means the Bay Area should have produced three times as many homes as it has since 2010.

"The problem is not a lack of people wanting to build homes and lack of capital to build homes, it's the lack of political will at the local level," said Matt Regan, senior vice president of public policy for the Bay Area Council, an advocacy organization funded by businesses.

It can take developers several years to secure city approvals to build housing, which adds millions to the cost of producing housing. Often, Bay Area cities reject or downsize housing proposals — even those that comply with zoning regulations — based on neighborhood opposition.

"We talk a great game about affordable housing, but when it comes to permitting it and building it, we put a lot of barriers and burdens on it," Regan said.

Last week, Newsom laid out a plan to take transportation funding away from cities that don't permit enough housing. Most cities in California don't meet the state's annual guidelines for housing production. The result is that the state is undersupplied by 3.5 million homes, according to a 2018 report from the nonprofit Up For Growth California.

Meanwhile, the cost of building new housing is making some housing proposals financially infeasible even though housing prices are higher than ever in some parts of the Bay Area, said Todd Vitzthum, a broker with Grey Star who specializes in land sales.

The partnership could make a difference if they can help remove barriers to building housing and increase supply.

"Given all of the challenges to building housing in the Bay Area, any new option for subsidy is a great thing," he said.

Blanca Torres

Reporter

San Francisco Business Times



Stop deepening the Bay Area transportation, housing crisis

Here's an idea to address the Bay Area's transportation and housing crisis: Stop making it worse.

Since the Great Recession, the Bay Area has added 722,000 jobs but constructed only 106,000 housing units.

Little wonder rents and home prices have soared — and even people with jobs live in cars or on the streets. Little wonder freeways are gridlocked and commuter trains are packed.

It's time to stop digging this housing deficit hole deeper. We need more housing. But we need it in the right places.

Bay Area cities with housing shortfalls — San Francisco, Cupertino, Menlo Park and Palo Alto, for example — should stop adding more buildings for jobs unless they provide commensurate new housing.

Conversely, areas with serious job deficits — East Contra Costa is the poster child — should be barred from adding new housing without new places for residents to work.

Here's the fundamental problem: San Francisco and most of Silicon Valley generally have more jobs than workers living there. The East Bay has more workers than jobs.

Consequently, our freeways and public transit systems overflow in the morning with commuters headed toward San Francisco and Silicon Valley. In the evening, the crush runs in the opposite direction.

And the intra-county imbalance between jobs and housing exacerbates the gridlock. For example, in Santa Clara County, while Palo Alto imports workers every morning, San Jose exports them.

We keep raising taxes to increase commute capacity, but long term that's an exorbitantly costly fool's errand — especially when we ignore underutilized capacity in the counter-commute direction. We are only making the situation worse.

The key is to put jobs next



Daniel Borenstein

to housing and housing next to jobs.

That won't happen on its own. Our convoluted property and sales tax systems discourage housing construction. So, this will require action by the Legislature and Gov. Gavin Newsom.

What's needed are rules that prohibit cities with housing deficits from approving commercial and office buildings unless they also approve new housing for employees who would work in those buildings.

And in cities with severe job deficits, the rules should be reversed. Residential development approvals should require construction of commensurate facilities for jobs.

Before business leaders, especially from tech companies, and local politicians howl about killing economic growth and impinging on local control, they should admit that they're a big part of the problem.

They should recognize that current unaffordable housing prices and ridiculous commutes already threaten to undermine the long-term success of the region.

And they should acknowledge the obvious, that companies keep expanding — and local governments keep letting them — without meaningful regard for providing adequate housing.

For example, Cupertino, even before the opening of the massive new Apple campus, had 1.5 jobs for every member of the labor force who lives in the city, according to 2016 U.S. Census data compiled by the Metropolitan Transportation Commission. Palo Alto had 2.8 jobs per worker; Santa Clara and Mountain View had about 1.7 jobs per worker; and San Francisco had 1.3.

Conversely, in the South Bay, San Jose, with a 0.8 ratio of jobs to workers, needs more employers. In the East Bay, the same goes for Oakland, at just below 0.9 — that's nine jobs for every 10 residents in the workforce.

And, in East Contra Costa County, the cities of Pittsburg, Antioch, Oakley and Brentwood should be prohibited from approving more housing. They have a combined ratio of 0.4 just four jobs for every 10 residents in the workforce.

It's absurd. For more than four decades, leaders of those four cities, backed by politically powerful developers, have tried to convince voters that if they keep building residential housing the jobs would follow. It's not going to happen.

As for cities with job surpluses, state mandates requiring commensurate housing would force employers to want new space to partner with housing developers to ensure homes are built. Or, better yet, those employers might opt to locate where workers already live.

Either way it would ease the stress on our transportation systems — and environment. As a taxpayer, I'm tired paying for more road and transit expansions to meet the needs of multibillion-dollar companies that refuse to do the responsible thing.

Some caveats to the housing mandate: The affordability of the required housing should be matched to likely jobs that would fill the new offices and commercial centers. And, to encourage public transit use, the mandates might include fees for homes or business construction near commuter rail stations or existing major bus corridors.

Local and state leaders understand the Bay Area faces a housing crisis. Unfortunately, solutions under discussion are incremental steps that don't address the fundamental problem. Not only have we failed to build enough housing, we've also failed to put it near jobs.

It's time to fix that.

Daniel Borenstein is the East Bay Times Editorial Page Editor. Reach him at dborenstein@bayareanewsgroup.com.

TUESDAY, JANUARY 29, 2019

'THE FUTURE IS NOT PRETTY'

Politicians, tech leaders mull over Bay Area housing crisis at forum

By Marisa Kendall

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bayareanewsgroup.com

MOUNTAIN VIEW » With new options on the table to solve the Bay Area's housing shortage, local elected officials and employers need to pick their favorites and make them happen.

That was the message behind a gathering of 200 politicians, corporate leaders, developers and transit providers in Mountain View on Friday. Attendees heard from three panels of housing heavyweights about a range of options: from multiple housing bills in the works, to dozens of ripe-for-development properties owned by VTA and other transit agencies, to Gov. Gavin Newsom's challenge to local tech companies to invest in housing. At the end of the event, each attendee was asked to commit time and money to at least three specific solutions, which they wrote down on a piece of paper and turned in to organizers.

"The future is not pretty. Our present is not pretty," Steve Heminger, executive director of MTC, told the crowd. "If you don't like what traffic looks like today, just you wait if we don't deal with this housing question."

Heminger spoke at LinkedIn's office during the Housing Solutions Forum organized by the Sil-

icon Valley Leadership Group. The event built on momentum that's growing as Sacramento, Bay Area tech companies and local foundations are ramping up their efforts to produce more housing. On Thursday, the Chan Zuckerberg Initiative and several local partners launched a \$500 million affordable housing fund — the Bay Area's largest to date.

Carl Guardino, president and CEO of the Silicon Valley Leadership Group, kicked off the event with a plea: "Let's find areas to work together today for the common good of the citizens in our communities."

His organization will analyze the commitments made by the attendees, and tabulate the most popular ideas Monday.

A major topic of discussion Friday was a 10-point housing plan recently approved by the Committee to House the Bay Area, or CASA. That plan, drafted by 50 stakeholders including local officials and transit agencies, calls for an emergency rent cap, just cause eviction protections, new zoning rules near transit hubs and other changes. Those ideas will translate into 15 new bills, drafts of which will be ready by next month, two CASA leaders said Friday.

"We are full speed ahead. We're ready to go," said CASA co-chair Leslye Cor-

siglia, executive director of SV@Home. "And we're going to need a lot of help."

Heminger also hopes to get at least one CASA initiative on the 2020 ballot.

State Sen. Scott Wiener warned "the pushback is coming" from local cities unhappy with the group's goals, and called on those in the audience Friday to rally behind the 10-point plan.

Wiener also was optimistic about Sacramento's chances for imposing new renter protections this legislative session.

"We're going to see a big push for more tenant protections at the state level, which has really stalled out for so many years," he said. "I think there's actually more opening this time."

The increased activity from state officials has local companies breathing a sigh of relief, said Menka Sethi, global mobility manager of Facebook, which has contributed to housing development through its Catalyst Housing Fund.

"We in the private sector can fund, fund, fund all we want, but at the end of the day, that doesn't get the housing built," she said. "So it's refreshing to see true stepping-up from the public sector."

Panelists also stressed the importance of building housing around transportation hubs, and attendees heard from representatives

of BART, VTA, Muni, train and other major Area transit providers.

VTA owns 25 sites that could be developed up to 6,000 homes, including 2,000 affordable units, said Nuria Fernandez, general manager and CEO of VTA. But half of those properties are not zoned for residential use, meaning the transit agency needs governments to rezon parcels.

BART owns 250 parcels that could be turned into housing. Most of that is used as parking, BART chief planning development officer Menotti said. The challenge is convincing landlords and BART riders to give up their parking spaces to accept new developments in their community.

Some of the housing industry experts who participated in Friday's discussion walked away feeling hopeful. Elaine Breeze, president of developer SummerHill Apartments, was excited to see so many voices from different sectors participating in the discussion. A variety of viewpoints lead to better solutions, she said.

It's an exciting time in the Bay Area, Breeze added, "There's just a lot of energy around housing."

Contact Marisa Kendall at 408-920-5009.

Attachment: Bay Area Housing Crisis Forum article (2229 : 2019 Housing Program Update)

HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT
Legislative Agenda
January 17, 2019

1. SB 50 (Wiener) More HOMES Act (Housing, Opportunity, Mobility, and Stability)

Bill Summary:

SB 50 (Wiener) is a developer opt-in bill that would exempt specified housing projects from locally adopted parking requirements, density limits, height maximums limits less than 55 feet, and floor area ratio (FAR) maximums less than 3.25.

Bill Description:

Key Definitions

“Affordable” means available at affordable rent or affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate incomes, as specified in context, and subject to a recorded affordability restriction for at least 55 years.

“High-quality bus corridor” means a corridor with fixed route bus service that meets all of the following criteria:

- It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.
- It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through Friday.
- It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

“Job-rich housing project” means a residential development within an area identified by the Department of Housing and Community Development and the Office of Planning and Research, based on indicators such as proximity to jobs, high area median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs. A residential development shall be deemed to be within an area designated as job-rich if both of the following apply:

- All parcels within the project have no more than 25 percent of their area outside of the job-rich area.
- No more than 10 percent of residential units or 100 units, whichever is less, of the development are outside of the job-rich area.

“Transit-rich housing project” means a residential development the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor. A project shall be deemed to be within a one-half

mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor if both of the following apply:

- All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.
- No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

“Local government” means a city, including a charter city, a county, or a city and county.

“Major transit stop” means a site containing an existing rail transit station or a ferry terminal served by either bus or rail transit service.

“Residential development” means a project with at least two-thirds of the square footage of the development designated for residential use.

“Sensitive community” means an area identified by the Department of Housing and Community Development, in consultation with local community-based organizations in each region, as an area vulnerable to displacement pressures, based on indicators such as percentage of tenant households living at, or under, the poverty line relative to the region.

Specifically, SB 50 (Wiener) is a developer opt-in bill that would require a city, county, or city and county to grant an equitable communities incentive to eligible development proponents. In order to be eligible for an equitable communities incentive, a residential development shall meet all of the following criteria:

- The residential development is either a job-rich housing project or transit-rich housing project.
- The residential development is located on a site that, at the time of application, is zoned to allow housing as an underlying use in the zone, including, but not limited to, a residential, mixed-use, or commercial zone, as defined and allowed by the local government.
- The residential development must comply with a locally adopted inclusionary housing ordinance, if it requires more than 20% for low-income and 11% for very low-income households.
- States that it is the intent of the Legislature to require that any development of _____ or more residential units receiving an equitable communities incentive include housing affordable to low, very low or extremely low income households, which, for projects with low or very low income units, are no less than the number of onsite units affordable to low or very low income households that would be required pursuant to subdivision (f) of Section 65915 for a development receiving a density bonus of 35 percent (20% for low-income and 11% for very low-income households.)
- The site does not contain, or has not contained, either of the following:

- Housing occupied by tenants within the seven years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the application for a development permit.
- A parcel or parcels on which an owner of residential real property has exercised his or her rights under the Ellis Act, Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application.
- The residential development complies with all applicable labor, construction employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government's conditional use or other discretionary permit approval process, the California Environmental Quality Act, or a streamlined approval process that includes labor protections.
- The residential development complies with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements.
- The equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing, local hire, or payment of prevailing wages.

A residential development that meets the criteria specified above shall receive, upon request, an equitable communities incentive as follows:

- "Job-rich housing project" shall receive the following:
 - A waiver from maximum controls on density.
 - A waiver from maximum automobile parking requirements greater than 0.5 automobile parking spots per unit.
 - Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.
- "Transit-rich housing project" shall receive the following:
A residential development within one-quarter mile radius of a stop on a high-quality bus corridor:
 - A waiver from maximum controls on density.
 - A waiver from maximum automobile parking requirements greater than 0.5 automobile parking spots per unit.

- Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

A residential development that is located within a one-half mile radius, but outside a one-quarter mile radius, of a major transit stop and includes no less than ____ percent affordable housing units shall receive an additional incentive as follows:

- A waiver from maximum controls on density.
- Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.
- A waiver from maximum height requirements less than 45 feet.
- A waiver from maximum FAR requirements less than 2.5.
- A waiver from maximum automobile parking requirement.

A residential development that is located within a one-quarter mile radius of a major transit stop and includes no less than ____ percent affordable housing units shall receive an additional incentive as follows:

- A waiver from maximum controls on density.
- Up to three incentives and concessions pursuant to subdivision (d) of Section 65915 (Density Bonus law). These incentives or concessions may include, but are not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.
- A waiver from maximum height requirements less than 55 feet.
- A waiver from maximum FAR requirements less than 3.25.
- A waiver from any maximum automobile parking requirement.

Notwithstanding any other law, for purposes of calculating any additional incentive or concession in accordance with Section 65915, the number of units in the residential development after applying the equitable communities incentive received pursuant to this chapter shall be used as the base density for calculating the incentive or concession under that section (Density Bonus law).

An eligible applicant proposing a project that meets all of the requirements under Section 65913.4 (SB 35 streamlining) may submit an application for streamlined, ministerial approval in accordance with that section.

A local government may modify or expand the terms of an equitable communities incentive provided that the equitable communities incentive is consistent with, and meets the minimum standards specified in, this chapter.

It is the intent of the Legislature that, absent exceptional circumstances, actions taken by a local legislative body that increase residential density not undermine the equitable communities incentive program.

“Sensitive community” delayed implementation - It is the intent of the Legislature that implementation of SB 50 be delayed in sensitive communities until July 1, 2020.

It is further the intent of the Legislature to enact legislation that does all of the following:

- Between January 1, 2020, and _____, allows a local government, in lieu of the requirements of this chapter, to opt for a community-led planning process aimed toward increasing residential density and multifamily housing choices near transit stops.
- Encourages sensitive communities to opt for a community-led planning process at the neighborhood level to develop zoning and other policies that encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.
- Sets minimum performance standards for community plans, such as minimum overall residential development capacity and the minimum affordability standards set forth.
- Automatically applies the provisions of this chapter on January 1, 2025, to sensitive communities that do not have adopted community plans that meet the minimum standards whether those plans were adopted prior to or after enactment.

Fiscal Impact:

No direct fiscal impact to cities.

Existing League Policy:

Zoning

The League believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and

hearing requirements in order to meet concerns of the local community. The League opposes legislation that seeks to limit local authority over parking requirements.

Comments:

What is a "job-rich housing project?"

SB 50 fails to define "job-rich housing project." As currently drafted, HCD and OPR are tasked with making the determination. Without this definition it is impossible to determine the full scope of communities that may be impacted by this measure. Additionally, SB 50 waives maximum density controls and reduces parking to a maximum of .5 parking spots per unit, even though the community may not have access to public transit. This is inconsistent with the desire to add density near major transit stops.

What is a "sensitive community?"

Much like a "job-rich housing project", "sensitive community" is not defined. As drafted, HCD and OPR, in consultation with local community-based organizations from the region, are tasked with determining these communities. It should be noted that local governments are excluded from the consultation process.

When does CEQA apply?

SB 50 clearly states that residential projects seeking an equitable communities incentive shall comply with CEQA. However, it is unclear if CEQA will be conducted before or after the incentive is applied. It would be most appropriate to undergo the environmental review process after the incentive has been applied so that the entire project can be considered.

Can a city establish height limitations for "job-rich housing projects" or "transit-rich housing projects" within one-quarter mile of a stop on a high-quality bus corridor?

It is unclear if a city can establish height limitations in these areas. Eligible projects receive up to three incentives and concessions pursuant to Density Bonus law. One possible concession is an exemption from local height limitations. This will need to be clarified.

Mayors in support of SB 50?

It is important to note that several Mayor's are supporting SB 50. Below are their quotes from Senator Wiener's press release.

San Francisco Mayor London Breed:

"San Francisco, along with the entire Bay Area, needs to create more housing if we are going to address the out of control housing costs that are causing displacement and hurting the diversity of our communities. I have seen too many people I grew up with pushed out of San Francisco because we have not built enough housing, especially affordable housing, throughout our entire City. I look forward to working with Senator Wiener and others to make sure SB 50 creates more housing opportunities near transit, while maintaining strong renter protections and demolition restrictions so we are

focusing development on empty lots and underutilized commercial spaces. I want to thank Senator Wiener for his continued leadership in pushing for more housing throughout California.”

Oakland Mayor Libby Shaaf:

“The Bay Area must address our shared housing crisis with bold solutions and this bill is an important step toward inclusive communities where everyone has access to stable housing. I appreciate that Sen. Weiner has included key elements of the CASA process – an 18-month effort by Bay Area government officials and stakeholders to create new regional housing strategies – and I am committed to working with the state legislature to implement these solutions.”

Sacramento Mayor Darrell Steinberg:

“I strongly support the concepts outlined in SB 50 because cities throughout California are in the midst of a housing affordability crisis and we need tools that allow us to meet our housing demands. Recent state reports demonstrate cities are falling well short of the housing, climate and sustainable transit goals California committed to in SB 375, legislation I authored in 2008. Senator Weiner’s legislation provides a vital tool for local governments to meet those goals.”

Emeryville Mayor John Bauters:

“Every city in California has to do its part to solve the housing crisis, and I’m proud to stand with fellow housing champions in support of the More HOMES Act. In addition to the incredible burden on our workers, the housing crisis is now fueling the climate crisis by forcing people into long commutes. We should build much more housing near transit, and I’m excited to support this effort to do so.”

Support-Opposition: (as of 12/4/18)

Support

San Francisco Mayor London Breed, Oakland Mayor Libby Schaaf, Sacramento Mayor Darrell Steinberg, Emeryville Mayor John Bauters, and El Cerrito Mayor Gabriel Quinto, Non-Profit Housing Association of Northern California (NPH), California Apartment Association,

Opposition:

City of Pasadena

Staff Recommendation:

Staff recommends the committee discuss SB 50 and determine a position.

Committee Recommendation:

SELECT A CITY ~

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From the Silicon Valley Business Journal:

<https://www.bizjournals.com/sanjose/news/2019/01/28/scott-wiener-state-housing-control-legislation.html>

Scott Wiener's battle to give the state some local land-use authority is on again

Jan 28, 2019, 5:00am PST Updated: Jan 28, 2019, 9:56am PST

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San Francisco Sen. Scott Wiener's attempt last year to impose state control on local land-use decisions as a tool for solving California's housing crisis failed.

But with new Gov. Gavin Newsom in office and having learned some lessons from last year, Wiener told a housing forum organized by the Silicon Valley Leadership Group last week that he's doubling down on the idea of shifting some land-use authority to Sacramento.

"Local control is important when it delivers good results," said Wiener, a six-year member of the San Francisco Board of Supervisors until taking office as a state senator in 2016. "The system of pure local control on housing, which is what we have had in California, essentially has not worked. We have to have — not an elimination of local control — but a better balance where the state sets clear and enforceable standards to get us where we need to go."

Wiener made the comment in response to a question from J. Jennings Moss, editor-in-chief of the Silicon Valley Business Journal, who moderated a forum panel on legislative and local housing solutions.

Wiener said labor is on his side in the Legislature this year, and he's also picked up more support from what he called the "equity-progressive community." Newsom has proposed tying state transportation funding to local cities' compliance in meeting housing goals.

"We are expanding that coalition and we're getting more and more local elected officials who are officially endorsing the bill," Wiener said. "And many more who quietly telling me, 'I can't say it publicly, but I support what you're doing.'"

David Chiu of San Francisco, who chairs the Assembly's committee on housing and community development, agreed with Wiener that Newsom will help move more innovative housing solutions.

"He has called for the Marshall Plan when it comes to the state and how we address housing," Chiu said, "and in particular, we know in the Bay Area we've been the epicenter of the housing crisis."

Just a week before the forum, the Orange County city of Huntington Beach filed suit seeking to overturn a housing law known as Senate Bill 35, which took effect last year and would streamline the process for new housing developments that meet certain conditions, such as requiring union labor. On Friday, the state sued Huntington Beach in an attempt to force it to plan more affordable housing.

SB 35 went into effect last year and has been tapped by Sand Hill Property Co., the developer seeking to redevelop Cupertino's Vallco shopping center into a large mixed-use project with thousands of new housing units and millions of



TODD JOHNSON | SAN FRANCISCO BUSINESS TIMES
State Sen. Scott Wiener — pictured here at a pro-housing rally in San Francisco in June 2015, when he was a supervisor in the city — has pushed in recent years for greater state control as a way to encourage housing development in California.

Attachment: Scott Wiener and state land use authority (2229 : 2019 Housing Program Update)

square feet of commercial space. More recently, an affordable housing developer tapped the state law to propose an 87-unit project in San Jose.

Chiu told the forum, held at Mountain View's LinkedIn headquarters, that he hopes the Legislature will also take steps to reinstate some form of redevelopment agencies, which were abolished under Gov. Jerry Brown's administration, an affordable housing tax credit and reform of California's environmental law, known as CEQA, as other tools to increase housing construction.

Jody Meacham
Reporter
Silicon Valley Business Journal





CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Margarita Balagso, Police Analyst
APPROVED BY: City Manager

APPROVE MEMORANDUM OF UNDERSTANDING ACCEPTING LAW ENFORCEMENT TOBACCO GRANT FROM STATE OF CALIFORNIA DEPARTMENT OF JUSTICE

RECOMMENDATION(S)

Adopt resolution:

1. Authorizing the City Manager to execute and administer the Memorandum of Understanding with the California Department of Justice to accept grant funds for the Law Enforcement Tobacco Grant for a total amount of \$561,649 over three fiscal years; and
2. Amending the City's FY 2018-19 and Fiscal Year (FY) 2019-20 adopted budget to appropriate expenditure of the grant funding of \$137,874 in FY 2018-19 and \$207,061 in FY 2019-20, in the General Fund (010).

COUNCIL PRIORITIES, GOALS & STRATEGIES

2019 Strategic Priorities

Community Engagement and Messaging

GUIDING DOCUMENTS

Public Safety Master Plan

REPORT NARRATIVE:

The Police Department received a grant award from the California Department of Justice for the Proposition 56 – Tobacco Law Enforcement Grant Program. The intent of this grant is to reduce and prevent the use of tobacco products among youth and teens. These include cigarettes, vape pens, and electronic cigarettes using flavored tobacco products. The grant total is \$561,649, to be expended over three fiscal years from FY 2018-19 through FY 2020-21. This grant is extremely competitive, and the City of Morgan Hill was one of the very few agencies in the state to receive full funding for our grant request. The Department of Justice indicated they received grant requests for twice the amount allocated for this grant.

Grant funding for the Police Department includes salary and benefits to hire an additional School Resource Officer whose responsibilities will include trainings for students, faculty, and parents in both middle and high school on the dangers of tobacco use, tobacco related enforcement on school campuses and city-wide; conduct trainings for sworn personnel on tobacco-related issues occurring within our community and conduct retailer education sessions. Grant funds also include over-time hours for Police Officers and Multi-Service Officers to conduct city-wide enforcement activities at parks,

events, and festivals. In addition to activities conducted by the Police Department, the grant includes funding for signage at City parks and facilities as well as a unique Peer-to-Peer education and outreach program. The Peer-to-Peer program will be designed and implemented by the City's Youth Action Council (YAC) with messaging that will reach both middle and high school students. Peer-to-Peer programs have proven successful in that educational campaigns of healthy choices and behaviors resonate more with youth rather than well-meaning adults.

The Police Department is also a sub-recipient of a regional grant from the County of Santa Clara to conduct operations to curb sales of tobacco products to minors. Combined, these two grants align and support the city's on-going commitment to supporting youth as well as the *41 Developmental Assets* promoting healthy youth development. Tobacco use by youth and teens has increased dramatically in recent years. According to the CDC, in 2015, more than 3 million middle and high school students used e-cigarettes. This reflects a 25% increase from 2014. Furthermore, the recent passage of Proposition 64 in California which legalizes the adult use of marijuana could contribute to smoking both marijuana and tobacco products among youth. A study published by New England of Medicine in 2014 called e-cigarettes a "gateway drug" to nicotine addiction and other addictive drugs.

COMMUNITY ENGAGEMENT: Inform

This staff report serves to inform the community of the grant award from the State Department of Justice to curb tobacco use among youth and teens.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This is a new grant award and there have been no previous actions taken on this item.

FISCAL AND RESOURCE IMPACT:

The total amount of this grant award is \$561,649. Notification was received after the conclusion of the budget process and therefore was not included in the FY 2018-20 budget process. Staff recommends amending the adopted FY 2018-20 budget to appropriate \$344,935 for the School Resource Officer position, officer overtime for operations at events, parks and festivals and the Peer-to Peer and signage Program, within the PD Special Operations Division, in the General Fund (010). The grant award includes 5% in administrative costs. The third and final year of the grant allocation of \$216,714 will be included in the FY2020-21 budget development process.

CEQA (California Environmental Quality Act):

Not a Project.

The grant entails organizational or administrative activities of governments and will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Resolution
2. Exhibit B - Morgan Hill Police Department MOU

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AND ADMINISTER, THAT CERTAIN MEMORANDUM OF UNDERSTANDING WITH THE CALIFORNIA STATE DEPARTMENT OF JUSTICE FOR THE LAW ENFORCEMENT TOBACCO GRANT IN THE AMOUNT OF \$561,649 AND APPROVING AMENDMENTS TO THE CITY'S FISCAL YEAR 2018-19 and 2019-20 BUDGETS IN THE GENERAL FUND (FUND NO. 010) TO APPROPRIATE A TOTAL OF \$344,935 THEREFORE

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Approve Memorandum of Understanding Accepting Law Enforcement Tobacco Grant from State of California Department of Justice" submitted for City Council consideration at its meeting of March 6, 2019 submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Years 2018-19 and 2019-20, as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the Memorandum of Understanding with the California State Department of Justice substantially in the form attached hereto as Exhibit B and incorporated herein by this reference (the “Agreement”) is hereby approved; and
- b. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer including the authority to terminate as necessary or appropriate, the Agreement substantially in the form attached hereto as Exhibit B; provided, specifically, that the total amounts to be received in grant funds by City under the Memorandum of Understanding shall in no event exceed five hundred sixty-one thousand six hundred forty-nine dollars (\$561,649);and
- c. That the City’s previously adopted Fiscal Years 2018-19 and 2019-20 Biennial Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- d. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City’s Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Years 2018-19 and 2019-20 Biennial Budget of City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 6th day of March 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on March 6, 2019.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Resolution (2150 : Approve Memorandum of Understanding Accepting Law Enforcement Tobacco Grant from State)

EXHIBIT A

AGENDA BUDGET SCORECARD

FISCAL YEAR 2018-19

ADJUSTMENT #

033

FUND:

DEPARTMENT:

OBJECT:

010	General Fund
3245	Police-Special Operations
Various	Various

AGENDA DATE:

AGENDA ITEM TITLE:

02/27/19
DOJ Tobacco Grant

	07/01/18 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/19 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	17,687,052	41,264,549	41,658,489	17,293,112
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	366,029	765,662	(399,633)
RECOMMENDED ACTION	-	137,874	137,874	-
RESULT OF RECOMMENDED ACTION	<u>17,687,052</u>	<u>41,768,452</u>	<u>42,562,025</u>	<u>16,893,479</u>

*City of Morgan Hill
Police Department*

16200 Vineyard Blvd.
Morgan Hill, CA 95037

MEMORANDUM OF UNDERSTANDING

with the

California Department of Justice

December 1, 2018 – June 30, 2021

I PURPOSE

This Memorandum of Understanding (the “MOU”) is entered into by the Department of Justice (“DOJ”) and the City of Morgan Hill Police Department (hereinafter, “Grantee”), to provide grant funds to Grantee for expenditure. The Grantee will expend funds for the purposes identified in the approved Grant Application submitted by Grantee in response to the DOJ’s Request for Proposals for activities of Local Law Enforcement Agencies to be funded under the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (the “Act”), approved by the voters as Proposition 56.

This MOU becomes effective upon completion of all signatures and expires on June 30, 2021.

The DOJ, Tobacco Grant Unit, grants to Grantee \$561,649 (the “Grant Amount”) for expenditure in accordance with this MOU, including the Scope of Work included in the approved Grant Application.

The Request for Proposals, Grantee Handbook and Grant Application are incorporated by reference into this MOU.

II COMMUNICATION

All reports, notices, requests, and/or correspondence pertaining to this MOU shall be forwarded to the Tobacco Grant Unit at:

California Department of Justice
Division of Law Enforcement
Tobacco Grant Unit
1300 I Street, Suite 1140
Sacramento, CA 95814
Zahra.Barragan@doj.ca.gov.

III BUDGET

Grantee agrees to expend the Grant Amount in accordance with the approved Budget (Attachment 1).

Grantee must submit any request for a change to a Budget item in writing or via e-mail to the DOJ and any changes to the Budget must be pre-approved in writing by the Tobacco Grant Unit at least thirty (30) days in advance of any change to the Budget item.

IV COST REIMBURSEMENT/INVOICING

DOJ agrees to reimburse Grantee, in arrears, for Grantee’s actual expenditures in performing the Scope of Work, upon receipt of invoices from Grantee and approval of the invoices by DOJ.

Grantee will submit only one (1) invoice each month for items included in the Budget, included completed travel and training. The Grantee is required to ensure that all vendor deliverables are accepted and approved, equipment delivered, travel completed, and administrative activities performed. Invoiced amounts may not exceed the costs specified in the approved Budget.¹

Grantee will provide substantiation to DOJ pertaining to acceptance of hardware, software, services, and deliverables along with approved invoices for payment. Invoices paid by the Grantee and submitted to the DOJ for reimbursement must include the invoice number, invoice date, service period, agreement number, vendor name, vendor contact information, amounts, along with the approved Budget Template clearly identifying which expenditure the invoice is associated with. Grantee shall provide copies of packing slips substantiating delivery of purchased equipment. Grantee invoices and supporting documentation must be sent to the DOJ in hard copy format no later than the 15th calendar day following the month of expenditure. (Example, a purchase made on June 2nd would require invoice to be received by the DOJ no later than July 15th).

Invoices must be e-mailed or delivered via U.S. Mail addressed to:

California Department of Justice
Division of Law Enforcement
Tobacco Grant Unit
1300 I Street, Suite 1140
Sacramento, CA 95814
Zahra.Barragan@doj.ca.gov

V BUDGET CONTINGENCY CLAUSE

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under the agreement does not appropriate sufficient funds for this MOU, this MOU shall be of no further force and effect. In this event, the DOJ shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this MOU and Grantee shall not be obligated to continue performing any provisions of this agreement for which it would have been reimbursed.

If funding for any fiscal year is reduced or deleted in the Budget Act for purposes of this MOU, the DOJ shall have the option to either cancel this MOU with no liability occurring to the DOJ or offer an amendment to the Grantee to reflect the reduced amount.

VI QUARTERLY REPORTING REQUIREMENTS

Grantee will submit quarterly progress reports to the DOJ. These reports, which will describe progress made on the recipient's Scope of Work, shall be submitted to DOJ according to the following schedule:

¹ Approved Budget included under Attachment 1.

January 1 through March 31: Due April 15
April 1 through June 30: Due July 15
July 1 through September 30: Due October 15
October 1 through December 31: Due January 15

Grantees shall submit any other reports and data as required by the DOJ.

VII ADMINISTRATION AND AUDIT

The DOJ is not liable for the Grantee's use of funds or any subsequent audit findings.

Grantee agrees that the DOJ and the California State Auditor, or their designated representatives shall have the right to review and copy any records and supporting documentation pertaining to the funds expended by Grantee and the Grantee's performance of the Scope of Work under this MOU. Grantee agrees to maintain all such records and reports for possible audit for a minimum of three (3) years after payment by DOJ of the final invoice submitted by Grantee. Grantee agrees to allow access to such records during normal business hours and to allow interviews with officers and employees who might reasonably have information related to such records. [Grantee agrees to include a similar right for DOJ and the California State Auditor to audit records and interview staff in any subcontract related to performance of the MOU.]

Should Grantee fail to comply with this MOU, including any expenditures for purposes not permitted under the MOU, DOJ may take one or more of the actions described under Remedies for Noncompliance in the Grant Handbook. Actions include but are not limited to requiring Grantee to return grant funds, and any other remedies available under law, and the Grantee may be disqualified from applying for or receiving future grant funds.

VIII GRANTEE CONTACT INFORMATION

Christina Turner, City Manager
City of Morgan Hill
17575 Peak Ave
Morgan Hill, CA 95037
(408) 776-7382
christina.turner@morganhill.ca.gov

David L. Swing, Police Chief
City of Morgan Hill Police Department
162000 Vineyard Blvd
Morgan Hill, CA 95037
(408) 776-7315
david.swing@morganhill.ca.gov

Emil Kokesh
 City of Morgan Hill Police Department
 162000 Vineyard Blvd
 Morgan Hill, CA 95037
 (408) 776-7314
 emil.kokesh@morganhill.ca.gov

IX MISCELLANEOUS PROVISIONS

Amendment-No amendment or variation of the terms of this MOU is valid unless made in writing and signed by the duly authorized representatives of the parties.

Assignment- This MOU is not assignable by Grantee in whole or in part.

Indemnification- Grantee agrees to indemnify and hold harmless the DOJ, its officers, agents and employees from all claims, liabilities, or losses in connection with the performance of this MOU.

Termination – The DOJ may terminate this MOU and be relieved of any obligation to provide grant funds to Grantee should Grantee fail to perform the Scope of Work at the time and in the manner provided in this MOU.

X AUTHORIZATION

The DOJ and Grantee, by their duly authorized officials, have executed this MOU on the respective dates indicated below. This MOU and any future amendments shall be forwarded to the Division of Law Enforcement, Office of the Chief, with all its attachments, and will become effective upon completion of signature from all parties.

CHRISTINA TURNER, CITY MANAGER
 City of Morgan Hill

 Date

DONALD A. LARKIN, CITY ATTORNEY
 City of Morgan Hill

 Date

DAVID L. SWING, POLICE CHIEF
 City of Morgan Hill

 Date

SHANNON PATTERSON, GRANT MGR.

Office of the Chief

California Department of Justice

Date

KEVIN GARDNER, Chief

Office of the Chief

California Department of Justice

Date

CHRIS RYAN, Chief

Division of Operations

California Department of Justice

Date

Attachment 1**Approved Budget**

**Proposition 56
Law Enforcement Tobacco Grant
Budget by Fiscal Year**

Objective	FY 18/19	FY 2019/20	FY 2020/21	Total by Objective
School resource officer	\$115,570	\$183,862	\$193,059	\$492,491
Operations at events, parks, retailer education	\$11,139	\$11,139	\$11,135	\$33,413
Peer-to-Peer Program Supplies	\$3,600	\$1,200	\$1,200	\$6,000
Signage Program	\$1,000	\$1,000	\$1,000	\$3,000
Subtotal	\$131,309	\$197,201	\$206,394	
Administrative fee	\$6,565	\$9,860	\$10,320	\$26,745
Total by Fiscal Year	\$137,874	\$207,061	\$216,714	\$561,649



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Margarita Balagso, Police Analyst
APPROVED BY: City Manager

ADOPT RESOLUTION APPROVING EMERGENCY MANAGEMENT PERFORMANCE GRANT AGREEMENT - 2018

RECOMMENDATION(S)

Adopt resolution:

1. Authorizing the City Manager to execute and administer the Memorandum of Understanding with the County of Santa Clara for the 2018 Emergency Management Performance Grant; and
2. Amending the City's Fiscal Year 2018-19 adopted budget to recognize revenue and appropriating related expenditure, in the amount of \$1,450, from the General Fund (010).

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Protecting the Environment
Maintaining Fiscal Responsibility
Preserving and Cultivating Public Trust

2019 Strategic Priorities

Community Engagement and Messaging

REPORT NARRATIVE:

The Cities of Campbell, Cupertino, Gilroy, Los Altos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale, the Towns of Los Gatos, Los Altos Hills, and the County of Santa Clara, are parties to the 1994 Operational Area Interim Agreement.

The Santa Clara County Emergency Operational Area Council (OAC) is the advisory body of the Santa Clara Operational Area in matters affecting disaster preparedness throughout the Operational Area. OAC membership includes 5 city council members representing cities in the Operational Area as well as Santa Clara Valley Water District, County Executive, County Board of Supervisors, City Managers' Association, Police Chiefs' Association, Fire Chiefs' Association, County Public Health Department, Valley Transportation Authority, and emergency management representatives.

The County Civil Protection and Emergency Services Ordinance establishes the OAC and endows the OAC with governing body authority to enhance planning and preparedness for large-scale emergencies in the Santa Clara Operational Area, including by making funding allocation decisions for Emergency Management Program Grant (EMPG) funding awarded by the United States Department of Homeland Security

to the California Office of Emergency Services (“Cal OES”), and subsequently sub-awarded to County.

On December 17, 2018, Cal OES, California Governor’s Office of Emergency Services, awarded the County 2018 EMPG funding in the amount of \$519,832 for the purpose of sustaining and improving comprehensive emergency management programs.

The Agreement (Attachment No .1) is to allocate the sum of \$1,450 from County to City, so that City may implement the “2018 CESA Annual Training & Conference and Emergency Manager Professional Development” project as provided under this Agreement and specified in the EMPG Grant Certifications and Assurances. The performance period for the County for this grant expires on June 30, 2019. The performance period for City for the subgrant expires on June 1, 2019.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the proposed EMPG grant funds that the City may receive.

ALTERNATIVE ACTIONS:

If the Council chooses to take no action, the Office of Emergency Services Coordinator will not participate in the annual Community Emergency Response Team (CERT) Annual Conference and Training.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

Funds availability notification was received after the conclusion of budget process and therefore was not included in the adopted FY2018-20 biennial operating budget. Staff recommends amending the FY2018-19 adopted budget to appropriate \$1,450 in the Office of Emergency Services division, within the General Fund (010), for the grant related expenditure (GL#010.3230.42408). The County will reimburse the City of Morgan Hill up to \$1,450 following the successful attendance of the Annual CERT conference.

CEQA (California Environmental Quality Act):

Not a Project

Continuing administrative activities, such as purchases for supplies and equipment, is not a project subject to environmental review.

LINKS/ATTACHMENTS:

1. EMPG MOU FOR 2018 - Morgan Hill
2. EMPG 2018_Resolution

**AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND
THE CITY OF MORGAN HILL GRANTING PROGRAM FUNDS FOR THE
2018 EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG)**

THIS AGREEMENT is made effective July 1, 2018, by and between the County of Santa Clara (“County”) and the City of Morgan Hill (“City”) for the allocation and distribution of 2018 Emergency Management Performance Grant (“EMPG”) funds.

RECITALS

WHEREAS, the Cities of Campbell, Cupertino, Gilroy, Los Altos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale, the Towns of Los Gatos, Los Altos Hills, and the County of Santa Clara, are parties to the 1994 Operational Area Interim Agreement; and

WHEREAS, the Santa Clara County Emergency Operational Area Council (“OAC”) is the advisory body of the Santa Clara Operational Area in matters affecting disaster preparedness throughout the Operational Area. OAC membership includes 5 city council members representing cities in the Operational Area as well as Santa Clara Valley Water District, County Executive, County Board of Supervisors, City Managers’ Association, Police Chiefs’ Association, Fire Chiefs’ Association, County Public Health Department, Valley Transportation Authority and emergency management representatives; and

WHEREAS, the County Civil Protection and Emergency Services Ordinance establishes the OAC and endows the OAC with governing body authority to enhance planning and preparedness for large-scale emergencies in the Santa Clara Operational Area, including by making funding allocation decisions for EMPG funding awarded by the United States Department of Homeland Security to the California Office of Emergency Services (“Cal OES”), and subsequently sub-awarded to County; and

WHEREAS, Cal OES awarded the County 2018 EMPG funding in the amount of \$519,832 on December 17, 2018 for the purpose of sustaining and improving comprehensive emergency management programs;

NOW, THEREFORE, this AGREEMENT is to allocate the sum of **\$1,450** from County to City, so that City may implement the “2018 CESA Annual Training & Conference and Emergency Manager Professional Development” project as provided under this Agreement and specified in the EMPG Grant Certifications and Assurances, Exhibit B. The performance period for County for this grant expires on June, 30, 2019. The performance period for City for the subgrant expires on June 1, 2019.

County and City agree as follows:

THE AGREEMENT

Article I. Definitions

1. Specific Terms

- (a) **“Burdened Labor Rate”** shall mean the labor rate including benefits, taxes and other deductions from an employee’s paycheck. This rate does not include vacation benefits. The hourly burdened labor rate is used to calculate City’s match obligation.

- (b) **“City”** shall mean the City of [Morgan Hill], its officers, board members, employees, and agents.
- (c) **“County”** shall mean the County of Santa Clara, its officers, board members, employees, and agents.
- (d) **“EMPG funds”** or **“EMPG funding”** shall mean the funding City receives under this Agreement.
- (e) **“Federal Program Guidance”** shall mean guidance documents issued by the Federal Emergency Management Agency, including the EMPG Program Funding Opportunity Announcement, for Fiscal Year 2018.
- (f) **“Grant Certifications and Assurances”** shall mean the FY18 EMPG Agreement Articles, Assurances, Certifications, Terms, and Conditions
- (g) **“Highly Compensated Individual”** shall mean an individual whose income is \$300,000 or more per year.
- (h) **“Prime Recipient”** shall refer to County.
- (i) **“Project Manager”** shall refer to the City employee identified as “Requestor” on an EMPG Project Proposal form.
- (j) **“Spend Plan”** shall mean a written document that explains the project on which City intends to spend 2018 EMPG funding, including project deliverables and milestone dates by which any funds allocated to City must be spent.
- (k) **“State Guidance”** shall mean the California Supplement to the Federal Program Funding Opportunity Announcement, issued by Cal OES for Fiscal Year 2018.
- (l) **“Subgrant”** shall mean funds awarded to the City under this Agreement.
- (m) **“Sub-Recipient”** shall refer to City.

2. References to This Agreement

Any reference to this Agreement shall include: (a) the Agreement; (b) all exhibits, appendices, schedules, and attachments to this Agreement; (c) all statutes, ordinances, regulations, rules, or other documents incorporated by reference into this Agreement; (d) all amendments, modifications, or supplements to this Agreement.

Article II. Allocation and Spend Plans

1. Allocation.

The 2018 EMPG funds shall be disbursed pursuant to the County’s FY 2018 EMPG Grant application for each City. County shall reimburse to City funds that City expends under the 2018 EMPG program for eligible expenditures. The amount for City shall not exceed **\$1,450**, unless additional funds become

available under the 2018 EMPG program following the execution of this Agreement. If additional funds are allocated, an amendment to this Agreement shall follow.

City acknowledges and agrees that County shall have no obligation to disburse EMPG funds to City until County and City have fully and finally executed this Agreement.

City acknowledges and agrees that County shall have no obligation to disburse EMPG funds to City unless and until the State of California has awarded County \$519,832 in FY 2018 EMPG funding.

2. Spend Plans

Upon execution of this agreement, City shall provide County with Spend Plans for review by County's Office of Emergency Services ("OES") Director or designee. All Spend Plans must be approved by County's OES Director or designee based on projects County has submitted to the State for the 2018 EMPG program. If County's OES Director does not approve City's Spend Plan, County OES shall notify City, and City shall have 10 days from the date of the notice to submit a revised Spend Plan to County OES for approval or risk reallocation of funds. City's Spend Plans are a required part of this MOU.

Article III. Requests for Reimbursement and Reimbursements

1. Required Documentation for Reimbursement

The EMPG is a reimbursement grant under which Cal OES disburses reimbursement funds to County, and County disburses reimbursement funds to City. No cash advances are permitted under the EMPG program.

The EMPG is a matching funds grant that requires City to provide a dollar-for-dollar match for any EMPG funds it receives. All invoices/ requests for reimbursement from City must include appropriate documentation such as receipts or payment records as well as other documentation required under Federal or State grant program requirements (see Article III).

(a) Requests for Equipment

City is solely responsible for procuring any equipment under this Agreement in accordance with Federal requirements for procuring grant funded equipment; and, if more restrictive, applicable City procurement policies and requirements.

Prior to purchasing any equipment under this Agreement, when required, City must submit an Environmental and Historic Preservation (EHP) Screening form and receive written approval from FEMA.

The following documentation must be provided along with any reimbursement requests for equipment:

- Quote or solicitation documents
- Summary of pricing and chosen vendor
- Documentation that vendor is not on the excluded parties list (<https://sam.gov/>) a print-out of the search result page will suffice)
- Purchase order and/or contract

- Receiving documentation/packing slip
- Invoice
- Proof of payment

All equipment must be indicated in the Spend Plan City submits to County, and must be authorized per the web-based Authorized Equipment List published by FEMA and available via: <https://www.fema.gov/authorized-equipment-list>.

(b) Subcontracts

Subcontracts totaling \$25,000 or more require preapproval from the County. If City is allowed to award subcontracts totaling \$25,000 or more, it must report on any such subcontracts and on Highly Compensated Individuals on the Financial Disclosure Form, Exhibit E, within 30 days of the award. The following information must be included in City's report on any sub-award exceeding \$25,000:

- Name of entity receiving award;
- Amount of award;
- Funding agency;
- Catalog of Federal Domestic Assistance program number;
- Award title (descriptive of the purpose of the funding action);
- Location of the receiving entity and primary location of performance including city, state, and federal Congressional district;
- Dun & Bradstreet (D&B) DUNS Number of the receiving entity, and of its parent if applicable; and
- Total compensation and names of receiving entity's five most highly compensated executives if:
 - In the preceding fiscal year, the subcontractor received 80 percent or more, and \$25,000,000 or more, of its gross annual revenue from federal procurement contracts or subcontracts or from federal financial assistance subject to the Transparency Act, as defined at 2 C.F.R. § 170.230; and
 - The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(a), 78o(d), or under section 6104 of the Internal Revenue Code of 1986.
 - City must report subcontractor executive compensation by the end of the month following the month in which it makes the subaward. For example, if the subaward is obligated in any date in April 2019, City must report any required compensation information by May 31, 2019.

Classified information that, in the interest of national security, requires protection against unauthorized disclosure (i.e., information deemed Top Secret, Secret, or Confidential under Executive Order 12958) is exempt from the Prime and Sub-Recipient reporting requirements, as are contracts with individuals.

(c) Sole Source Contracts

Sole source contracts of \$150,000 or more are not allowable under the EMPG program unless first approved by Cal OES. City must obtain sole source request documentation and submit it to

the Grants Manager of County's OES. Upon City's completion and submission of the required sole source documentation, County's Grants Manager shall forward all sole source documents to the appropriate Cal OES contact for review and approval. Only after Cal OES approval is given can a sole source procurement be completed and expenditures reimbursed using EMPG allocated funds. All sole source procurements must follow Federal procurement requirements for grants and, if more restrictive, the City's own procurement policies.

(d) Grant Funded Personnel

EMPG grant-funded personnel are any personnel paid at any percentage with EMPG funding. This includes M&A staff funded by EMPG Program funds. All EMPG Program funded personnel shall complete the training requirements in Article IV, Section 2 (c) by December 31, 2018.

Recorded proof of completion, such as all certificates of completion, must be submitted by the City to County (OES) before any reimbursements to the City will be made. In any case, proof of completion must be provided by December 31, 2018.

Documentation of participation in exercises is also required by the grant and progress towards meeting this requirement must be reported to the grant manager at least quarterly.

Time reporting requirements: To receive payments for personnel costs, City must submit time and payroll documentation that meets Federal Grant, State Grant (CalOES) and County reporting requirements.

(e) Other Requests

The following documentation is required for all reimbursement requests for contractors:

- Quote or solicitation documents
- Executive summary of how contractor was chosen
- Documentation that vendor is not on the excluded parties list (<https://www.sam.gov/>) (a print-out of the search result page will suffice)
- Purchase order and/or contract
- Invoice showing deliverables and milestones completed
- Proof of payment
- Financial Disclosure Form (Exhibit E) if awarded contract exceeds \$25,000

2. Submission of Requests for Reimbursement

(a) City shall submit reimbursement requests to County's OES (see Article V.1 below) on at least a quarterly basis, as detailed in the chart below. Unless pre-approved by County's OES Director or designee, all reimbursement requests shall be due fifteen calendar days after the end of the quarter, with the exception of the final expenditure and/or invoice, as indicated below. Any expenditure during the final period identified in the chart below shall be made by June 5, 2019, and any related invoice shall be submitted by June 10, 2019, unless otherwise pre-approved by County's OES Director or designee, in order to meet 2018 EMPG deadlines. Reimbursement requests shall be due for expenditures during specified periods as follows:

For Expenditures During the Period:	Due Dates for Reimbursement Requests:
July 1, 2018 through December 31, 2018	February 28, 2019
January 1, 2019 through June 1, 2019	June 10, 2019

- (b) During the term of this Agreement, County is not obligated to honor any request for reimbursement that is submitted after the due dates for reimbursement requests for expenditures within a given quarter as specified above in Article II, Section 2(a).
- (c) All grant funds not claimed by City via a proper reimbursement request, which includes all required documentation, by June 10, 2019 will be forfeited. County may then determine how to spend those funds in accordance with grant requirements.

Article IV. Use of Funds

1. Master Grant Obligations

- (a) City shall comply with the EMPG Federal Program Guidance, the State Guidance, and the Grant Certifications and Assurances, attached as Exhibit B. City shall require any subgrantee, contractor, or other entity receiving EMPG funds through or from City to execute a copy of the Grant Certifications and Assurances, and shall be responsible for ensuring that subgrantee, contractor, or other entity complies with the Grant Certifications and Assurances.
- (b) City shall ensure its Project Manager attends a grant kickoff meeting with County OES staff. Additionally, City shall ensure its Project Manager is available to meet with County OES staff upon request during the period of this agreement to report on progress on each project funded under this Agreement.
- (c) City shall comply with all other applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; the approved Spend Plans; and any other conditions imposed by Cal OES or by this Agreement, provided that if any provisions of this Agreement conflict with any State requirements, the State requirements will control. City shall ensure that any subgrantee, contractor, or other entity receiving EMPG funds through or from City complies with all applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; the approved Spend Plans; and any other conditions imposed by Cal OES or by this Agreement.
- (d) By executing this Agreement, City certifies that it is not debarred, suspended, or otherwise ineligible to receive EMPG funds. In addition, City shall ensure and independently verify that any subgrantee, contractor, or other entity receiving EMPG funds through or from City is not debarred, suspended, or otherwise excluded from participation in the EMPG program. City shall maintain documentary proof of this verification in its files.

2. Scope of Services

- (a) City shall use the funds granted under this Agreement only for the purpose of implementing applicable initiatives under the 2018 EMPG program, as indicated in Exhibit C, Program

Narrative. City shall not use the funds granted under this Agreement for any other purpose. County shall not be required to disburse funds to or otherwise pay City for services, materials, equipment, or supplies provided by City that are beyond the scope of the services, materials, equipment, or supplies agreed upon in this Agreement or a lawfully executed written amendment.

Indirect costs are allowable under the FY18 EMPG grant. Allowability of Indirect costs does not increase the total amount of the State, Operational Area or other sub-recipient (i.e. jurisdictions) grant awards. Claims for indirect costs therefore necessarily decrease the federal funds available to pay for direct project costs. Subawards are based on the direct cost of approved projects. Sub-recipients wishing to claim indirect costs must use an indirect cost rate in compliance with applicable Federal guidance and regulations including 2 C.F.R. § 200.68 and Subpart E.

- (b) All EMPG grant-funded personnel (e.g. an Emergency Preparedness Planner employed by the City under this grant) shall participate in no less than three exercises in a 12-month period. EMPG grant-funded personnel are any personnel paid at any percentage with EMPG funding. This includes contracted personnel, as well as M&A staff funded by EMPG grant funds. There is no specific requirement for level of “participation” in the exercises – i.e., observation and attendance satisfies the objective. The exercises can be of any type (e.g., Drills, Tabletop Exercises, or Functional) within the performance period (see <https://hseep.dhs.gov>). Participation in exercises by grant funded staff must be reported quarterly to ensure adequate progress is being made toward meeting this requirement.
- (c) To ensure the development of a professional emergency management workforce, all EMPG grant-funded personnel shall complete the following 11 training requirements and shall record proof of completion:
 - National Incident Management System (NIMS) Training:
 - i. IS 100 Introduction to Incident Command System
 - ii. IS 200 ICS for Single Resources and Initial Action Incident
 - iii. IS 700 National Incident Management System, An Introduction
 - iv. IS 800 National Response Framework, An Introduction
 - FEMA Professional Development Series:
 - v. IS 120.a Introduction to Exercises
 - vi. IS 230.d Fundamentals of Emergency Management
 - vii. IS 235.c Emergency Planning
 - viii. IS 240.b Leadership and Influence
 - ix. IS 241.b Decision Making and Problem Solving
 - x. IS 242.b Effective Communication
 - xi. IS 244.b Developing and Managing Volunteers

The aforementioned courses are all available for free on-line at the following links:
<http://training.fema.gov/IS/NIMS.aspx> & <http://training.fema.gov/emiweb/PDS/>

Note: The “G” course series and classroom-based equivalents can be used as an alternate to satisfy these training requirements. Past completion of the above courses (or qualifying equivalent) may be considered acceptable in meeting this requirement.

Article V. Term and Termination

1. Term of Agreement

This Agreement is effective from July 1, 2018 through June 30, 2019—the FY 2018 EMPG performance period established by the State for the County.

2. Availability of Funds

- (a) The parties acknowledge and agree that this Agreement is dependent upon the availability of County, regional, State and/or federal funding.
- (b) Budgetary Contingency: This Agreement is contingent upon the appropriation of sufficient funding by County for the products and services covered by this Agreement. If funding is reduced or eliminated by County for the products or services covered by this Agreement, County has the option to either terminate this Agreement with no liability occurring to County or to offer an amendment to this Agreement indicating the reduced amount.
- (c) The obligations of County to make payments in accordance with the provisions of this Agreement may be delayed, reduced or terminated as a result of any delay, reduction, or change in allocation or allotment in funding to County from federal, State or other regional funding sources.

3. Termination

- (a) Termination for Convenience. County shall have the option, in its sole discretion, to terminate this Agreement at any time without cause upon written notice to City. The written notice shall specify the date on which termination shall become effective, which shall be no less than seven (7) days from the date of the notice.
- (b) Termination for Cause. Either party may terminate this Agreement for cause upon written notice to the other party. The written notice shall specify the date on which termination shall become effective, which shall be no less than thirty (30) days from the date of the notice. Termination for cause includes, but is not limited to, a material breach of this Agreement, a violation of any applicable laws, or failure to comply with applicable EMPG guidelines.
- (c) Opportunity to Cure. In the event of termination for material breach of this Agreement, the non-breaching party shall give written notice of the breach to the breaching party, specifying the breach/cause. The breaching party shall not be deemed in default and the non-breaching party shall not institute proceedings or exercise any remedies against the breaching party unless the breach has not been cured, corrected or remedied within thirty (30) days after the breaching party's receipt of the notice of breach, or within such longer period as may be reasonably required to cure, correct or remedy the breach, provided the breaching party has commenced its cure, correction or remedy within the thirty (30) day period and diligently and continuously pursues that cure, correction or remedy.
- (d) If this Agreement is terminated, City shall return EMPG funding in accordance with EMPG program guidelines.

Article VI. Indemnification and Liabilities

1. Indemnification by City

In lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties under Government Code section 895.6, County and City agree instead that under Government Code section 895.4, City shall fully indemnify and hold County, its officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of City, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to City under this Agreement. This indemnity shall include, without limitation, reasonable attorneys' fees, consultants and experts and related costs, and County's cost of investigating any claim.

2. Duty to Defend

City acknowledges and agrees that its obligation to defend County under Article V.1: (a) is an immediate obligation, independent of its other obligations under this Agreement; and (b) applies to any claim, expense, cost, damage, or liability falling within the scope of Article V.1, regardless of whether the allegations made in connection with that claim, expense, cost, damage, or liability may be groundless, false, or fraudulent. County shall provide City with prompt notice of any claim, expense, cost, damage, or liability under Article V.1 and City shall have the right to defend, settle, or compromise that claim, expense, cost, damage, or liability, provided, however, that County shall have the right to retain its own counsel at City's expense if representation of County by counsel retained by City would result in a conflict of interest, and that City shall obtain County's prior written consent to settle or compromise if City contends that County shares in any liability. County's failure to notify City promptly of any claim, expense, cost, damage, or liability shall not relieve City of liability to County under Article V.1 unless that failure materially impairs City's ability to defend against the claim, expense, cost, damage, or liability.

3. Limitation on Liability

County, its officers, board members, employees, and agents shall not be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of City, its officers, board members, employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to City under this Agreement.

County's obligations under this Agreement shall be limited to the aggregate amount of EMPG funds actually disbursed. Notwithstanding any other provision in this Agreement or any other document or communication between County and City relating to this Agreement, in no event shall County be liable for any damages arising out of or in connection with this Agreement, the EMPG funds, City's Spend Plan, or any activities performed in connection with this Agreement.

Article VII. Miscellaneous

1. Notice

All notices required by this Agreement shall be deemed given when provided in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing:

To City:

Jennifer Ponce, Emergency Services Coordinator
Morgan Hill Police Department
16200 Vineyard Blvd
Morgan Hill, CA 95037

To County:

Ivan Williams
EMPG Grant Manager
County of Santa Clara Office of Emergency Services
55 W. Younger Ave., Suite 450
San Jose, CA 95110

2. Compliance with all Laws, Including Nondiscrimination, Equal Opportunity, and Wage Theft Prevention

- (a) Compliance with All Laws. City shall comply with all applicable Federal, State, and local laws, regulations, rules, and policies (collectively, "Laws"), including but not limited to the non-discrimination, equal opportunity, and wage and hour Laws referenced in the paragraphs below.
- (b) Compliance with Non-Discrimination and Equal Opportunity Laws: City shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County's policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Gov. Code § 12900 et seq.); California Labor Code sections 1101, 1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. In addition to the foregoing, City shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political belief, organizational affiliation, or marital status in the recruitment, selection for training (including but not limited to apprenticeship), hiring, employment, assignment, promotion, layoff, rates of pay or other forms of compensation. Nor shall City discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.
- (c) Compliance with Wage and Hour Laws: City shall comply with all applicable wage and hour Laws, which may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and, if applicable, any local minimum wage, prevailing wage, or living

wage laws.

- (d) **Definitions:** For purposes of this Subsection H, the following definitions shall apply. A “Final Judgment” shall mean a judgment, decision, determination, or order (a) which is issued by a court of law, an investigatory government agency authorized by law to enforce an applicable Law, an arbiter, or arbitration panel and (b) for which all appeals have been exhausted or the time period to appeal has expired. For pay equity Laws, relevant investigatory government agencies include the federal Equal Employment Opportunity Commission, the California Division of Labor Standards Enforcement, and the California Department of Fair Employment and Housing. Violation of pay equity Law shall mean unlawful discrimination in compensation on the basis of an individual’s sex, gender, gender identity, gender expression, sexual orientation, race, color, ethnicity, or national origin under Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay of 1963, California Fair Employment and Housing Act, or California Labor Code section 1197.5, as applicable. For wage and hour Laws, relevant investigatory government agencies include the federal Department of Labor, the California Division of Labor Standards Enforcement, and the San Jose Office of Equality of Assurance.
- (e) **Prior Judgment, Decisions or Orders against Contractor:** By signing this Agreement, City affirms that it has disclosed any final judgments that (A) were issued in the five years prior to executing this Agreement by a court, an investigatory government agency, arbiter, or arbitration panel and (B) found that City violated an applicable wage and hour law or pay equity law. City further affirms that it has satisfied and complied with – or has reached Agreement with the County regarding the manner in which it will satisfy – any such final judgments.
- (f) **Violations of Wage and Hour Laws or Pay Equity Laws During Term of Contract:** If at any time during the term of this Agreement, City receives a Final Judgment rendered against it for violation of an applicable wage and hour Law or pay equity Law, then City shall promptly satisfy and comply with any such Final Judgment. City shall inform the Office of the County Executive-Office of Countywide Contracting Management (OCCM) of any relevant Final Judgment against it within 30 days of the Final Judgment becoming final or of learning of the Final Judgment, whichever is later. City shall also provide any documentary evidence of compliance with the Final Judgment within 5 days of satisfying the Final Judgment. Any notice required by this paragraph shall be addressed to the Office of the County Executive-OCCM at 70 W. Hedding Street, East Wing, 11th Floor, San José, CA 95110. Notice provisions in this paragraph are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the Office of the County Executive-OCCM satisfies the notice requirements in this paragraph.
- (g) **Access to Records Concerning Compliance with Pay Equity Laws:** In addition to and notwithstanding any other provision of this Agreement concerning access to City’s records, City shall permit the County and/or its authorized representatives to audit and review records related to compliance with applicable pay equity Laws. Upon the County’s request, City shall provide the County with access to any and all facilities and records, including but not limited to financial and employee records that are related to the purpose of this Section, except where prohibited by federal or state laws, regulations or rules. County’s access to such records and facilities shall be permitted at any time during City’s normal business hours upon no less than 10 business days’ advance notice.
- (h) **Pay Equity Notification:** City shall (1) at least once in the first year of this Agreement and annually thereafter, provide each of its employees working in California and each person

applying to City for a job in California (collectively, “Employees and Job Applicants”) with an electronic or paper copy of all applicable pay equity Laws or (2) throughout the term of this Agreement, continuously post an electronic copy of all applicable pay equity Laws in conspicuous places accessible to all of City’s Employees and Job Applicants.

- (i) **Material Breach:** Failure to comply with any part of this Section shall constitute a material breach of this Agreement. In the event of such a breach, the County may, in its discretion, exercise any or all remedies available under this Agreement and at law. County may, among other things, take any or all of the following actions:
 - 1. Suspend or terminate any or all parts of this Agreement.
 - 2. Withhold payment to City until full satisfaction of a Final Judgment concerning violation of an applicable wage and hour Law or pay equity Law.
 - 3. Offer City an opportunity to cure the breach.
- (j) **Subcontractors:** City shall impose all of the requirements set forth in this Section on any subcontractors permitted to perform work under this Agreement. This includes ensuring that any subcontractor receiving a Final Judgment for violation of an applicable Law promptly satisfies and complies with such Final Judgment.

3. County No-Smoking Policy

City and its employees, agents and subcontractors shall comply with County’s No Smoking Policy, as set forth in the Board of Supervisors Policy Manual section 3.47 (as amended from time to time), which prohibits smoking: (1) at the Santa Clara Valley Medical Center Campus and all County-owned and operated health facilities, (2) within 30 feet surrounding County-owned buildings and leased buildings where County is the sole occupant, and (3) in all County vehicles.

4. Food and Beverage Standards

Except in the event of an emergency or medical necessity, the following nutritional standards shall apply to any foods and/or beverages purchased by City with County funds for County-sponsored meetings or events.

If food is to be provided, healthier food options shall be offered. “Healthier food options” include (1) fruits, vegetables, whole grains, and low-fat and low-calorie foods; (2) minimally processed foods without added sugar and with low sodium; (3) foods prepared using healthy cooking techniques; and (4) foods with less than 0.5 grams of trans fat per serving. Whenever possible, City shall (1) offer seasonal and local produce; (2) serve fruit instead of sugary, high-calorie desserts; (3) attempt to accommodate special dietary and cultural needs; and (4) post nutritional information and/or a list of ingredients for items served. If meals are to be provided, a vegetarian option shall be provided, and the City should consider providing a vegan option. If pre-packaged snack foods are provided, the items shall contain: (1) no more than 35% of calories from fat, unless the snack food items consist solely of nuts or seeds; (2) no more than 10% of calories from saturated fat; (3) zero trans fat; (4) no more than 35% of total weight from sugar and caloric sweeteners, except for fruits and vegetables with no added sweeteners or fats; and (5) no more than 360 mg of sodium per serving.

If beverages are to be provided, beverages that meet the County’s nutritional criteria are: (1) water with no caloric sweeteners; (2) unsweetened coffee or tea, for which sugar and sugar substitutes may be provided as condiments; (3) unsweetened, unflavored nonfat or 1% low-fat dairy milk; (4) plant-derived milk (e.g., soy milk, rice milk, and almond milk) with no more than 130 calories per 8-ounce

serving; (5) 100% fruit or vegetable juice (limited to a maximum of 8 ounces per container); and (6) other low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8-ounce serving. Sugar-sweetened beverages shall not be provided.

5. Governing Law

This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California.

6. Assignment

The parties may not assign this Agreement or the rights and obligations hereunder without the specific written consent of the other.

7. Entire Agreement

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

8. Amendments

This Agreement may only be amended by an instrument signed by the parties.

9. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10. Contract Execution

Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

11. Severability

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

12. Waiver

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply to the specific instance expressly stated.

13. Conflict of Interest

In accepting this Agreement, City covenants that is presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of services under this Agreement. City is responsible for assuring compliance of its subcontractors, if any, with the requirements of this provision.

14. Certified Resolution of Signature Authority

Upon request of County, City shall deliver to County a copy of the resolution(s) authorizing execution, delivery and performance of this Agreement, certified as true, accurate and complete by the appropriate authorized representative of City.

Signed:

COUNTY OF SANTA CLARA

CITY OF MORGAN HILL

By _____
Garry Herceg
Deputy County Executive

Date

By _____

City Manager or designee

Date

Approved as to Form and Legality:

Approved as to Form and Legality:

Kavita Narayan
Lead Deputy County Counsel

Date

City Attorney

Date

Enclosures

- | | |
|-----------|---|
| Exhibit A | Santa Clara County EMPG Notification of Application Approval (once received from the State) |
| Exhibit B | Grant Certifications and Assurances |
| Exhibit C | Project Narratives |
| Exhibit D | Functional Timesheet Template |
| Exhibit E | Financial Disclosure Form |



December 17, 2018

Garry Herceg
Deputy County Executive
Santa Clara County
55 West Younger Ave., Suite 450
San Jose, CA 95110

**SUBJECT: NOTIFICATION OF SUBRECIPIENT APPLICATION APPROVAL
FY 2018 Emergency Management Performance Grant (EMPG)
Subaward #: 2018-0008, Cal OES ID: 085-00000**

Dear Mr. Herceg:

The California Governor's Office of Emergency Services (Cal OES) has approved your FY 2018 Emergency Management Performance Grant (EMPG) application in the amount of \$519,832. As of the date of this letter, you may request reimbursement of eligible grant expenditures using the Cal OES Financial Management Forms Workbook (FMFW) available at www.caloes.ca.gov. A copy of your approved subaward is enclosed for your records.

Any activities requiring additional review (e.g., Environmental Planning and Historic Preservation, Allowability Requests, procurement of Aviation or Controlled Equipment, etc.) shall not incur costs until you receive written approval for those activities.

This subaward is subject to all provisions of 2 CFR Part 200, Subpart F - Audit Requirements. Any funds received in excess of current needs, approved amounts, or those found owed as a result of a final review or audit, must be refunded to the State within 30 days upon receipt of an invoice from Cal OES.

For additional information, please contact your Cal OES Program Representative.

Homeland Security & Emergency Management Grants Processing

Enclosure

cc: Subrecipient file

(Cal OES Use Only)

Cal OES #	085-00000	FIPS #	085-00000	VS#	01	Subaward #	2018-0008
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CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES GRANT SUBAWARD FACE SHEET

ECL MC.

The California Governor's Office of Emergency Services (Cal OES) hereby makes a Grant Subaward of funds to the following:

1. **Subrecipient:** County of Santa Clara **1a. DUNS#:** 069118289
2. **Implementing Agency:** Santa Clara County Office of Emergency Services **2a. DUNS#:** 069118289
3. **Implementing Agency Address:** 55 West Younger Avenue, Suite 450 San Jose 95110-1712
Street City Zip+4
4. **Location of Project:** San Jose Santa Clara 95110-1712
City County Zip+4
5. **Disaster/Program Title:** Emergency Management Performance Grant **6. Performance Period:** 07/01/18 to 06/30/19
7. **Indirect Cost Rate:** ☐ N/A; ☐ 10% de Minimis; ☐ Federally Approved ICR; _____ %

Grant Year	Fund Source	A. State	B. Federal	C. Total	D. Cash Match	E. In-Kind Match	F. Total Match	G. Total Project Cost
2018	8. EMPG		\$519,832		\$519,832		\$519,832	\$1,039,664
Select	9. Select							
Select	10. Select							
Select	11. Select							
	12. TOTALS		\$519,832	\$519,832	\$519,832		\$519,832	12G. Total Project Cost: \$1,039,664

13. **Certification** - This Grant Subaward consists of this title page, the application for the grant, which is attached and made a part hereof, and the Assurances/Certifications. I hereby certify I am vested with the authority to enter into this Grant Subaward, and have the approval of the City/County Financial Officer, City Manager, County Administrator, Governing Board Chair, or other Approving Body. The Subrecipient certifies that all funds received pursuant to this agreement will be spent exclusively on the purposes specified in the Grant Subaward. The Subrecipient accepts this Grant Subaward and agrees to administer the grant project in accordance with the Grant Subaward as well as all applicable state and federal laws, audit requirements, federal program guidelines, and Cal OES policy and program guidance. The Subrecipient further agrees that the allocation of funds may be contingent on the enactment of the State Budget.

14. **CA Public Records Act** - Grant applications are subject to the California Public Records Act, Government Code section 6250 et seq. Do not put any personally identifiable information or private information on this application. If you believe that any of the information you are putting on this application is exempt from the Public Records Act, please attach a statement that indicates what portions of the application and the basis for the exemption. Your statement that the information is not subject to the Public Records Act will not guarantee that the information will not be disclosed.

15. **Official Authorized to Sign for Subrecipient:**16. **Federal Employer ID Number:** 94-6000533Name: Garry HercegTitle: Deputy County ExecutiveTelephone: 408-299-5125 FAX: 408-295-1613
(area code) (area code)Email: garry.herceg@ceo.sccgov.orgPayment Mailing Address: 55 West Younger Ave, Suite 450City: San Jose Zip+ 4: 95110-4705 1712Signature: [Signature]Date: 11-1-18

(FOR Cal OES USE ONLY)

I hereby certify upon my personal knowledge that budgeted funds are available for the period and purposes of this expenditure stated above.

Mary Zucker 11/26/18
 Cal OES Fiscal Officer Date

[Signature] 11-30-18
 Cal OES Director (or designee) Date

Yr. / Chapter: 2018-19/29 PCA No: 14358
 Item: 0690-101-0890 Component: 40
 FAIN#: EMF-2018-EP-00008 CFDA#: 97.042
 Federal Award Date: 10/01/17 to 09/30/19
 Fund: Federal Trust
 Program: Emergency Management Performance Grant
 Match Req.: 50% on TPC
 Project No.: 18EMPG Amount: \$519,832

18LA 0028

 668538
RECEIVED

NOV 07 2018

GRANT Packet Pg. 77

EXHIBIT B



Standard Assurances For All Cal OES Federal Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) California Supplement to the NOFO; and
- (d) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the Office of Management and Budget (OMB) and can be found at <http://www.whitehouse.gov/omb/>.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body, and
- (d) The official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, subgrantees, recipients or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs (42 U.S.C. §§ 12101-12213);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);

- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;
- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (m) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (m), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;

- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment

The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subgrantee, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;
- (c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

20. California Public Records Act and Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

EMERGENCY MANAGEMENT PERFORMANCE GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Reporting Accusations and Findings of Discrimination

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS Financial Assistance Office and the DHS Office for Civil Rights and Civil Liberties (CRCL) by e-mail at CRCL@hq.dhs.gov or by mail at U.S. Department of Homeland Security, Office for Civil Rights and Civil Liberties, Building 410, Mail Stop #0190, Washington, D.C. 20528.

In the courts or administrative agencies make a finding of discrimination on grounds of race, color, national origin (including LEP), sex, age, disability, religion, or familial status against the recipient, or the recipients settle a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Financial Assistance Office and the CRCL by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

22. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

23. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

24. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

25. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

26. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

27. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

28. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

29. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

30. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

31. Non-supplanting Requirement

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

32. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

33. SAFECOM

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

34. Terrorist Financing

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

35. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

36. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

37. Use of DHS Seal, Logo, and Flags

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the Department of Homeland Security Standard Terms and Conditions 2018, Version 8.1, hereby incorporated by reference, which can be found at: <https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Subrecipient: _____

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____

EXHIBIT C

2018 EMPG

Project Proposal Request

Timeline and Template



I. Background Information

I	A.	Requestor Contact Information	
	Agency	Santa Clara County OES on behalf of the Santa Clara County Operational Area	
	Name	Ivan Williams	
	Position/Title	OAC Liaison/Senior Management Analyst	
	Phone	408-808-7835	
	Mobile Number		
	Agency Address	Office of Emergency Services 55 West Younger Avenue, Suite 450 San Jose, CA 95110	
	Email	ivan.williams@oes.sccgov.org	
I	B.	Project Name	
	2018 CESA Annual Training & Conference and Emergency Manager Professional Development		
	TOTAL PROJECT COST (Insert the total from Funding section)		\$24,000
I	C.	Project Type Use the checkbox to indicate corresponding project	
		☐ This project is a new Project.	
		☒ This project is part of an ongoing Project.	
		☐ This project is for sustainment of a previously funded Project.	

II. ALIGNMENT WITH NATIONAL PREPAREDNESS GOALS by Core Capability and Mission Area

I	D.	Solution Areas				
		☐ Planning	☐ Organization	☐ Equipment	☒ Training	☐ Exercises
		↓	↓	↓	↓	↓
		Choose ONLY <u>one</u> Sub Area (Sub Category) for Mission Areas above				
		☐ Community Outreach	☐ Staffing	☐ Information Technology	☒ Staff Expenses	☐ Design/Develop
		☐ Conference	☐ Day to Day Activities/ /operations that support emergency management	☐ Cyber Security Enhancement Equipment	☐ Course Development	☐ Conduct / Attend / Evaluate
		☐ Develop and Enhance Plans, Protocols and Systems		☐ Interoperable Communications Equipment ☐ Other Authorized Equipment	☒ Course Delivery and Evaluation	☐ Supplies / Materials / Production Costs
					☐ Staff Expenses ☐ Certification / Recertification of instructors	

I	E. Core Capability and Specific Measures/Metrics				
	- Identify which of the 11 Emergency Management Core Capabilities (or other Core Capability) this project addresses as well as the specific measures and metrics it is expected to improve or sustain.				
	☐ Planning	☐ Public Information & Warning	☐ Operational Coordination	☐ Long-Term Vulnerability Reduction	☐ Risk and Disaster Resilience Assessment
	☐ Situational Assessment	☐ Community Resilience	☐ Threats and Hazard Identification	☐ Logistics and Supply Chain	☐ Mass Care Services
	☐ Economic Recovery	☐ Other (please specify) _____			
Please identify each specific measure/metric this project is expected to improve /sustain:					
	1. Measure/Metric: Long-Term Vulnerability Reduction—100% of personnel supporting the local mitigation program have successfully completed <i>Benefit-Cost Analysis Using the Limited Data Module: Intermediate Training</i> (G285) or equivalent courses within the last five years.				
	2. Measure/Metric: Long-Term Vulnerability Reduction—100% of OES personnel supporting the local mitigation program have successfully completed <i>Mitigation for Emergency Managers</i> or equivalent courses within the last five years.				
	3. Measure/Metric: Public Info and Warning—At least 2 Operational Area personnel e.g. EOC or JIC staff have successfully completed Social Media in Emergency Management Course (or equivalent).				
	4. Measure/Metric: Public Info and Warning—100% of Operational Area public information officers have successfully completed Advanced Public Information Officer course (E-388) or equivalent.				
	5. Measure/Metric: Public Info and Warning—75% of Operational Area agency heads and elected officials have participated in California's Senior Officials Workshop on how warning messages serve the whole community and the role of JICs within the last four years.				
	6. Measure/Metric: Planning—100% of all exercise staff in the Operational Area have satisfactorily completed an HSEEP introduction to exercises course.				
	7. Measure/Metric: Planning—100% of all staff in the Operational Area that support the design of exercises have satisfactorily completed an HSEEP exercise design course.				
	8. Measure/Metric: Planning—100% of all staff in the Operational Area that support exercise evaluation have satisfactorily completed an HSEEP evaluation and improvement planning course.				
	9. Measure/Metric: Planning—The Operational Area has HSEEP certified personnel that manage County training and exercises in accordance with the latest DHS HSEEP guidance.				

I	F. Project Description/Justification	
	Briefly describe exactly what the project entails (including any equipment purchases or contracting that will be necessary for the project). Please also describe how the project is expected to impact (improve/sustain) the Core Capability(ies) and specific measures/metrics identified above.	
	2018 CESA Annual Training and Conference--Allows up to 15 Emergency Managers from across the Operational Area to attend the California Emergency Services Association (CESA) 2018 Annual Training Conference. Specific topics from past conferences include public information, plan writing, terrorism, California's Emergency Management Mutual Aid (EMMA) process, whole community planning, how C-PODs work, situational awareness and so on. Emergency Manager Professional Development provides support and assistance to Emergency Managers who are interested in training directed toward emergency management certification—e.g. Certified Emergency Manager (IAEM), FEMA Professional Development Series, or CSTI Emergency Manager Specialist—or emergency management continuing education/professional development. Specific	

qualifying courses include, but are not limited to: G-775 EOC Management and Operations; G-191 ICS/EOC Interface; G-557 (G250.7) Rapid Assessment Workshop; G-205 (G270.4 or L-205, E-210) Recovery from Disaster; The Local Role; G-393 or G-318 Mitigation for Emergency Managers; G-288 Local Volunteer and Donations Management; G-364 Multi-Hazard Emergency Planning for Schools or L-363 Multi-Hazard Planning for Higher Education; G-202 Debris Management or E-202 Debris Management Planning for State, Local and Tribal Officials; G-386 Mass Fatalities; G-361 Flood Fight Operations; G-110 Emergency Management Operations Course for Local Governments OR 1 of the following (E900, E-905, E-910, E-920, E-930, E-945 or E-947); G-108 Community Mass Care and Emergency Assistance; E-358 Evacuation and Re-entry Planning; G-290 Basic Public Information Officers or E-388 Advanced Public Information Officer; G-271 Hazardous Weather & Flood Preparedness or IS-271 Anticipating Hazardous Weather and Community Risk; G-272 Warning Coordination; E/L/G-146 Homeland Security Exercise and Evaluation Program (HSEEP); G-366 Planning for the Needs of Children in Disaster; G235 Emergency Planning; G-626 EOC Action Planning; E-4 Intro to Emergency Management: Earthquake; EOC Action Planning or Essentials EOC Action Planning; EOC Section/ Position Specific Training; Enhanced Exercise Design, Conduct & Evaluation; ICS-402 Incident Command System; Medical Health Operations Center Support Activities; SEMS Introductory Course; SEMS/NIMS Combined Course or Combined Course TTT; SEMS Executive Management Course or SEMS Executive Course

Grant funding is only available for pre-approved qualifying course registration, related travel and lodging. Grant funding is specifically not available for: 1) meal reimbursement or per diem; 2) Emergency Manager regular time, overtime or backfill spent attending training; or 3) for "IS" (Independent Study) courses. Grant funding is limited to 90% of the total pre-approved qualifying course registration and related travel and lodging expenses (excluding any meal reimbursement and per diem).

I	G.	Does this project require a sole source?
	☐ Yes	If "Yes", please explain ☒ No N/A

I	H.	Installation Does this project require installation, new construction or renovation, retrofitting, or modification of existing structures?
	☐ Yes, If "Yes", please:	☒ No
	1. Provide an explanation AND 2. Attach a completed <u>Environmental and Historic Preservation</u> screening form (EHP) available from http://www.fema.gov/media-library/assets/documents/90195	

III. FUNDING

III	A.	Proposed funding amount Provide the proposed funding amount to be obligated from this Project towards Planning and Equipment elements. (Please check the appropriate box(es) on the left side for all that apply). Also, for each funding area selected, provide a brief narrative below describing the items or services being funded.
	ELEMENT	PROPOSED FUNDING
☐	Planning	\$
☐	Equipment	\$
☐	Management & Administration	\$
☐	Training	\$24,000
☐	Exercise	\$
	TOTAL PROJECT COSTS	\$24,000

Description of Expenditures That Will Be Used for Project Grant Match
Emergency Management Personnel Expenditures via Functional Timesheets and Burdened Labor Rate.

AEL #	Equipment Use this link to locate and provide the Authorized Equipment number needed for equipment approval https://www.fema.gov/media-library/assets/documents/101566
☐	Information Technology
☐	Cyber Security Enhancement Equipment
☐	Interoperable Communications Equipment
☐	Detection Equipment
☐	CBRNE Reference Materials
☐	CBRNE Incident Response Vehicle
☐	Physical Security Enhancement Equipment
☐	Power Equipment
☐	CBRNE Logistical Support Equipment
☐	Other Authorized Equipment: Contact grants manager prior to selected this sub-category

III	B.	Other Source(s) of funding List other source(s) of funding that is being requested or utilized for this project (check the appropriate box(es) on the left side)
	ELEMENT	PROPOSED FUNDING
☐	UASI	\$
☐	SHSGP	\$
☒	General Funds	\$Unknown
☐	Other Grant Funds	\$
	TOTAL OTHER FUNDING	\$Unknown

Other Funds:

Explain how any other funds, such as general funds, UASI, etc., will be used to assist in implementation of this project.

Local funds may be used to pay for meal reimbursement, per diem, and the 10% of registration, travel, and lodging expenditures that aren't eligible for grant funding.

IV. PROJECT MANAGEMENT AND IMPLEMENTATION

IV	A.	Milestones - Identify up to 5 additional milestones, with start and end dates, which will be achieved within the performance period under the 2018 EMPG. - No start date should begin before July 1, 2018 and no end date should end after June 30, 2019. - These dates are subject to change based on notification of application approval. - No equipment may be purchased, contracts started or project costs incurred until notified by Grant Administrator that funds may be spent. - If unsure of exact dates, use Quarter timeframes - Include key steps in the procurement process—i.e. RFP issuance, Contract execution, PR issuance, delivery, etc.	
MILESTONE NUMBER	MILESTONE NAME/DESCRIPTION (1,000 CHARACTER LIMIT)	START DATE (MM/DD/YYYY)OR Q1, Q2, Q3, Q4	END DATE (MM/DD/YYYY)OR Q1, Q2, Q3, Q4
1	MOU between City(s)/Town(s) and County in Place	As early as July 1, 2018	December 31, 2018
2	Functional Timesheet Collection and Submission to Grant Manager for Project Grant Match	July 1, 2018	June 30, 2019
3	Environmental Historic Preservation (EHP) FEMA Review Completed (If applicable)	As early as August 1, 2018	January 31, 2019
4	City/ Town Performance Period	As early as July 1, 2018	No later than March 31, 2019
5	CESA Training and Conference or other Emergency Management Training Attendance	As early as August 1, 2018	No later than March 31, 2019
6	City/Town Submission of Invoices and supporting documentation for reimbursement.	As early as August 1, 2018	No later than April 30, 2018
7			
8			
IV	B.	Project Outcomes Describe the outcomes and benefits that will be achieved as a result of this project. The outcomes should address specific core capability measures/metrics. - Emergency Management training, best practices, networking, directed to all levels of California Emergency Managers so that they may more effectively plan for, respond to and recover from disasters. - Professional growth, development and improved effectiveness of Op Area Emergency Managers via relevant training, certification, and mentoring experiences.	
IV	C.	Project Deliverables - Describe the specific deliverables that will be produced as a result of this project. - At least 6 Emergency Managers from the Operational Area attend the Annual CESA Conference.	

EXHIBIT D

3.a

LABOR DISTRIBUTION TIME SHEET	Week Ending		First and Last Name								City/County Participating				
	10/7/18										SCC OES				
	WBS #										107-G107EM18				
PROJECTS	HOURS WORKED BY DAY														TOTAL HOURS
	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	
	9/24/18	9/25/18	9/26/18	9/27/18	9/28/18	9/29/18	9/30/18	10/1/18	10/2/18	10/3/18	10/4/18	10/5/18	10/6/18	10/7/18	
A - EMPG Grant Administration															
B - OAC Liaison															
C - CSTI Training															
D - CESA Conference & Professional Development															
E - EOC Computers															
F - ReadySCC															
G - CADRE															
H - Large-Capacity, High-Performance Data Storage															
L - Public Alerting and Preparedness Campaign															
Emergency Management PLANNING Activities															
Emergency Management TRAINING Administration, Development and Delivery Activities															
Emergency Management EXERCISE Activities															
EOC Operational Readiness Activities (e.g. EOC maintenance, radio checks, etc.)															
Public Risk Communication Officer/PIO Activities															
Other Federal Grant Hours															
Total Work Hours															

Employee Signature _____

Supervisor's Signature _____

Attachment: EMPG MOU FOR 2018 - Morgan Hill (2196 : Emergency Management Performance Grant

FFATA Financial Disclosure

Federal Funding Accountability and Transparency Act (FFATA) Financial Disclosure

Public Law (PL) 109-282 Federal Funding Accountability and Transparency Act of 2006, as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (PL 110-252), which is outlined in FEMA GPD information Bulletin No. 350.

If the Subrecipient in the preceding year received 80 *percent* or more of its annual gross revenues in Federal Awards; **and** \$25,000,000 or more in annual gross revenues from Federal awards, **and** the public does not have access to information about the compensation of the senior executives of the entity, **then the Subrecipient is subject to the FFATA Financial Disclosure requirements, and will need to fill out this form.**

Executive Name	Title	Annual Salary	Annual Dollar Value of Benefits	Total Compensation
				0
				0
				0
				0
				0

☐ Not Subject to FFATA Financial Disclosure

Printed Name and Title

Signature of Authorized Agent

Date

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AND ADMINISTER, THAT CERTAIN GRANT AGREEMENT WITH COUNTY OF SANTA CLARA FOR THE 2018 EMERGENCY MANAGEMENT PERFORMANCE GRANT IN THE AMOUNT OF \$1,450 AND APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2018-19 ADOPTED BUDGET IN THE GENERAL FUND (FUND NO. 010) TO APPROPRIATE \$1,450 THEREFORE

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Adopt Resolution Approving Emergency Management Performance Grant Agreement - 2018" submitted for City Council consideration at its meeting of March 6, 2019, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Year 2018-19, as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the Memorandum of Understanding Agreement with County of Santa Clara for the Emergency Management Performance Grant incorporated herein by this reference (the “Agreement”) is hereby approved; and
- b. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer including the authority to terminate as necessary or appropriate, the Agreement; provided, specifically, that the total amounts to be received in grant funds by City under the Agreement shall in no event exceed one thousand four hundred fifty Dollars (\$1,450); and
- c. That the City’s previously adopted Fiscal Year 201819 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- d. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City’s Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2018-19 Budget of the City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 6th day of March 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on March 6, 2019.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK

EXHIBIT A

AGENDA BUDGET SCORECARD

FISCAL YEAR 2018-19

ADJUSTMENT #

034

FUND:

010

General Fund

DEPARTMENT:

3230

Police-Emergency Services

OBJECT:

42408

TRAINING & EDUCATION

AGENDA DATE:

03/06/2019

AGENDA ITEM TITLE:

EMPG MOU

	07/01/18 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/19 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	17,687,052	41,264,549	41,658,489	17,293,112
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	503,903	903,536	(399,633)
RECOMMENDED ACTION	-	1,450	1,450	-
RESULT OF RECOMMENDED ACTION	<u>17,687,052</u>	<u>41,769,902</u>	<u>42,563,475</u>	<u>16,893,479</u>



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: John Lang, Economic Development Manager
APPROVED BY: City Manager

IMPACT FEE FINANCING AGREEMENT-BRIDGE GROUP INVESTMENTS, LLC

RECOMMENDATION(S)

Adopt resolution authorizing the City Manager to execute a Sewer and Traffic Impact Fee Financing Agreement, consistent with the Sewer and Traffic Impact Fee Deferral Program and Government Code section 53083, with Bridge Group Investments, LLC, Inc. for the development of a new Warehouse and Distribution Facility for Shoe Palace Corporation.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

2019 Strategic Priorities

Financial Stewardship

GUIDING DOCUMENTS

Economic Blueprint

POLICY CONSIDERATION:

Should the City Council encourage and support the Shoe Palace expansion by approving an Impact Fee Deferral Agreement?

REPORT NARRATIVE:

Bridge Group Investments, LLC., also known as Shoe Palace Corporation, is a family owned business specializing in footwear and athletic apparel that has strong roots in Santa Clara County. The business started in 1993 with a single retail store in West San Jose and has grown to 100 retail stores throughout the United States. Shoe Palace purchased 38 acres of land and relocated their corporate headquarters and distribution warehouse to Morgan Hill in 2013. They occupy the former 258,000 square foot Abbot Laboratory building at 755 Jarvis Drive which prior to this purchase, was empty for several years. Shoe Palace owns 7.9 acres of vacant land adjacent to their current facility on which they are developing a 503,000 square foot office, warehouse, and distribution facility. The company has completed their site review (SR 2018-013) and applied for building permits. The construction of their new facility will allow the company to consolidate all their corporate operations in Morgan Hill.

Shoe Palace has been exploring potential methods to finance city impact fees. The Developer has chosen to participate in the City's Sewer and Traffic Impact Fee Deferral Program (hereinafter "Fee Deferral Program"). The Fee Deferral Program was approved by Council in 2006 to assist commercial development projects by allowing commercial

tenants and commercial property owners to finance using installment payments for sewer, traffic, and utility undergrounding fees for a period of five years.

Program Guidelines for the Fee Deferral Program

To facilitate commercial and industrial development and assist with the high development impact fees, the City Council created the Impact Fee Deferral Program (Program) in 2006 and modified it in 2009 to support projects both inside as well as outside the former Redevelopment Project Area. In 2015, the Program was extended to Micro Residential Units.

The Program helps eligible projects by allowing them to make installment payments for traffic, sewer, and utility undergrounding impact fees. The City Council has provided the City Manager authority to approve fee financing for up to \$99,999. Projects that request payment of \$100,000 or more require City Council approval. The Program requires a 20% down payment at the time of permit and allows the remaining 80% balance to be paid over five years in monthly installments.

The Impact Fee Deferral Program calculates interest at Local Agency Investment Fund (LAIF) + ½ percent, allowing the City to recover the lost interest it would have earned if the payment was made all at one time, plus ½%. The City Manager has the authority to impose other conditions consistent with the Fee Deferral Program goals and requirements or to reject any Fee Deferral Program request if there is inadequate security or to minimize risk to the City. The December 2018 LAIF rate is 2.26%.

The Program has been used by commercial developments/businesses over the years including Madrone Village and several of the retail center's commercial tenants, Cochrane Animal Hospital, and the Granary and most recently, the Program was used by the 76 Gas Station at Cochrane Commons to name a few.

Shoe Palace Expansion Project

The Shoe Palace expansion project is a 503,000 square foot office, warehouse, and distribution facility. The estimated impact and associated fees for the project have been calculated to be \$2,168,665 (Attachment No. 3). Included in this total are sewer impact fees of \$1,295,581 and traffic impact fees of \$435,942, which total \$1,731,523. Pursuant to the Fee Deferral Program, 80%, or \$1,385,218 of this amount can be financed, and 20%, or \$346,305 is required as a down payment toward the sewer and traffic impact fees. The program does require the developer to pay 100% of the remaining impact and lateral fees of the project, estimated to be \$437,142, at the time a grading permit or building permit is pulled. The combined down payment to use the program is \$783,447 (this includes 20% down on the sewer and traffic impact fees and the full balance of all other impact and lateral fees).

With Council approval of the Deferral Agreement (Attachment No. 2), the Developer will then be able to pay the balance of sewer and traffic impact fees of \$1,385,218.40 over the next five years at a rate of interest at 2.76%.

Approving a Fee Financing Agreement with Bridge Group Investments, LLC is consistent with the Sewer and Traffic Impact Fee Deferral Program, aligns with the Economic Blueprint Strategy #3 “Attract New Development”, Action #5, “Explore Incentive Programs to Attract Industry Specific Development.”

COMMUNITY ENGAGEMENT: Inform

The table below addresses the requirements set forth in the State of California AB 562 (Government Code 53083) for publication of information related to an economic development subsidy and public hearing.

Name/address of beneficiary of the subsidy:	Bridge Group Investments, LLC 755 Jarvis Drive Morgan Hill, CA 95037
Start and end dates, schedule for the subsidy	The Sewer and Traffic Impact Fee Financing Agreement will start March 1, 2019. The financing agreement is for a term of five years for \$1,385,218.40. The beneficiary will pay monthly payments of \$24,743.10 over the course of five years.
Describe the subsidy, estimated total amount of expenditure of public funds or revenue lost	The Sewer and Traffic Impact Fee Financing Agreement allows the beneficiary to make a 20% down payment on the Sewer and Traffic Impact fees and finance the balance over five years. The City charges the beneficiary an interest rate of the Local Agency Investment Fund (LAIF) + ½ percent. If the Sewer and Traffic Impact fees are not paid by the beneficiary, the City will collect pledged collateral to cover the balance of the sewer and traffic impact fees. In addition, a certificate of occupancy will not be issued until all impact fees are paid. No anticipated expenditure of public funds or revenue lost as interest will be collected over the term of the financing agreement.
Statement of public purpose	Expand and enhance economic opportunities for businesses in the City, continue to expand the City's employment base, and continue to generate hereinafter defined Sales Tax that the City can utilize to fund general governmental services such as police, fire, street maintenance, and parks and recreation programs.
Projected Tax revenue	It is estimated that the investment into the property will increase property tax and

	sales tax revenue received by the City by \$207,000 over 5 years.
Estimated number of jobs created by the subsidy	It is estimated the project will employ approximately 270 employees when fully operational.

ALTERNATIVE ACTIONS:

The City Council could choose not to approve the Deferral Agreement which would require the developer to pay the balance of \$1,385,218 in impact fees immediately.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In February 2006, the Council created the Fee Deferral Program to stimulate commercial/industrial development. The existing program was modified in July 2009 to provide additional enhancements to projects both inside as well as outside the former Redevelopment Project Area.

In October 2015, the City Council expanded the Fee Deferral program to include Micro Residential Rental units.

On April 19, 2017, the City Council adopted an Economic Blueprint that identifies strategies and actions that support four key industries that will help the City achieve long term economic sustainability. The four key industries include: Retail, Tourism, Healthcare, and Innovation and Advanced Manufacturing.

On June 21, 2017, the Council approved two Economic Development Incentive Programs to stimulate new development, including an Impact Fee Freeze Program that locks impact fees for three years with a Development Agreement and a Use Tax Incentive Program that offers a rebate of up to 30% of project-generated local use tax collected.

On October 17, 2018, the City Council approved a Fee Freeze Agreement for Bridge Group Investment. Even though Shoe Palace has applied for building permits the Developer has until June 30, 2020 to secure building permits to benefit from the Fee Freeze Agreement.

FISCAL AND RESOURCE IMPACT:

The proposed Financing Agreement will result in deferral of \$1,385,218 of Sewer and Traffic Impact fees owed to the City, to be repaid via monthly installments of principal and interest, over five years.

CEQA (California Environmental Quality Act):

This financing agreement is exempted from environmental review under Section 15061(b)(3) of the State CEQA Guidelines. The incentive agreement is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The financing agreement will not result

in any direct impact upon the physical environment. Environmental review for the project was performed at the time the Conditional Use permit was approved.

LINKS/ATTACHMENTS:

1. Resolution
2. Sewer and Traffic Impact Fee Financing Agreement
3. Impact Fee Schedule
4. Loan Amortization

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A SEWER AND TRAFFIC IMPACT FEE FINANCING AGREEMENT WITH BRIDGE GROUP INVESTMENTS, LLC IN THE AMOUNT OF \$1,385,218 FOR THE DEVELOPMENT OF A 503,000 SQUARE FOOT WAREHOUSE AND OFFICE FACILITY LOCATED ON JARVIS DRIVE, MORGAN HILL**

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California (“City”), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the entrance of the City into that certain agreement described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report submitted for the City Council meeting scheduled for March 6, 2019, submitted to the City Council by the City Manager (the “Staff Report”), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council meeting agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a public meeting on the adoption of this Resolution at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other information provided in connection with the adoption of this Resolution; and

WHEREAS, existing law generally allows local governments to make their own decisions regarding local economic development matters; and

WHEREAS, the loss of redevelopment has left the City, as well as all cities within the State, with a loss of local resources to encourage economic development; and

WHEREAS, the City Council has made findings consistent with Section 53083 of the California Government Code Assembly Bill 562 (“AB 562”). AB 562, titled “Economic Development Subsidies: Review by Local Agencies”, which was codified on October 13, 2013 and went into effect on January 1, 2014, require each local agency, as defined, to provide specified information to the public before approving an economic development subsidy or assistance of \$100,000 or more, as defined, within its jurisdiction, and to review, hold hearings, and provide reports at specified intervals. Based upon the decision to terminate redevelopment statewide, the Governor and State Legislature recognized the necessity for local governments to encourage

employment and retain jobs and businesses by giving economic assistance to businesses and the importance of facilitating public input; and

WHEREAS, encouraging and developing other businesses in the City that are, or can be, key sources of sales tax revenue would diversify and increase revenue sources for the City's general fund, which supports public services provided by the City to its residents and local businesses; and

WHEREAS, the City Council determines that the Sewer and Traffic Impact Fee Financing Agreement is consistent with the City's Sewer and Traffic Impact Fee Deferral Program adopted in July 2007 to stimulate commercial development and is necessary for the preservation and protection of the public health, safety or welfare of the community, and is in accord with the public purposes and provisions of applicable State and local laws and requirements.

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOWLLWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the Sewer and Traffic Impact Fee Financing Agreement dated February x, 2019 with Bridge Group Investments, LLC, a California Limited Liability Corporation, for the development of a new 503,000 square foot warehouse and office building on Jarvis Drive, substantially in the form attached hereto as Exhibit A and incorporated herein by this reference (the "Sewer and Traffic Impact Fee Financing Agreement"), is hereby approved.
- b. That the City Manager is hereby delegated authority to and is authorized and directed to do everything necessary and appropriate to execute the Agreement substantially in the form attached hereto as Exhibit A; provided, specifically, that the total amounts to be financed under the Sewer and Traffic Impact Fee Financing Agreement shall in no event exceed One Million Three Hundred and Eight Five Thousand and Two Hundred and Eighteen Dollars (\$1,385,218).

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of Morgan Hill at the meeting held on this ____ day of ____, 2019 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

ATTEST:

IRMA TORREZ
City Clerk

RICH CONSTANTINE
Mayor

CERTIFICATION

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, adopted by the City Council at the meeting held on March 6, 2019.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE

IRMA TORREZ
City Clerk

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO**

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

TO BE RECORDED WITHOUT FEE
PER GOVERNMENT CODE 27383 and 6103

(SPACE ABOVE LINE FOR RECORDER'S USE)

726-30-013

SEWER/TRAFFIC FEE FINANCING AGREEMENT AND SECURITY AGREEMENT

This Sewer/Traffic Fee Financing Agreement and Security Agreement (the "Agreement") is entered into as of _____, 2019, by and between Bridge Group Investments, LLC, a California limited liability company (the "Borrower") and the City of Morgan Hill, a municipal corporation duly organized and existing under the laws of the State of California, California, ("City") with reference to the following facts and purposes:

RECITALS

- A. The City has established a Sewer/Traffic Fee Financing Program (the "Program") to defer sewer and traffic fees for new and expanding industrial and commercial businesses.
- B. Borrower is the legal owner of that certain real property in the City described in the attached Exhibit A (the "Property") upon which improvements are to be made for a new or expanding industrial or commercial business (the "Improvements").
- C. On _____, 2019 the City granted a request of the Borrower to be a Program participant with respect to Bridge Group Investments, LLC, Inc Sewer and Traffic Fees in the aggregate amount of One Million Seven Hundred and Thirty One Thousand and Two Hundred and Fifty Three Dollars (\$1,731,523) (the "Fees"), payable by the Borrower in connection with Improvements on the Property.
- D. As a condition of participation in the Program and in consideration of the City's agreement to defer payment of the Fees as specified herein, the Borrower is required to execute this Agreement and the documents specified herein setting forth the terms and conditions for payment of the Fees by the Borrower to the City and establishing security for such payment.

NOW, THEREFORE, the City and the Borrower agree as follows:

1. **Financing of Fee.** Upon satisfaction of the conditions set forth in Section 3 below but not later than the date the Borrower is required to pay a minimum of twenty percent (20%) of the Sewer/Traffic Fees for the Improvements on the Property, by May 1, 2019 ("Initial Payment Date"), in accordance with applicable City ordinances and regulations, the Borrower shall be granted the right to pay the Fees pursuant to the Program in accordance with the payment terms set forth in Section 2 below. If the conditions set forth in Section 4 below are not satisfied in full, the Borrower shall pay the Fees in their entirety on the Initial Payment Date or on such other

date(s) as provided in the applicable City ordinances and regulations, and this Agreement shall terminate and be of no further force and effect.

2. Payment of Fees. The Fees shall be paid as follows:

- (a) Twenty percent (20%) of the Sewer and Traffic Impact Fees, Three Hundred and Forty-Six Thousand and Three Hundred and Five Dollars (\$346,305.00), shall be paid to the City on the Initial Payment Date as the "Down Payment". Additionally, all other impact fees in the amount of Four Hundred Thirty Seven and One Hundred and Forty Two dollars (\$437,142.00) shall be paid by the Initial Payment Date, for a total of Seven Hundred and Eight Three Thousand Four Hundred and Forty Seven Dollars (\$783,447.00).
- (b) The remaining balance of the Fees (total fees minus the Down Payment) of One Million Three Hundred and Eighty-Five Thousand Two Hundred and Eighteen Dollars (\$1,385,218.00) ("Financed Fees") shall be paid in sixty (60) equal monthly installments and shall bear interest at Two and Seventy-Six hundredth percent (2.76%) per annum compounded monthly. The monthly installment shall be \$24,743.00 per month which shall commence on May 1, 2019 continuing on the first day of each month thereafter until full principal amount and all interest thereon has been paid. Maturity date is May 1, 2024. Borrower may prepay the balance without penalty.

3. Security Agreement. In order to secure and perfect Borrowers' obligation to repay the Financed Fees, Borrower agrees to execute a promissory note in the form provided by City (the "Note"), which shall be secured by an executed and recorded Uniform Commercial Code filing in the form provided by City (the "UCC-1 Filing"). This Agreement, the Note and the UCC-1 Filing shall be collectively referred to herein as the "Loan Documents." City and the Borrower agree that the Loan Documents shall create and perfect the City's security interest in the personal property set forth in Exhibit A as collateral ("Collateral") for the payment of the Financed Fees

4. Conditions to Financing of Fees. As conditions to the Borrower's right to finance payment of the Fees in the manner set forth in Sections 1 and 2, the representations set forth in Section 7 must remain true and correct as of the Initial Payment Date, and the following actions must be completed by not later than the Initial Payment Date (unless waived in writing by the City):

- (a) Delivery to the City of the Down Payment;
- (b) Execution by the Borrower and delivery to the City of the Loan Documents;
- (c) Recordation in the official records of the California Secretary of State of the UCC-1 Filing as a lien against the Collateral;

5. Events of Default. Each of the following shall constitute a "Default" by the Borrower under the Agreement and the other Loan Documents:

- (a) Failure by the Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents (including, without limitation, the obligation to repay the Financed Fees as provided in Section 2(b) of this Agreement), if such failure remains uncured fifteen (15) days after written notice of such failure is mailed by the City to the Borrower; provided, however, that if a lesser period or notice requirement is allowed before a Default occurs under any of the following subsections or under any other Loan Document, such lesser requirement shall control in this Agreement.
- (b) Any representation or warranty contained in any Loan Document proves to have been incorrect in any material respect when made or on the Initial Payment Date.

(c) A court having jurisdiction shall have made or entered any decree or order (1) adjudging the Borrower to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Borrower or seeking any arrangement for the Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Borrower in bankruptcy or insolvency or for any of their properties, or (4) directing the winding up or liquidation of the Borrower, if any such decree or order described in clauses (1) to (4), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days unless a lesser time period is permitted for cure under any other lien on the Collateral, in which event such lesser time period will apply under this subsection (c) as well; or the Borrower shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive. The occurrence of any Default in this subsection shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Note.

(d) The Borrower shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event (unless a lesser time period is permitted for cure under any other lien on the Collateral, in which event such lesser time period shall apply under this subsection (d) as well) or prior to sooner sale pursuant to such sequestration, attachment, or execution. The occurrence of any Default in this subsection shall act to accelerate automatically, without the need for any action by the Agency, the indebtedness evidenced by the Note.

(e) The Borrower shall have voluntarily suspended its business or, if the Borrower is a partnership, the partnership shall have been dissolved or terminated.

(f) The condemnation, seizure, or appropriation of all or, in the opinion of the City, a substantial part of the Collateral, except for a condemnation initiated by the City.

(g) There shall not take place any uncured default declared by any lender under any loan document related to any other loans secured by a deed of trust or lien on the Collateral. The occurrence of Default under this subsection (g) shall act to accelerate automatically, without the need for any action by the City, the indebtedness evidenced by the Note.

6. Remedies. The occurrence of any Default will, either at the option of the City or automatically, where so specified, give the City the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(a) The City shall have the right to cause all indebtedness of the Borrower to the City under this Agreement, together with any accrued interest thereon, to become immediately due and payable. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The City may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the City as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure upon the Collateral under the UCC Filing. The Borrower shall be liable to pay the City on demand all expenses, costs and fees (including, without limitation any reasonable attorney's fees and expenses) paid or incurred by the City in connection with the collection of the Financed Fees and the preservation, maintenance, protection, sale, or other disposition of the Collateral given for the Financed Fees.

(b) The City shall have the right to mandamus or other suit, action or proceeding at law or in equity to require the Borrower to perform its obligations and covenants under the Loan Documents or to enjoin acts on things which may be unlawful or in violation of the provisions of the Loan Documents.

(c) The City shall have the right to cure any monetary default by the Borrower under a loan in connection with the Collateral; provided, however, that if the Borrower is in good faith contesting a claim of default under a loan and the City's interest under the Loan Documents are not imminently threatened by such default, in the City's sole judgment, the City shall not have the right to cure such default. The Borrower agrees to reimburse the City for any funds advanced by the City to cure a monetary default by Borrower upon demand therefore, together with interest thereon at the interest rate established for the Financed Fees in Section 2(b) above from the date of expenditure until the date of reimbursement.

No right, power, or remedy given to the City by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the City by the terms of any such instrument, or by any statute or otherwise against the Borrower and any other person. Neither the failure nor any delay on the part of the City to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the City of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

7. Representations and Warranties. The Borrower hereby represents and warrants to the City as follows:

(a) The Borrower is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) The Borrower and the Guarantor, as applicable, have full power and authority to execute and deliver this Agreement and to make and accept the obligations contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Borrower and the Guarantor, as applicable, and all actions required under the Borrower's and the Guarantor's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) This Agreement and the Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Borrower, as applicable, enforceable against them in accordance with their respective terms.

(e) The Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the Property, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to the Borrower, materially affect the Borrower's ability to meet its obligation or impair the security to be given to the City pursuant hereto.

(f) To the best knowledge of the Borrower:

(1) The Property is not and has not been a site for the use, generation, treatment, manufacture, storage, disposal or transportation of any hazardous materials and there are no hazardous materials located in, on or under the Property;

(2) The Property is presently in compliance with all hazardous materials laws, including, without limitation, those relating to soil and ground water conditions;

(3) no investigations, inquiries, notices, orders, hearings, actions, or other proceedings by or before any governmental agency are pending or threatened against the Borrower and/or the Property pertaining in any way to (A) the use, generation, treatment, manufacture, storage, presence, disposal or transportation of hazardous materials from, under, into or on the Property or any portion thereof and/or (B) the violation or alleged violation of, or the noncompliance or alleged noncompliance with, any hazardous materials law; and

(4) No underground storage tanks are presently located, or in the past have been located, in, on or under the Property.

8. General Provisions.

(a) Time is of the essence in the performance of all obligations under this Agreement and the Other Loan Documents.

(b) Any notice requirement set forth herein shall be deemed to be satisfied three (3) days after mailing of the notice first-class United States certified mail, postage prepaid, addressed to the appropriate party as follows:

Borrower:

Bridge Group Investments, LLC
Attn: George Mersho
755 Jarvis Drive
Morgan Hill, CA 95037

City: City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037
Attention: Finance Director

Copy to: City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Such addresses may be changed by notice to the other party given in the same manner as provided above.

(c) If either party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder or under any of the Loan Documents, the prevailing party shall be entitled to recover from the other party its costs of suit and reasonable attorneys' fees which shall be fixed by the court.

(d) If any provision of this Agreement shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

(e) This Agreement and the Loan Documents and other instruments given pursuant to this Agreement shall be construed in accordance with and be governed by the laws of the State of California. Any action commenced about this Agreement or any of the Loan Documents shall be filed in the central branch of the Santa Clara County Superior Court.

(f) This Agreement may not be changed orally, but only by agreement in writing signed by the Borrower and the City.

(g) The Loan Documents together embody the agreement between the City and the Borrower for the payment of the Fee. No verbal agreements or conversations with any officer, agent or employee of the City prior to the execution of this Agreement shall affect or modify any of the terms or obligations contained in the Loan Documents. Any such verbal agreement shall be considered unofficial information and in no way binding upon the City or Borrower.

(h) This Agreement and its terms and conditions shall be binding on the City and the successor in interest to Borrower's business or the Property.

(i) No official or employee of the City shall be personally liable for any default or liability under this Agreement.

(j) The Borrower covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, or ancestry in any activity pursuant to this Agreement.

(k) The Borrower shall comply with all applicable laws ordinances, codes, and regulations of the federal, state, and local governments.

(l) The Borrower shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

(m) Whenever any approval, notice, direction, consent, request, waiver of condition or other action by the City is required or permitted under this Agreement, such action may be given, made, or taken by the City Manager or Finance Director, or by any person who shall have been designated in writing to the Borrower by the City Manager or Finance Director, without further approval by the City Council, and any such action shall be in writing.

(n) The following exhibits are attached to and incorporated by reference in this Agreement:

Exhibit A	Description of the Collateral
Exhibit B	Form of UCC-1 Filing
Promissory Note	

(o) If any term or provision of any Loan Document conflicts with any term or provision of this Agreement, the term or provision of this Agreement shall control to the extent of such conflict.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BORROWER:

BRIDGE GROUP INVESTMENTS, LLC
a California limited liability company

George Mersho, CEO

Date: _____

Date: _____

CITY:

CITY OF MORGAN HILL
a municipal corporation

Christina Turner, City Manager

Date: _____

Approved as to Form:

Donald A. Larkin, City Attorney

Date: _____

Attest:

Michelle Bigelow City Clerk

Date: _____

State of **California**
County of Santa Clara

)
)

On _____, 2019, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

State of **California**
County of Santa Clara

)
)

On _____, 2019, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

State of **California**)
 County of Santa Clara)

On _____, 2019, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

 SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT A DESCRIPTION OF COLLATERAL

This Exhibit A is attached to that certain UCC-1 Financing Statement identified as follows:

1. DEBTOR:

Bridge Group Investments, LLC.

2. DESCRIPTION OF COLLATERAL:

A. All inventory, furnishings, fixtures, equipment, supplies, construction materials, goods and other article of personal property, which are now or hereafter owned by debtor and located at, placed upon or about, or affixed or attached to or install in or on the commercial premises ("Premises") commonly known as 755 Jarvis Drive, Morgan Hill, California to contain approximately 503,000 square feet of warehouse space as described in Section C, and used or to be used in the connection with or otherwise relating to the premise or the ownership, use, development, construction, maintenance, management, operation, marketing leasing or occupancy, therefor, and all accessories, attachments, parts or repairs of or to any of such property.

B. All accounts, general intangibles, chattel paper, letter of credit rights, deposit accounts, money, investment property, documents, certificate of title and instruments (whether negotiable or nonnegotiable), contract rights, insurance policies, and all rights to payment of many kind relating to or otherwise arising in connection with or derived from the Premises, (ii) refunds, rebates, reserves, deferred payments, deposits, costs savings and payments of any kind due from or payable by (A) any federal, state, municipal or other government or quasi-government agency, authority or district (individually, a "Government Agency"), or (B) any insurance or utility company, in either case relating to any or all of the Premises, (iii) refunds, rebates and payment of any kind due from or payable by any Governmental Agency for any taxes, assessments, or governmental or quasi-governmental charges or levies imposed upon Debtor with respect to or upon any or all of the Premises.

C. DEBTOR'S PARCEL LEGAL DESCRIPTION: The land referred to in this Commitment is situated in the City of Morgan Hill, county of Santa Clara, State of California, and is described as follows:

PARCELS 5 AND 6, AS SHOWN UPON THAT CERTAIN PARCEL MAP FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 5, 1983 IN BOOK 522 OF MAPS, AT PAGES 3 AND 4.

APN: 72630013

EXHIBIT B
FORM OF UCC FILING
[TO BE ATTACHED]

Attachment: Sewer and Traffic Impact Fee Financing Agreement (2143 : Impact Fee Financing Agreement-Bridge Group Investments, LLC)

Promissory Note

\$1,385,218.00

Morgan Hill, California
_____, 2019

FOR VALUE RECEIVED, the undersigned, BRIDGE GROUP INVESTMENTS, LLC, ("Maker"), hereby promises to pay to the order of the CITY OF MORGAN HILL, a municipal corporation ("Holder"), without deduction or offset, the sum of **ONE MILLION THREE HUNDRED EIGHTY FIVE THOUSAND TWO HUNDRED AND EIGHTEEN DOLLARS (\$1,385,218.00)** or as much as may be due thereof.

This Note is entered into and arises pursuant to that certain Sewer/Traffic Fee Financing Agreement and Security Agreement (the "Agreement") dated on or about the same date herewith by and between Maker and Holder, which is incorporated herein by this reference, and evidences the obligation to repay the Loan described therein. Payments shall be due under this Note as follows: Beginning the first of the month following the issuance of the Certificate of Occupancy, Maker shall make sixty (60) equal monthly payments of Twenty Four Thousand Seven Hundred and Forty Three **Dollars and Ten 00/100 Dollars (\$24,743.00)** which shall bear simple interest at Two and Seventy- Six hundredth percent (2.76%). The monthly installment payments shall commence on the first of the month following the issuance of the Certificate of Occupancy and continuing on the first day of each month thereafter with the remaining balance of principal due and payable on the first day of the sixty first (61st) month following the date of the issuance of the Certificate of Occupancy, provided, however, that Maker's obligation to repay this Note may be accelerated in accordance with the Agreement or the terms of this Note. Monthly payments are due on the first day of the month and considered delinquent on the fifteenth day of the month.

All sums paid under this Note shall be applied against the balance of unpaid principal and interest, and no interest shall thereupon accrue upon principal paid to date.

Should any sum due hereunder not be paid by the **fifteenth (15th)** day after written notice of such default is given by the Holder to the Maker, then all sums of unpaid principal and accrued interest may immediately be deemed due and payable and shall thereafter bear interest at the rate of ten percent (10%) per annum, until paid.

Neither the failure of Holder to exercise its right to accelerate, nor reinstatement of this Note after such exercise, shall constitute a waiver of the right to exercise such rights at any other time.

This Note is to be construed so as to give effect to the intent of the parties to conform strictly to the law, and all interest payable on account of this Note shall be reduced, if necessary, to the highest amount allowable under the usury laws or other laws governing this transaction, should this transaction not be exempt from the same. This Note shall be governed by and construed in accordance with the laws of the State of California.

All parties who are obligated to pay any portion of the indebtedness represented by this Note, whether as principal, surety, guarantor or endorser, hereby waive presentment for payment,

All parties who are obligated to pay any portion of the indebtedness represented by this Note, whether as principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest and notice of dishonor, and all other notices to which they might otherwise be entitled.

If any sum due under this Note is not paid when due, Maker hereby covenants and agrees to pay all costs and expenses of collection, whether by suit or otherwise, at any time and from time to time incurred, including, without limitation, any reasonable attorney's fees.

Subject to the foregoing, the terms of this Note shall be binding upon and inure to the benefit of the respective heirs, successors in interest and assigns of Maker and Holder.

All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, by personal delivery or by overnight courier. Notices shall be considered given upon the earlier of (a) personal delivery; (b) three (3) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested; or (c) one (1) business day following deposit with an overnight courier. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

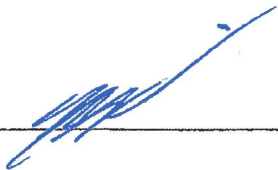
Holder: City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037
Attn: Economic Development

Copy to: City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037
Attn: City Clerk

Maker: BRIDGE GROUP INVESTMENTS, LLC
755 JARVIS DRIVE
Morgan Hill, CA 95037
Attn: George Mersho

Time is of the essence with respect to each and every provision hereof. If any provision hereof is found to be invalid or unenforceable by a court of competent jurisdiction, the invalidity thereof shall not affect the enforceability of the remaining provisions of this Note.

MAKER:
BRIDGE GROUP INVESTMENTS, LLC., a Limited Liability Corporation

By: 

George Mersho
CEO



CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT

17575 Peak Avenue Morgan Hill CA 95037 - Office (408)778-6480 Fax (408)779-7236

9.25.18	FEE SCHEDULE: 07.01.2016	Shoe Palace Corp
DATE	PER RESOLUTION 5902, EFFECTIVE JULY 1, 2006 AND PER RESOLUTION 5592, INCREASED JANUARY 15, 2009 AND PER RESOLUTION 6082, EFFECTIVE FEBRUARY 5, 2007 **SEE BACK PAGE FOR ADDITIONAL FEE RESOLUTIONS	NAME
726-30-013		755 Jarvis Drive
TRACT / APN		MAILING ADDRESS
		Morgan Hill, CA 95037
ADDRESS / LOT		CITY, STATE, ZIP CODE
Shoe Palace Warehouse	N/A	408-629-1000
PROJECT DESCRIPTION	FEE SCHEDULE EXPIRATION DATE	PHONE NUMBER

NOTES:

1. PRESSURE REGULATORS ARE REQUIRED ON ALL WATER SERVICES.
2. BACKFLOW PREVENTORS ARE REQUIRED ON ALL NON-RESIDENTIAL WATER SERVICES & FIRE SPRINKLER SERVICES. BACKFLOW INSPECTION FEE SHALL BE PAID PRIOR TO INSPECTION.
3. **MULTI-FAMILY** IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS.
SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

☒ **THIS FEE SCHEDULE IS ESTIMATE ONLY**

IF BOX ABOVE CHECKED: FEE SCHEDULE IS ONLY FOR ESTIMATE PURPOSES. FEE SCHEDULE CALCULATED BASED ON INFORMATION PROVIDED TO CITY BY APPLICANT. FINAL FEE SCHEDULE MAY DIFFER BASED UPON CHANGE IN SCOPE OF PROJECT.

MJ
CALCULATED BY

CHECKED BY

ESTIMATE
BUILDING PERMIT #

DATE BLD PERMIT ISSUED

SEWER IMPACT FEES WITHIN RDA BOUNDARY

CHECK APPLICABLE SCENARIO BELOW

☒ **COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY**

SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES# 6082.

☐ **RESIDENTIAL PROJECTS WITHIN RDCS DOWNTOWN AREA**

SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.

☐ **NOT IN RDA AREA BOUNDARY**

** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT
TO ANNUAL CPI INCREASES.

☐ **COMMERCIAL OR INDUSTRIAL SHELL**

**RDA SEWER ALLOCATION
COMPLETED BY:**
(write Initials below)

version 07.01.16 std

WATER FEES:

1. METER DEPOSIT: 650-37672				
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)				
1"	\$468	x	0	= \$0
1 1/2"	\$1,434	x	0	= \$0
2"	\$1,619	x	0	= \$0
3" or larger-Time & Material + Meter Cost				= \$0
METER CREDITS				
	\$0	x	0	= \$0
SUBTOTAL = \$0				
2. BACKFLOW CONST. INSPECTION: 650-37859				
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)				
	\$62	x	0	Each = \$0
3. WATER FRONTAGE CHARGE: 650-37663				
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)				
1 Side	\$66	x	0	LF = \$0
2 Sides	\$37	x	478	LF = \$17,686
4. WATER IMPACT FEE: 651-37648				
(Auth: Res. #5592 approved 08.21.02, Increased 01.15.16)				
a) Residential				
\$3,624 /DU		x	0	DU = \$0
(Single Family)				
\$3,269 /DU		x	0	DU = \$0
(Multi Family)				
b) Commercial & Industrial				
(Includes Landscape Service)				
\$10,288 /AC		x	7.9	AC = \$81,275
WATER CREDITS				
	\$0	x	0	= \$0
SUBTOTAL = \$81,275				
WATER FEE TOTALS = \$98,961				
5. ENGINEERING & INSPECTION FEE: 206-38734				
(Minimum \$500.00):				
(Authority: Res. #5902 approved 05.04.05, Updated 07.01.09)				
ENGINEERING ESTIMATE:				\$0
DATE ENGINEERING EST. SUBMITTED:				
% APPLIES TO ENGINEER'S ESTIMATE				
13.3%	\$1	to	\$100,000	= \$0
11.8%	\$100,001	to	\$200,000	= \$0
10.3%	\$200,001	to	\$500,000	= \$0
8.8%	OVER		\$500,000	= \$0
ENGINEERING FEE				= \$0
DEPOSIT PAID				= \$0
ENGINEERING FEE TOTAL = \$0				
5A. LONG RANGE PLANNING FEE: 207-37912				
LONG RANGE PLANNING FEE (15% of E&I) = \$0				

SEWER FEES:

6. SEWER FRONTAGE CHARGE: 640-37663				
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)				
1 Side	\$66	/LF	x 0	LF = \$0
2 Sides	\$37	/LF	x 478	LF = \$17,686
7. SEWER IMPACT FEE: 641-37648				
(Auth: Res. #6082 approved 02.05.07 & Res. #5592 approved 08.21.02, Increased 01.15.16).				
a) Residential				
\$14,183 /DU		x	0	DU = \$0
(Single Family)				
\$12,004 /DU		x	0	DU = \$0
(Multi Family)				
b) Commercial & Industrial				
\$48.56 /GPD		x	26680	GPD = \$1,295,581
\$48.56 /GPD		x	0	GPD = \$0
SEWER CREDITS				
	\$0	x	0	= \$0
RDA ASSUMED SEWER OBLIGATION				
\$14,183 /DU		x	0	DU = \$0
(Single Family)				
\$12,004 /DU		x	0	DU = \$0
(Multi Family)				
\$48.56 /GPD		x	0	GPD = \$0
(Commercial & Industrial)				
SUBTOTAL = \$1,295,581				
SEWER FEE TOTALS = \$1,313,267				
STORM DRAIN FEES:				
8. STORM DRAIN FRONTAGE CHARGE: 304-37663				
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)				
1 Side	\$108	/LF	x 0	LF = \$0
2 Sides	\$53	/LF	x 478	LF = \$25,334
9. STORM DRAIN IMPACT FEE: 303-37648				
(Auth: Res. #5592 approved 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.16)				
\$3,847 /DU		x	0	DU = \$0
(Single Family)				
\$2,001 /DU		x	0	DU = \$0
(Multi Family)				
\$41,897 /ACRE		x	0	AC = \$0
(Commercial & Office)				
\$30,505 /ACRE		x	7.9	AC = \$240,990
(Industrial)				
STORM CREDITS				
	\$0	x	0	= \$0
SUBTOTAL = \$240,990				
STORM DRAIN FEE TOTALS = \$266,324				

10. UNDERGROUNDING UTILITIES: 350-37649					
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
1 Side	\$681	x	0	LF	= \$0
2 Sides	\$343	x	0	LF	= \$0
11a. PARK IMPACT FEE: 301-37648					
<i>(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.16)</i>					
\$5,378 /DU	x	0	DU	=	\$0
<i>(Single Family - Sub)</i>					
\$3,910 /DU	x	0	DU	=	\$0
<i>(Single Family - No Sub)</i>					
\$5,181 /DU	x	0	DU	=	\$0
<i>(Multi Family - Sub)</i>					
\$3,771 /DU	x	0	DU	=	\$0
<i>(Multi Family - No Sub)</i>					
11b. PARK MAINTENANCE DEV. FEE: 302-37649					
\$0	x	0	DU	=	\$0
PARK CREDITS					
\$0	x	0		=	\$0
PARK FEE TOTAL =					\$0
12. TRAFFIC IMPACT FEE: 309-37648					
<i>(Auth: Res. #15-152 approved 06.17.15 & Res. #5592 approved 08.21.02, Increased 01.15.16)</i>					
\$1,863 /DU	x	0	DU	=	\$0
<i>(Single Family)</i>					
\$1,155 /DU	x	0	DU	=	\$0
<i>(Multi Family)</i>					
\$1,863 /PHT	x	0	PHT	=	\$0
<i>(Commercial)</i>					
\$1,863 /PHT	x	234	PHT	=	\$435,942
<i>(Industrial)</i>					
TRAFFIC CREDITS					
\$0	x	0		=	\$0
TRAFFIC FEE TOTAL =					\$435,942
13. LIBRARY IMPACT FEE: 348-37648					
<i>(Auth: Res. #5837 appr'd 09.01.04, Amdd by Res. 6326 4.28.10, Increased 01.15.16)</i>					
\$1,974 /DU	x	0	DU	=	\$0
<i>(Single Family)</i>					
\$1,902 /DU	x	0	DU	=	\$0
<i>(Multi Family)</i>					
LIBRARY CREDITS					
\$0	x	0		=	\$0
LIBRARY FEE TOTAL =					\$0
14. BURROWING OWL MITIGATION: 232-38145					
<i>(Authority: Res. #5765 approved 01.21.04, Increased 07.01.16)</i>					
\$200 /DU		0	DU	=	\$0
<i>(Residential)</i>					
\$1,395 /AC		7.9	AC	=	\$11,021
<i>(Commercial/Industrial)</i>					

15a. MAP CHECK FEE: 206-38716					
<i>(Authority: Res. #5658 approved 03.19.03, Updated 07.01.16)</i>					
PARCEL MAP:	\$3,805	=			\$0
TRACT MAP:	\$5,667	=			\$0
16. POLICE IMPACT FEE: 311-37648					
<i>(Auth: Res. #5686 appr'd 06.18.03, Amdd by Res. 6326 4.28.10, Increased 01.15.16)</i>					
\$767 /DU	x	0	DU	=	\$0
<i>(Single Family)</i>					
\$741 /DU	x	0	DU	=	\$0
<i>(Multi Family)</i>					
\$1,666 /ACRE	x	0	AC	=	\$0
<i>(Commercial)</i>					
\$2,333 /ACRE	x	7.9	AC	=	\$18,431
<i>(Industrial)</i>					
POLICE CREDITS					
\$0	x	0		=	\$0
POLICE FEE TOTAL =					\$18,431
17. FIRE IMPACT FEE: 313-37648					
<i>(Auth: Res. #6671 approved 07.17.13, Increased 01.15.16)</i>					
\$118 /DU	x	0	DU	=	\$0
<i>(Single Family)</i>					
\$112 /DU	x	0	DU	=	\$0
<i>(Multi Family)</i>					
\$1,550 /ACRE	x	0	AC	=	\$0
<i>(Commercial)</i>					
\$1,550 /ACRE	x	7.9	AC	=	\$12,245
<i>(Industrial)</i>					
FIRE CREDITS					
\$0	x	0		=	\$0
FIRE FEE TOTAL =					\$12,245
18. PUBLIC FACILITIES IMPACT FEE: 347-37648					
<i>(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.16)</i>					
\$512 /DU	x	0	DU	=	\$0
<i>(Single Family)</i>					
\$493 /DU	x	0	DU	=	\$0
<i>(Multi Family)</i>					
\$1,128 /ACRE	x	0	AC	=	\$0
<i>(Commercial)</i>					
\$1,579 /ACRE	x	7.9	AC	=	\$12,474
<i>(Industrial)</i>					
PUBLIC FACILITIES CREDITS					
\$0	x	0		=	\$0
PUBLIC FACILITIES FEE TOTAL =					\$12,474
20. COMMNTY/REC CTRS IMPACT FEE: 360-37648					
<i>(Auth: Res. #15-152 appr'd 8.17.15, increased 01.15.16)</i>					
\$3,663 /DU	x	0	DU	=	\$0
<i>(Single Family)</i>					
\$3,213 /DU	x	0	DU	=	\$0
<i>(Multi Family)</i>					
PUBLIC FACILITIES CREDITS					
\$0	x	0		=	\$0
PUBLIC FACILITIES FEE TOTAL =					\$0

19. RDCS MEASURE C FEES:		
School Pedestrian Safety	(355-37655)	= \$0
Public Facilities	(346-37649)	= \$0
Park Development	(302-37649)	= \$0
Public Fac. - Circulation	(346-37649)	= \$0
TOTAL RDCS MEASURE C FEES		= \$0

OTHER:		
LED Streetlight Fund	(010-37722)	= \$0
		= \$0
		= \$0
TOTAL FEES DUE		= \$2,168,664

Notes & Comments:

Proposed Shoe Palace "warehouse". Undeveloped apn 726-30-013(7.9 AC). Jarvis Drive Frontage = 478LF (SD,SS,W)

Proposed new Warehouse = 433,400SF. Proposed new office = 70,000sf Total building = 503,400sf.

20% office allowance for warehouse use, therefore, all floor area to be charged as warehouse.

SEWER:

Industrial/Warehouse coefficient = 0.053 gpd/sf

New warehouse building = (503,400 sf)(0.053 gpd/sf) = 26,680 gpd

TRAFFIC:

Warehousing Traffic Coefficient: 0.47 pht/1000sf. ITE 7th Ed. Ave. Veh trip ends vs. 1000sf PM peak of adj street traffic

New warehouse building = (503,400 sf)(0.47 pht/1000sf) = 234 PHT

****THIS ESTIMATE DOES NOT INCLUDE ENGINEERING AND INSPECTION FEES OR WATER METERS.**

**OTHER FEE RESOLUTIONS:

RESOLUTION 5006, EFFECTIVE 07.03.1996
 RESOLUTION 5128, EFFECTIVE 01.05.1998
 RESOLUTION 5658, EFFECTIVE 03.19.2003
 RESOLUTION 5686, EFFECTIVE 08.18.2003
 RESOLUTION 5765, EFFECTIVE 01.21.2004
 RESOLUTION 5837, EFFECTIVE 10.18.2004
 RESOLUTION 6080, EFFECTIVE 01.17.2007
 RESOLUTION 6133, EFFECTIVE 12.05.2007
 RESOLUTION 6326, EFFECTIVE 04.28.2010
 RESOLUTION 6671, EFFECTIVE 09.16.2013

Loan Amortization Schedule

Enter values	
Loan amount	\$1,385,218.40
Annual interest rate	2.76 %
Loan period in years	5
Number of payments per year	12
Start date of loan	5/1/2019
Optional extra payments	\$ -

Loan summary	
Scheduled payment	\$ 24,743.10
Scheduled number of payments	60
Actual number of payments	60
Total early payments	\$ -
Total interest	\$ 99,367.58

Lender name: LAIF Source plus 1/2% , <http://www.tr>

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	6/1/2019	\$ 1,385,218.40	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,557.10	\$ 3,186.00	\$ 1,363,661.30	\$ 3,186.00
2	7/1/2019	\$ 1,363,661.30	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,606.68	\$ 3,136.42	\$ 1,342,054.62	\$ 6,322.42
3	8/1/2019	\$ 1,342,054.62	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,656.37	\$ 3,086.73	\$ 1,320,398.25	\$ 9,409.15
4	9/1/2019	\$ 1,320,398.25	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,706.18	\$ 3,036.92	\$ 1,298,692.07	\$ 12,446.06
5	10/1/2019	\$ 1,298,692.07	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,756.11	\$ 2,986.99	\$ 1,276,935.96	\$ 15,433.06
6	11/1/2019	\$ 1,276,935.96	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,806.15	\$ 2,936.95	\$ 1,255,129.81	\$ 18,370.01
7	12/1/2019	\$ 1,255,129.81	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,856.30	\$ 2,886.80	\$ 1,233,273.51	\$ 21,256.81
8	1/1/2020	\$ 1,233,273.51	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,906.57	\$ 2,836.53	\$ 1,211,366.94	\$ 24,093.34
9	2/1/2020	\$ 1,211,366.94	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 21,956.96	\$ 2,786.14	\$ 1,189,409.98	\$ 26,879.48
10	3/1/2020	\$ 1,189,409.98	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,007.46	\$ 2,735.64	\$ 1,167,402.53	\$ 29,615.12
11	4/1/2020	\$ 1,167,402.53	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,058.07	\$ 2,685.03	\$ 1,145,344.45	\$ 32,300.15
12	5/1/2020	\$ 1,145,344.45	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,108.81	\$ 2,634.29	\$ 1,123,235.65	\$ 34,934.44
13	6/1/2020	\$ 1,123,235.65	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,159.66	\$ 2,583.44	\$ 1,101,075.99	\$ 37,517.88
14	7/1/2020	\$ 1,101,075.99	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,210.62	\$ 2,532.47	\$ 1,078,865.36	\$ 40,050.36
15	8/1/2020	\$ 1,078,865.36	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,261.71	\$ 2,481.39	\$ 1,056,603.65	\$ 42,531.75
16	9/1/2020	\$ 1,056,603.65	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,312.91	\$ 2,430.19	\$ 1,034,290.74	\$ 44,961.94
17	10/1/2020	\$ 1,034,290.74	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,364.23	\$ 2,378.87	\$ 1,011,926.51	\$ 47,340.81
18	11/1/2020	\$ 1,011,926.51	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,415.67	\$ 2,327.43	\$ 989,510.84	\$ 49,668.24
19	12/1/2020	\$ 989,510.84	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,467.22	\$ 2,275.87	\$ 967,043.62	\$ 51,944.11
20	1/1/2021	\$ 967,043.62	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,518.90	\$ 2,224.20	\$ 944,524.72	\$ 54,168.31
21	2/1/2021	\$ 944,524.72	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,570.69	\$ 2,172.41	\$ 921,954.03	\$ 56,340.72
22	3/1/2021	\$ 921,954.03	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,622.61	\$ 2,120.49	\$ 899,331.42	\$ 58,461.21
23	4/1/2021	\$ 899,331.42	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,674.64	\$ 2,068.46	\$ 876,656.78	\$ 60,529.68
24	5/1/2021	\$ 876,656.78	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,726.79	\$ 2,016.31	\$ 853,929.99	\$ 62,545.99
25	6/1/2021	\$ 853,929.99	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,779.06	\$ 1,964.04	\$ 831,150.93	\$ 64,510.03
26	7/1/2021	\$ 831,150.93	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,831.45	\$ 1,911.65	\$ 808,319.48	\$ 66,421.67
27	8/1/2021	\$ 808,319.48	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,883.96	\$ 1,859.13	\$ 785,435.51	\$ 68,280.81
28	9/1/2021	\$ 785,435.51	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,936.60	\$ 1,806.50	\$ 762,498.92	\$ 70,087.31
29	10/1/2021	\$ 762,498.92	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 22,989.35	\$ 1,753.75	\$ 739,509.56	\$ 71,841.06
30	11/1/2021	\$ 739,509.56	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,042.23	\$ 1,700.87	\$ 716,467.34	\$ 73,541.93
31	12/1/2021	\$ 716,467.34	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,095.22	\$ 1,647.87	\$ 693,372.11	\$ 75,189.80
32	1/1/2022	\$ 693,372.11	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,148.34	\$ 1,594.76	\$ 670,223.77	\$ 76,784.56
33	2/1/2022	\$ 670,223.77	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,201.59	\$ 1,541.51	\$ 647,022.18	\$ 78,326.07
34	3/1/2022	\$ 647,022.18	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,254.95	\$ 1,488.15	\$ 623,767.23	\$ 79,814.22

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
35	4/1/2022	\$ 623,767.23	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,308.44	\$ 1,434.66	\$ 600,458.80	\$ 81,248.89
36	5/1/2022	\$ 600,458.80	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,362.04	\$ 1,381.06	\$ 577,096.75	\$ 82,629.94
37	6/1/2022	\$ 577,096.75	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,415.78	\$ 1,327.32	\$ 553,680.98	\$ 83,957.27
38	7/1/2022	\$ 553,680.98	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,469.63	\$ 1,273.47	\$ 530,211.34	\$ 85,230.73
39	8/1/2022	\$ 530,211.34	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,523.61	\$ 1,219.49	\$ 506,687.73	\$ 86,450.22
40	9/1/2022	\$ 506,687.73	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,577.72	\$ 1,165.38	\$ 483,110.01	\$ 87,615.60
41	10/1/2022	\$ 483,110.01	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,631.95	\$ 1,111.15	\$ 459,478.07	\$ 88,726.75
42	11/1/2022	\$ 459,478.07	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,686.30	\$ 1,056.80	\$ 435,791.77	\$ 89,783.55
43	12/1/2022	\$ 435,791.77	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,740.78	\$ 1,002.32	\$ 412,050.99	\$ 90,785.88
44	1/1/2023	\$ 412,050.99	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,795.38	\$ 947.72	\$ 388,255.60	\$ 91,733.59
45	2/1/2023	\$ 388,255.60	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,850.11	\$ 892.99	\$ 364,405.49	\$ 92,626.58
46	3/1/2023	\$ 364,405.49	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,904.97	\$ 838.13	\$ 340,500.53	\$ 93,464.71
47	4/1/2023	\$ 340,500.53	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 23,959.95	\$ 783.15	\$ 316,540.58	\$ 94,247.86
48	5/1/2023	\$ 316,540.58	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,015.06	\$ 728.04	\$ 292,525.52	\$ 94,975.91
49	6/1/2023	\$ 292,525.52	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,070.29	\$ 672.81	\$ 268,455.23	\$ 95,648.72
50	7/1/2023	\$ 268,455.23	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,125.65	\$ 617.45	\$ 244,329.58	\$ 96,266.16
51	8/1/2023	\$ 244,329.58	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,181.14	\$ 561.96	\$ 220,148.44	\$ 96,828.12
52	9/1/2023	\$ 220,148.44	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,236.76	\$ 506.34	\$ 195,911.68	\$ 97,334.46
53	10/1/2023	\$ 195,911.68	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,292.50	\$ 450.60	\$ 171,619.17	\$ 97,785.06
54	11/1/2023	\$ 171,619.17	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,348.38	\$ 394.72	\$ 147,270.80	\$ 98,179.78
55	12/1/2023	\$ 147,270.80	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,404.38	\$ 338.72	\$ 122,866.42	\$ 98,518.51
56	1/1/2024	\$ 122,866.42	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,460.51	\$ 282.59	\$ 98,405.91	\$ 98,801.10
57	2/1/2024	\$ 98,405.91	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,516.77	\$ 226.33	\$ 73,889.15	\$ 99,027.43
58	3/1/2024	\$ 73,889.15	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,573.15	\$ 169.95	\$ 49,315.99	\$ 99,197.38
59	4/1/2024	\$ 49,315.99	\$ 24,743.10	\$ -	\$ 24,743.10	\$ 24,629.67	\$ 113.43	\$ 24,686.32	\$ 99,310.80
60	5/1/2024	\$ 24,686.32	\$ 24,743.10	\$ -	\$ 24,686.32	\$ 24,629.54	\$ 56.78	\$ -	\$ 99,367.58



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Nichole Martin, Community Services Coordinator

APPROVED BY: City Manager

UPDATE ON DOWNTOWN SPECIAL EVENTS AND STREET CLOSURES

RECOMMENDATION(S)

Receive update on Downtown Special Events and Street Closures.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Preserving and Cultivating Public Trust

REPORT NARRATIVE:

The City has long facilitated special events by allowing the closure of City streets to be used as an event space. Most of these street closures are in Downtown Morgan Hill. Many long-standing events, including the Taste of Morgan Hill, Freedom Fest, and Mushroom Mardi Gras, attract tens of thousands of visitors. There are also some smaller events that provide a significant community benefit, such as the Safe Trick or Treat event and National Night Out.

Chapter 12.16 of the Morgan Hill Municipal Code, Events on Public Property, provides the framework for the use of public property for event purposes. The issuance of special event permits is coordinated by the Community Services Department and approval of major events, including those with street closures, is approved by the City Manager.

In October 2017, the Community Services Department staff brought the first draft of the Downtown Policy to City Council to obtain clarification relating to street closures for special events in the Downtown Morgan Hill area. City Council asked staff to return with revisions to more thoroughly address the concerns of residents in the Downtown area.

On February 21, 2018, Council approved the Downtown Street Closure Policy (CP-18-02). This policy provides guidance for City staff in the issuance of special event permits that close streets in Downtown Morgan Hill. Included in this policy are guidelines for attendance levels, traffic considerations, Third Street specific considerations, notification for businesses and residents in Downtown, and Downtown clean up.

In 2017, there were twenty-nine (29) permits issued for events in Morgan Hill, thirteen (13) of which took place in Downtown Morgan Hill, closing at least a portion of a roadway. In 2018, there were twenty-eight (28) permits issued for events in Morgan Hill. Of the twenty-eight (28) total, twelve (12) events took place in Downtown Morgan Hill, closing at least a portion of the roadway. To date for 2019, we have sixteen (16) permits with a status of completed or in process. Of these events, six (6) are scheduled for Downtown Morgan Hill with at least a portion of a road closed.

In 2017, Third Street was partially or fully closed for a total of sixteen (16) days due to permitted events. Eight (8) of these events were related to the Moveable Feast event. Moveable Feast did not return for 2018. We do not have any indication at this time that Moveable Feast plans to return for 2019.

City staff did set up a notification list on the City of Morgan Hill's website. This notification list currently has 94 subscribers. Some residents, who have frequently provided input on Downtown special events, have elected to not join the notification list, even after repeated reminders from staff. Six notices have been sent out using this system on the dates of 3/29/2018, 5/21/2018, 7/12/2018, 8/7/2018, 8/24/2018, and 10/1/2018.

In 2018, there were no applications for an event to close Third Street only. Some of the annual major events, such as Freedom Fest, did utilize East Third Street, but made accommodations as they have in the past to allow access to East Third Street residents throughout the event. Other events, including National Night Out, Taste of Morgan Hill, and Mushroom Mardi Gras made changes to their event layouts to ensure residents on East Third Street had in and out access to their driveways through the duration of the event. None of the events met the requirements to set aside reserved parking with a volunteer providing security due to these layout changes. We anticipate a similar use of this area for 2019.

Staff is continuing to review how changes in Downtown development will impact future event planning.

COMMUNITY ENGAGEMENT: Inform, Collaborate

In the creation of the Policy, City staff discussed the issues with residents on Third Street, the Downtown Association, and some of the nearby businesses. Development of the Third Street area and adjacent plaza was discussed at length with the community prior to and during the recent construction Downtown.

In accordance with the policy, City staff has set up an email notification list on the City's website to inform interested residents and businesses of any upcoming Downtown events with street closures.

ALTERNATIVE ACTIONS:

City Council may wish to revisit the policy to reduce requirements for use and encourage more events to be hosted on Third Street. Should the Council wish to

explore this option, City staff would need to reengage Downtown businesses and homeowners on the subject, which will require significant staff time.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council previously updated Chapter 12.16 of the municipal code, relating to special events, on June 16, 1999.

CP-18-02, the Downtown Street Closure policy, was approved by City Council on February 21, 2018.

The Council received a six month update on the Policy on September 5, 2018.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with the acceptance of this report. Special events support the inclusiveness, tourism, and economic development goals of the City.

CEQA (California Environmental Quality Act):

Categorical Exemption

The policy for Downtown Street Closure is categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject policy involves the operation and permitting of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. CP-18-02 Downtown Street Closures

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-18-02**SUBJECT: DOWNTOWN STREET CLOSURES****EFFECTIVE DATE: February 21, 2018****ORIGINATING DEPARTMENT: *COMMUNITY SERVICES DEPARTMENT***

PURPOSE

Chapter 12.16 of the Morgan Hill Municipal Code, Events on Public Property, outlines requirements for special events and the associated permit process. The primary purpose of this policy is to provide guidance to staff in the issuance of special event permits that close streets in Downtown Morgan Hill.

POLICY

In recognition of the economic and community benefits of facilitating events in the Downtown area, while taking into consideration the residents whom which these events impact, the City Council establishes the following guidelines for use in the issuance of special event permits.

Attendance Levels

1. Regularly occurring special events established prior to the development of this policy shall be allowed to continue in their currently used locations regardless of attendance levels provided they continue to meet requirements outlined in the Municipal Code and all health and safety requirements outlined in the special event permit process.
2. Proposed closures of Monterey Road through the Downtown will only be considered for events with anticipated attendance of over 1,000 and of major community significance as determined by the City Manager.
3. Proposed full street closures for other streets in Downtown shall only be considered for events with anticipated attendance of 500 or greater. First time events with anticipated attendance under 500, but with future growth planned over the next 5 years may also be permitted.
4. Partial closures of Third Street shall be permitted for uses with anticipated attendance less than 500 and of community significance as determined by the City Manager.

Street Closure Traffic Considerations

1. Event permits shall not be issued for events that request full closure of Monterey Road during peak traffic hours, as determined by the City Engineer.
2. Event permits may be issued for events that request a closure of one side of Monterey Road during peak traffic hours, if it is the side of road that is reverse traffic, as determined by the City Engineer.
3. Staff will work with event organizers to develop event plans that take into consideration parking needs of residents and space needs of event organizers.

Third Street Specific Considerations

1. Full Third Street closure permits may only be issued for events that need the entire street area for event space, as determined by the City Manager. For events that do not need the entire area, a partial closure may be permitted for a portion of the space, allowing for resident only access via vehicle.
2. For events that meet the criteria for a full closure of Third Street the following will be required of event organizers:
 - a. Provide reserved resident parking spaces in numbers equaling two cars per residence at adjacent public parking.
 - b. Provide accessible access from the designated reserved parking spaces through the event to each residence.
 - c. Provide parking security, by volunteers, signage and/or other means, that will allow only parking by Third Street residents with resident passes issued by the City.
 - d. Third Street residents that need assistance walking from designated parking spaces to their homes must be provided assistance via wheelchair, golf cart or other equitable means for the duration of the closure. To verify assistance a valid note from a doctor must be presented to the City.

Notification of Residents and Businesses of Downtown Street Closures

1. The City shall establish and maintain a Downtown event notification email list. Residents and businesses shall be able to opt in to this email list via the City website.
2. Notification of events and street closures shall be sent out via email from the City to residents at the time of event application.
3. Events proposing street closures must submit event applications 30 days in advance of an event or pay to the City a \$500 late submission fee.
4. Event organizers shall deliver hard copy notifications to impacted residents and businesses a minimum of two weeks in advance of the planned event.
5. Each event organizer shall provide an event contact person with an associated cell phone number to residents during the duration of the event.

Downtown Event Clean-up

1. Event organizers shall be required to leave the event areas and Downtown parking facilities clean and litter free.
2. An after-event inspection shall be conducted by City staff on the next regular work day or as soon as feasible following each event.

3. Event organizers shall pay a \$500 refundable deposit prior to each event. The deposit shall be withheld if cleanup following the event is not complete to the standards identified in the organizers special event permit.

Appeal

Issuance or non-issuance of special events in relation to this policy may be appealed to the City Council by providing written notice to the City Manager.

This policy shall remain in effect until modified or revoked by the City Council.

APPROVED:



STEVE TATE, MAYOR



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Mariah Dabel, Community Services Supervisor
APPROVED BY: City Manager

ADOPT RESOLUTION AUTHORIZING THE DISPLAY OF THE NATIONAL FLAG OF INDIA AT THE COMMUNITY AND CULTURAL CENTER IN RECOGNITION OF THE ANNUAL CELEBRATION OF INDIA'S INDEPENDENCE DAY

RECOMMENDATION(S)

Adopt resolution authorizing the display of the national flag of India at the Community and Cultural Center annually during the month of August to commemorate India's Independence Day.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2019 Strategic Priorities

Community Engagement and Messaging

REPORT NARRATIVE:

In honor of India's Independence Day, the Indian Association of South Santa Clara County (IASC) is requesting to host a flag raising ceremony at the Community and Cultural Center. IASC has requested that the City consider recognizing India's Independence Day annually by approving that the national flag of India be raised at the Community and Cultural Center for one week each August. Acknowledging India's Independence supports our Sustainable Morgan Hill Vision of social responsibility and inclusiveness.

This year's India Independence Day event is proposed for Sunday, August 18, 2019. IASC is requesting to raise the flag on August 18, 2019 and have the flag raised until Saturday, August 24, 2019 in recognition of the historic event. The flag would be raised below the California State flag at the Community and Cultural Center on the corner of Monterey Road and Dunne Avenue. During the event, in addition to raising the national flag of India, IASC will host guest speakers and cultural performances. IASC has held an India Independence Day event in Morgan Hill since 2013, and it will again be free and open to the entire community.

On September 27, 2017, the Council adopted a City Council policy on Flag Raising (CP-17-02). Per the City Council's Flag Raising Policy, "the City's flag poles are not intended to serve as a forum for free expression by the public, but rather for the display of the Flags of the United States and the State of California. The flag poles located at City

Hall, the CCC, and the CRC may also be used to display the flags of the City of Morgan Hill, Sister Cities, and any Commemorative Flags as may be authorized by the City Council as an expression of the City's official sentiments."

Under the policy, a commemorative flag "means a flag that identifies with a specific date, historical event, cause, nation, or group of people, whereby the City honors or commemorates the date, event, cause, nation or people by flying the flag. Commemorative Flags shall be displayed at City facilities only upon City Council direction, consistent with the City's vision, mission, and ongoing and strategic priorities, incorporating themes of diversity, equity, social justice, and inclusion."

Commemorative flags may only be hung at City Hall, the CCC, and/or the CRC. Per the policy, commemorative flags may be hung no longer than 30 days. Authorization of commemorative flags must be approved by City Council resolution.

City staff believe the proposed flag meets the criteria outlined in the policy, specifically in that the flag relates to a date, event, cause, nation, or people; is consistent with the City's ongoing priorities; and incorporates themes of diversity, equity, social justice, and inclusion. Since this flag raising has been held annually for several years, City staff are proposing the Council authorize it on an ongoing basis. The attached resolution commemorates India's Independence Day and authorizes the City to display the national flag of India at the Community and Cultural Center annually for one week each August.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the recommended flag raising.

ALTERNATIVE ACTIONS:

Alternatively, the Council could:

1. Not adopt the resolution.
2. Adopt a resolution approving the raising of the flag for an alternate duration of time.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- July 19, 2017 - The City Council authorized the City to display the national flag of India in August 2017.
- September 27, 2017 - The City Council adopted a policy on Flag Raising (CP-17-02).

FISCAL AND RESOURCE IMPACT:

There is no fiscal or resource impact from this request.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of city facilities falls within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. CP-17-02 Flag Raising Policy
2. Indian Flag Raising reso

CITY OF MORGAN HILL

COUNCIL POLICIES AND PROCEDURES

CP-17-02

SUBJECT: FLAG RAISING**EFFECTIVE DATE SEPTEMBER 27, 2017****ORIGINATING DEPARTMENT: CITY ATTORNEY'S OFFICE****BACKGROUND**

The City of Morgan Hill displays the flags of the State of California and of the United States of America on poles located at facilities throughout Morgan Hill. City flag poles are not a public forum, but from time to time the City Council will authorize the display of ceremonial flags consistent with the City's ongoing and strategic priorities.

PURPOSE

Establish guidelines for the City Council to approve the display of flags other than those of the City of Morgan Hill, the State of California or the United States of America.

POLICY

It is the policy of the City of Morgan Hill that the City's flag poles are not intended to serve as a forum for free expression by the public, but rather for the display of the Flags of the United States and the State of California. The flag poles located at City Hall, the Community and Cultural Center and Centennial Recreation Center may also be used to display the flags of the City of Morgan Hill, Sister Cities, and any Commemorative Flags as may be authorized by the City Council as an expression of the City's official sentiments.

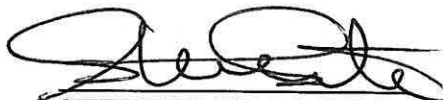
A Commemorative Flag under this policy means a flag that identifies with a specific date, historical event, cause, nation or group of people, whereby the City honors or commemorates the date, event, cause, nation or people by flying the flag. Commemorative Flags shall be displayed at City facilities only upon City Council direction, consistent with the City's vision, mission, and ongoing and strategic priorities, incorporating themes of diversity, equity, social justice, and inclusion.

PROCEDURE

In addition to the flags of the State of California and the United States of America, the City Council may, by resolution, direct City staff to display any Commemorative Flag on the flag poles of City Hall, the Community and Cultural Center and/or the Centennial Recreation Center as an expression of the City's official sentiments, for those dates and times and on those terms and conditions as set forth in the resolution. Commemorative Flags shall be displayed for a period of time that is reasonable or customary for the subject that is to be commemorated, but no longer than 30 continuous days.

This Policy shall remain in effect until modified by the City Council.

APPROVED:


STEVE TATE, MAYOR

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL ENCOURAGING THE ANNUAL
CELEBRATION OF INDIA'S INDEPENDENCE DAY**

WHEREAS, the City of Morgan Hill wishes to recognize the celebration of India's Independence Day as a nation, in unity with celebrations around the world;

WHEREAS, the City of Morgan Hill prides itself on being an inclusive community and will continue to build a society where we honor all of the nations that weave the fabric of our community; and

WHEREAS, the City of Morgan Hill recognizes the strength, vibrancy, and diversity of the Indian community in South Santa Clara County;

WHEREAS, the City of Morgan Hill wishes to support the mission of the Indian Association of South Santa Clara County to bring all generations of South Santa Clara County's Indian community together to promote our diverse culture and heritage.

NOW, THEREFORE, BE IT RESOLVED that the City Council annually commemorates India's Independence Day by displaying the National Flag of India at the Community and Cultural Center for one week in August each year.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 6th day of March, 2019 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

RICH CONSTANTINE, Mayor

DATE: _____

ATTEST:

IRMA TORREZ, City Clerk

DATE: _____

Attachment: Indian Flag Raising reso (2189 : Indian Association Flag Raising Request)

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XX-XXX, adopted by the City Council at the meeting held on March 6, 2019

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Angie Gonzalez, Council Services Assistant
APPROVED BY: City Manager

APPROVE CITY SPONSORSHIP OF PHILANTHROPY NIGHT, INDIAN FLAG RAISING, AND FUTURE WOMEN LEADERS CONFERENCE EVENTS AT THE COMMUNITY AND CULTURAL CENTER

RECOMMENDATION(S)

1. Authorize the City Manager to waive facility rental fees of \$3,000 for Morgan Hill Community Foundation's November 2019 Philanthropy Night Celebration.
2. Authorize the City Manager to waive facility rental fees of \$726 for Indian Association of South Santa Clara County's August 2019 Flag Raising ceremony.
3. Authorize the City Manager to waive facility rental fees of \$651 for American Association of University Women's April 2019 Future Women Leaders Conference.
4. Authorize the City Manager to waive facility rental fees of \$3,000 for American Association of University Women's April 2020 Future Women Leaders Conference.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Enhancing Diversity and Inclusiveness

2019 Strategic Priorities

Community Engagement and Messaging

GUIDING DOCUMENTS

Bikeways
Trails
Parks and Recreation Masterplan

REPORT NARRATIVE:

Three organizations have requested facility rental fee waivers for use of the Community and Cultural Center (CCC). Staff recommends that the City Council sponsor these community events by directing the City Manager to waive the facility rental fees. If the requested fee waivers are approved, the City of Morgan Hill will be recognized as a sponsor in all event materials, marketing, and advertisements. Supporting these community events is in alignment with the Sustainable Morgan Hill Vision of inclusion and social responsibility and City Council's ongoing priorities of supporting our youth, seniors, and the entire community and enhancing diversity and inclusiveness.

Morgan Hill Community Foundation Philanthropy Night Celebration

Each year the Morgan Hill Community Foundation (MHCF) holds a Philanthropy Night Celebration to highlight the work of local nonprofits and honor individuals who have made outstanding contributions to how that nonprofit serves the Morgan Hill community. Philanthropy Night recognizes the importance of community involvement and volunteerism in Morgan Hill. For the last several years, the City has supported this event by waiving facility rental fees of \$3,000, for use of the CCC. The MHCF Board is requesting (Attachment No. 1) City sponsorship of the November 15, 2019 Philanthropy Night by waiving facility rental fees. The direct cost of a teammate to staff the event and the required security guards would be paid by the MHCF. Additionally, the City of Morgan Hill would be recognized as a sponsor in all event materials and marketing.

The MHCF is a tax-exempt public charity focused on addressing community needs by supporting programs within the Morgan Hill Unified School District boundaries. The MHCF is committed to enriching the quality of life for residents in the greater Morgan Hill area by serving as a fiscal sponsor and awarding grants to local community nonprofit organizations that provide valuable programs and activities.

Indian Association of South Santa Clara County Flag Raising Ceremony

In recognition of the annual Indian Independence Day, the Indian Association of South Santa Clara County (IASC) proposes to hold a flag raising ceremony on August 18, 2019 at the CCC campus. The organization is requesting waiver of the amphitheater facility rental fees of \$726 in order to host a ceremony and flag raising (Attachment No. 2). The cost of a teammate to staff the event will be paid by IASC. The City of Morgan Hill would be recognized as a sponsor in all event materials and marketing. The event will be held early enough in the day to not impact evening rentals at the CCC.

IASC is a nonprofit organization that serves Morgan Hill, Gilroy, San Martin, South San Jose, and Hollister. The organization's mission is to bring all generations of South Santa Clara County's Indian community together to promote our diverse culture and heritage. In honor of India's Independence Day, IASC is requesting to host a flag raising ceremony at the CCC.

This year's India Independence Day event is proposed for Sunday, August 18, 2019. During the event, in addition to raising the national flag of India, IASC will host guest speakers and cultural performances at the Amphitheater. IASC has held an India Independence Day event in Morgan Hill since 2013, and it will again be free and open to the entire community.

American Association of University Women Future Women Leaders Conference

On April 6, 2019 and April 18, 2020, the Morgan Hill Branch of the American Association of University Women (AAUW) will hold the annual Future Women Leaders Conference at the CCC. The annual conference consists of presentations, workshops, and activities promoting community leadership skills for the local high school and junior college population. The conference is open and free of charge to all high school and junior college students. The conference organizing team is comprised of students and leaders from AAUW, Morgan Hill Youth Action Council (YAC), Women Advocacy Club at Sobrato High School and Live Oak High School, Girl Up from Oakwood School, and

MissCeo at Gilroy Early Education Academy. There will also be representatives from Central High School.

AAUW is requesting a waiver of CCC facility rental fees of \$3,000 for the 2020 conference, and an additional \$651 waived for the upcoming April 6, 2019 conference (Attachment No. 3). A fee waiver of \$1,890 was approved for the April 2019 conference by the City Council on November 7, 2018. Since that time, the conference has grown and required additional rooms to accommodate all workshops and attendees. A fee waiver of this annual conference ensures that it remains free for participants and allows the student organizers to focus on event content and logistics. The cost of a teammate to staff the event will be paid by AAUW. The City of Morgan Hill will be recognized as a sponsor in all event materials and marketing. The events are planned early in the day to allow for other evening rentals at the CCC.

AAUW is a leading voice in promoting equity and education for women and girls. It is a national, state, and local nonpartisan, nonprofit organization with over 170,000 members and supporters nationwide, 1,000 local branches, and 800 college/university institution partners. Founded in 1881, AAUW is open to all graduates who hold an associate or higher degree from a regionally accredited college or university. AAUW's mission is to advance equity for women and girls through advocacy, education, philanthropy, and research. AAUW's local Morgan Hill Branch was chartered in 1981 and has over 160 members.

COMMUNITY ENGAGEMENT: Collaborate

This request is an opportunity to support local nonprofits that are committed to strengthening the Morgan Hill community. The events are activities that support and promote community and local partner involvement.

ALTERNATIVE ACTIONS:

1. The Council could elect to not approve one or more of the requested fee waivers.
2. The Council could elect to waive a smaller amount for one or more of the requested fee waivers.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council approved facility rental fee waivers for the MHCF and AAUW events in prior years including most recently the MHCF 2018 Philanthropy Night fee waiver on March 7, 2018; AAUW 2018 Future Women Leaders Conference fee waiver on February 21, 2018; and AAUW 2019 Future Women Leaders Conference fee waiver on November 7, 2018.

FISCAL AND RESOURCE IMPACT:

The fiscal impact of the proposed fee waivers is a loss of facility rental revenue of \$651 in fiscal year 2018-19 and \$6,726 in fiscal year 2019-20. The staffing cost for the events would still be paid by all three organizations.

CEQA (California Environmental Quality Act):

Categorical Exemption

Hosting events at the Community and Cultural Center is part of the planned management of City facilities and falls within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. MHCF 2019 Fee Waiver Request Letter
2. IASC 2019 Fee Waiver Request Letter
3. AAUW 2019 Fee Waiver Request Letter



January 16, 2019

Dear Morgan Hill City Council:

The Morgan Hill Community Foundation (MHCF) is a tax-exempt, public charity focused on addressing community needs by supporting programs within the Morgan Hill Unified School District boundaries.

Each year in November the MHCF hosts Philanthropy Night, a banquet and gathering to highlight the work of local non-profits and honor individuals who have made outstanding contributions to how that non-profit serves the community of Morgan Hill. This is MHCF's primary fundraiser with the money raised going directly back into the local community through our grants process and supporting our non-profit partner organizations. For the past several years, the City of Morgan Hill has supported this event by waiving the room rental fees for use of the Community and Cultural Center.

The MHCF is requesting that the City continue to waive the rental fee of \$3,000.00 for the 2019 Philanthropy Night Celebration, scheduled for Friday November 15, 2019. The direct cost of a building coordinator, licensing, and required security would still be paid for by the MHCF. As part of the agreement, the MHCF will provide the City of Morgan Hill with a table for 8 guests, including the City's honoree should they nominate someone, at no cost. Additionally, the City of Morgan Hill would be recognized as an event sponsor in all materials, marketing, and advertising for the event.

The MHCF enriches the quality of life for residents in the greater Morgan Hill area in a variety of ways. The MHCF serves as a fiscal sponsor for 10 local community non-profit organizations and are proud to announce that in the past few months one of those, The Friends of the Morgan Hill Senior Center, has grown into its own 501(c)3. Our annual grant cycle award grants to local non-profit organizations for projects to enrich and improve our community. In 2018 we granted out over \$10,000, funding projects for the South Valley Civic Theater, Friends of the Morgan Hill Library, Community Solutions, El Toro Health Science Academy, and others. In 2019 we plan to expand our grants program to include a funding for local school programs & projects, broadening our support for the local community.

The Philanthropy Night Celebration recognizes the importance of community involvement and volunteerism in Morgan Hill. Staff recommends that Council sponsor this important community celebration by directing the City Manager to waive the rental fee of the Community and Cultural Center to the MHCF for the event on November 15, 2019. Support of this Philanthropy Event is consistent with the Councils' priorities of enhancing community engagement, promoting diversity, supporting our youth.

Sincerely,

DocuSigned by:

Pamela Meador
Board President, Morgan Hill Community Foundation
(408) 891-4931
pamala@duovu.com



Dear Morgan Hill City Council,

As you may know, the Indian Association of South Santa Clara County (IASC) is once again raising the Flag of India at our Annual Independence Day Ceremony on Sunday Aug 18th at 10am at the Community and Cultural Centre.

This letter is a humble request for any fee waivers for Event rental and also to keep the flag raised for a few days after the ceremony.

We're told all requests must be approved by the Council, so if you would be so kind as to approve this, since we are a Non-Profit, we would really appreciate it. Please let us know if you have any questions. We hope to see all of you at the Flag raising ceremony!

Thank you for your consideration,

Poonam Chabra
President, [IASC](#)
408-310-3515



AAUW Morgan Hill PO Box 1528, Morgan Hill, CA 95038
www.aauwmh.org

February 7, 2019

Subject: Request for fee waiver for use of Morgan Hill's Community and Cultural Center and Playhouse.

Thank you for waiving fees for several of the Community and Cultural Center rooms for the Future Women Leaders Conference on April 6th, any help we get lets us put more of our limited resources toward the conference. However, since we started our planning of this year's event, the ideas and enthusiasm of the young women involved has taken this event to a new level. At this time, we have 15 workshops confirmed and another 3 should be confirmed this week.

This expansion has created a need for more rooms than originally planned and we are now asking for waiver for the Poppy Jasper and the Madrone, as well as the Playhouse for our key note speaker for our **April 6th, 2019**.

For our event on **April 18th, 2020** we reserved the entire complex minus the Playhouse, and are requesting a waiver for those rooms.

The facilities will be used for six-hour hours of presentations, workshops and interactive activities focused on promoting community leadership skills in our high school and junior high aged population. There will not be a charge and lunch will be provided. We have received some funds from the community that will cover our immediate costs of food, supplies and promotional materials but to cover the cost of the facilities we are turning to you. We do have another option, using some of the classrooms at the Gavilan campus, but we think keeping all the students in one facility is a better option if possible.

Our organizing team is made up of students and leaders from AAUW, YAC, WAC (Women Advocacy Club at Sobrato and Live Oak), Girl Up (from Oakwood) and MissCEO (GECA). We have also asked for representation from Central high school.

The roles of the students will include the general organization of the program including facilities, speakers, workshops, publicity, food and other issues that may come up. Waiving the fees for CCC will enable us to complete our mission without burdening these students with the additional task of fundraising.

We are looking forward to working with you in providing a quality event that will enhance, motivate and educate the future leaders of Morgan Hill and beyond.

Sincerely,

Margaret McCann

Attachment: AAUW 2019 Fee Waiver Request Letter (2204 : Facility Use Fee Waivers)



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Lynette Kong, Associate Engineer
APPROVED BY: City Manager

2018-19 PAVEMENT REHABILITATION PROJECT UPDATE

RECOMMENDATION(S)

Receive an update on the Pavement Rehabilitation Project for Fiscal Year (FY) 2018-19.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Maintaining Fiscal Responsibility

2019 Strategic Priorities

Infrastructure
Traffic/Transportation

GUIDING DOCUMENTS

Bikeways
Trails
Parks and Recreation Masterplan

REPORT NARRATIVE:

This purpose of this report is to provide an update to the City Council, and the community, on the FY 2018-19 Pavement Resurfacing Project (Project). Staff is in the process of finalizing the design for the Project. The street locations and planned pavement treatments are listed below:

- Monterey Road (350' north of Tilton Avenue to Cochrane Road) - Overlay
- Butterfield Boulevard (Cochrane Road to East Main Avenue) - Overlay
- East Dunne Avenue (Condit Road to Walnut Grove Drive) - Overlay
- Condit Road (Diana Avenue to the Ford Store) - Overlay
- Cochrane Road (Mission View Drive to Monterey Road) - Slurry seal
- Depot Street (East Main Avenue to East 5th Street) - Slurry seal
- Jackson Meadows neighborhood - Slurry seal

As designed, the project continues to prioritize the repair of the City's arterial and collector roadways, while allocating approximately 20% of the available funds to the resurfacing of residential streets. The streets planned for resurfacing have been updated from those listed in the current Capital Improvement Program (CIP) for FY 2018-19. The streets that were programmed to be resurfaced in FY 2018-19 included: Monterey Road (350' north of Tilton Avenue to Cochrane Road), Butterfield Boulevard (Cochrane Road to East Main Avenue), East Dunne Avenue (Hill Road to Thomas Grade and Condit Road to Walnut Grove Drive) and the Jackson Meadows neighborhood. For various reasons the following roadways have been added to this

year's project: they include Condit Road (Diana Avenue to the Ford Store), Cochrane Road (Mission View Drive to Monterey Road) and Depot Street (East Main Avenue to East 5th Street). Additionally, East Dunne Avenue (Hill Avenue to Thomas Grade) has been moved out and will now be completed in FY 2019-20.

Condit Road (from Diana Avenue to the Ford Store) was originally programmed in the CIP for FY 2019-20. However, due to its deteriorated condition, Condit Road has been moved up to this year. Cochrane Road and Depot Street were not included in the current CIP. Cochrane Road was added to enhance the upcoming Cochrane Road Green Bike Lane Striping Project that is planned for this summer. Depot Street was added to implement the bicycle boulevard improvements identified in the City's current Bikeways, Trails, Parks and Recreation Master Plan (Project Reference B-C2). Once slurry sealed, the striping on Depot Street will be changed from a Class II dedicated bike lane facility to a Class III shared bikeway facility. Although the Station Area Master Plan indicates bike lanes for the roadway; the City's engineering team believes this change is appropriate based on the following factors:

- Depot Street's speeds are lower allowing the roadway to be shared safely with bicyclists;
- The existing "bulb-outs" at intersections constrict the existing bike lane's widths;
- Illegal parking on the street within the existing bike lanes is a significant issue; and
- Restriping of Depot Street will add approximately 45 additional on-street parking spaces.

Staff met with the Downtown Association on February 21, 2019 to discuss the restriping plan and the Association was supportive of the project.

East Dunne Avenue from Hill Avenue to Thomas Grade was programmed in FY 2018-19; however, the overlay of this section of East Dunne Avenue will now be completed as part of the OBAG Cycle 2 project, which includes East Dunne Avenue from Thomas Grade to the City limits. This work is scheduled to be done in the Spring of 2020.

With annual contributions from SB 1, and Measure B (2016 voter approved countywide half-cent tax to enhance transportation), the City will be able to resurface a greater number of roadways than in the past. However, even with this additional funding the City would still need to identify an average of over \$2 million more in funding annually to begin reducing the City's pavement rehabilitation backlog. The City's latest 2017 Pavement Condition Index (PCI) is 72 which is considered good but requires a proactive approach to addressing City's aging pavement network and maintaining a good PCI. The City has received a Pavement Technical Assistance Program (PTAP-20) grant from the Metropolitan Transportation Commission (MTC) to update the City's pavement management program (PMP). The updated PMP report should be completed by the Spring of 2020 and will assist City staff in planning which streets should be included in next CIP.

COMMUNITY ENGAGEMENT: Inform

This report is informational in nature and serves to inform the community of the program status.

ALTERNATIVE ACTIONS:

There is no alternative action to receiving the report.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- On January 17, 2018, City Council received a pavement management update.
- On April 18, 2018, City Council adopted a resolution approving the FY 2018-19 List of Street Rehabilitation Projects Funded by SB 1: The Road Repair and Accountability Act for Monterey Road and East Dunne Avenue.
- On June 6, 2018, City Council adopted the Fiscal Year 2018-19 through 2023-24 Capital Improvement Program.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with receiving this report. The preparation of this report is an activity included in staff's annual workplan.

CEQA (California Environmental Quality Act):

Categorical Exemption.

City pavement maintenance projects are exempt from CEQA under State CEQA Guidelines Section 15301 (Existing Facilities). This exemption applies to projects involving the repair, maintenance, and minor alteration of existing public facilities involving negligible or no expansion of use.



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Lynette Kong, Associate Engineer
APPROVED BY: City Manager

ADOPT RESOLUTION APPROVING FY2019-20 LIST OF STREET REHABILITATION PROJECTS FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT

RECOMMENDATION(S)

Adopt resolution approving a list of street rehabilitation Projects Funded by SB 1, the Road and Repair Accountability Act of 2017.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Maintaining Fiscal Responsibility

2019 Strategic Priorities

Financial Stewardship
Traffic/Transportation

REPORT NARRATIVE:

Senate Bill 1 (SB 1), which is known as the Road Repair and Accountability Act of 2017, established a tax that formed the Road Maintenance and Rehabilitation Account (RMRA). The RMRA is intended to fund basic road maintenance and rehabilitation needs on the local street and road systems within the State. Prior to receiving RMRA funds for the Fiscal Year (FY) 2019-20, the City must submit a list of projects proposed to be funded with RMRA funds, adopted by resolution, to the California Transportation Commission (CTC) by May 1, 2019. The list of projects proposed to be funded must include a description and the location of each proposed project, a proposed project schedule, and the estimated useful life of the improvement (Streets and Highways Code Section 2034(a)).

To ensure that the City is eligible for FY 2019-20 SB 1 RMRA funding, the attached proposed resolution identifies the City street locations proposed to be funded by FY 2019-20 SB 1 RMRA funds. These streets include: 1) East Dunne Avenue from Thomas Grade to the City limit and 2) La Crosse Drive from/to Vineyard Boulevard. The proposed resolution is expected to fulfill the CTC's requirement that the City Council adopt, via resolution, a list of projects proposed for the next fiscal year's SB 1 RMRA funds and meets the intention of prioritizing these funds for basic road maintenance and rehabilitation projects, and on critical safety projects.

COMMUNITY ENGAGEMENT: Inform

Affected businesses and/or property owners will be notified of the work in their area.

ALTERNATIVE ACTIONS:

The Council could direct staff to submit a funding request for an alternative project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 6, 2018, City Council adopted the Fiscal Year 2018-19 through 2023-24 Capital Improvement Program (CIP).

In a separate item on March 6, 2018, the City Council will receive an update on the overall pavement management program.

FISCAL AND RESOURCE IMPACT:

The FY 2019-20 SB 1 RMRA projected revenues of \$735,000 were included as a revenue source within Fund 308 (Street CIP) in the City's adopted CIP program, under the Pavement Rehabilitation Program (Project No. 519000).

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject work involves the repair, maintenance, or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.

LINKS/ATTACHMENTS:

1. SB 1_FY 19-20_SB_1_Project_List_Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL ADOPTING A LIST OF STREET
REHABILITATION PROJECTS FOR FISCAL YEAR 2019-
20 FUNDED BY SENATE BILL 1 KNOWN AS THE ROAD
REPAIR AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our City are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City, will receive an estimated \$735,000 in RMRA funding in Fiscal Year 2019-20 from SB 1; and

WHEREAS, this is the third year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

WHEREAS, the City used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City maintain and rehabilitate East Dunne Avenue and La Crosse Drive this year and other similar projects into the future; and

WHEREAS, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an "at lower risk" condition and this revenue will help us increase the overall quality of our road system and over the next decade will bring our streets and roads into a good condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. The City of Morgan Hill is adopting the following list of proposed projects which will be funded in-part or solely with fiscal year 2019-20 Road Maintenance and Rehabilitation Account revenues:

1. East Dunne Avenue
 - a. Project Location: East Dunne Avenue between the intersections of Thomas Grade and the City Limit.
 - b. Project Description: The removal and replacement of failed pavement sections, a 2" asphalt concrete overlay and the restriping of existing bike lanes, legends, crosswalks and lane lines.
 - c. Estimated Useful Life: The City's Pavement Management System calculates a new useful life of 10 years for this repaired roadway.
 - a. Anticipated Year of Construction: Release notice inviting bids to contractors in Spring 2020, complete construction by Fall 2020.
2. La Crosse Drive
 - a. Project Location: La Crosse Drive from/to Vineyard Boulevard.
 - b. Project Description: The removal and replacement of failed pavement sections, a 2" asphalt concrete overlay and the restriping of existing bike lanes, legends, crosswalks and lane lines.
 - c. Estimated Useful Life: The City's Pavement Management System calculates a new useful life of 10 years for this repaired roadway.
 - b. Anticipated Year of Construction: Release notice inviting bids to contractors in Spring 2020, complete construction by Fall 2020.

PASSED AND ADOPTED by the City Council of the Morgan Hill, State of California at a regular meeting held on this 6th day of March 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

COUNCIL MEMBERS:

COUNCIL MEMBERS:

COUNCIL MEMBERS:

COUNCIL MEMBERS:

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

IRMA TORREZ, City Clerk

∞ **CERTIFICATION** ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX, adopted by the City Council at the meeting held on March 6, 2019.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Anthony Eulo, Program Administrator
APPROVED BY: City Manager

APPROVE MASTER STREET TREE PLAN

RECOMMENDATION(S)

Approve Master Street Tree Plan.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Protecting the Environment

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to consider approving a new Master Street Tree Plan for the community.

A Master Street Tree Plan (MSTP) was developed for the City of Morgan Hill in 1995 but was never officially adopted. City staff currently recommend trees from the MSTP when considering the appropriate trees for new developments, empty park strips, and replacing old or diseased trees. The existing MSTP Neighborhood District Map is divided into more than thirty zones. In each zone, several tree species are listed as recommended trees to plant based on the species predominantly seen in the area in 1995. These recommendations did not consider soil conditions, root damage potential, available planting space, overhead utilities, drought tolerance, or invasiveness.

The City received a grant from the State to develop an Urban Forest Management Plan (UFMP) for the City. A local Urban Forest Advisory Committee started meeting in March 2018 and continued until July 2018 to guide the development of the UFMP. A subcommittee of “tree experts” from that group was formed to assist in the design and development of a new MSTP, which will serve as one element of the overall UFMP. The UFMP is scheduled to be brought to the Council for consideration later this year.

Both the existing and new Master Plans are attached to this report. The new MSTP differs from the existing MSTP in the following ways:

- The number of zones has been reduced from more than 30 to 7
- Tree species have been specified based on the planting space available
- The existing street tree palette in a zone is honored, when possible, but the new

MSTP doesn't blindly follow the existing tree palette as the old list did

- Recommends and emphasizes drought tolerant species and species with low to moderate root damage ratings
- Includes a list of prohibited trees which includes; those with high root damage ratings, invasive trees, and trees that are otherwise unsuitable for use as a street tree in Morgan Hill

If adopted, the new MSTP will benefit the City by providing guidelines to promote a healthy and resilient urban forest. It will ensure that appropriate species are planted in the specified zones to decrease the number of trees dying from drought conditions, reduce emergency maintenance from weak and diseased trees, mitigate hardscape damage to streets and sidewalks, and decrease topping and other invasive pruning methods to trees that have been planted in poor locations. In return, the City will likely see a decrease in maintenance needs designated to urban forestry responsibilities and see an increase in wildlife habitats and thriving green spaces.

COMMUNITY ENGAGEMENT: Consult

The City initiated community meetings in August 2018 to compose a MSTP most suitable for Morgan Hill's climate and planning needs. A list was compiled using the expertise of local arborists, landscape architects, horticulturalists, and City staff. A draft MSTP was distributed to internal and external stakeholders for review and input.

ALTERNATIVE ACTIONS:

The Council may decline to adopt the MSTP as presented or provide input to staff on amendments to the MSTP that should be incorporated before adoption.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Planning Commission considered the MSTP on February 12, 2019 and provided input on the draft.

FISCAL AND RESOURCE IMPACT:

There are no quantifiable direct fiscal impacts of the recommended action. While there are anticipated to be reduced maintenance expenses in the future associated with the trees planted as a result of the MSTP, there is no way to accurately estimate the savings. Developing the MSTP and maintaining street trees are activities included in the work program of the Community Services Department.

CEQA (California Environmental Quality Act): Categorical Exemption

The activities described in this Staff Report are categorically exempt pursuant to CEQA Section 15304 (Minor Alterations to Land), as the subject work involves minor replacements of conventional landscapes to water efficient and fire-resistant landscapes, and the creation of natural habitats for wildlife on privately and publicly managed land.

LINKS/ATTACHMENTS:

1. MSTP Presented to Council
2. Old MSTP



City of Morgan Hill

Master Street Tree Plan

Attachment: MSTP Presented to Council (2214 : Street Tree Master Plan)

Prepared By:

Christina Raby

Urban Forestry Project Manager

City of Morgan Hill

17575 Peak Avenue

Morgan Hill, CA 95037

Date: December 20, 2018

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- 2. Master Street Tree Map.....4
- 3. Master Street Tree List.....5-8
- 4. Prohibited Street Tree List.....9-12

Part I: Introduction

The intent of the Master Street Tree Plan is to foster comprehensive and sustainable tree plantings, through the use of drought-tolerant species, that have low maintenance needs. The Master Street Tree Plan designates tree species for each public street or segments of streets throughout the City based on spacing metrics available on each site. The tree species identified in the Master Street Tree Plan are provided as the requirement for what basic species of tree shall be planted in a given location. However, tree species may also have different varieties (Cultivars) that would fit different circumstances. Generally, the Master Street Tree Plan does not specify Cultivars of the species to allow for flexibility.

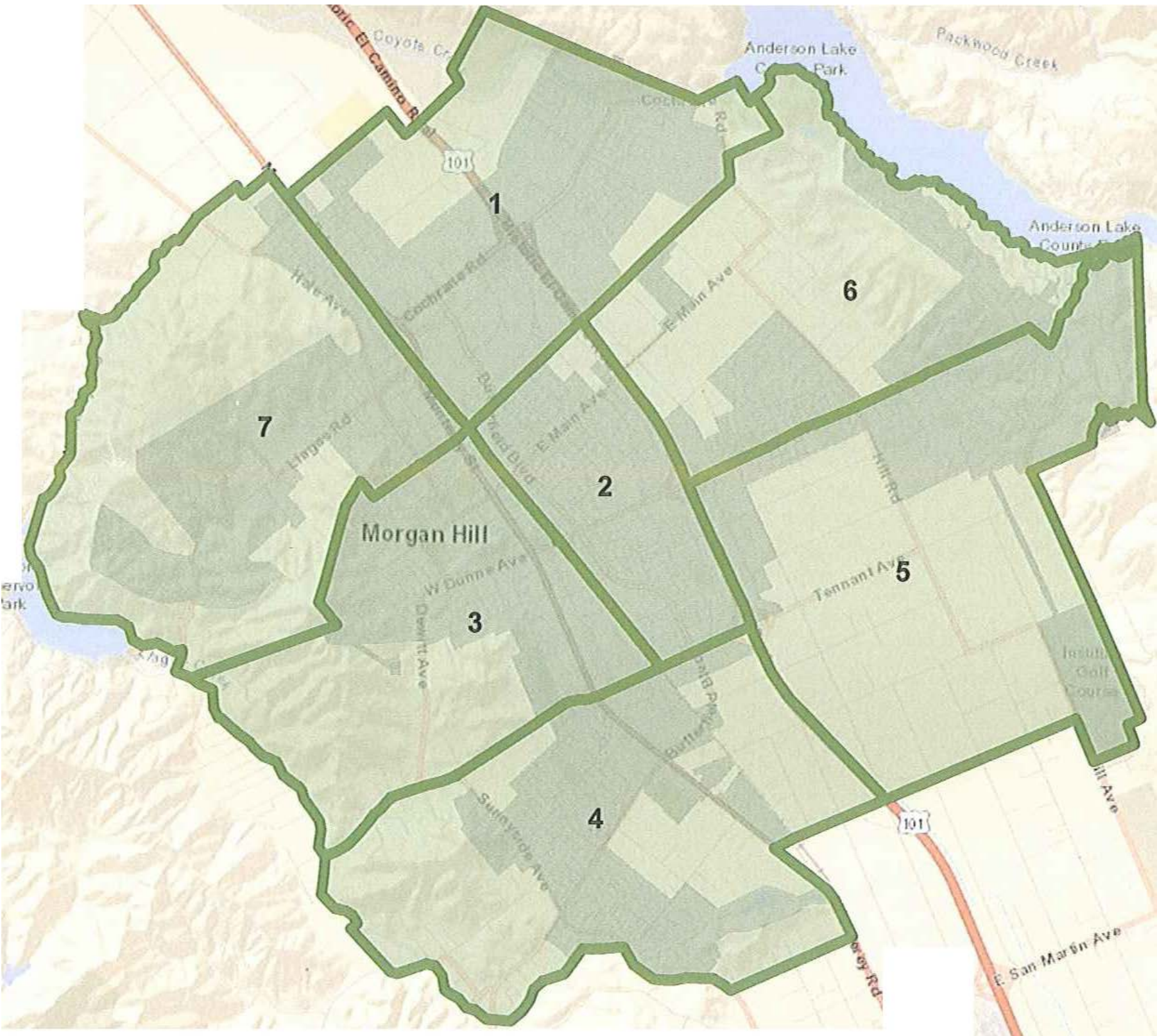
The City’s Park Superintendent shall determine which species Cultivar is appropriate for the specific planting location. The tree species in the Master Street Tree Plan are those with the fewest faults that typically cause the least negative impacts to the community. The trees are expected to have long lives and retain their attractiveness into their maturity. The trees recommended are also reasonably free of insect infestation, and typically have less aggressive and invasive deep-root systems in order to reduce the potential for negatively impacting sewer lines, sidewalks, curb and gutters, and streets. However, any tree after several decades of growth may produce aggressive and invasive root systems.

The Master Street Tree Plan represents the community’s collective vision for what Morgan Hill’s urban forest will look and feel like as the community grows and prospers. Trees make a vital and affordable contribution to our sense of community, pedestrian-friendly neighborhoods, energy savings, air quality, and wildlife habitats. Urban Forests are the only infrastructure that continually increases in its value and benefits overtime. Thus, the City of Morgan Hill recognizes that the urban forest is not a self-renewable asset, but that it requires human intervention to preserve, protect and enhance. As the local government, it is our responsibility to foster and develop an urban forestry vision for every resident of Morgan Hill and the surrounding communities that depend on us. The City of Morgan Hill is committed to promoting the growth and care of its Urban Forest and the practice of applying the Master Street Tree Plan to all future tree plantings in the city.

The following are factors that were considered while selecting tree species suitable in Morgan Hill:

- ❖ Habitat value and attractiveness for pollinators
- ❖ Ecological benefits such as shelter, food, and breeding sites for both residential and migratory birds and wildlife
- ❖ Energy use reduction potential
- ❖ Carbon sequestration potential
- ❖ Storm water treatment potential
- ❖ City goals for water conservation
- ❖ City goals for canopy cover
- ❖ City’s goal to encourage re-oaking of native and nonnative oak species
- ❖ Surrounding species theme and the past performance of that species
- ❖ Infrastructure conflicts
- ❖ Maintenance issues
- ❖ Aesthetics
- ❖ Need for age and species diversity
- ❖ Potential to become invasive

Part II: Master Street Tree Map



Attachment: MSTP Presented to Council (2214 : Street Tree Master Plan)

Part III: Master Street Tree List

Zone	Size	Botanical Name	Common Name	Remarks	Foliage	Spacing
1	Planter Space 6' >	Aesculus californica	California Buckeye		Deciduous	20-30ft
		Quercus agrifolia	Coast Live Oak		Evergreen	30ft
		Quercus kelloggii	Black Oak		Deciduous	30ft
		Quercus lobata	Valley Oak		Deciduous	30ft
		Quercus suber	Cork Oak		Evergreen	30ft
		Quercus virginiana	Southern Live Oak		Evergreen/partly	30ft
					Deciduous	
	Planter Space Between 4-6'	Acer rubrum 'Columnare'	Columnar Red Maple		Deciduous	20-30ft
		Acer x freemanii 'Jeffersed'	Autumn Blaze Red Maple		Deciduous	20-30ft
		Albizia julibrissin	Silk Tree		Deciduous	20-30ft
		Brachychiton populneus	Kurrajong	Predominant	Evergreen	20-30ft
		Celtis sinensis	Chinese Hackberry		Deciduous	20-30ft
		Ginkgo biloba	Maidenhair Tree	Males only	Deciduous	20-30ft
		Lophostemon confertus	Brisbane Box		Evergreen	20-30ft
		Ulmus parvifolia	Chinese Elm	Predominant	Evergreen/partly	20-30ft
					Deciduous	
	Planter Space 4' <	Celtis laevigata var. reticulata	Western Hackberry		Deciduous	6-15ft
		Cercis occidentalis	Western Redbud		Deciduous	6-15ft
		Chilopsis linearis	Desert Willow		Deciduous	6-15ft
		Fraxinus dipetala	California Ash		Deciduous	6-15ft
		Heteromeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft
2	Planter Space 6' >	Aesculus californica	California Buckeye		Deciduous	20-30ft
		Quercus lobata	Valley Oak		Deciduous	30ft
		Quercus suber	Cork Oak		Evergreen	30ft
	Planter Space Between 4-6'	Acer rubrum 'October Glory'	October Glory Red Maple		Deciduous	20-30ft
		Acer x freemanii 'Jeffersed'	Autumn Blaze Red Maple		Deciduous	20-30ft
		Brachychiton populneus	Kurrajong		Evergreen	20-30ft
		Lophostemon confertus	Brisbane Box		Evergreen	20-30ft
		Lyonothamnus floribundus subsp. asplenifolius	Catalina Ironwood		Evergreen	20-30ft
		Nyssa sylvatica	Sour Gum	Predominant	Deciduous	20-30ft
		Pistacia chinensis	Chinese Pistache		Deciduous	20-30ft
		Rhus lancea	African Sumac		Evergreen	20-30ft
		Ulmus parvifolia	Chinese Elm	Predominant	Evergreen/partly	20-30ft
					Deciduous	
	Planter Space 4' <	Celtis laevigata var. reticulata	Western Hackberry		Deciduous	6-15ft
		Chilopsis linearis	Desert Willow		Deciduous	6-15ft
		Heteromeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft

3	Planter Space 6' >	Casuarina cunninghamiana	River She-Oak		Evergreen	30ft
		Quercus agrifolia	Coast Live Oak		Evergreen	30ft
		Quercus douglasii	Blue Oak		Deciduous	30ft
		Quercus kelloggii	Black Oak		Deciduous	30ft
		Quercus lobata	Valley Oak		Deciduous	30ft
		Quercus wislizeni	Interior Live Oak	Predominant	Evergreen	30ft
	Planter Space Between 4-6'	Acer rubrum 'October Glory'	October Glory Red Maple	Predominant	Deciduous	20-30ft
		Arbutus 'Marina'	Marina Madrone		Evergreen	20-30ft
		Brachychiton populneus	Kurrajong		Evergreen	20-30ft
		Ginkgo biloba	Maidenhair Tree	Males only	Deciduous	20-30ft
		Lophostemon confertus	Brisbane Box		Evergreen	20-30ft
		Lyonothamnus floribundus subsp. asplenifolius	Catalina Ironwood		Evergreen	20-30ft
		Nyssa sylvatica	Sour Gum	Predominant	Deciduous	20-30ft
		Pistacia chinensis	Chinese Pistache		Deciduous	20-30ft
	Planter Space 4' <	Adenostoma sparsifolium	Red shank	Predominant	Evergreen	6-15ft
		Cercis occidentalis	Western Redbud		Deciduous	6-15ft
		Fraxinus dipetala	California Ash		Deciduous	6-15ft
		Hetermeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft
4	Planter Space 6' >	Aesculus californica	California Buckeye		Deciduous	20-30ft
		Casuarina cunninghamiana	River She-Oak		Evergreen	30ft
		Laurus 'saratoga'	Saratoga Laurel		Evergreen	20-30ft
		Quercus agrifolia	Coast Live Oak		Evergreen	30ft
		Quercus ilex	Holly Oak		Evergreen	30ft
		Quercus kelloggii	Black Oak		Deciduous	30ft
		Quercus lobata	Valley Oak		Deciduous	30ft
		Quercus suber	Cork Oak		Evergreen	30ft
		Quercus virginiana	Southern Live Oak		Evergreen/partly Deciduous	30ft
	Planter Space Between 4-6'	Acer rubrum 'Columnare'	Columnar Red Maple		Deciduous	20-30ft
		Acer rubrum 'October Glory'	October Glory Red Maple	Predominant	Deciduous	20-30ft
		Acer x freemanii 'Jeffersed'	Autumn Blaze Red Maple		Deciduous	20-30ft
		Celtis sinensis	Chinese Hackberry	Predominant	Deciduous	20-30ft
		Laurus 'saratoga'	Saratoga Laurel		Evergreen	20-30ft
		Nyssa sylvatica	Sour Gum	Predominant	Deciduous	20-30ft
		Ulmus parvifolia	Chinese Elm		Evergreen/partly Deciduous	20-30ft
	Planter Space 4' <	Celtis laevigata var. reticulata	Western Hackberry		Deciduous	6-15ft
		Cercis occidentalis	Western Redbud		Deciduous	6-15ft
		Chilopsis linearis	Desert Willow		Deciduous	6-15ft
		Fraxinus dipetala	California Ash		Deciduous	6-15ft
		Hetermeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft

5	Planter Space 6' >					
		Casuarina cunninghamiana	River She-Oak		Evergreen	25-30ft
		Quercus agrifolia	Coast Live Oak		Evergreen	25-30ft
		Quercus douglasii	Blue Oak		Deciduous	25-30ft
		Quercus kelloggii	Black Oak		Deciduous	25-30ft
		Quercus lobata	Valley Oak		Deciduous	25-30ft
		Quercus suber	Cork Oak		Evergreen	25-30ft
	Planter Space Between 4-6'					
		Acer rubrum 'Columnare'	Columnar Red Maple		Deciduous	20-30ft
		Acer rubrum 'October Glory'	October Glory Red Maple		Deciduous	20-30ft
		Arbutus 'Marina'	Marina Madrone		Evergreen	20-30ft
		Brachychiton populneus	Kurrajong		Evergreen	20-30ft
		Ginkgo biloba	Maidenhair Tree	Males only	Deciduous	20-30ft
		Lophostemon confertus	Brisbane Box		Evergreen	20-30ft
		Lyonothamnus floribundus subsp. asplenifolius	Catalina Ironwood		Evergreen	20-30ft
		Pistacia chinensis	Chinese Pistache		Deciduous	20-30ft
	Planter Space 4' <					
		Adenostoma sparsifolium	Red shank	Predominant	Evergreen	6-15ft
		Cercis occidentalis	Western Redbud		Deciduous	6-15ft
		Fraxinus dipetala	California Ash	Predominant	Deciduous	6-15ft
		Hetermeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft
6	Planter Space 6' >					
		Aesculus californica	California Buckeye		Deciduous	20-30ft
		Casuarina cunninghamiana	River She-Oak		Evergreen	30ft
		Quercus agrifolia	Coast Live Oak		Evergreen	30ft
		Quercus coccinea	Scarlet Oak	Predominant	Deciduous	30ft
		Quercus ilex	Holly Oak	Predominant	Evergreen	30ft
		Quercus lobata	Valley Oak		Deciduous	30ft
		Quercus suber	Cork Oak		Evergreen	30ft
		Quercus virginiana	Southern Live Oak		Evergreen/partly Deciduous	30ft
		Quercus wislizeni	Interior Live Oak		Evergreen	30ft
	Planter Space Between 4-6'					
		Acer rubrum 'October Glory'	October Glory Red Maple		Deciduous	20-30ft
		Celtis sinensis	Chinese Hackberry		Deciduous	20-30ft
		Laurus 'saratoga'	Saratoga Laurel		Evergreen	20-30ft
		Nyssa sylvatica	Sour Gum		Deciduous	20-30ft
		Pistacia chinensis	Chinese Pistache		Deciduous	20-30ft
		Ulmus parvifolia	Chinese Elm	Predominant	Evergreen/partly Deciduous	20-30ft
	Planter Space 4' <					
		Celtis laevigata var. reticulata	Western Hackberry		Deciduous	6-15ft
		Cercis occidentalis	Western Redbud		Deciduous	6-15ft
		Chilopsis linearis	Desert Willow		Deciduous	6-15ft
		Fraxinus dipetala	California Ash		Deciduous	6-15ft
		Hetermeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft

7	Planter Space 6' >	Aesculus californica	California Buckeye		Deciduous	20-30ft
		Quercus agrifolia	Coast Live Oak	Predominant	Evergreen	30ft
		Quercus ilex	Holly Oak		Evergreen	30ft
		Quercus kelloggii	Black Oak		Deciduous	30ft
		Quercus lobata	Valley Oak		Deciduous	30ft
		Quercus suber	Cork Oak	Predominant	Evergreen	30ft
		Quercus wislizeni	Interior Live Oak		Evergreen	30ft
	Planter Space Between 4-6'	Acer x freemanii 'Jeffersed'	Autumn Blaze Red Maple		Deciduous	20-30ft
		Albizia julibrissin	Silk Tree		Deciduous	20-30ft
		Arbutus 'Marina' & meniziesii	Madrone		Evergreen	20-30ft
		Celtis sinensis	Chinese Hackberry		Deciduous	20-30ft
		Ginkgo biloba	Maidenhair Tree	Males only	Deciduous	20-30ft
		Laurus 'saratoga'	Saratoga Laurel		Evergreen	20-30ft
		Lyonothamnus floribundus subsp. asplenifolius	Catalina Ironwood		Evergreen	20-30ft
		Ulmus parvifolia	Chinese Elm	Predominant	Evergreen/partly Deciduous	20-30ft
	Planter Space 4' <	Celtis laevigata var. reticulata	Western Hackberry		Deciduous	6-15ft
		Cercis occidentalis	Western Redbud	Predominant	Deciduous	6-15ft
		Chilopsis linearis	Desert Willow		Deciduous	6-15ft
		Fraxinus dipetala	California Ash		Deciduous	6-15ft
		Hetermeles arbutifolia	Toyon		Evergreen	6-15ft
		Prunus ilicifolia	Hollyleaf Cherry		Evergreen	6-15ft

Part IV: Prohibited Street Tree List

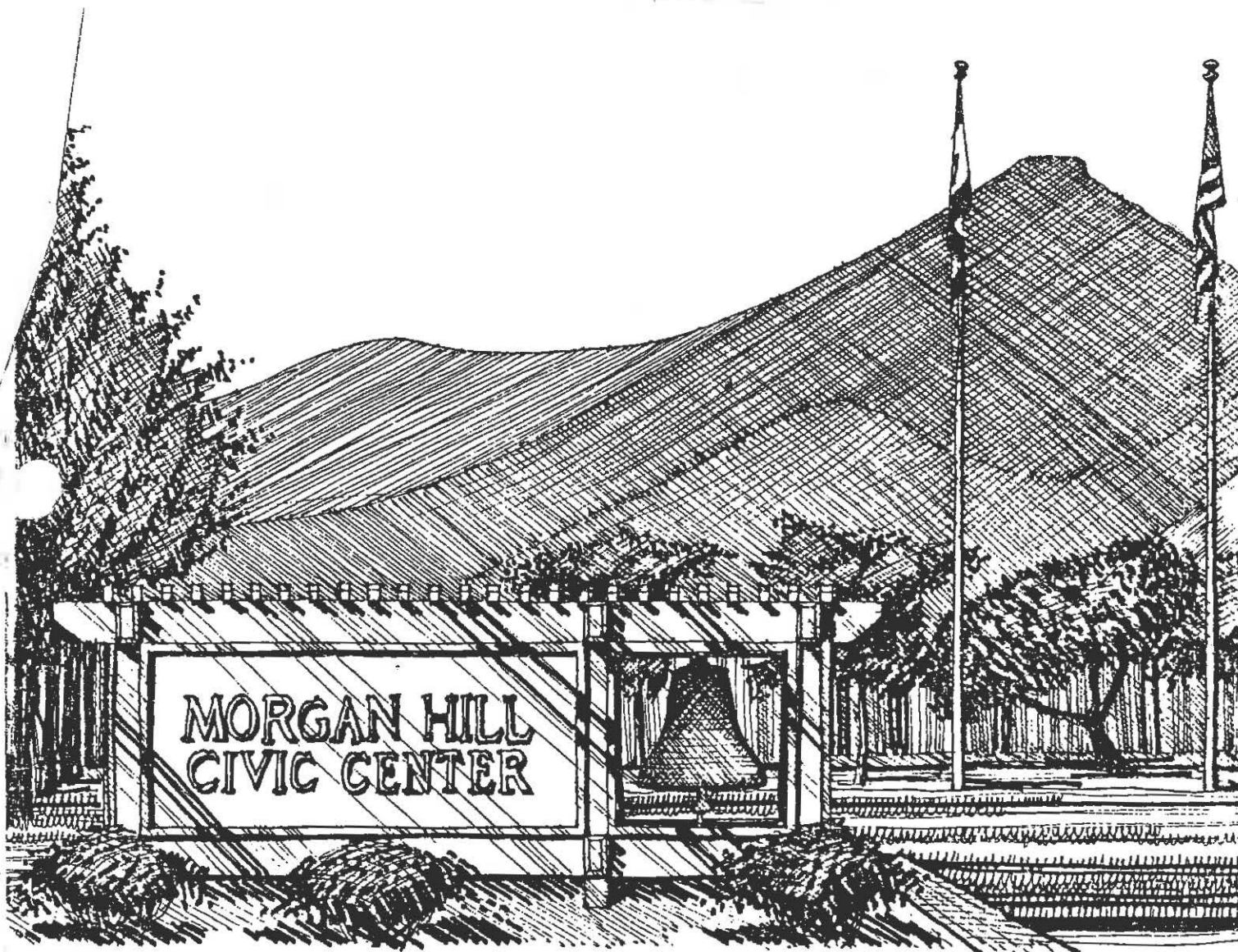
Botanical Name	Common Name	Reason
<i>Abies amabilis</i>	Pacific Silver Fir	High Root Damage
Acacia	All Species	High Water-Use/High Root Damage
<i>Acer macrophyllum</i>	Bigleaf Maple	High Root Damage
<i>Acer platanoides</i>	Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Cleveland'	Cleveland Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Deborah'	Deborah Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Drummondii'	Drummond Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Emerald Queen'	Emerald Queen Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Erectum'	Erectum Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Faassen's Black'	Faassen's Black Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Parkway'	Parkway Maple	High Root Damage
<i>Acer platanoides</i> 'Schwedleri'	Schwedleri Norway Maple	High Root Damage
<i>Acer platanoides</i> 'Superform'	Superform Norway Maple	High Root Damage
<i>Acer rubrum</i> 'Franksred'	Red Sunset Maple	High Root Damage
<i>Acer saccharinum</i>	Silver Maple	High Root Damage
<i>Acer saccharinum</i> 'Pyramidale'	Pyramidale Silver Maple	High Root Damage
<i>Acer saccharinum</i> 'Silver Queen'	Silver Queen Maple	High Root Damage
<i>Aesculus hippocastanum</i>	Common Horsechestnut	High Root Damage
<i>Aesculus hippocastanum</i> 'Baumannii'	Baumannii Horsechestnut	High Root Damage
<i>Agathis robusta</i>	Queensland Kauri	High Root Damage
<i>Ailanthus glandulosa</i>	Trees of Heaven	Plant
All CA Invasive Species	California Invasive Plant Council Webpage for Information	Invasive
<i>Alnus glutinosa</i>	Black Alder	High Root Damage

<i>Alnus rhombifolia</i>	White Alder	High Root Damage
<i>Alnus rubra</i>	Red Alder	High Root Damage
<i>Bischofia javanica</i>	Bischofia	High Root Damage
<i>Casimiroa edulis</i>	White Sapote	High Root Damage
<i>Ceiba speciosa</i> 'Los Angeles Beautiful'	Los Angeles Beautiful Floss Silk Tree	High Root Damage
<i>Celtis laevigata</i>	Sugarberry	High Root Damage
<i>Celtis laevigata</i> 'All Seasons'	All Seasons Sugarberry	High Root Damage
<i>Celtis occidentalis</i> 'Prairie Pride'	Prairie Pride Common Hackberry	High Root Damage
<i>Ceratonia siliqua</i>	St. John's Bread (Carob Tree	High Root Damage
<i>Cercidiphyllum japonicum</i> 'Pendula'	Weeping Katsura Tree	High Root Damage
<i>Cinnamomum camphora</i>	Camphor Tree	Very Large/High Root Damage
Conifers	All Species	Very large
<i>Delonix regia</i>	Royal Poinciana	High Root Damage
<i>Ebenopsis ebano</i>	Texas Ebony	High Root Damage
<i>Erythrina x bidwillii</i>	Shrub Coral Tree	High Root Damage
<i>Eucalyptus</i>	All Species	High Root Damage
<i>Fagus sylvatica</i> 'Dawyck'	Dawyck European Beech	High Root Damage
<i>Fagus sylvatica</i> 'Pendula'	Weeping European Beech	High Root Damage
<i>Fagus sylvatica</i> 'Purpurea Pendula'	Weeping Purple European Beech	High Root Damage
<i>Ficus aurea</i>	Strangler Fig	High Root Damage
<i>Ficus elastica</i>	Rubber Tree	High Root Damage
<i>Ficus macrophylla</i>	Moreton Bay Fig	High Root Damage
<i>Ficus retusa</i>	Cuban Laurel	High Root Damage
<i>Ficus rubiginosa</i>	Rusty-Leaf Fig	High Root Damage
<i>Ficus sur</i>	Cape Fig	High Root Damage
<i>Fraxinus americana</i> 'Autumn Applause'	Autumn Applause White Ash	High Root Damage
<i>Fraxinus uhdei</i>	Evergreen Ash	High Root Damage
<i>Fraxinus velutina</i>	Arizona Ash	High Root Damage
<i>Fraxinus velutina</i> 'Modesto'	Modesto Ash	High Root Damage
Fruit Trees	All Fruit Bearing Species	Litter/Public Safety Hazard

<i>Gleditsia triacanthos</i> var. <i>inermis</i> 'Halka'	Halka Locust	High Root Damage
<i>Gleditsia triacanthos</i> var. <i>inermis</i> 'Trueshade'	Trueshade Locust	High Root Damage
<i>Harpephyllum caffrum</i>	South African Wild Plum	High Root Damage
<i>Juglans californica</i>	California Black Walnut	Invasive
<i>Juglans hindsii</i>	American Black Walnut	Invasive
<i>Juglans nigra</i>	Black Walnut	High Root Damage
<i>Juglans regia</i>	English Walnut	Invasive
<i>Liquidambar</i>	All Sweet Gum	High Root Damage
<i>Liquidambar styraciflua</i>	American Sweet Gum	High Root Damage
<i>Magnolia grandiflora</i>	Southern Magnolia	Very Large/High Root Damage
<i>Manilkara zapota</i>	Sapodilla	High Root Damage
<i>Morus alba</i>	White Mulberry	High Root Damage
<i>Morus alba</i> 'Fruitless'	Fruitless Mulberry	High Root Damage
<i>Morus nigra</i>	Black Mulberry	High Root Damage
<i>Morus rubra</i>	Red Mulberry	High Root Damage
<i>Nothofagus dombeyi</i>	Dombey's Southern Beech	High Root Damage
<i>Nothofagus obliqua</i>	Roble Beech	High Root Damage
<i>Olea europaea</i>	Olive (Fruiting)	Litter/Public Safety Hazard
Palms	All Species	Plant
<i>Paulownia kawakamii</i>	Sapphire Dragon Tree	High Root Damage
<i>Paulownia tomentosa</i>	Empress Tree	High Root Damage
<i>Persea americana</i> 'Hass'	Hass Avocado	High Root Damage
<i>Phellodendron amurense</i> 'Macho'	Macho Amur Corktree	High Root Damage
<i>Phytolacca dioica</i>	Ombu	High Root Damage
<i>Picea abies</i>	Norway Spruce	High Root Damage
<i>Picea breweriana</i>	Brewer's Weeping Spruce	High Root Damage
<i>Pinus</i> (Pines)	All Species	High Water-Use
<i>Platanus orientalis</i> var. <i>digitata</i>	Cut Leaf Oriental Plane Tree	High Root Damage
<i>Platanus x hispanica</i>	London Plane	High Root Damage
<i>Platanus x hispanica</i> 'Liberty'	Liberty London Plane Tree	High Root Damage
<i>Platanus x hispanica</i> 'Yardwood'	Yardwood London Plane Tree	High Root Damage
<i>Populus</i> (Poplar Tree)	All Species	High Root Damage
<i>Pterocarya stenoptera</i>	Chinese Wingnut	High Root Damage
<i>Pyrus kawakamii</i>	Evergreen Pear	Fire Blight
<i>Robinia</i> (Locust)	All Species	High Root Damage
<i>Salix alba</i>	White Willow	High Root Damage
<i>Salix alba</i> 'Tristis'	Golden Weeping Willo	High Root Damage

<i>Salix babylonica</i>	Weeping Willow	High Root Damage
<i>Salix babylonica</i> 'Navajo'	Globe Navajo Willow	High Root Damage
<i>Salix laevigata</i>	Red Willow	High Root Damage
<i>Salix lasiandra</i>	Pacific Willow	High Root Damage
<i>Salix lasiolepis</i>	Arroyo Willow	High Root Damage
<i>Salix matsudana</i>	Hankow Willow	High Root Damage
<i>Salix x blanda</i>	Wisconsin Weeping Willow	High Root Damage
<i>Schinus molle</i>	Peruvian/California Pepper Tree	High Root Damage
<i>Schinus polygamus</i>	Chilean Pepper Tree	High Root Damage
<i>Schinus terebinthifolius</i>	Brazilian Pepper Tree	Invasive
<i>Ulmus Americana</i>	American Elm	High Root Damage
<i>Ulmus crassifolia</i>	Cedar Elm	High Root Damage
<i>Ulmus davidiana</i> var. <i>japonica</i>	Japanese Elm	High Root Damage
<i>Ulmus glabra</i>	Scotch Elm	High Root Damage
<i>Ulmus hollandica</i>	Dutch Elm	High Root Damage
<i>Ulmus minor</i>	Smooth-Leaf Elm	High Root Damage
<i>Ulmus</i> 'Morton Accolade'	Accolade Elm	High Root Damage
<i>Ulmus procera</i>	English Elm	High Root Damage
<i>Ulmus pumila</i>	Siberian Elm	High Root Damage
<i>Umbellularia californica</i>	California Bay Laurel	Invasive

STREET TREE MASTER PLAN



Attachment: Old MSTP (2214 : Street Tree Master Plan)

City of Morgan Hill
1995

I. INTRODUCTION

Throughout Morgan Hill's rich history, trees have played a significant role in the community. Trees are an important part of the City's aesthetic appeal, as is evidenced by the wooded hills that serve as a setting and backdrop for the community (Figure 1). Moreover, residents past and present have planted trees throughout the City and built upon this natural beauty.

Figure 1 - Morgan Hill's Setting

Today, Morgan Hill's urban forest continues to move through its life cycle and expand with the growth of the community. Located adjacent to roadways throughout the City, street trees add significantly to the prosperity of Morgan Hill's urban forest (Figure 2).

CITY OF MORGAN HILL**STREET TREE MASTER PLAN**

Figure 2 - Location of Street Trees**A Street Tree Plan and Program for Morgan Hill**

The City of Morgan Hill has realized the benefits and importance of street trees for some time and has set forth formal policies regarding street trees. Site and architectural review requirements are in place which require that street trees be planted as urban development and redevelopment occurs throughout the City. In addition, Chapter 12.28 of the Morgan Hill Municipal Code addresses several important issues regarding public trees, including "prohibited trees," "unlawful acts against trees," and "tree care, planting, removal and replacement."

CITY OF MORGAN HILL**STREET TREE MASTER PLAN**

While site and architectural review requirements and Chapter 12.28 of the Municipal Code work to promote the City's urban forest, a formal street tree plan and program have not been developed for the community, as called for in the Circulation and Scenic Highways Elements of the City's General Plan (Policies 1H & 1S). Rather, the functions of an informal street tree program have been carried out on a project by project basis as development and redevelopment has occurred. However, under this approach, a long term vision is difficult to establish and maintain. Specifically, the opportunity to develop and implement a plan which contributes to Morgan Hill's sense of place and optimizes General Plan goals, policies and actions is lost.

To establish and maintain a long term vision for the City's street trees and to clearly identify the various concepts, activities and policies regarding them, a formal street tree plan and program are required. This document fulfills these requirements and helps ensure that Morgan Hill will continue to realize the numerous benefits that street trees have to offer.

II. TREES IN THE URBAN ENVIRONMENT

Visual Quality

Certainly the most apparent contribution to the quality of an urban area, trees improve the visual quality of a city. Tree lined streets soften the hard architectural lines of the built environment by interrupting the monotony of urban development (Figure 3). Trees also add to a city's sense of permanence and place.

Functional Benefits

Trees improve the quality of life within a community by providing relief from climatic extremes. During the hot, dry summer months which characterize the climate in Morgan Hill from May through September, trees shade indoor and outdoor living areas and reduce glare. During the rainy winter months from October through April, tree canopies provide a break from persistent winds and diffuse rain so that it can more readily be absorbed by the soil. Moderating the effects of summer heat and winter winds can also result in significant reductions of energy use. This facilitates economic savings while benefitting the environment through resource conservation.

Environmental Benefits

Air quality throughout the Bay Area remains a problem, as it does throughout much of California, particularly within the inland valleys. The Bay Area Air Quality Management District (BAAQMD) develops and enforces policies and plans which are designed to improve air quality throughout the region. Propelling the work of this agency, and to everyone's benefit, is the simple axiom, every feasible way to reduce pollution and improve air quality in the Bay Area should be considered, if not employed.

Trees, and plants in general, mitigate air pollution. First, during the process of photosynthesis (food production), plants convert carbon dioxide, a gaseous pollutant, into oxygen. Trees also reduce levels of particulate pollutants. The leaves, stems, and branches of a tree trap and filter pollutants from the air including dust, ash, pollen, and smoke. For example, there can be up to a seventy-five (75) percent reduction in airborne dust particles on streets with trees compared to no reduction for those without street tree plantings.

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Attachment: Old MSTP (2214 : Street Tree Master Plan)

Figure 3 - Streets With And Without Street Trees

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Economic Benefits

Trees add to the economic vitality of a community by attracting businesses and tourists to a city, and increasing property values. As noted in a recent report published by the American Planning Association's (APA) Planner's Advisory Service (PAS), "increasingly, trees are being recognized as important elements of building a positive overall community image, which more and more is recognized as a key factor in locational decisions being made by business executives for their companies. As well, studies show that people linger and shop longer along streets lined with trees...and tenants in wooded neighborhoods stay longer." Finally, planting trees adds monetary value to real property. According to numerous studies, landscaping, especially with trees, can increase property values as much as twenty (20) percent.

Additional Benefits

Trees provide wildlife habitat for many animals, particularly birds and squirrels who use trees for nests, food, and shelter from inclement weather. In addition, the presence of trees directly affects human health. Trees have significant restorative benefits, physiological and psychological.

The benefits of street trees cannot be overstated. An effective street tree plan and program can improve the visual quality and economic vitality of a community while reducing energy use, resource consumption, air pollution, and soil erosion. As well, street trees can provide habitat for wildlife and promote human health. In sum, street trees can add significantly to a community's quality of life.

III. CONCEPTUAL AND FUNCTIONAL CONSIDERATIONS

During the process of preparing Morgan Hill's Street Tree Master Plan, conceptual and functional aspects of the Street Tree Master Plan were considered. Standard considerations of any comprehensive street tree plan, including planting patterns, the use of ornamental versus native plant material, problematic trees and soils are discussed below, while the specific aspects of the Street Tree Master Plan are addressed in Section IV - Morgan Hill's Street Tree Master Plan.

Planting Patterns

Uniform

The use of a single species, or uniform planting pattern, in a large urban area was once considered ideal. This pattern adds harmony to a community by establishing continuity and lends itself to cost effective maintenance practices. However, monocultural plantings can create unfavorable, even catastrophic conditions for an urban forest, as has been highlighted by the onslaught of Dutch Elm Disease. Cities throughout the eastern United States are now virtually devoid of Elm trees where once this tree lined the streets of entire communities.

Diverse

The opposite of a uniform planting scheme is a diverse planting pattern. In an urban area, such a pattern can be very beneficial, especially in terms of protecting a community's urban forest against disease. However, where species diversity pervades, maintenance procedures can become intensive and an opportunity can be lost to unify the diverse architectural styles typical of urban settings in the United States.

Semi-Uniform

Another common approach to tree plantings within an urban area is the use of a semi-uniform pattern. This scheme, as its name implies, attempts to strike a balance between uniform and diverse planting practices and the advantages and disadvantages of both. Under this approach, several options exist for the development of a street tree master plan. For example, a group, or palette, of street trees could be used within a defined geographic area. By doing so, distinct neighborhoods can be defined while the potentially devastating effects of disease are minimized.

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"Ornamental" and "Native" Trees

Street trees, and plant material in general, can be classified as either ornamental or native. Ornamental plant material most often describes non-native, imported plants which are being propagated and grown for their aesthetic or agricultural value. The phrase native plant material describes plants which are indigenous to an area.

In California, the selection of plant material often becomes a question of ornamentals versus natives. This is not surprising because the benefits of each are well founded. Specifically, a large number of introduced tree species grow well in California and provide opportunities for the use of trees which vary significantly in size, shape and foliage color. Moreover, ornamental plants are desirable for their individual aesthetic characteristics. A tree's aesthetic qualities may include for example, profuse flower production (Japanese Crabapple), consistent or exceptional fall color (Chinese Pistache or American Sweetgum), or distinctive bark (Cork Oak or Crape Myrtle). Native tree species (including several Oak species, California Sycamore, California Bay, Western Redbud, etc.) preserve the integrity of Northern California's natural landscape, grow with little or no care, and provide ideal shelter and food for native wildlife.

Problematic Trees

While there are a number of trees which are desirable in an urban area, admittedly, there is no completely ideal tree for the urban realm. For a variety of reasons, certain trees are, or can become, problematic as a result of their inherent characteristics. For example, some species (Willow) are known for their invasive root systems which, in their quest for water, invade and clog sewer lines. Some trees (Acacia species) have root systems which are more likely than most to damage and heave pavement. As well, some trees have a history of serious pest or disease problems which warrant the regular use of costly pesticides. The use of pesticides is not only expensive, it also poses a threat to people and degrades the natural environment. Left unattended, pests and diseases can destroy the health of a tree and take its life prematurely. Species with inherently weak wood (Mimosa), or shallow root systems (certain Pine species), are also problematic. These trees pose a safety hazard to the community and increase the risk of property damage, due to the potential which they have, especially during stormy conditions, for limb breakage or root failure. Finally, trees that produce excessive fruit (Olive or female Maidenhair Tree), are undesirable in the urban realm. Fruit droppings stain pavement, create unsafe conditions for pedestrians, produce odors, and cause costly damage to automobile exteriors.

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Soils

Soils vary in their composition and resulting fertility throughout the Morgan Hill area, particularly between the foothills and the valley floor. Soils in the hillside areas can be rocky and are generally less fertile than the evenly composed, deeper soils located in the valley floor. While the native trees selected for Morgan Hill's Street Tree Plan will perform well throughout the Morgan Hill area, many of the ornamental tree species were selected for their ability to perform well in the fertile soils of the valley floor.

Morgan Hill's Street Trees

Morgan Hill's Street Tree Master Plan emphasizes the benefits of both ornamentals and natives through the use of desirable tree species. During the selection process, trees were evaluated for their ability to perform well in both the urban environment and Morgan Hill's native soils. A list and description of the trees selected for use within the City of Morgan Hill is presented in Appendix A. From this list it can be observed that at least two (2) names appear for each tree. The Botanical, or Latin, name is listed first and underlined according to accepted practice with the common name(s) (always capitalized) listed second. The descriptions of Morgan Hill's street trees have been adapted from Sunset's New Western Garden Book.

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IV. MORGAN HILL'S STREET TREE MASTER PLAN

Planting Zones

From an examination of the City's General Plan, past and present overall development patterns, topography and existing and projected geographical area, four (4) planting zones were identified (Figure 4). First, Morgan Hill's two (2) historic districts have been defined as individual planting zones. The Madrone Zone and Historic Downtown Zone recognize and enhance respective attributes of Morgan Hill's historic districts. Second, hillside and perimeter areas of the valley floor along the northern and southern edge of the City are proposed for low intensity urban development. These areas fall within the Rural Zone. Finally, the General Plan calls for suburban development patterns throughout the remainder of the valley floor. This portion of the plan area has been designated as the Suburban Garden Zone.

Historic Downtown Zone - Ornamental and Native Trees

The City's historic downtown area, bounded by East Main Street to the north, Dunne Avenue to the south, Del Monte Avenue to the west, and the Southern Pacific Railroad line to the east, has been defined as the Historic Downtown Zone. Street trees in this, the smallest of the four zones, reinforce the historic downtown area's pedestrian friendly environment and Morgan Hill's overall sense of place. In a continuation of the Redevelopment Agency's plantings along Monterey Road, ornamental and native material combines in a reflection of the City's urban and yet rural character.

Madrone Zone - Historic Reference Ornamental Trees

The Madrone Zone includes the historic Madrone area on the City's north side. Once a town unto itself, Madrone is now a part of the City of Morgan Hill. General Plan Scenic Highways Element Policy 1G "recognizes the Madrone area, [particularly] properties with frontage on Monterey Road north of Cochrane Road, as a gateway entrance to the City and calls for Programs and special design considerations in order to beautify this district." Consistent with this General Plan policy, the City of Morgan Hill's Street Tree Master Plan recognizes the Madrone area as a gateway into the City through the identification of Madrone and the surrounding area as an individual planting zone. In order to beautify this district in keeping with the area's heritage and

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its proximity to the predominantly agricultural land uses within the Coyote Valley, flowering ornamental street trees have been designated for use throughout the Madrone Zone in reference to orchards past and present.

Rural Zone - Native Trees

The Rural Zone consists of the City's hillside areas, as well as areas on the valley floor east of Hill Road and south of Watsonville Road. Policy 2A within the Open Space and Conservation Element of the City's General Plan states, "limit the hillside/mountain areas to the east and the west to low-intensity rural uses compatible with open space in order to maintain their integrity as the South County's major scenic and natural resource." In addition, Goal 6 within the Land Use Element of the General Plan calls for "a greenbelt around the City" while Goal B2 within the Scenic Highways Element states, "scenic route road design should harmonize with and enrich the quality of the natural and man-made environment through minimal removal and disturbance of natural flora and fauna occasioned by road construction, and *appropriate restoration* (italics added) [should follow] where removal occurs". The use of plant material which respects the context of the natural landscape is implicit to the integrity of the scenic hillside areas, scenic routes and greenbelt around the City. To this end, native and native compatible trees are specified in Morgan Hill's Street Tree Master Plan for use in the Rural Zone.

Suburban Garden Zone - Ornamental Trees

The Suburban Garden Zone is composed of the remaining areas throughout the City's valley floor. As a function of its size and development intensity, the number of street trees in this zone will easily exceed the number of street trees planted in other zones. In the Suburban Garden Zone, the use of a wide range of ornamental trees allows for the preservation of a semi-uniform planting pattern. Moreover, citizens can enjoy the aesthetic qualities that ornamental trees have to offer.

Neighborhood Districts

Neighborhood districts which correspond to those established for other planning applications, including the City's street naming program, are an important part of Morgan Hill's Street Tree Master Plan. From Figure 5, it can be noted that the Madrone and Historic Downtown Zones correspond to one (1) neighborhood area each, while the Rural and Suburban Garden Zones contain twelve (12) and eighteen (18) neighborhood districts respectively.

Figure 4 - Planting Zones (fhis Page)

Attachment: Old MSTP (2214 : Street Tree Master Plan)

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Figure 5 - Neighborhoods Districts (This Page)

Attachment: Old MSTP (2214 : Street Tree Master Plan)

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Neighborhood Palettes

A palette, or unique combination of four (4) to six (6) deciduous and evergreen street trees, has been designated for use in each of the neighborhood districts. In addition, in each of the neighborhood districts, one (1) of the neighborhood palette street trees has been designated as a predominant street tree.

Within the Land Use Element of the City's General Plan, it is the City's stated objective to "encourage the individuality and identity of each neighborhood and to upgrade the overall residential environment through excellence of design and landscaping". Utilizing neighborhood street tree palettes and designating a predominant street tree for individual neighborhood districts works toward the achievement of these General Plan objectives.

Composition of Palettes

In composing the neighborhood street tree palettes, consideration was given to texture and color combinations and similar form characteristics in determining which trees would make up the neighborhood street tree palettes. The presence of existing street tree plantings was also a consideration. In a few cases, existing street trees were deemed inappropriate for future use because they possess one or more of the undesirable characteristics discussed in Section III - Conceptual and Functional Considerations.

Due to the size of Morgan Hill, the limited number of trees which are acceptable for use as street trees, and the presence of existing street trees, certain species have been used in more than one palette. However, the individual palettes and the designated predominant street tree for each neighborhood have not been repeated in adjacently located neighborhoods. This ensures neighborhood individuality and a semi-uniform planting pattern for the City as a whole. In each neighborhood palette, at least one evergreen tree has been included. This was done to ensure year round interest in the landscape since a majority of Morgan Hill's street trees are deciduous (deciduous trees lose their leaves and remain bare throughout the winter).

Throughout Morgan Hill, lot size and building setback requirements allow for the use of medium to large street trees. However, where lot sizes and setbacks dictated, smaller species have been specified in the neighborhood palette. For example, within the Historic Downtown Zone (Neighborhood #10), small and medium sized street trees complement, rather than compete with

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the structures found on First Street through Fifth Street. Conversely, in the Rural Zone, residential estate sized lots and building setback requirements accommodate the use of exceptionally large native tree species such as the California Sycamore and Coast Live Oak.

Application of Palettes

It is important to note that the neighborhood palettes are not meant to encourage the use of a variety of trees along the same street. Rather, each individual neighborhood palette street tree should be used consistently along an individual street. Therefore, at the time of development or redevelopment, each of the neighborhood palette street trees should be utilized in an individual neighborhood district with only one (1) of the neighborhood palette street trees planted along any given street.

In each of the neighborhood districts, one (1) of the neighborhood palette street trees has been designated as a predominant street tree. Predominant neighborhood street trees are to be used more frequently throughout each neighborhood and in a uniform planting pattern along all General Plan designated collector roadways within a neighborhood.

In order to allow for the cooling of structures during the summer months and the passive solar heating of buildings during the winter months, only deciduous trees should be planted along streets which traverse the City in an easterly/westerly direction. By doing so, structures facing south will be able to realize the advantages of shade in the summer months and passive solar heating during the winter months.

Deviation From Palettes

Should community residents be unhappy with their original street tree species, individual species can be planted on individual lots provided the selected species is specified in the neighborhood palette. For instance, if leaf raking in the fall is an undesirable activity for a resident, an evergreen tree can be selected from the neighborhood palette. In rare cases where a resident is not satisfied with *any* of the species specified in their neighborhood palette, an alternate species may be used.

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The Street Tree Master Plan

Morgan Hill's Street Tree Master Plan identifies the street tree palettes for each of the neighborhoods which comprise the Street Tree Master Plan's planting zones including the Downtown Zone, Madrone Zone, Rural Zone and Suburban Garden Zone. The Street Tree Master Plan planting zones and neighborhood districts are illustrated in Figure 6. The corresponding neighborhood palettes are detailed in Appendix B "Table 1 - Neighborhood Street Tree Palettes". A full size copy of the Street Tree Master Plan map is available in the Community Development Department.

Street Trees For Arterial Roadways and Major Intersections

In addition to the neighborhood palettes, Morgan Hill's Street Tree Master Plan has identified twelve (12) street trees for use along the City's General Plan designated arterial roadways. The Street Tree Master Plan also sets forth specific landscape standards for the use of two (2) small, flowering ornamental street trees at each of the corners of major intersections.

Arterial Designated Roadways

Policy 1S in the Circulation Element of the City's General Plan states "develop a program for *planting street trees and landscaping arterial streets* (italics added) and major intersections". To accomplish this, street trees should be planted in the public rights-of-way and medians. For reasons which will be discussed in Section V - Planting Issues and Standards, a separation, or parkway strip, between the curb and sidewalk is an important part of the arterial roadway's design.

Locating medium or large street trees in parkways adjacent to arterial streets is an important part of addressing the scale of these roadways. Street trees can seem overpowered, even lost, in the broad expanse of pavement (72' or more) which typifies most arterial streets. Usually, this occurs when street trees of insufficient size are located along arterial roadways, or when trees of normally sufficient size are severely pruned. Figure 7 illustrates this situation.

Medium or large street trees add significantly to the aesthetic enhancement of arterial roadways. One need only imagine driving down a boulevard lined with small street trees versus a boulevard lined with medium or large street trees to understand the difference. In addition, the adjacent

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Attachment: Old MSTP (2214 : Street Tree Master Plan)

Figure 6 - Street Tree Master Plan Map (This Page)

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location of street trees in a parkway and their canopy growth over a roadway visually *shortens* the distance between curbs. Finally, large street trees soften the broad expanse of pavement through a provision of shade and corresponding reduction in the glare produced along arterial roadways from a combination of pavement and sunlight. Although not a part of Morgan Hill's Street Tree Master Plan and Program, street trees planted in medians also *soften* arterial roadways.

Consistency is also a concern when considering the use of street trees along arterial streets. Travelling at a high rate of speed, it is difficult for someone to perceive, comprehend and experience the texture, color and form of individual trees. Therefore, it is critical that a single species be used consistently for an extended period along the arterial roadway. Moreover, arterials often serve as boundaries between adjacent neighborhoods and as buffers between incompatible land uses. Consistent species plantings along the City's arterials connect and protect individual neighborhood areas and thereby unify the Street Tree Master Plan.

Attachment: Old MSTP (2214 : Street Tree Master Plan)

Figure 7 - Over-Powered/Pruned Street Trees

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Street Trees For Morgan Hill's Arterial Roadways

Located in Appendix C, "Table 2 - Street Trees For Morgan Hill's Arterial Roadways" identifies which street trees are to be used along which portion of the City's arterial roadways. Many of the designations reflect an extension of a previously established street tree pattern. For instance, Platanus acerifolia - 'Bloodgood' or 'Yarwood' (London Plane Tree) has long been the established street tree along much of Monterey Road. However, it can be observed from an examination of "Table 2 - Street Trees For Morgan Hill's Arterial Roadways" that north of Cochrane Road, Malus floribunda (Flowering Crabapple) has been designated while south of Watsonville Road, Quercus virginiana (Southern Live Oak) has been designated. This reflects an absence of existing street tree plantings in these areas and Monterey Road's extension into the Madrone and Rural Zones respectively. As discussed above, flowering ornamental street trees are to be used in the Madrone Zone while native and native compatible street trees are to be used in the Rural Zone. "Table 2 - Street Trees For Morgan Hill's Arterial Roadways" is located in Appendix C.

One exception to the designation of a large street tree along an arterial occurs on Main Avenue between Hale Avenue and Railroad Avenue. In this case, Prunus cerasifera has already been established in a predominant and attractive pattern. In addition, the ultimate pavement width of this street is forty-six (46) feet. This is significantly less than the seventy-two (72) foot minimum which typifies most arterials. Therefore, the character of development along this portion of Main Avenue is comparable to development in the Historic Downtown Zone. As discussed above, small to medium sized street trees are designated for use in the Historic Downtown Zone in order to compliment rather than compete with the scale of development in this area.

Major Intersections

Small, flowering ornamental trees referred to as "intersection delineators" are to be incorporated into the landscape plan of parcels located at the intersection of General Plan designated collector and arterial roadways and at the intersection of two (2) General Plan designated arterial roadways. The flowering characteristic of intersection delineators should significantly enhance the aesthetic qualities of these crossroads while their size and location will preclude any interference with the visibility of traffic and directional signage. In addition, the use of intersection delineators will unify the Street Tree Master Plan, serve as a transition between two (2) street tree species, and work toward the achievement of the remainder of Policy 1S in the Circulation Element of the

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City's General Plan. Policy 1S states, "develop a program for planting street trees and *landscaping* arterial streets and *major intersections* (italics added)".

The following tree is to be used as an intersection delineators at the intersections identified on the Street Tree Master Plan map which accompanies this document. The location of intersection delineators within a corner parcel's landscape plan is generally illustrated in Figure 8. The precise location of intersection delineators is detailed in Section V - Planting Issues and Standards.

Prunus cerasifera; Purple Leaf Plum

Attachment: Old MSTP (2214 : Street Tree Master Plan)

Figure 8 - Intersection Delineators

V. PLANTING ISSUES AND STANDARDS

Planting Issues and Standards

The following planting standards assist in the implementation of the City's Street Tree Master Plan and respond to street tree issues which have arisen in the past in Morgan Hill.

Right-of-Way Configurations

Issue

Public rights-of-way typically consist of public streets throughout the City and adjacent sidewalks. The location of sidewalks in the public rights-of-way has a significant bearing on the location of street trees. Two sidewalk configurations, the parkway configuration and the monolithic configuration, are found throughout Morgan Hill.

Historically, sidewalks in Morgan Hill were almost always located a short distance of approximately five (5) feet behind a roadway's curb in what is commonly known as a parkway configuration. More recently, a monolithic configuration has been used throughout the City along residential and collector streets. In the case of a monolithic configuration, sidewalks are located immediately behind the curb.

The decision as to when to use a parkway or a monolithic configuration is based upon roadway designation. Along wider, high speed, high capacity arterial roadways, a parkway configuration is used. This ensures a separation of pedestrian and vehicular traffic in situations where parallel parking along an arterial is eliminated in favor of an additional driving or turning lane. Along narrower, low speed, low capacity local and collector streets within the City, a monolithic configuration is used. In such cases, pedestrian safety is less of an issue. Of greater concern in such locations is that parkways are often poorly maintained by adjacent property owners or filled with concrete or other impervious surface. This detracts from the appearance of the City and when the parkway is filled, creates a ten (10) foot wide monolithic sidewalk.

Standard

To address the issues raised above, parkway configurations should be used along all General Plan designated arterial roadways and monolithic curb/sidewalk configurations should be used along

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all General Plan designated local and collector roadways. In the case of parkway configurations, street trees should be located in the parkway strip between the curb and the sidewalk. As discussed in Section IV - Morgan Hill's Street Tree Master Plan, this allows street trees to be located closer to arterial streets, thus softening the broad expanse of pavement which characterizes these roadways. In the case of monolithic curb/sidewalk configurations, street trees should be located behind the monolithic curb/sidewalk. The location of street trees behind monolithic curb/sidewalk configurations is an important part of recommendations made in Section VI - Street Tree Maintenance.

Formal Plantings

Issue

Historically, street trees have been planted in formal rows throughout the City. Generally, this reflects the increased formality of higher densities in the urban environment, the formality of longer and straighter roadways on the valley floor, and the limited amount of room available for street tree plantings within the public rights-of-way. A consistent streetscape throughout the Madrone, Suburban Garden, and Historic Downtown Zones is an important part of Morgan Hill's Street Tree Master Plan.

Standard

To achieve a consistent streetscape, street trees should be planted in a formal row, an equal distance behind a roadway's curb along each side of the City's streets within the Madrone, Suburban Garden, and Historic Downtown Zones. Figure 9 illustrates the formal planting of street trees with respect to parkway and monolithic curb/sidewalk configurations within the Madrone, Suburban Garden, and Historic Downtown Zones.

In commercial and industrial zoning districts, a secondary row of trees behind the initial row of street trees may be desired in order to address the scale of structures which often characterize these districts. In such cases, the secondary row should maintain the formality of street tree rows. To accomplish this, the secondary row should be planted behind the street trees rather than offset. Figure 10 illustrates a formal row of street trees and an appropriately located secondary row.

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Figure 9 - Formal Location of Street Trees: Parkway and Monolithic Settings in The Madrone, Suburban Garden, and Historic Downtown Zones

Figure 10 - Secondary Row of Trees**Informal Plantings****Issue**

An examination of the hillsides found throughout Morgan Hill quickly reveals the informal context of these areas. The native plant material in these areas reflects nature's informal order.

Standard

To preserve the context of hillsides and enhance the open space around the City, a highly informal, random placement of street trees is appropriate within the Rural Zone. This will result in a landscape whose natural integrity is visually maintained, if not strengthened. Figure 11 illustrates the highly informal location of street trees with respect to parkway and monolithic curb/sidewalk configurations within the Rural Zone.

Figure 11 - Informal Location of Street Trees in The Rural Zone

Spacing

Issue

Within various parts of the City, street trees have been over or under spaced. In the case of over-spacing, street trees are placed too close together. Although this provides a quick effect, in the long run trees compete with one another for growing room. Conversely, street trees can be under-spaced or under-utilized, thus diminishing the visual effect of a consistent streetscape. Often, this occurs in corner lot situations where a street tree was planted along the frontage of only one (1) street when two (2) street frontages exist. The same phenomenon can occur in large lot situations where a single street tree planted on an estate sized lot can fail to make a literal, or visual, connection to a street tree located on an adjacent lot.

Standard

To ensure the proper spacing of trees within residential districts, street trees should be planted at a *minimum* of one (1) tree per residential lot. In the case of residential corner lots and Rural Zone

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residential areas, a minimum of three (3) trees should be planted per lot. As shown in Figure 12, in all residential corner lot situations, one (1) street tree should be planted along the primary street and two (2) street trees should be planted along the side street. When locating street trees in the Rural Zone, a *minimum* of three (3) trees per lot should be planted. In the case of Rural Zone residential corner lots, the three (3) street trees should be dispersed between both street frontages.

To ensure the proper spacing of street trees and maintain a consistent streetscape within commercial, industrial and public lands and institutions zoning districts, street trees should be spaced such that, at maturity, an overlap of no more than ten (10) percent of the canopy width is maintained and a gap of no more than twenty (20) percent of the canopy width is maintained.

Attachment: Old MSTP (2214 : Street Tree Master Plan)

Figure 12 - Street Trees On Residential Corner Lot

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Overhead Utility Lines**Issue**

Throughout older sections of the City, utility lines have been located overhead. The City's current policy regarding utility lines requires that all utilities be located underground at the time of initial property development, or upon significant redevelopment. In addition, the City is working to relocate overhead utilities underground using funding from the Public Utilities Commission (Pacific Gas and Electric Company) and Morgan Hill's Redevelopment Agency. However, the City's efforts to underground all the overhead utility lines in Morgan Hill is a long term project. The cost of undergrounding utilities is staggering. On average, this process costs two-hundred and fifty (250) to three-hundred (300) dollars a linear foot. Unfortunately, inappropriate trees have been located under overhead utility lines in neighborhoods throughout the City. For the City, this represents a difficult situation because either these trees grow into utility lines or they receive severe pruning that can destroy their natural form. As illustrated in Figure 13, the natural form of a street tree can be destroyed when it is severely "topped" to maintain proper utility clearance.

Standard

To address the ongoing conflict between overhead utility lines and oversized street trees, Morgan Hill's Street Tree Master Plan has identified street trees which allow for proper utility clearance. With the exception of Monterey Road, as existing street trees are replaced under utility lines, they are to be replaced only with the utility safe street trees (Figure 14) identified in the list provided below.

Utility Safe Street Trees

Lagerstroemia indica; Crape Myrtle
Malus floribunda; Japanese Flowering Crabapple
Prunus cerasifera; Pink Flowering Plum
Pyrus calleryana 'Aristocrat'; Ornamental Pear

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Figure 13 - Street Trees Which Have Been "Topped"

An exception to the use of utility safe street trees occurs along Monterey Road, a designated arterial. Overhead utility lines were located underground in the historic downtown area as a part of the Redevelopment Agency's efforts to revitalize this district. As funds become available, the City's Five Year Capital Improvement Program (CIP) continues to place emphasis on relocating overhead utilities underground along this street. In anticipation of this, and in keeping with recommendations of this report regarding the use of street trees along arterial roadways (Section IV - Morgan Hill's Street Tree Master Plan), the predominant, existing street tree along Monterey Road (Platanus acerifolia 'Bloodgood'; 'Yarwood' - London Plane Tree) should maintain its status as the designated street tree. Therefore, the use of utility safe street trees does not apply along Monterey Road.

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Solar Shade Act Considerations**Issue**

The Solar Shade Control Act, found in the State Public Resources Code 325980, prohibits significant blockage of solar radiation to solar collectors which meet certain qualifications. A tree that shades more than ten (10) percent of the absorption surface of solar collectors at any time of the year is in violation of this statute. However, trees planted prior to the installation of the

Figure 14 - Utility Safe Street Tree

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collector, which during the year of the installation of the collector caused more than ten (10) percent shade to the absorption surfaces of the collector are exempt, as are replacements for those specific trees. While these laws would not affect most areas where trees were planted prior to 1970, tree plantings after 1970 are affected.

Standard

Most street trees are planted at the same time a house is built, while most solar collectors are installed later. As a result, it is difficult to anticipate which street trees may affect solar units in the future. Therefore, consideration of existing solar collectors will be given by the City of Morgan Hill at the time of street tree replacement.

Energy Benefit**Issue**

As discussed in Section II - Trees in the Urban Environment, two of the most important benefits of trees are energy and resource conservation. Appropriately located trees can shade structures and significantly reduce energy consumption during the summer months. However, during the winter months shade can inhibit the passive solar heating of structures and increase energy consumption. As was discussed above, trees can also block the absorption surfaces of solar collectors and inhibit their ability to function properly.

Standard

For maximum energy benefit, street trees should, where possible, be centered in front of the living quarters of residential structures. In addition, only deciduous trees should be planted along streets which traverse the City in an easterly/westerly direction. By so doing, structures facing south will realize the advantages of shade in the summer and passive solar heating during the winter.

Planting and Root Associated Conflicts**Issue**

The proper planting of a tree is crucial to its survival and its development. Moreover, an improperly planted street tree can damage curbs, walks, driveways and/or streets as the street

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tree's root system grows and expands in support of its canopy. Subsequently, cracked, raised and/or uneven concrete surfaces can subject pedestrians to hazardous conditions and result in substantial remedial costs.

In general, it is the *horizontal* growth of the upper portion (approximately a third) of a tree's root system which damages the elements of its urban setting. While some trees have root systems which inherently pose less of a problem than others, the roots of virtually every tree (with limited exception) can pose problems in the urban environment.

Poorly drained, heavily compacted soil is also the cause of a problem known as surface rooting. For a tree, this is essentially a natural reaction to adverse growing conditions.

Standard

To address root associated problems, be it surface rooting caused by growing conditions, or the inherent characteristics of a tree, street trees are to be planted in accordance with the City's Street Tree Planting Detail. As is illustrated in Figure 15, deep root wells are required by the City's Tree Planting Detail. Deep root wells encourage deep rooting through the direct application of water to the lower portions of the root zone. In addition to deep root wells, root deflectors/barriers are also required. Root deflector/barrier products provide a barrier against the horizontal root growth which ultimately damages curbs, walks, driveways and streets. When properly specified and installed, these products deflect roots down, out and away from adjacently located concrete surfaces.

Water Provision

Issue

Water is essential to plant growth. Even drought tolerant plants must receive some water if they are to survive, and most perform better with regular watering. Unfortunately, many of Morgan Hill's street trees have suffered and even died due to a lack of water during the long, hot, dry summer months which typify the climate in Morgan Hill from May through September.

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Standard

To ensure adequate water provision for Morgan Hill's street trees, it is a recommendation of this program to require that an automatic irrigation system which will provide water to newly planted street trees be installed at the time of all development or redevelopment activities within the City.

Safety**Issue**

Plant materials are often used to screen undesirable views. However, the improper location of trees and shrubs can prove hazardous when a view becomes blocked at the intersection of roadways. To prevent the creation of such hazards, the use of plant material should be regulated near the intersection of streets.

Standard

As is illustrated in Figure 16, and required by the City's Zoning Ordinance under Section 18.56.070, in residential areas "A visibility clearance area shall be required on corner lots in which nothing shall be erected, placed, planted or allowed to grow exceeding three (3) feet in height from the back edge of the sidewalk. Such area shall consist of a triangular area bounded by the street right-of-way lines of such corner lots and a line joining along said street lines twenty (20) feet from the point of intersection."

In order to maintain proper visibility, street trees should be located a minimum distance from the corner of intersections in commercial and industrial areas of the City. Distances should be measured from the tangent point of the arc which begins, or ends, the corner radius. For collector and arterial roadways, this distance should be a minimum of twenty (20) feet. Figure 17 illustrates this standard, as well as the location of intersection delineators, discussed in Section IV - Morgan Hill's Street Tree Master Plan.

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Figure 15 - Street Tree Planting Detail

Attachment: Old MSTP (2214 : Street Tree Master Plan)

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Figure 16 - Clear Vision Zone at Corners of Residential Streets

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**Figure 17 - Clear Vision Zone at Intersection of Collector and Arterial Streets and
Location of Intersection Delineators**

VI. MAINTENANCE OF STREET TREES

Objectives

The primary objectives of street tree maintenance are tree preservation and safety. Caring for the horticultural needs of street trees is an important step towards achieving these objectives. Several recent studies have shown that the proper maintenance of street trees substantially increases their life span and the return on this investment while reducing potential hazards. Proper maintenance of street trees includes water provision, pruning and pest and disease control.

Water Provision

Street trees need a regular supply of water throughout the summer if they are to grow and develop healthfully. During times of drought, street trees need water during the winter months as well. For reasons discussed in Section V - Planting Issues and Standards, the City's Street Tree Planting Detail specifies the installation of deep root wells. Deep watering of the root zone is the purpose of these wells. Using a garden hose, the wells should be completely filled, then filled again after the water has subsided into the root zone. This encourages the deep rooting of street trees during the first three (3) to five (5) years after a tree has been planted. Once the roots are deeply established, it is important to periodically provide them with water using the deep root wells to encourage continued deep rooting.

Pruning

As Leonard Phillips points out in his book Urban Trees: A Guide For Selection, Maintenance and Master Planning, "Street trees are pruned to preserve their health and appearance while keeping them safe for people and property. In general, trees can be pruned at any time during the year except during bud break to remove dead, damaged, and dangerous limbs. According to accepted standards set forth by the National Arborist's Association, young trees should be pruned to develop proper shape and structural strength. This encourages vigorous growth and minimizes maintenance at maturity. Beyond the fifth year, street trees should be pruned for maintenance."

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Pest and Disease Control

Healthy, well-maintained street trees can often withstand the infestation of a disease or pest. This highlights the importance of proper watering and pruning. In addition, a conscious effort has been made in the selection of street tree for use in Morgan Hill to avoid trees which are highly susceptible to diseases and insects. Nonetheless, in some instances the use of pesticides is warranted. When necessary, the appropriate application of pesticides should be undertaken by licensed professionals to preserve street trees.

Street Tree Maintenance - Current Practice

The City of Morgan Hill currently has the legal responsibility for maintenance of street trees. However, these efforts are limited primarily to the pruning or removal of street trees for the protection of public safety. In addition, street trees are pruned to maintain the visibility of street signage. These activities reflect a significant reduction in spending levels for street tree maintenance since 1990. In fiscal year 1990-91, approximately \$15,000, or 1/10 of 1% of the City's general fund budget, was earmarked for the maintenance of City street trees. Today, approximately \$5,000, or 1/100 of 1% of the general fund, is spent on street tree maintenance -- a reduction of 90%. With an estimated 8,000 street trees in Morgan Hill, thousands of dollars per year could be allocated to maintenance to meet the horticultural needs of these trees and realize a maximum return on the community's current investment in street trees.

Over the past ten years, landscape and lighting assessment districts and/or homeowner's associations have been responsible for the maintenance of street trees adjacent to the common areas of new developments. Required as a part of the project approval process, these funding mechanisms ensure the maintenance of street trees which may be located adjacent to private amenities such as, a club house, pool area or play field and/or street trees located along a residential development's roadway frontage.

While landscape and lighting assessment districts have ensured proper maintenance of street trees located adjacent to the common areas of new developments, funding mechanisms are not in place to ensure proper maintenance for the vast majority of street trees within public rights-of-way. Unfortunately, the outlook for City funded efforts is not encouraging. It appears likely that spending levels will remain constant for at least the next three (3) to five (5) years and as development occurs, Morgan Hill's urban forest continues to expand.

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In response to a lack of resources for maintenance by the City, many property owners are administering street tree maintenance themselves. In the case of commercial and industrial developments, maintenance of street trees is often performed as a part of the overall landscape maintenance associated with these properties. In such cases, it appears that the City's lack of maintenance activities contributes to an implied responsibility for street tree maintenance by the adjacent property owners. Moreover, property owners are rightfully concerned about the appearance of their property and their corresponding ability to attract and keep tenants. Generally, a similar situation occurs in residential areas. Usually, street trees are cared for as a part of an overall landscape maintenance contract in multi-family rental projects, and a concern for the appearance of property encourages the maintenance of street trees by single-family residential homeowners. However, in the case of single-family residential areas, another factor seems to be at work. Specifically, property owners with street trees located behind a monolithic curb/sidewalk tend to perceive those trees as a part of their property and are more likely to care for them than if the trees were separated from their yards by a sidewalk.

Proposed Standard

A recommendation of Morgan Hill's Street Tree Master Plan is that current funding levels for street tree maintenance should be sustained, or increased, in order to ensure a timely and proper response to hazardous conditions which may arise. This funding will also help ensure the maintenance of street trees located in medians throughout the City, including those found within Cochrane Road, Dunne Avenue and Monterey Road.

In addition, the City should continue to require, as a part of project approval, proper funding mechanisms for the maintenance of street trees located within and on the public property adjacent to the common areas of new development including perimeter frontages and project amenity areas such as club houses, pool areas and play fields.

With regard to the remainder of the street trees found within the City, a proactive approach should be taken to address street tree maintenance needs. For this reason, it is recommended that street tree maintenance be allowed by ordinance, where possible, by adjacently located property owners. A deferral of maintenance to adjacent property owners is recommended for a number of reasons. First, funding shortfalls are likely to continue to limit any expansion of the City's street tree maintenance efforts. A low priority at budget time is the reality of street tree maintenance funding, particularly during downturns in the economy. Second, while landscape and lighting assessment districts and homeowner's associations will continue to ensure the maintenance of

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street trees in and on the public property adjacent to the common areas of residential developments, Morgan Hill's urban forest will continue to expand with the City's growth.

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VII. CONCLUSIONS

Throughout Morgan Hill, trees, and street trees in particular, play a significant role in shaping visual and functional qualities of the community. Recognizing the importance of this contribution, the City of Morgan Hill has set forth formal policies regarding street trees. However, while these policies are effective in many regards, a formal street tree plan and program are necessary to fulfill specific requirements of the City's General Plan. With the Master Plan and Program outlined herein, General Plan goals, policies and actions can be optimized and an opportunity can be realized to contribute to Morgan Hill's sense of place. For example, planting zones, and their respective use of ornamental and native trees therein, enhance attributes of Morgan Hill's historic districts, maintain the integrity of hillside and rural areas while enhancing the greenbelt around the City, and provide opportunities for the enjoyment of the assortment of aesthetic qualities that ornamental trees have to offer. In addition, the use of palettes and a predominant street tree within neighborhood districts can encourage the individuality and identity of neighborhood areas, while the consistent use of a single species along arterial streets and the use of intersection delineators unifies the Master Plan.

Morgan Hill's Street Tree Master Plan and Program also address functional aspects of planting street trees in Morgan Hill. Specifically, the Plan and Program address street tree issues including soil preferences, problematic trees, space available for growth, right-of-way configurations, spacing, the presence of overhead utility lines, energy benefit/exposure, root associated conflicts, water provision, safety and maintenance.

Through implementation of the Street Tree Master Plan and Program, Morgan Hill's identity and *sense of place* should prevail and prosper.

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**APPENDIX A
MORGAN HILL'S STREET TREES**

Attachment: Old MSTP (2214 : Street Tree Master Plan)

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MORGAN HILL'S STREET TREES

Acer macrophyllum; Bigleaf Maple - Deciduous tree. Native to foothills of California. Broad topped, dense shade tree 30-95 feet high. Large 3-5-lobed leaves, 6-15 inches wide; medium green turning yellow in fall. Fall color spectacular in cool areas. Zones 4-17.

Alnus cordata; Italian Alder - Deciduous tree. Native to Italy, Corsica. Young growth vertical; older trees to 40 feet; spreading to 25 feet. Heart shaped, 4 inch leaves, glossy rich green above, paler beneath. Short deciduous period. Zones 8, 9, 14-24.

Arbutus marina; NCN - Evergreen tree to 40 ft., usually less. Zones 8,9,14-24. Hybrid of uncertain parentage. Resembles A. unedo but has larger leaves, rosy pink flowers in the fall. Good garden substitute for Madrone.

Casuarina cunninghamiana; River She-Oak - Evergreen tree. Native mostly to Australia. Slight resemblance to a pine, and fruit looks like woody cones, but it is not a pine. Long thin, jointed, green branches with inconspicuous true leaves. Grows to 70 feet. Tolerates many tough conditions, dry or wet soil, heat and wind. Zones 8, 9, 12-24.

Celtis sinensis; Chinese Hackberry - Deciduous tree. Related to elms and similar to them in most details, but smaller. Leaves to 4 inches long, smooth and glossy with scallop-toothed edges. Once established, will take heat, wind, drought and alkaline soils. Especially good in windy locations. Attractive to birds. Zones 8-16, 18-20.

Cercis canadensis; Eastern Redbud - Deciduous tree. Native to eastern United States. To 25-35 feet tall. Round headed, but with horizontally tiered branches in age. Rich green, 3-6 inch long leaves have pointed tips. Small rosy pink flowers clothe bare, brown branches in early spring. Zones 1-3, 7-20.

Cercis occidentalis; Western Redbud - Deciduous tree. Native to California, Arizona, Utah, but predominantly in California foothills below 4,000 feet. Growth to 10-18 feet in height and spread. All year interest. In spring it delivers a brilliant display of magenta flowers. Summer foliage of handsome blue-green, 3 inch leaves, notched or rounded at tip. In fall, the whole plant turns light yellow or red. In winter, bare branches in picturesque pattern hold reddish brown seed pods. Once established, tolerant of much drought. Zones 2-24.

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Fraxinus uhdei; Evergreen Ash - Evergreen tree. Native to Mexico. Fast growth to 25-30 feet in 10 years; 40 feet in 20 years; eventually 70-80 feet or more. Makes upright, narrow tree when young, eventually spreading. Leaves divided into 5-9 glossy, dark green leaflets about 4 inches long, edged with small teeth. Zones 9, 12-24.

Fraxinus velutina; Arizona Ash - Deciduous tree. Native to Arizona. Trees withstand hot, dry conditions and cold to about -10 degrees F. Pyramidal when young; spreading, more open when mature. Leaves divided into 3-5 narrow to oval, 3 inch long leaflets. Zones 8, 9, 10-24.

Ginkgo biloba; Maidenhair Tree - 'Autumn Gold'; 'Fairmont' males only - Deciduous tree. Graceful, hardy tree, attractive in any season, especially in fall when leathery, light green leaves of spring and summer suddenly turn gold. Fall leaves linger, then drop quickly and cleanly to make a golden carpet where they fall. Leaf shape and veining resemble leaflets of maidenhair fern, hence name. Can grow to 70-80 feet, but most mature trees are 35-50 feet. May be gawky in youth, but becomes well-proportioned with age. Narrow to spreading or even umbrella shaped. Plant only male trees; females produce messy, fleshy, ill-smelling fruit in quantity. Zones 1-9, 14-24.

Gleditsia triacanthos; Honey Locust - Deciduous tree. Fast growing with upright trunk, spreading, arching branches. Growth to 35-70 feet. Leaves divided into many oval, 3/4 - 1 1/2 inch long leaflets. Late to leaf out; leaves turn yellow and drop early in the fall. Hardy to cold, heat, wind, and some drought.

Lagerstroemia indica; Standard Crape Myrtle - Deciduous tree. Native to China. Smooth gray or light brown bark flakes off to reveal smooth pinkish inner bark. Mature leaves 1-2 inches long, oval, deep glossy green. Fall foliage yellow, more rarely orange to red. Crinkled, crepe-like 1 1/2 inch flowers in rounded, slightly conical clusters, 6-12 inches long, at ends of branches. Colors in shades of red, rose, pink, rosy orchid, purple, soft pink, white. Long flowering period, July-September. Zones 7-9, 12-14, 18-21.

~~**Liquidambar styraciflua; American Sweetgum** - Deciduous tree. Valuable for form, foliage, fall color, and easy culture. Moderate growth rate to 60 feet with 20-25 foot spread; young and middle-aged trees generally upright, somewhat cone shaped, spreading in age. Lobed maple-like leaves. Fruit are spiny balls which ornament trees in winter. Brilliant fall foliage. Zones 1-9, 14-24.~~

PROHIBITED STREET TREE

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Liriodendron tulipifera; Tulip Tree - Deciduous tree. Native to Eastern United States. Fast growth to 60-80 feet, with eventual spread to 40 feet. Straight columnar trunk, with spreading, rising branches that form pyramidal crown. Bright yellow green, lyre shaped leaves 5-6 inches long and wide; these turn bright yellow in fall. Zones 1-10, 14-23.

Magnolia grandiflora; Southern Magnolia - Evergreen tree. Large, to 80 feet in height with a 40 foot spread. Glossy, leathery leaves 4-8 inches long. Known for heat resistance and tolerance of damp soil. Large, conspicuous, powerfully fragrant, pure white flowers 8-10 inches across, carried throughout summer. Zones 4-12, 14-24. **PROHIBITED STREET TREE**

Malus floribunda; Japanese Flowering Crabapple - Deciduous tree. Moderate growth to 25 feet high with 25 foot spread. Dense, rounded crown with dense, fine textured foliage. Exceptional flowers, usually in May; double, 2 inch, pink. Tolerant of heat. Flowering crabapples are amongst the most useful and least troublesome flowering trees. Zones 1-11, 14-21.

Nyssa sylvatica; Sour Gum/Tupelo - Deciduous tree. Slow to moderate growth to 30-50 feet, spreading, irregular, and rugged in age. Crooked branches, twigs, and dark, red tinged bark make dramatic picture against winter sky. Leaves dark green, glossy, 2-5 inches long, turning hot, coppery red in fall before dropping. Grows well in any soil, takes much or little water, withstands occasional drought, tolerates poor drainage. One of best trees for fall color; dependable color even in mild winter areas. Zones 3-10, 14-21.

Pistacia chinensis; Chinese Pistache - Deciduous tree. Moderate growth rate to 60 feet tall, 50 feet wide. Leaves with 10-16 paired leaflets 2-4 inches long by 3/4 inches wide. Foliage colors beautifully in fall; scarlet, crimson, orange, sometimes yellow tones. Not fussy as to soil or water. Zones 8-16, 18-23.

Platanus acerifolia; 'Bloodgood', 'Columbia' or 'Yarwood' - London Plane Tree only - Deciduous tree. Fast growth to 40-80 feet with 30-40 foot spread. Upper trunk and limbs cream colored, smooth. Leaves are 3-5 lobed, 4-10 inches wide. Tolerates most soils, stands up beautifully under city smog, soot, dust and reflected heat. Zones 2-24.

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Platanus racemosa; California Sycamore - Deciduous tree. Native along streams in California foothills and Coast Ranges. Fast growth to robust 50-100 feet. Main trunk often divides into spreading or leaning secondary trunk. Attractive patchy, buff-colored bark. Smooth branches often gracefully twisted and contorted. Deeply lobed, yellowish green leaves 4-9 inches long. Tolerant of much heat, wind. Zones 4-24.

Prunus blireiana; Flowering Plum - Deciduous tree. Hybrid between Prunus cerasifera 'Autropurea' and Prunus mume. Graceful, to 25 feet high with 20 foot spread. Branches long and slender. Leaves reddish purple, turning greenish bronze in summer. Flowers semi-double, fragrant, pink to rose; February-April. One of the most adaptable and best medium sized, flowering, small street trees. Zones 2-12, 14-22.

Prunus cerasifera; Purple Leaf Plum - Deciduous tree. Grows to 30 feet in height with equal spread; most varieties smaller. Purplish, red, or dark coppery leaves. Flowers pink to white in spring. Often no fruit production; some varieties set good crop of fruit. Most often planted for its contrasting foliage color and flower production. Zones 2-22.

Prunus yedoensis; Flowering Cherry - Deciduous tree. Fast growth to 40 feet with 25 foot spread. Curving branches; graceful, often open. Flowers in early spring; light pink to nearly white, fragrant. Zones 2-7, 14-20.

Pyrus calleryana; Ornamental Pear - Deciduous tree. Grows to ²⁶⁻⁵⁰ ~~15-25~~ feet. Strong horizontal branching pattern. Leaves 1 1/2 - 3 inches long, broadly oval, scalloped, dark green, very glossy and leathery. Flowers clustered, pure white, 3/4 - 1 inch wide; very early bloom in spring. 'Aristocrat' is a fast growing, pyramidal selection with purple red fall color. 'Bradford' can reach 50 feet in height with a 30 foot spread and has upsweeping branches. Both grow well in most soils. Zones 2-9, 14-21.

^{25-45' height / 25'-35' spread}
Pyrus kawakamii; Evergreen Pear - Evergreen tree. Partially deciduous in coldest winters in coldest zones. Branchlets drooping; leaves glossy, oval, pointed. Clustered white flowers appear in sheets and masses in winter and early spring. Tolerant of many soils and easy to grow. Zones 8, 9, 12-24.

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Quercus agrifolia; Coast Live Oak - Evergreen tree. Native to California Coast Ranges. Round headed, wide-spreading tree to 20-70 feet high, often with greater spread. Smooth dark gray bark. Dense foliage of rounded, holly-like 1-3 inch long leaves, slightly glossy on upper surface. Handsome street tree. Zones 7-10, 12, 14-24.

Quercus coccinea; Scarlet Oak - Deciduous tree. Native to eastern United States. Moderate to rapid growth in deep rich soil. Can reach 60-80 feet in height. Light, open branching habit. Leaves are bright green to 6 inches long, with deeply cut, pointed lobes; turn bright scarlet in sharp autumn nights. Roots grow deep. Good street tree. All zones.

Quercus ilex; Holly Oak - Evergreen tree. Native to Mediterranean region. Moderate growth rate reaching 40-70 feet in height with equal spread. Leaves variable in shape and size, usually 1 1/2 - 3 inches wide, either toothed or smooth edged, dark, rich green on upper surface, yellowish or silvery beneath. Moderate to fast growth rate, but this varies with soil and water conditions. Good evergreen street tree. Zones 4-24.

Quercus kelloggii; Black Oak - Deciduous tree. Native to mountains from southern Oregon to southern California. Moderate growth rate to 30-80 feet. Dark furrowed and checkered bark. Handsome foliage; unfolding leaves are soft pink or dusty rose, becoming bright glossy green and turning yellow or yellow orange in fall. Leaves 4-10 inches long and 2 1/2 - 6 inches wide, deeply lobed, with lobes ending in bristly points. Good moderate sized tree for spring and fall color, winter trunk and branch pattern. Zones 5, 6, 7, 15, 6-16, 18-21.

Quercus rubra; Red Oak - Deciduous tree. Fast growth to 90 feet. Broad, spreading branches and round-topped crown. Leaves 5-8 inches long by 3-5 inches wide, with 3-7 pairs of sharp-pointed lobes. New leaves and leaf stalks are red in spring and turn to dark red, ruddy brown, or orange in fall. Needs fertile soil. High branching habit and reasonably open shade make it good tree for avenues. Zones 1-12, 14-24.

Quercus suber; Cork Oak - Evergreen tree. Native to Mediterranean region. Moderate growth rate to 70-100 feet in height with equal spread. Trunk and principal limbs covered with thick, corky bark. The 3 inch, toothed leaves are shining dark green above, gray beneath. General effect is fine textured. Established trees can take considerable drought. Zones 5-7, 8-16, 18-23.

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Quercus virginiana; Southern Live Oak - Evergreen tree. Native to eastern United States. Moderate to fast growth to eventual 60 foot height with broad, spreading, heavy limbed crown twice as wide. Leaves 1 1/2 - 5 inches long, smooth edged, shining dark green above and whitish beneath. Thrives on ample water and does best in deep, rich soil. In hot interior climates, is most attractive of all evergreen oaks. Zones 4-24.

Quercus wislizenii; Interior Live Oak - Evergreen tree. Native to Sierra foothills and east side of California's Central Valley. To 35-75 feet high, often broader than high. Wide-spreading branches form dense crown. Oblong leaves to 4 inches long, glossy green, smooth or spiny edges. Sparse, angular young plants fail to hint at tree's ultimate beauty.

Robinia ambigua 'Idahoensis'; Pink Flowering Locust - Deciduous tree. Moderately fast growth rate to shapely 40 feet. Leaves divided into many roundish leaflets. Flowers bright magenta rose in 8 inch clusters; one of showiest locusts in bloom. All zones.

Umbellularia californica; California Bay - Evergreen tree. Native to southwestern Oregon, California Coast Ranges, lower elevations of Sierra Nevada. Grows to 75 feet in height with over a 100 foot spread in the wilds; to 25 feet in height with a 20 foot spread under cultivation. Leaves are 3-5 inches long, 1 inch wide, pointed at tip, medium to deep yellow green and glossy on top, dull green beneath. Tolerant of many conditions, including drought. Always neat. Often multi-trunked. Zones 4-10, 12-24.

APPENDIX B
TABLE 1 - NEIGHBORHOOD STREET TREE PALETTES

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

TABLE 1 - NEIGHBORHOOD STREET TREE PALETTES

NH	BOTANICAL NAME	COMMON NAME	REMARKS
1	<u>Malus floribunda</u>	Flowering Crabapple	Predominant
	<u>Prunus vedoensis</u>	Flowering Cherry	
	<u>Pyrus calleryana</u>	Ornamental Pear	'Aristocrat' or 'Bradford'
	<u>Pyrus kawakamii</u>	Evergreen Pear	
2	<u>Platanus racemosa</u>	California Sycamore	Predominant
	<u>Quercus kelloggii</u>	Black Oak	
	<u>Quercus suber</u>	Cork Oak	
	<u>Quercus virginiana</u>	Southern Live Oak	
3	<u>Arbutus marina</u>	NCN	
	<u>Quercus agrifolia</u>	Coast Live Oak	Predominant
	<u>Quercus kelloggii</u>	Black Oak	
	<u>Umbellularia californica</u>	California Bay	
4	<u>Celtis sinensis</u>	Chinese Hackberry	
	<u>Fraxinus sp.</u>	Ash	<u>velutina</u> , or <u>uhdei</u>
	<u>Liriodendron tulipifera</u>	Tulip Tree	
	<u>Platanus acerifolia</u>	London Plane Tree	Predominant 'Bloodgood', 'Columbia', or 'Yarwood'
	<u>Quercus ilex</u>	Holly Oak	Along Llagas Road Only

Attachment: Old MSTP (2214 : Street Tree Master Plan)

Post-it® Fax Note 7671		Date 4/16/02	# of pages 10
To Nancy Wooten		From Rebecca Tolentino	
Co./Dept.		Co. City of M.H.	
Phone # (050) 245-6680	Fax # (650) 216-6088	Phone # (408) 779-7247	Fax # (408) 779-7236

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

5	<u>Ginkgo biloba</u>	Maidenhair Tree	Males only - 'Autumn Gold', or 'Fairmont'
	<u>Gleditsia triacanthos</u>	Honey Locust	Predominant
	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Platanus acerifolia</u>	London Plane Tree	
6	<u>Celtis sinensis</u>	Chinese Hackberry	Predominant
	<u>Fraxinus uhdei</u>	Evergreen Ash	
	<u>Liriodendron tulipifera</u>	Tulip Tree	
	<u>Robinia ambigua</u>	Pink Flowering Locust	'Idahoensis'
7A	<u>Ginkgo biloba</u> <i>dead</i>	Maidenhair Tree	Males Only - 'Autumn Gold', or 'Fairmont'
	<u>Fraxinus sp.</u> <i>dead</i>	Ash	<i>velutina</i> , or <i>uhdei</i>
	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Magnolia grandiflora</u>	Southern Magnolia	Predominant Prohibited Tree
7B	<u>Acer macrophyllum</u>	Bigleaf Maple	
	<u>Quercus kelloggii</u>	Black Oak	
	<u>Quercus rubra</u>	Red Oak	Predominant
	<u>Umbellularia californica</u>	California Bay	
8	<u>Quercus agrifolia</u>	Coast Live Oak	Predominant
	<u>Quercus ilex</u>	Holly Oak	
	<u>Quercus wislizenii</u>	Interior Live Oak	
	<u>Umbellularia californica</u>	California Bay	

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

9	<u>Fraxinus sp.</u>	Ash	<u>velutina</u> , or <u>uhdei</u>
	<u>Liquidambar styraciflua</u>	American Sweetgum	Predominant Prohibited Tree
	<u>Magnolia grandiflora</u>	Southern Magnolia	Prohibited Tree
	<u>Nyssa sylvatica</u>	Sour Gum/Tupelo	
10	<u>Gleditsia triacanthos</u>	Honey Locust	
	<u>Lagerstroemia indica</u>	Standard Crape Myrtle	Indian Named Varieties Only; Predominant
	<u>Malus floribunda</u>	Flowering Crabapple	
	<u>Prunus cerasifera</u>	Flowering Plum	
11	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Magnolia grandiflora</u>	Southern Magnolia	Prohibited Tree
	<u>Nyssa sylvatica</u>	Sour Gum/Tupelo	Predominant
	<u>Pistacia chinensis</u>	Chinese Pistache	
12	<u>Gleditsia triacanthos</u>	Honey Locust	
	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Liriodendron tulipifera</u>	Tulip Tree	Predominant
	<u>Pyrus calleryana</u>	Ornamental Pear	'Aristocrat'/'Bradford'
13A	<u>Casuarina cunninghamiana</u>	River She-Oak	Predominant
	<u>Celtis sinensis</u>	Chinese Hackberry	
	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Nyssa sylvatica</u>	Sour Gum/Tupelo	

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

13B	<u>Cercis occidentalis</u>	Western Redbud	
	<u>Quercus coccinea</u>	Scarlet Oak	Predominant
	<u>Quercus virginiana</u>	Southern Live Oak	
	<u>Quercus wislizenii</u>	Interior Live Oak	
14	<u>Quercus agrifolia</u>	Coast Live Oak	
	<u>Quercus ilex</u>	Holly Oak	
	<u>Quercus wislizenii</u>	Interior Live Oak	Predominant
	<u>Umbellularia californica</u>	California Bay	
15	<u>Arbutus marina</u>	NCN	
	<u>Cercis occidentalis</u>	Western Redbud	
	<u>Quercus kelloggii</u>	Black Oak	
	<u>Quercus wislizenii</u>	Interior Live Oak	Predominant
16	<u>Fraxinus velutina</u>	Evergreen Ash	
	<u>Gleditsia triacanthos</u>	Honey Locust	Predominant
	<u>Pistacia chinensis</u>	Chinese Pistache	
	<u>Robinia ambigua</u>	Pink Flowering Locust	'Idahoensis'
17	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Magnolia grandiflora</u>	Southern Magnolia	Predominant Prohibited Tree
	<u>Ginkgo biloba</u>	Maidenhair Tree	Males Only - 'Autumn Gold', or 'Fairmont'
	<u>Nyssa sylvatica</u>	Sour Gum/Tupelo	

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

18	<u>Alnus cordata</u>	Italian Alder	Predominant
/	<u>Casuarina cunninghamiana</u>	River She-Oak	
	<u>Cercis canadensis</u>	Eastern Redbud	
	Liquidambar styraciflua	American Sweetgum	Prohibited Tree
19	Magnolia grandiflora	Southern Magnolia	Prohibited Tree
	<u>Pistacia chinensis</u>	Chinese Pistache	
	<u>Platanus acerifolia</u>	London Plane Tree	'Bloodgood', 'Columbia', or 'Yarwood'
	<u>Robinia ambigua</u>	Pink Flowering Locust	Predominant
20A	<u>Fraxinus uhdei</u>	Evergreen Ash	
	Liquidambar styraciflua	American Sweetgum	Predominant — Prohibited Tree
	<u>Pistacia chinensis</u>	Chinese Pistache	
	<u>Pyrus calleryana</u>	Ornamental Pear	'Aristocrat'/'Bradford'
20B	<u>Platanus racemosa</u>	California Sycamore	Predominant
	<u>Quercus ilex</u>	Holly Oak	
	<u>Quercus suber</u>	Cork Oak	
	<u>Umbellularia californica</u>	California Bay	
21	<u>Alnus cordata</u>	Italian Alder	Predominant
	<u>Casuarina cunninghamiana</u>	River She-Oak	
	<u>Cercis canadensis</u>	Eastern Redbud	
	<u>Ginkgo biloba</u>	Maidenhair Tree	Males only - 'Autumn Gold', 'Fairmont'

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

22	<u>Ginkgo biloba</u>	Maidenhair Tree	Males only - 'Autumn Gold', 'Fairmont'
	<u>Magnolia grandiflora</u>	Southern Magnolia	Prohibited Tree
	<u>Pistacia chinensis</u>	Chinese Pistache	Predominant
	<u>Robinia ambigua</u>	Pink Flowering Locust	
23	<u>Fraxinus uhdei</u>	Evergreen Ash	Predominant
	<u>Lagerstroemia indica</u>	Crape Myrtle	Indian Named Varieties Only
	<u>Liquidambar styraciflua</u>	American Sweetgum	Prohibited Tree
	<u>Pistacia chinensis</u>	Chinese Pistache	
24	<u>Acer macrophyllum</u>	Bigleaf Maple	
	<u>Cercis occidentalis</u>	Western Redbud	
	<u>Quercus agrifolia</u>	Coast Live Oak	
	<u>Quercus kelloggii</u>	Black Oak	Predominant
25	<u>Cercis occidentalis</u>	Western Redbud	
	<u>Quercus agrifolia</u>	Coast Live Oak	
	<u>Quercus ilex</u>	Holly Oak	Predominant
	<u>Umbellularia californica</u>	California Bay	
26	<u>Casuarina cunninghamiana</u>	River She-Oak	
	<u>Liquidambar styraciflua</u>	American Sweetgum	Predominant Prohibited Tree
	<u>Nyssa sylvatica</u>	Sour Gum/Tupelo	
	<u>Pyrus calleryana</u>	Ornamental Pear	'Bradford' only

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

27	<u>Acer macrophyllum</u>	Bigleaf Maple	
	<u>Platanus racemosa</u>	California Sycamore	Predominant
	<u>Quercus ilex</u>	Holly Oak	
	<u>Quercus kelloggii</u>	Black Oak	
28A	<u>Celtis sinensis</u>	Chinese Hackberry	Predominant
	<u>Fraxinus uhdei</u>	Evergreen Ash	
	<u>Liriodendron tulipifera</u>	Tulip Tree	
	<u>Platanus acerifolia</u>	London Plane Tree	'Bloodgood', 'Columbia', 'Yarwood'
28B	<u>Cercis occidentalis</u>	Western Redbud	
	<u>Quercus rubra</u>	Red Oak	
	<u>Quercus suber</u>	Cork Oak	
	<u>Quercus virginiana</u>	Southern Live Oak	Predominant

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

APPENDIX C
TABLE 2 - STREET TREES FOR ARTERIAL ROADWAYS

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

TABLE 2 - STREET TREES FOR ARTERIAL ROADWAYS

ARTERIAL ROADWAY	LOCATION	STREET TREE
COCHRANE RD.	Monterey Road to Hill Rd.	Fraxinus uhdei <i>Oxycarpa</i> 'Raywood'
DUNNE AVE.	Santa Teresa Blvd. to Thomas Grade Ave.	<i>Platanus acerifolia</i> 'Bloodgood', 'Columbia', 'Yarwood'
EDMUNDSON AVE.	Santa Teresa to Monterey Rd.	<i>Liriodendron tulipifera</i>
HILL RD.	Cochrane Rd. to Tennant Ave.	<i>Quercus kelloggii</i>
MAIN AVE.	Peak Ave. to Hale Ave.	<i>Liquidambar styraciflua</i> Prohibited Tree
	Hale Ave. to Railroad Ave.	<i>Prunus cerasifera</i>
	Railroad Ave. to Hill Rd.	<i>Gleditsia triacanthos</i>
MIDDLE AVE.	Monterey to Sutter Blvd.	<i>Quercus agrifolia</i>
MONTEREY RD.	Historic Madrone to Cochrane Rd.	<i>Malus floribunda</i> Not good for spread as street tree
	Cochrane Rd. to Main Ave.	<i>Platanus acerifolia</i>
	Main Ave. to Dunne Ave.	<i>Gleditsia triacanthos</i>
	Dunne Ave. to Watsonville Rd.	<i>Platanus acerifolia</i>
	Watsonville Rd. to E. Middle Ave.	<i>Quercus virginiana</i>
MURPHY AVE.	Cochrane Rd. to Tennant Ave.	<i>Liquidambar styraciflua</i> Prohibited Tree

Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

SANTA TERESA BLVD.	Willow Springs Rd. to Llagas Rd.	<u>Quercus ilex</u>
	Llagas Rd. to Main Ave.	<u>Fraxinus uhdei</u>
	Main Ave. to W. Edmundson Ave.	<u>Alnus rhombifolia</u>
	W. Edmundson Ave. to California Ave.	<u>Quercus ilex</u>
SUTTER BLVD. BUTTERFIELD	Cochrane Rd. to Maple Ave.	<u>Celtis sinensis</u> Ginkgo biloba , 'Autumn gold', Fairmount only Chinese Hackberry
TENNANT AVE.	Monterey Rd. to Hill Rd.	<u>Liriodendron tulipifera</u>
WATSONVILLE RD.	^{oops! ok} Llagas Creek to Sunnyside Ave.	<u>Quercus kelloggii</u>
*	Llagas Creek ^{Butterfield} Sunnyside Ave. to Sutter Blvd.	<u>Robinia ambigua</u>

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

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CITY OF MORGAN HILL

STREET TREE MASTER PLAN

GLOSSARY OF TERMS

ARTERIAL STREET - A street which provides intra-community travel and access to the county-wide arterial.

BUILT ENVIRONMENT - A term used to reference the city or any portion thereof which was constructed or shaped through human intervention.

COLLECTOR STREET - A street, typically two lanes in width, which provides circulation within and between neighborhoods.

DIVERSE PLANTING PATTERN - A planting arrangement which utilizes a variety of tree species, typically at random.

DECIDUOUS - Any plant which sheds all of its leaves at one time each year (usually in the fall).

EVERGREEN - A plant that never loses all of its leaves at one time.

GENERAL PLAN - A city's comprehensive, long term plan for all future development.

GREENBELT - A belt of open space, agricultural lands, and/or low intensity development which encircles a community or a neighborhood, provides a visual break between these urban environments, and thereby strengthens their identity.

HISTORIC DOWNTOWN ZONE - An area defined in the Morgan Hill Street Master Tree Plan which is bounded by East Main Street to the north, Dunne Avenue to the south, Del Monte Avenue to the west, and the Southern Pacific Railroad line to the east.

LOT SIZES - Specified by local zoning codes, lot size refers to minimum area requirements which must be met before a legal lot of record can be created and built upon.

MADRONE ZONE - An area defined in the Morgan Hill Street Tree Master Plan, in the northern portion of Morgan Hill, in which flowering ornamental trees have been specified for use as street trees. For exact geographic reference, the Morgan Hill Street Tree Master Plan may be consulted.

MONOLITHIC CURB/WALK - A curb and sidewalk configuration where the concrete is poured in a continuous fashion and there exists no separation between the curb and sidewalk.

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

NATIVES - Plants, including trees, shrubs, and groundcovers which are indigenous to a geographic region.

ORNAMENTALS - Plants, generally imported from other regions, which are typically propagated and grown for their aesthetic value.

PARKWAY - A planting area located between the curb and sidewalk in the public right-of-way.

PUBLIC RIGHT-OF-WAY - A portion of property which allows for public use including access and movement, or in the case of a street tree program, the location and planting of trees.

RESIDENTIAL ESTATE DISTRICT - The regulation of land by The City of Morgan Hill which specifies very low density residential development.

RESIDENTIAL STREET - A street whose primary purpose is to carry traffic to and from specific businesses or residences.

RURAL ZONE - An area defined in the Morgan Hill Street Tree Master Plan in which native and native compatible trees have been specified for use as street trees. For exact geographic reference, the Street Tree Master Plan may be consulted.

SCALE - Of, or relating to the size of something - in relation to something else.

SEMI-UNIFORM PLANTING PATTERN - A street tree planting arrangement which uses several different tree species in an organized pattern. Usually, only one or two species are found on any given street.

SENSE OF PLACE - The way in which one perceives a place with respect to the feelings and emotions - positive or negative - it evokes.

SETBACK REQUIREMENTS - Set forth by a City's Municipal Code, setbacks refer to the minimum distance, measured perpendicularly from property lines, that must remain free and clear of a parcel's primary structure(s). Front, side, and rear yard setbacks refer to the distance from the front, side, and rear property lines respectively.

SPECIES - An individual type of tree such as Interior Live Oak, Chinese Pistache, or Honey Locust.

CITY OF MORGAN HILL**STREET TREE MASTER PLAN**

SUBURBAN GARDEN ZONE - An area defined in the Morgan Hill Street Tree Master Plan in which ornamental trees have been specified for use as street trees. For exact geographic reference, the Street Tree Master Plan may be consulted.

TOPPED - A term used to describe a tree which has been severely pruned at a point along the central trunk in a perpendicular fashion from its normal (upright) pattern of growth.

TREE CANOPY - The above ground portion of a tree, exclusive of the trunk, or stem, and inclusive of the branching and leaves, which forms an overhead cover.

UNIFORM PLANTING PATTERN - Plantings based on the use of a single or limited number of tree species.

UTILITY SAFE STREET TREES - Street trees which have been identified in the Morgan Hill Street Tree Master Plan (Appendix E) for use in the previously developed portions of the City where overhead utility lines remain.

URBAN ENVIRONMENT - Of, relating to, or characteristic of, a city or town.

URBAN FOREST - The plant materials (trees, shrubs and groundcovers) which are found within an urban environment.

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Attachment: Old MSTP (2214 : Street Tree Master Plan)

CITY OF MORGAN HILL

STREET TREE MASTER PLAN

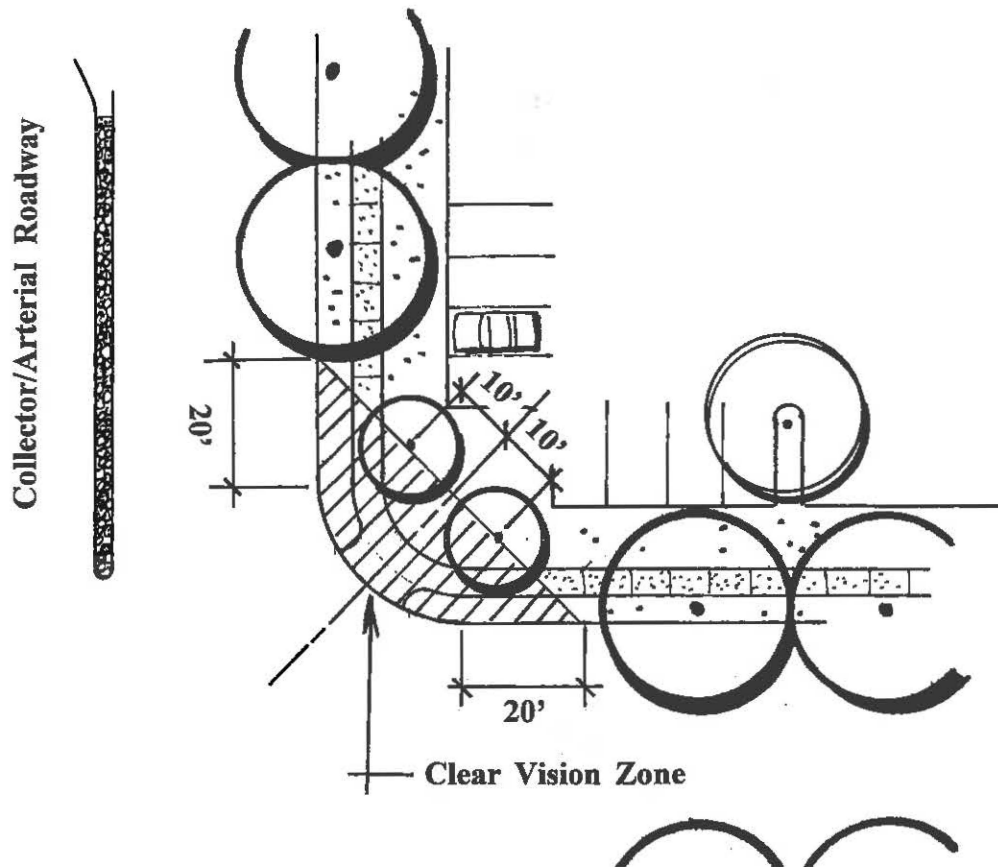


Figure 17 - Clear Vision Zone at Intersection of Collector and Arterial Streets and Location of Intersection Delineators

Select Plant List
City of Morgan Hill
Water Conservation Landscape Guide

The following is a list of plants that adapt well to the local conditions and are found in the Saratoga Horticultural Foundation's Success List of Water Conserving Plants or the East Bay Municipal Utility District's Water-Conserving Plants and Landscapes. These plants are considered water conserving or drought tolerant.

TREES

BOTANICAL NAME

COMMON NAME

ACACIA MELANOXYLON	BLACKWOOD ACACIA
AESCULUS CALIFORNICA	CALIFORNIA BUCKEYE
ALNUS CORDATE	ITALIAN ALDER
CASUARINA CUNNINGHAMIANA	RIVER SHE-OAK
CASUARINA STRICTA	BEEFWOOD
CEDRUS ATLANTICA	ATLAS CEDAR
CEDRUS DEODORA	DEODAR CEDAR
CELTIS AUSTRALIS	EUROPEAN HACKBERRY
CELTIS CENENSIS	CHINESE HACKBERRY
CERATONIA SILIQUA	CAROB TREE
CERCIS CANADENSIS	EASTERN REDBUD
CRATAEGUS PHAENOPYRUM	WASHINGTON HAWTHORN
CLUPRESSUS GLABRA	SMOOTH ARIZONA CYPRESS
ERIOBOTRYA DEFLEXA	BRONZE LOQUAT
ERIOBOTRYA JAPONICA	JAPANESE LOQUAT
EUCALYPTUS FICIFOLIA	RED FLOWERED GUM
EUCALYPTUS LEUCOXLYON ROSEA	PINK FLOWERED WHITE-IRON BARK
EUCALYPTUS VIMINALIS	MANNA GUM
FRAXINUS 'MORaine'	MORaine ASH
FRAXINUS OXYCARPA 'RAYWOOD'	RAYWOOD ASH
FRAXINUS UHEI	EVERGREEN ASH
GEIJERA PARVIFLORA	AUSTRALIAN WILLOW
GINKGO BILOBA CULTIVARAS	MAIDENHAIR TREE-MALE ONLY
JUGLANS NIGRA	EASTERN BLACK WALNUT
KOELREUTERIA BIPINNATA	CHINESE FLAME TREE
KOELREUTERIA PANICULATA	GOLDENRAIN TREE
✓ LAGERSTROEMIA INDICA	CAPE MYRTLE
LIRIODENDRON TULIPIFERA	TULIP TREE
✓ MAYTENUS BOARIA	MAYTEN TREE
MELALEUCA LINARIIFOLIA	FLAXLEAF PAPERBACK
MELALEUCA STYPHELIODES	PRICKLY MELALEUCA
METROSIDEROS EXCELUS	NEW ZEALAND CHRISTMAS TREE
OLEA EUROPEA	EUROPEAN OLIVE

BOTANICAL NAME**COMMON NAME**

PINUS CANARIENSIS	CANARY ISLAND PINE
PINUS HALEPENISIS	ALEPPO PINE
PINUS PINEA	ITALIAN STONE PINE
PINUS SABINIANA	DIGGER PINE
PINUS THUNBERGIANA	JAPANESE BLACK PINE
PISTACIA CHINENSIS	CHINESE PISTACHE
PLATANUS ACERIFOLIA	LONDON PLANE TREE
PODOCARPUS GRACILIOR	AFRICAN FIRN PINE
POPULUS FREMONTII NEVADA	NEVADA MALE COTTONWOOD
PRUNUS CERASIFERA CULTIVARS	PURPLE PLUM
PYRUS CALLERYANA CULTIVARS	FLOWERING PEAR
QUERCUS ILEX	HOLLY OAK
QUERCUS LOBATA	VALLEY OAK
QUERCUS SUBER	CORK OAK
RHUS IANCEA	AFRICAN SUMAC
ROBINA AMBIGUA 'IDAHOENSIS'	IDAHO LOCUST
SEQUOIA SEMPERVERENS	COAST REDWOOD
SCHINUS MOLLE	CALIFORNIA PEPPER TREE
SCHINUS TEREBINTHFOLIUS	BAZILIAN PEPPER

SHRUBS**BOTANICAL NAME****COMMON NAME**

ABELIA GRANDIFLORA	GLOSSY ABELIA
AGAPANTHUS AFRICANUS	LILY OF THE NILE
AGAPANTHUS ORIENTALIS	LILY OF THE NILE
ALOE SPECIES	ALOE
ARBUTUS UNEDO	STRAWBERRY TREE
ARCTOSTAPHYLOS BAKERI- 'LOIS EDMUNDS'	LOIS EDMUNDS-MANZANITA
ARCTOSTAPHYLOS DENSIFLORA- 'HOWARD MCMINN'	MCMINN MANZANITA
BERBERIS MENTROENSIS	MENTOR BARBERRY
BERBERIS THUNBERGII	JAPANESE BARBERRY
BUXUS MICROPHYLLA JAPONICA	JAPANESE BOXWOOD
CALCEOLARIA INTEGRIFOLIA 'GOLDEN NUGGET'	PERENNIAL POUCH FLOWER
CALLISTEMON CITRINUS	LEMON BOTTLEBRUSH
CEANOTHUS 'CONCHA'	
CEANOTHUS 'FROSTY BLUE'	FROSTY BLUE CEANOTHUS
CEANOTHUS THYRSIFLORUS 'SNOW FLURRY'	
CERCIS OCCIDENTALIS	WESTERN REDBUD
CHAENOMELES CULTIVARAS	FLOWERING QUINCE
CISTUS HYBRIDUS	WHITE ROCKROSE
CISTUS IADANIFER	CRIMSON SPOT ROCKROSE

BOTANICAL NAME

CISTUS PURPUREUS
 COTINUS COGGYGRIA
 COTONEASTER IACTEA
 CYTISUS PRAECOX 'WARMINSTER'
 ECHIUUM FASTUOSUM
 ELAEAGNUS PUNGENS
 ERIOGONUM ARBORESCENS
 ERIOGONUM CROCATUM
 ERIOGONUM GIGANTEUM
 ERIOGONUM UMBELLATUM-
 POLYANTHUM
 ESCALLONIA DWARF FORMS
 ESCALLONIA 'FRADESI'
 EURYOPS PECTINATUS
 FEIJOA SELLOWIANA
 FREMONTODENDRON HYBRIDS
 GENISTA IYDIA
 GARRYA ELLIPTICA
 GREVILLIA 'CANBERRA'
 HAKEA SUAVEOLENS
 HETEROMELES ARBUTIFOLIA
 JUNIPERUS CHINENSIS
 'KAIZUKA'
 JUNIPERUS CHINENSIS-
 'MINT JULEP'
 LAVANDULA DENTATA
 LEONOTUS LEONERIS
 LEPTOSPERMUM LAEVIGATUM
 LEPTOSPERMUM SCOPARIUM-
 CULTIVARS
 LIGUSTRUM JAPONICUM,-
 L. OVALIFOLIUM
 MAHONIA AQUIFOLIUM
 MAHONIA PINNATA
 MYOPORUM LAETUM
 MYRICA CALIFORNICA
 MYRSINE AFRICANUM
 MYRTUS COMMUNIS
 NANDINA DOMESTICA
 NERIUM OLEANDER
 OSMANTHUS FRANGRAS
 PHOTINIA FRASERI
 PHOTINIA SERRULATA
 PHORMIUM TENAX
 PHYLLOSTACHYS AUREA
 PITTOSPORUM EUGENIoidES-
 PITTOSPORUM TENUIFOLIUM
 PLUMBAGO AURICULATA
 (PLUMBAGO CAPENSIS)

COMMON NAME

ORCHID SPOT ROCKROSE
 SMOKEBUSH
 RED CLUSTERBERRY
 MOONLIGHT BROOM
 PRIDE OF MADEIRA
 THORNY ELAEAGNUS
 SANTA CRUZ ISLAND-BUCKWHEAT
 SAFFRON BUCKWHEAT
 ST. CATHERINE'S LACE
 SULFUR BUCKWHEAT

GOLDEN SHRUB DAISY
 PINEAPPLE GUAVA
 FLANNAL BUSH

COAST SILKTASSEL

SWEET HAKEA
 TOYON
 HOLLYWOOD JUNIPER

MINT JULIP JUNIPER

FRENCH LAVENDER
 LION'S TAIL
 AUSTRALIAN TEA TREE
 NEW ZEALAND TEA TREE

JAPANESE, CALIFORNIA-
 PRIVET
 OREGON HOLLY GRAPE
 CALIFORNIA HOLLY GRAPE

PACIFIC WAX MYRTLE
 AFRICAN BOX
 MYRTLE
 HEAVENLY BAMBOO
 OLEANDER
 SWEET OLIVE

CHINESE PHOTINA
 NEW ZEALAND FLAX
 GOLDEN BAMBOO

CAPE PLUMBAGO

BOTANICAL NAME**COMMON NAME**

PODOCARPUS MACROPHYLLA
 PRUNUS CAROLINIANA
 PRUNUS ILICIFOLIA
 PRUNUS LUSITANICA
 PRUNUS LYONII
 PUNICA GRANATUM 'WONDERFUL'
 RAPHIOLEPIS INDICA
 RAPHIOLEPIS UMBELLATA
 RHAMNUS CALIFORNICA
 RIBES SANGUINEUM
 RIBES SPECIOSUM
 RIBES VIBURNIFOLIUM
 SOLLYA HETEROPHYLLA
 SARCOCCOCA RUSCIFOLIA
 VIBURNUM TINUS
 XYLOSMA CONGESTUM

YEW PINE
 CAROLINA LAUREL CHERRY
 HOLLY-LEAF CHERRY
 PORTUGAL LAUREL
 CATALINA CHERRY
 POMEGRANTE
 INDIA HAWTHORN
 YEDDO HAWTHORN
 CALIFORNIA COFFEEBERRY
 FLOWERING CURRANT
 FUCHSIA-FLOWERED GOOSEBERRY
 EVERGREEN CURRANT
 AUSTRALIAN BLUEBELL
 FRAGRANT SARCOCCOCA
 LAURESTINUS
 SHINY XYLOSMA

GROUND COVERS**BOTANICAL NAME****COMMON NAME**

ACACIA REDOLENS
 ARCTOSTAPHYLOS
 ARCTOSTAPHYLOS HOOKERI
 ARCTOSTAPHYLOS
 BACCHARIS PILULARIS

 CEANOTHUS GLORIOSUS
 CEANOTHUS
 CEANOTHUS HEARSTIUM
 CEANOTHUS
 CEANOTHUS RIGIDUS
 CISTUS SALVIFOLIUS
 COPROSMA KIRKII
 COPROSMA
 CORREA

 COTONEASTER CONGESTA
 COTONEASTER HORIZONTALIS
 COTONEASTER
 GAZANIA
 JUNIPERUS CHINENSIS

 JUNIPERUS VIRGINIANA
 LONICERA JAPONICA

 NANDINA DOMESTICA CULTIVARS
 ROSEMARINUS OFFICINALIS

'EMERALD CARPET'-MANZANITA
 MONTEREY MANZANITA
 'POINT REYES'-MANZANITA
 'TWIN PEAKS, PIGEON POINT'
 DWARF COYOTE BUSH
 MOUNT VISION
 PORRECTUS
 HEARST CEANOTHUS
 'JOYCE COULTER'
 'SNOWBALL'
 SAGELEAF ROCKROSE
 CREEKING COPROSMA
 'VERDE VISTA'
 'CARMINE BELLS' -
 AUSTRALIAN FUCHSIA
 'LIKIANG'
 ROCK COTONEASTER
 'LOWFAST'
 SPECIES AND HYBRIDS
 'PARSONII' - PROSTRATE
 JUNIPER
 'SILVER SPREADER'
 'HALLIANA' - HALL'S
 HONEYSUCKLE
 HEAVENLY BAMBOO
 CULTIVARS - ROSEMARY

VINES**BOTANICAL NAME**

CAMPSIS RADICANS
 CLYTOSTOMA CALLISTEGIOIDES
 DISTICUS BUCCINATORIA
 GELSEMIUM SEMPERVIRENS
 JASMINUM POLYANTHUM
 LONICERA HILDEBRANDIANA
 MACFADYENA UNGUIS-CATI
 PARTHENOCISSUS TRICUSPIDATA
 PASSIFLORA CAERULEA
 POLYGONUM AUBERTII
 ROSA BANKSIAE
 ROSA 'CECILE BRUNNER'
 SOLANUM JSAMINOIDES
 VITIS VINIFERA
 WISTERIA

COMMON NAME

TRUMPET CREEPER
 LAVENDER TRUMPET VINE
 BLOOD RED TRUPET VINE
 CAROLINA JESSAMINE
 PINK JASMINE
 BURMESE HONEYSUCKLE
 YELLOW TRUMPET VINE
 BOSTON IVY
 PASSION VINE
 SILVER LACE VINE
 LADY BANKS ROSE
 CILE BRUNNER ROSE
 POTATO VINE
 GRAPE
 SPEICES - WISTERIA

PALMS**BOTANICAL NAME**

CHAMAEROPS HUMILIS
 PHOENIX CANARIENSIS
 TRACHYCARPUS FORTUNEI
 WASHINGTONIA FILIFERA
 WASHINGTONIA ROBUSTA
 YUCCA GLORIOSA

COMMON NAME

MEDITERRANEAN FAN PALM
 CANARY ISLAND DATE PALM
 WINDMILL PALM
 CALIFORNIA FAN PALM
 MEXICAN FAN PALM
 SPANISH DAGGER

HERBACEIOUS PLANTS**BOTANICAL NAME**

ACANTHUS MOLLIS
 ACHILLEA FILIPENDULINA
 ACHILLEA MILLEFOLIUM
 ACHILLEA TOMENTOSA
 ALCEA ROSEA
 ARCTOTIS HYBRIDS
 ARMERIA MARITIMA
 ARTEMISIA SCHMIDTIANA
 ASPIDISTRA ELETOIR
 AURINIA SAXATILIS
 CALENDULA OFFICINALIS
 CENTAUREA CINERARIA
 CENTAUREA CYANUS

COMMON NAME

BEAR'S BREECH
 FERNLEAF YARROW
 COMMON YARROW, MILFOIL
 WOOLLY YARROW
 HOLLYHOCK
 AFRICAN DAISY
 SEA THRIFT
 'SILVER MOUND'
 CAST IRON PLANT
 PERENNIAL ALYSSUM
 CALENDULA
 DUSTY MILLER
 CORNFLOWER, BACHELOR'S
 BUTTON

BOTANICAL NAME	COMMON NAME
CERATOSTIGMA PLUMBAGOIDES	DWARF PLUMBAGO
CHEIRANTHUS CHEIRI	WALLFLOWER
CHRYSANTHEMUM FRUTESCENS	MARGUERITE
COREOPSIS	SPECIES
COSMOS BIPINNATUS	'DAZZLER' OR 'RADIANCE'
COSMOS SULPHUREUS	YELLOW COSMOS
DIPLACUS HYBRIDS	MONKEY FLOWER
DIETES IRIDIODES	FORNIIGHT LILY
ERIGERON KARVINSKIANUS	FLEABANE
ERYSIMUM HIERACIIFOLIUM	SIBERIAN WALLFLOWER
ESCHSCHOLZIA CALIFORNICA	CALIFORNIA POPPY
FESTUCA OVINA GLUAUCA	BLUE FESCUE
GAILLARDA GRANDIFLORA	BLANKET FLOWER
GERANIUM INCANUM	CRANE'S BILL
HELICHRYSUM PETIOLATUM	PERENNIAL STRAWFLOWER
HEMEROCALLIS	SPECIES - DAYLILIES
HYPERICUM CALYCINUM	ST. JOHN'S WORT
ICE PLANTS	
- DELIOSPERMA ALBA	WHITE TRAILING
- DROBANTHEMUM	ROSEA ICE PLANT
- LAMPRANTHUS	
AURANTIACUS	
- LAMPRANTHUS	
SPECTABILIS	
IRIS DOUGLASIANA AND HYBRIDS	DOUGLAS IRIS
KNIPHOFIA UVARIA	RED HOT POKER
LOBULARIA MARITIMA	SWEET ALYSSUM
MIRABILIS JALAPA	FOUR O'CLOCK
MYOSOTIS SYLVATICA	FORGET-ME-NOT
NIEREMBERGIA HIPPOMANICA	DWARF CUP FLOWER
VIOLACEA	
OENOTHERA BERLANDIERII	MEXICAN EVENING PRIMROSE
PENNISETUM SETACEUM	FOUNTAIN GRASS
PENSTEMON HETEROPHYLLUS	BEARD TONGUE
PURDYI	
ROMNEYA COULTERI	MATILILJA POPPY
RUDBECKIA HIRTA	GLORIOSA DAISY
SALVIA CLEVELANDII	CLEVELAND SAGA
SALVIA LEUCANTHA	MEXICAN SAGE
SANTOLINA CHAMAECYPARISSUS	GRAY LAVENDER COTTON
SANTOLINA VIRENS	GREEN LAVENDER COTTON
SCAEVOLA 'MAUVE CLUSTERS'	FAN FLOWER
SEDUM SPATHULIFOLIUM	
SENECIO CINERARIA	DUSTY MILLER
STACHYS BYZANTIA	LAMB'S EARS
TEUCRIUM CHAMAEDRYS	GERMANDER

BOTANICAL NAME

TEUCRIUM FRUTICANS
 TROPAEOLUM MAJUS
 VERBENA
 VERBENA TENUISECTA
 ZAUSCHNEIRA CALIFORNICA

COMMON NAME

BUSH GERMANDER
 GARDEN NASTURTIUM
 SPECIES
 CALIFORNIA FUCHSIA

BULBS**BOTANICAL NAME**

ALSTROEMERIA LIGTU
 AMARYLLIS BELLADONNA
 CROCOSMIA CROCOSMIIFLORA
 NARCISSUS
 SCILLA PERUVIANA
 ZANTEDESCHIA AETHIOPICA

COMMON NAME

HYBRIDS - PERUVIAN LILY
 NAKED LADY LILY
 MONTBRETIA
 DAFFODIL
 PERUVIAN SCILLA
 CALLA LILY

FERNS**BOTANICAL NAME**

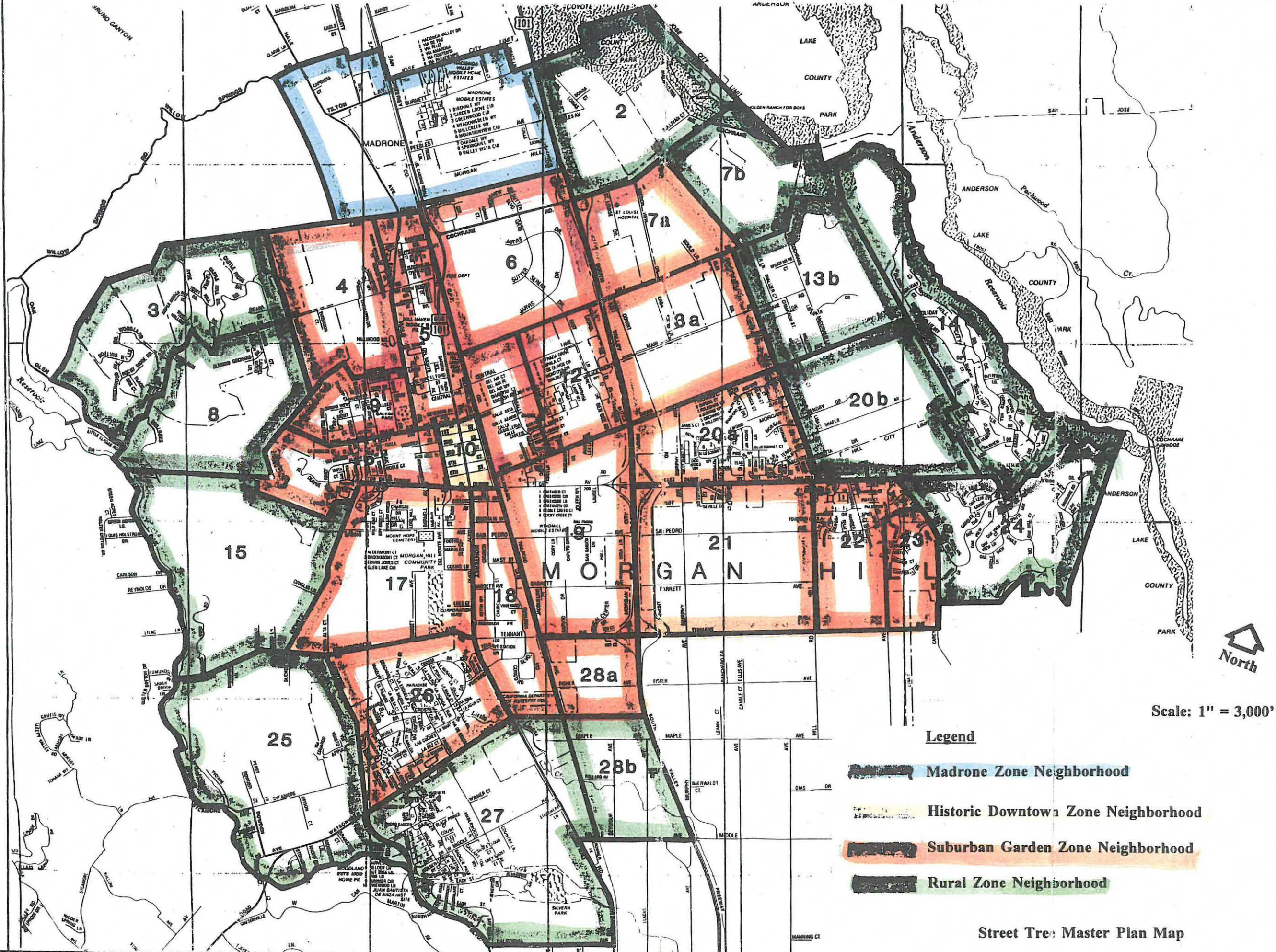
ASPARAGUS DENSSIFLORUS
 DRYOPTERIS ERYTHROSORA
 POLYSTICHUM MUNITUM

COMMON NAME

'SPRENGERI' - SPRENGER
 ASPARAGUS
 AUTUMN FERN
 WESTERN SWORD FERN

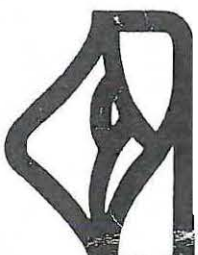
A plant may be considered for inclusion onto this list if the Architecural and Site Review Board determines the plant to have water conserving characteristics.

JRM\WTRCONS\PLANTS.T1S
 April 18, 1990,



STREET TREE MASTER PLAN

City of
Morgan Hill
Community Development Department



Street Tree Master Plan Map



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Hilary Holeman, Administrative Analyst
APPROVED BY: City Manager

RATIFY CITY POSITION ON PENDING LEGISLATION HR 530 "ACCELERATING BROADBAND DEVELOPMENT BY EMPOWERING LOCAL COMMUNITIES ACT OF 2019"

RECOMMENDATION(S)

Receive legislative correspondence in support of HR 530 "Accelerating Broadband Development by Empowering Local Communities Act of 2019."

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Preserving and Cultivating Public Trust
Advancing Regional Initiatives

2019 Strategic Priorities

Regional Initiatives
Telecommunications

REPORT NARRATIVE:

Per Resolution No. 6851, the City Council recognizes occasional situations arise where communication indicating support or opposition on pending State legislation is timely and may occur prior to the next scheduled City Council meeting. Under these circumstances, the Mayor or City Manager is delegated the authority to prepare, execute and transmit written or verbal communications indicating a City's position on pending legislation as long as the following criteria are met: a) the League of California Cities has requested the City to comment or take a position, b) the timing to express a position occurs prior to the next scheduled Council meeting, and c) the pending State legislation clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal, or Strategy. When this occurs, a written report to the City Council for comment and acceptance is required at the next possible meeting.

On February 21, 2019, the League of California Cities (League) called attention to HR 530 requesting Mayors sign on to a letter of support by Monday, February 25, 2019 to overturn actions of the Federal Communications Commission (FCC) and restore local control of the small cell application and review process of public rights-of-way in a manner that balances competing interests while encouraging responsible deployment of wireless broadband facilities.

Background:

Congresswoman, Anna Eshoo, introduced HR 530 to overturn the FCC's September 2018 Declaratory Ruling and Third Report and Order preempting local authority over small cell wireless infrastructure on January 14, 2019, the day the order took effect. The FCC's regulations sharply limit the type and amount of fees cities and states may

charge for profit-generating use of public property, set “shot clocks” as low as 60 days for cities and states to conduct all necessary inspections and authorize proposals, and drastically limit non-fee requirements cities and states may institute. While HR 530 would not preclude future FCC or congressional preemption of cities on wireless infrastructure, it would halt the FCC’s harmful preemption order, which ignored the input of hundreds of local governments.

The League, along with a broad coalition of California cities, local governments, and utility companies across the country, have joined in suing the FCC over these regulations. In order to express the City’s position in a timely manner, the Mayor and City Manager provided direction to write and send a letter of support Friday, February 22, 2019.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the letter that the City sent regarding HR 530.

ALTERNATIVE ACTIONS:

Council could rescind position taken.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

No fiscal impact at this time. Tracking legislation is a responsibility of the Administrative Analyst in the City Manager’s Office.

CEQA (California Environmental Quality Act):

Not a Project - Proposals for legislation to be enacted by the State Legislature.

LINKS/ATTACHMENTS:

1. HR 530 Bill Text
2. Letter of Support HR 530 Accelerating Broadband Development by Empowering Local Communities Act of 2019
3. Resolution 6851

I

116TH CONGRESS
1ST SESSION

H. R. 530

To provide that certain actions by the Federal Communications Commission shall have no force or effect.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2019

Ms. ESHOO (for herself and Ms. SPEIER) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To provide that certain actions by the Federal Communications Commission shall have no force or effect.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Accelerating
5 Broadband Development by Empowering Local Commu-
6 nities Act of 2019”.

7 **SEC. 2. PRESERVATION OF RIGHTS OF STATE AND LOCAL**
8 **GOVERNMENTS.**

9 Actions by the Federal Communications Commission
10 in “Accelerating Wireless and Wireline Broadband De-

Attachment: HR 530 Bill Text (2216 : City Position on Pending Legislation HR 530)

1 ployment by Removing Barriers to Infrastructure Invest-
2 ment” (83 Fed. Reg. 51867) and the Federal Communica-
3 tions Commission’s Declaratory Ruling in “Third Report
4 and Order and Declaratory Ruling” (FCC 18–111) shall
5 have no force or effect.

○



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

February 22, 2019

The Honorable Anna Eshoo
241 Cannon House Office Building
Washington, DC 20515

Dear Congresswoman Eshoo:

As mayors, we are committed to serving the residents of our cities by ensuring the digital infrastructure of tomorrow is safe, reliable, and is accessible for everyone. Cities are not only leaders in innovation, but also have an obligation to the public to ensure safe, equitable deployment, and fiscally prudent broadband investment to their communities. It is essential that cities maintain control of the small cell application and review process to ensure safe deployment of this technology and that everyone benefits. The Federal Communications Commission preempted this process in a rushed and overreaching manner. For these reasons, we applaud your effort in restoring authority to the rightful position of local jurisdictions and support the Accelerating Wireless Broadband Development by Empowering Local Communities Act (H.R. 530).

H.R. 530 would return local governments' ability to balance competing interests for the use of the public rights-of-way by overturning actions of the Federal Communications Commission in August and September of 2018. While we support the Commission's goal of ensuring affordable broadband access for every American, the Commission's actions do nothing to achieve that goal. It puts the interests of national corporations over the needs of our communities by making it impossible for local governments to manage the public rights-of-way effectively and equitably. It cedes control of local property to national corporations without fair compensation in return, and without taking into account considerations for closing the digital divide, public safety, public utility services such as water, sewer, and electricity, the travelling public, environmental concerns, economic development, and maintenance costs.

Your leadership in passing H.R. 530 is critical to ensuring local governments have the necessary tools to manage local public assets in a manner that balances competing interests while encouraging responsible deployment of wireless broadband facilities. Without this action, cities will face financial strain and potentially delayed progress in adopting to the FCC's overreaching actions. It is necessary for both industry and our residents to reverse the FCC's rules on small cells and restore local control.

Sincerely,

Rich Constantine, Morgan Hill Mayor

cc: Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meghan McKelvey, League of California Cities, mmckelvey@cacities.org

RESOLUTION NO. 6851

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING THE MAYOR OR CITY MANAGER TO PREPARE, EXECUTE AND TRANSMIT COMMUNICATIONS INDICATING A POSITION ON PROPOSED STATE LEGISLATION ON CERTAIN MATTERS THAT MAY HAVE IMPACTS UPON THE CITY IN CERTAIN CIRCUMSTANCES AND DIRECTING A REPORT BACK TO CITY COUNCIL ON ANY SUCH COMMUNICATIONS TRANSMITTED

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to indicate City's position on proposed legislation of the State of California and is sometimes requested to so indicate City's position on such legislation for the benefit of the City; and

WHEREAS, the reasons supporting the adoption of this Resolution are set forth in detail in that certain City Council Staff Report entitled "City Position on Pending State Legislation" submitted for City Council consideration at its meeting of April 16, 2014, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council prefers, whenever possible, that determinations on whether to take a position on pending State legislation be brought before

the City Council as a whole for consideration and action. However, the City Council recognizes that occasional, limited situations arise where communications indicating support or opposition on pending State legislation that could be important to City are requested from cities within timeframes that have deadlines occurring prior to the next scheduled meeting of the City Council as a whole at which the City Council could consider and determine City's position on such pending legislation. For these reasons, the City Council does further resolve, order and/or direct as follows:

- a. That the Mayor and/or the City Manager is delegated authority to and is authorized to prepare, execute and transmit written or verbal communications indicating a City position on proposed pending State legislation that may have impacts upon City when all of the following criteria are met:
 - i. The League of California Cities, or a successor or similar organization, has requested City comment or position on a piece of pending State legislation or the City has otherwise become aware of such pending State legislation; and
 - ii. A public hearing and an opportunity for City to comment or take a position upon such pending State legislation is occurring in a timeframe and with a deadline to comment or express a position that occurs prior to the next scheduled meeting of the City Council at which the City Council could consider and determine City's comment or position on such pending State legislation; and
 - iii. The pending State legislation clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal or Strategy in a substantial manner such that it is in the best interests of City to indicate its comment or position on such pending State legislation.
- b. That the Mayor and/or City Manager is hereby directed to provide a written report to the City Council for the Council's comment and acceptance at the City Council's next possible meeting whenever the Mayor or City Manager prepares, executes and transmits a communication indicating a comment or position on pending State legislation pursuant to the authority delegated under this Resolution, which report shall include a copy of such pending State legislation and the comment or position transmitted.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 16th day of April, 2014 by the following vote:

AYES: **COUNCIL MEMBERS:** Rich Constantine, Marilyn Librers, Gordon Siebert,
 Steve Tate
NOES: **COUNCIL MEMBERS:** None
ABSTAIN: **COUNCIL MEMBERS:** None
ABSENT: **COUNCIL MEMBERS:** Larry Carr

ATTEST:


 IRMA TORREZ
 City Clerk

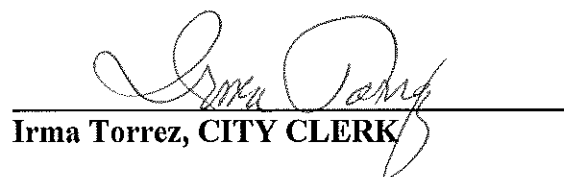

 STEVE TATE, Mayor

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 6851, adopted by the City Council at the meeting held on April 16, 2014.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: 4/21/2014


 Irma Torrez, CITY CLERK

DRAFT



Meeting Minutes City Council

Rich Constantine - Mayor
Rene Spring - Mayor Pro Tem
Yvonne Martinez Beltran - Council Member
Larry Carr - Council Member
John McKay - Council Member

Wednesday, February 20, 2019 6:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 6:00 p.m. for the purpose of conducting Planning Commission interviews.

SPECIAL MEETING

The Special meeting was called to order at 6:01 P.M.

COMMISSION INTERVIEWS

1. INTERVIEWS TO FILL TWO (2) VACANCIES ON THE PLANNING COMMISSION

Recommendation:

1. Discuss the characteristics/traits that a successful applicant(s) would possess;
2. Conduct Interviews;
3. Council Members identify top applicant(s) and provide recommendation to the Mayor; and
4. Discuss and/or appoint applicant(s).

The Council discussed additional recruitment opportunities to try to get a more diverse pool of applicants. The Council directed the City Clerk's Office to re-open the recruitment with additional interviews to be held on Wednesday, March 20th. The additional interviews were scheduled for April 17th in order to allow enough time for the interviews.

The public comment was opened at 6:14 p.m.

Brian Sullivan was called to speak.
There being no further requests to speak, the public comment was closed.

Council interviewed the following candidates:

Chip Williams
Andrew Froumis
Chris Wood
Ken Murray

The special meeting was adjourned at 7:08 p.m.

RESULT: NO ACTION TAKEN

REGULAR MEETING

7:00 P.M.

CALL TO ORDER

Mayor Constantine called the regular meeting to order at 7:13 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Present	
Rene Spring	Mayor Pro Tem	Present	
Yvonne Martinez Beltran	Council Member	Present	
Larry Carr	Council Member	Present	
John McKay	Council Member	Present	

DECLARATION OF POSTING AGENDA

Deputy City Clerk Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member McKay shared that he has been involved with the Bicycle Pedestrian Advisory Committee. He shared that they have done some of the background work on the Bikeways, Trails, and Parks Masterplan and have been working to establish bike routes throughout the community. This is so important as we want to be known as a bicycle friendly community.

CITY MANAGER'S REPORT

City Manager Christina Turner spoke to the evening's supplements and presentations. She shared that the City has fared well after the recent storms and recognized the City crews that worked tirelessly to ensure the safety of our residents, as well as, our infrastructure. She mentioned that the South County Regional Wastewater Authority (SCRWA), which is a Joint Powers Authority between Morgan Hill and Gilroy for our sewer treatment plant, was just recognized by the California Water Environment Association for winning the prestigious "Overall Plant of the Year" in the Monterey Bay section. This includes training

and safety, benchmarking, facility accomplishments, permit compliance, reporting, and so forth. In addition to that, SCRWA is shortlisted with two other facilities for the top state award. A panel of judges will be heading to Gilroy next week. The state level winners will be announced in April. She provided an update on topics from the Council Goal Setting that will be coming forward for additional discussion. For housing, two items are on tonight's agenda, the Regional Housing Needs Assessment (RHNA) update and the Inclusionary Housing Ordinance amendment. We will also have a larger conversation about housing as a workshop on March 6th before the regular City Council meeting. Additionally, on March 20th, the Housing Element Annual Progress Report will come back to Council. She shared that next Wednesday, February 27th, we will hold a workshop regarding cannabis policy and on March 6th during the regular Council meeting, we will have a discussion about homelessness.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that the latest from the outgoing CEO of the High Speed Rail Authority is that they intend to deliver the California High Speed Rail Program, including all Phase 1 environmental documents, for the San Francisco to Los Angeles/Anaheim system and are focusing on advancing the Merced to Bakersfield line as outlined by Governor Newsom in his State of the State Address. They are continuing their efforts to deliver this transformational program and to expand the economic and environmental benefits to thousands of hard working families in the Central Valley. He concluded by sharing that nothing was mentioned about the leg of the rail that would encompass San Francisco to Gilroy or Pacheco Pass.

OTHER REPORTS

None.

PRESENTATIONS

YAC PRESENTATION ASSET #1 - FAMILY SUPPORT

REGIONAL AGENCY REPORTS

SANTA CLARA COUNTY ROADS AND AIRPORTS PRESENTATION

SANTA CLARA COUNTY ROADS AND AIRPORTS - AIRPORTS BUSINESS PLAN UPDATE

Santa Clara County Roads and Airports - San Martin Airport

Harry Freitas

The public comment was opened at 8:04 p.m.

Kimberly Delgado was called to speak.

There being no further requests to speak, the public comment was closed.

VALLEY TRANSPORTATION AUTHORITY'S 2019 NEW TRANSIT SERVICE PLAN PRESENTATION

Valley Transportation Authority - 2019 New Transit Services Plan

Jay Tyree

The public comment was opened at 8:26 p.m.

Tom Tanner was called to speak.

There being no further requests to speak, the public comment was closed.

PUBLIC COMMENT

The public comment was opened at 8:29 p.m. The following people were called to speak:

Brad Krouskup

Randy Toch

Gary Apte

Kiran Vittal

Scott Gregg

There being no further requests to speak, the public comment was closed.

EMAIL SUBMITTED FOR PUBLIC COMMENT

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Mayor Pro Tem
SECONDER:	John McKay, Council Member
AYES:	Constantine, Spring, Martinez Beltran, Carr, McKay

CONSENT CALENDAR

MOTION:

Approving consent calendar items 2 through 8.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Carr, Council Member
SECONDER:	Rene Spring, Mayor Pro Tem
AYES:	Constantine, Spring, Martinez Beltran, Carr, McKay

2. APPROVE PURCHASE OF PROPERTY (BETPOLICE) APN 767-03-036 FOR THE HALE AVENUE EXTENSION PROJECT

Recommendation:

1. Adopt resolution approving the purchase of a portion of APN 767-03-036 for \$310,500 plus escrow and closing costs from Farideh Betpolice for the Hale Avenue Extension Project; and
2. Authorize the City Manager to execute all documents and make minor modifications as necessary in order to consummate the transaction.

3. APPROVE SERVICE AGREEMENT FOR DESIGN PROFESSIONALS WITH LUHDORFF & SCALMANINI CONSULTING ENGINEERS FOR WELL REMEDIATION AND FIELD OVERSIGHT SERVICES

Recommendation:

1. Approve Service Agreement for Design Professionals with Luhdorff & Scalmanini Consulting Engineers for a total not to exceed contract amount of \$45,000; and
2. Authorize the City Manager to execute and administer the Service Agreement for Design Professionals with Luhdorff & Scalmanini Consulting Engineers.

4. APPROVE PURCHASE OF 150KW TRAILER-MOUNTED PORTABLE GENERATOR

Recommendation:

1. Approve the purchase of one 150kW trailer-mounted diesel generator from Leete Generators, in the amount of \$84,776.15;
2. Authorize City Manager to approve purchase order in the amount of \$84,776.15 with Leete Generators;
3. Declare generator W99014 to be surplus; and
4. Authorize the disposal of equipment in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

5. AWARD CORPORATION YARD SPACE NEEDS STUDY

Recommendation:

1. Approve and authorize the City Manager to execute an agreement with Griffin Structures in the amount of \$141,480 for a space needs analysis of the City's Corporation Yard and the Morgan Hill Unified School District's (MHUSD) transportation yard;
2. Approve and authorize the City Manager to execute a Cost Sharing Agreement with the MHUSD for the Space Needs Project; and
3. Adopt resolution amending the Capital Improvement Program Budget for Fiscal Year 2018-19, and appropriating an additional expenditure of \$61,480, and reimbursement revenue of \$70,740 in the Public Facilities Fund (347).

6. ADOPT ORDINANCE 2297 APPROVING A ZONING AMENDMENT FOR APPROXIMATELY 8.55 ACRES OF PROPERTY LOCATED ON THE NORTHEAST CORNER OF MONTEREY ROAD AND BURNETT AVENUE (APN NO. 725-01-018, -032, AND -033) FROM THE PLANNED UNIT DEVELOPMENT (PUD) AND SERVICE COMMERCIAL (CS) ZONING DISTRICTS TO THE MIXED USE FLEX/PLANNED DEVELOPMENT (PD) COMBINING DISTRICT TO ESTABLISH A BLOCK-LEVEL MASTER PLAN (BLMP) FOR MONTEREY ROAD CORRIDOR BLOCK ONE

Recommendation:

Waive the reading, adopt Ordinance No. 2297, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

7. ADOPT ORDINANCE 2298 APPROVING A ZONING AMENDMENT FOR APPROXIMATELY 7.58 ACRES OF PROPERTY LOCATED ON THE EAST SIDE OF MONTEREY ROAD OPPOSITE OLD MONTEREY ROAD (APN NOS. 726-25-006 AND -005) FROM THE PLANNED UNIT DEVELOPMENT (PUD) AND SERVICE COMMERCIAL (CS) ZONING DISTRICTS TO THE MIXED USE FLEX/PLANNED DEVELOPMENT (PD) COMBINING DISTRICT TO ESTABLISH A BLOCK-LEVEL MASTER PLAN (BLMP) FOR MONTEREY ROAD CORRIDOR BLOCK FOUR

Recommendation:

Waive the reading, adopt Ordinance No. 2298, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

8. APPROVE THE FEBRUARY 6, 2019 MEETING MINUTES

Recommendation:

Approve Minutes.

PUBLIC HEARING

9. ORDINANCE APPROVING DEPOT-LATALA- DEVELOPMENT AGREEMENT TO CONFIRM RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) PUBLIC BENEFIT COMMITMENTS FOR 49 DOWNTOWN RDCS BUILDING ALLOTMENTS. THE PROPERTY, IDENTIFIED BY ASSESSOR PARCEL NUMBER 726-13-049, IS LOCATED ON THE EAST SIDE OF DEPOT STREET, NORTH OF EAST DUNNE AVENUE

Recommendation:

1. Open and close public hearing;
2. Waive first and second reading of Development Agreement Ordinance; and
3. Introduce Development Agreement Ordinance.

Principal Planner Gina Paolini, Community Development Director Jennifer Carman, and Associate Planner Tiffany Brown presented the report.

The public hearing was opened at 8:49 p.m.

There being no requests to speak, the public hearing was closed.

The public hearing was re-opened at 8:52 p.m.

Paul Latala was called to speak.

There being no further requests to speak, the public hearing was closed.

MOTION:

Waiving the first and second reading of the ordinance.

RESULT:	MOTION FAILED [2 TO 3]
MOVER:	John McKay, Council Member
SECONDER:	Rich Constantine, Mayor
AYES:	Constantine, McKay
NAYS:	Spring, Martinez Beltran, Carr

The public hearing was re-opened at 9:19 p.m. The following people were called to speak:

Paul Latala

Sara Nicolson

There being no further requests to speak, the public hearing was closed.

MOTION:

Continuing the item to the March 20th City Council meeting, directing staff to bring back a draft replacement plan for the trees; information to allow for a discussion on circulation and clarity on the connection and how it improves circulation in the area and Downtown; a discussion about housing in Downtown with the total housing units including this project, if it were to be built and all other allotments in Downtown and how the infrastructure we have today accommodates all of that; and how this project adheres to and furthers the Downtown and the Station Area Specific Plans, specifically including any impacts on grade separation and quiet crossings.

RESULT:	CONTINUED TO A FUTURE MEETING [4 TO 1]
MOVER:	John McKay, Council Member
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, Martinez Beltran, Carr, McKay
NAYS:	Spring

The meeting was recessed at 9:36 p.m.

The meeting was reconvened at 9:43 p.m.

Items 11 and 12 were continued to a future meeting.

OTHER BUSINESS

10. FIRE DISASTER PREPAREDNESS

Recommendation:

Receive report.

Fire Chief Jake Hess presented the report.

The public comment was opened at 10:28 p.m.

There being no requests to speak, the public comment was closed.

RESULT:	ACCEPT REPORT
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11. REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) UPDATE

Recommendation:

Receive Report.

RESULT:	CONTINUED TO A FUTURE MEETING
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12. ORDINANCE AMENDING SECTION 14.04.070 ALTERNATIVES OF CHAPTER 14.04, INCLUSIONARY HOUSING

Recommendation:

1. Waive the first and second reading of the ordinance; and
2. Introduce ordinance.

RESULT: CONTINUED TO A FUTURE MEETING

13. ACCEPT DECEMBER 2018 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

Finance Director Dat Nguyen presented the report.

The public comment was opened at 10:34 p.m.

There being no requests to speak, the public comment was closed.

RESULT: ACCEPT REPORT

The meeting was recessed at 10:36 p.m.

The meeting was reconvened at 10:40 p.m.

14. INTRODUCE WASTEWATER RATE STUDY, RECEIVE POLICY DIRECTION, AND SET PUBLIC HEARING TO ADOPT RATE INCREASES

Recommendation:

1. Introduce the 2019 Wastewater Rate Study; and
2. Discuss and provide policy direction to staff on wastewater rate implementation.

Accounting Manager Harjot Sangha, Finance Director Dat Nguyen, Deputy Director of Utilities Dan Repp, and Kim Boehler with NBS presented the report.

The public comment was opened at 11:27 p.m.

There being no requests to speak, the public comment was closed.

Council provided direction to staff.

RESULT: NO ACTION TAKEN

MOTION:

Extending the meeting to 11:45 p.m.

RESULT: EXTENDED [UNANIMOUS]

MOVER: Rene Spring, Mayor Pro Tem

SECONDER: John McKay, Council Member

AYES: Constantine, Spring, Martinez Beltran, Carr, McKay

15. INTRODUCE DEVELOPMENT IMPACT FEE UPDATE STUDY AND RECEIVE POLICY DIRECTION

Recommendation:

1. Introduce 2019 Development Impact Fee Update Study;
2. Discuss and provide policy direction to staff on Development Impact Fee Update implementation.

Finance Director Dat Nguyen, Public Services Director Chris Ghione, and Carlos Villarreal with Willdan presented the report.

The public comment was opened at 12:01 a.m.

There being no requests to speak, the public comment was closed.

Council provided direction to staff.

MOTION:

Extending the meeting to 12:15 a.m.

RESULT:	EXTENDED [UNANIMOUS]
MOVER:	Rene Spring, Mayor Pro Tem
SECONDER:	Yvonne Martinez Beltran, Council Member
AYES:	Constantine, Spring, Martinez Beltran, Carr, McKay

MOTION:

Extending the meeting to 12:30 a.m.

RESULT:	EXTENDED [UNANIMOUS]
MOVER:	Rene Spring, Mayor Pro Tem
SECONDER:	Rich Constantine, Mayor
AYES:	Constantine, Spring, Martinez Beltran, Carr, McKay

RESULT:	NO ACTION TAKEN
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FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Spring asked staff to bring back a policy or best practices on commission recruitment.

CLOSED SESSION

The following closed session item was continued to the February 27th Council meeting.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to: Government Code Section 54956.9(d)(2)

Number of Cases: One (1)

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:22 a.m.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk

DRAFT



Meeting Minutes City Council

Rich Constantine - Mayor
Rene Spring - Mayor Pro Tem
Yvonne Martinez Beltran - Council Member
Larry Carr - Council Member
John McKay - Council Member

Wednesday, February 27, 2019 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

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.

CALL TO ORDER

Mayor Constantine called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Present	
Rene Spring	Mayor Pro Tem	Present	
Yvonne Martinez Beltran	Council Member	Late	
Larry Carr	Council Member	Present	
John McKay	Council Member	Present	

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

The public comment was opened at 7:00 p.m.

Brian Faircloth was called to speak.

There being no further requests to speak, the public comment was closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Mayor Pro Tem
SECONDER:	Larry Carr, Council Member
AYES:	Constantine, Spring, Martinez Beltran, Carr, McKay

OTHER BUSINESS

1. CANNABIS POLICY DISCUSSION

Recommendation:

Provide direction to staff regarding Cannabis policy.

Since the passage of Proposition 64 in 2016, legalizing marijuana use in California, the City Council has had several conversations and workshops about cannabis use in Morgan Hill. The Council placed a measure on the November 2018 ballot asking the voters if they would approve taxing cannabis uses should they be allowed. With the passage of that measure, staff is bringing forward this workshop for the Council to discuss cannabis policy.

City Manager Christina Turner, Police Chief David Swing, Police Captain Emil Kokesh, and David McPherson with HdL Companies provided the presentation.

The meeting was recessed 8:05 p.m.

The meeting reconvened at 8:09 p.m.

The public comment was opened at 8:50 p.m. The following people were called to speak:

Lee Neves
 Brian Faircloth
 Doug Chloepok
 Patrick Brooks
 Laura Uden
 Sara Nicolson
 Sean Kali-Rai

There being no further requests to speak, the public comment was closed.

No action taken.

FUTURE COUNCIL INITIATED AGENDA ITEMS

Mayor Constantine would like the City to look into providing power and energy (i.e. acting as our own power company) to our residents and businesses.

Council Member Spring asked staff to look into the Silicon Valley Clean Energy Authority's new program which encourages residents to move from gas to electric.

CLOSED SESSION

City Attorney Donald Larkin announced the closed session item.

OPPORTUNITY FOR PUBLIC COMMENT

The public comment was opened at 10:42 p.m.

There being no requests to speak, the public comment was closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 10:42 p.m.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to: Government Code Section 54956.9(d)(2)

Number of Cases: One (1)

RECONVENE

The meeting reconvened at 11:11 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Donald Larkin announced that there was no reportable action.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:11 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Harjot Sangha, Accounting Manager
APPROVED BY: City Manager

ADOPT RESOLUTION DECLARING INTENT TO IMPLEMENT NEW WASTEWATER RATES, COMMENCING PROPOSITION 218 NOTICES, AND SETTING MAY 1, 2019 AS DATE FOR A PUBLIC HEARING

RECOMMENDATION(S)

Adopt resolution:

1. Declaring intent to adjust wastewater rates;
2. Authorizing the commencement of Proposition 218 noticing; and
3. Setting May 1, 2019 as the date for Public Hearing and new wastewater rates adoption.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Protecting the Environment
Maintaining Fiscal Responsibility

2019 Strategic Priorities

Financial Stewardship
Infrastructure

GUIDING DOCUMENTS

Sewer System Master Plan

REPORT NARRATIVE:

The City owns and operates the Wastewater Collection System within the Engineering and Utilities Department. The system collects wastewater from residences and businesses throughout the City and delivers the wastewater for treatment to the South County Regional Wastewater Facility.

In 2017, the City Council approved a Sewer System Master Plan for future repairs and improvements to the City's wastewater system. The Master Plan identified \$57 million in expansion and capacity related improvement projects (impact fee funded) and \$52 million in improvements necessary to repair the City's existing system (ratepayer funded). City staff have determined the impact fee funded projects can likely be funded through the projected impact fees and/or financed through bonding against future impact fees. However, staff identified a significant shortage in funding to make the legally required repairs and improvements to the existing system, which was the primary factor in moving forward with a rate study.

On February 8, 2019, the 2019 Draft Wastewater Rate Study (Attachment No. 1), prepared by NBS Government Finance Group, was released to the community via eblast along with the posting on City's website.

On February 20, 2019, the rate study was introduced to the City Council. The City Council directed staff to proceed with updating the City's wastewater rates as presented in the rate study. In addition, Council agreed with staff's recommendation for the following items:

- Finance, via issuance of bonds, the immediate capital project needs to allow for smaller gradual rate increases.
- Extend the annual adjustment of 3.6% for the lift station charge, for the next five-year period.
- Extend the annual adjustment to low-income subsidy, reflecting 5% from July 1, 2021 through July 1, 2023.
- Remove the current cap of 13 units used in calculating annual sewer rates for the residential and multifamily customer classes.

The proposed percent adjustment to the rates are as following:

	Proposed 7/1/2019	Proposed 7/1/2020	Proposed 7/1/2021	Proposed 7/1/2022	Proposed 7/1/2023
Wastewater Rates	9%	9%	5%	5%	5%
Lift Station Charge	3.6%	3.6%	3.6%	3.6%	3.6%

In addition, the proposed low income subsidy adjustment is as following:

	Approved Current	Approved 1/1/2020	Proposed 7/1/2021	Proposed 7/1/2022	Proposed 7/1/2023
Wastewater Subsidy	\$ 11.13	\$ 12.24	\$ 12.85	\$ 13.49	\$ 14.17
%	10%	10%	5%	5%	5%

On February 25, 2019, a public meeting was held at the City Council Chambers. A total of two community members attended the meeting. The following topics were discussed:

- Proposition 218 notice and vote count
- City's existing wastewater infrastructure and immediate need for improvements
- SCRWA treatment plant operations/expansion
- Proposed rate increases
- Removal of minimum two (2) units, in addition to removal of maximum cap of thirteen (13) units, used in calculating the volumetric portion of the annual sewer charge for residential and multifamily customer classes

Of all the topics discussed, staff determined the proposal to remove the minimum 2 units used in calculating the volumetric portion of the sewer rate required further discussion.

Staff performed additional research and analysis on customers that have a winter water average less than 2 units. The minimum of 2 units was established in 1996. Prior to the establishment of the minimum, certain accounts did not receive a volumetric charge although they used the sewer system during the non-winter months. Therefore, a minimum volume usage rate of 2 units per dwelling was adopted. There were approximately 350 accounts that had winter water averages less than 2 units during the

2018 winter. Of those 350 accounts, about 170 accounts had winter water averages of 1, and the remaining 180 accounts had winter water averages of 0. Staff selected and reviewed a sample of accounts and confirmed that the 1996 determination still holds true. Many accounts had winter water averages of 0 or 1, but during non-winter months the consumption was 1 to 2 units, and in some cases even higher. Few accounts were identified with an average of 1 unit that was consistent throughout the year.

Staff does not recommend removing the minimum of 2 units used in calculating the volumetric portion of the annual sewer rate, as the 1996 determination is still applicable, and because the rate study assumes the minimum 2 units. Staff instead proposes to review such cases via the appeal process from customers that believe they have a constant 1 unit average throughout the year. Staff would review and adjust the sewer rate accordingly.

Next Steps

Proposition 218 Noticing - In order to implement the fee adjustments, the City is required to follow Proposition 218 majority protest proceedings. Proposition 218 requires specific procedures be followed with regard to property-related fee increases. The California Constitution requires local governments to give mailed notice of any property-related proposed fee changes at least 45 days before holding a public hearing where the City Council may adopt or reject the changes. Those opposed to the proposed rate adjustments can submit written protests to the City. If a majority (50% plus 1) of customers oppose the proposed rate adjustments, City Council cannot implement the proposed increases. Staff has setup a dedicated email address for customers to submit any Proposition 218 comments electronically.

Staff recommends City Council adopt a resolution declaring intent to adjust the wastewater rates, authorizing staff to begin proposition 218 noticing process, and setting May 1, 2019 as the date of public hearing where Council will consider the adoption of the rates.

COMMUNITY ENGAGEMENT: Inform and Consult.

On February 8, 2019, the draft 2019 wastewater rate study was made available to the community. Email notifications were generated, and information was presented in the weekly 411.

On February 25, 2019, a public meeting was held to answer any questions and seek feedback from the community.

ALTERNATIVE ACTIONS:

City Council could elect to not adopt the resolution of intent and direct staff to perform additional analysis to be presented at a future council meeting.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The required wastewater infrastructure improvements and the wastewater rate study were discussed with City Council during the FY 2018-19 and 2019-20 budget development process and at the 2019 annual goal setting workshop in January 2019.

On February 6, 2019, Staff presented a report on the wastewater system needs and discussed the rate study schedule.

On February 20, 2019, the rate study was introduced to the City Council.

FISCAL AND RESOURCE IMPACT:

The fiscal impact of preparing this report is included in the staff's annual workplan. The cost for the wastewater rate study, was budgeted in the Wastewater Operations Fund (640) in the current fiscal year.

If the Proposition 218 majority protest process is concluded without majority protest, and the wastewater fee adjustments are adopted as presented, the new rate increases could generate an average of \$2.6 million annually, for the next five years, to assist in recovery of costs to provide and maintain infrastructure and services.

In addition, the cost of Proposition 218 mailing will be borne by the Wastewater Operations Fund (640). Those costs are projected to be \$10,000.

CEQA (California Environmental Quality Act):

Not a Project.

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. 2019 Wastewater Rate Study (web link)
2. Proposition 218 Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING ITS INTENTION TO ADJUST WASTEWATER RATES AND SETTING THE TIME AND PLACE FOR A PROPOSITION 218 PUBLIC HEARING AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO PROVIDE NOTICE IN COMPLIANCE WITH STATE-MANDATED TIMING REQUIREMENTS

WHEREAS, the City of Morgan Hill has identified ongoing operational and capital needs associated with the City's wastewater utility system; and

WHEREAS, in order to fund the identified wastewater system's operational and capital costs, it will be necessary to adjust the City's current wastewater rates; and

WHEREAS, on November 5, 1996, California voters approved Proposition 218, requiring specific procedures be followed with regard to "property-related" fee increases, including the need to provide written notice at least 45 days in advance of a public hearing; and

WHEREAS, on July 24, 2006, the California Supreme Court confirmed that charges for water, wastewater (sewer), and solid waste services are subject to Proposition 218 procedures (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal. 4th 205); and

WHEREAS, on April 20, 2015, the California Court of Appeal ruled that water rate surcharges and by analogy wastewater surcharges may be charged as long as they are based upon the actual cost of service to the ratepayers receiving the surcharge. (*Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493; and

WHEREAS, the City Council believes it is in the public interest to and desires to proceed through the requisite processes pursuant to the provisions of Proposition 218 in order to consider adjustments to the City of Morgan Hill's fees, rates and charges related to its wastewater system.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES RESOLVE AS FOLLOWS:

1. A Proposition 218 Public Hearing is hereby set and will be held before the City Council on May 1, 2019 in order for the City Council to consider adjustments to the City's wastewater service fees, rates and/or charges; and
2. The City Manager, or designee, is hereby authorized and directed to cause a notice of Public Hearing that provides details related to adjustments to the specific wastewater service fees, rates and/or charges being proposed to be mailed no later than March 15, 2019, in a manner that complies with applicable laws, including without limitation, the State-mandated minimum 45-day required notice under Proposition 218.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at its regular meeting held on this 6th day of March 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

∞ **CERTIFICATION** ∞

I, **Irma Torrez, City Clerk of the City of Morgan Hill, California**, do hereby certify that the foregoing is a true and correct copy of Resolution No. XX-XXX, adopted by the City Council at a regular meeting held on March 6, 2019.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Rebecca Garcia, Housing Manager
APPROVED BY: City Manager

ORDINANCE AMENDING SECTIONS 14.04.020 PURPOSE AND 14.04.070 ALTERNATIVES OF CHAPTER 14.04, INCLUSIONARY HOUSING

RECOMMENDATION(S)

1. Waive the first and second reading of the ordinance; and
2. Introduce ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility
Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust
Enhancing Diversity and Inclusiveness

2019 Strategic Priorities

Regional Initiatives

GUIDING DOCUMENTS

General Plan/Housing Element

POLICY CONSIDERATION:

Would allowing additional alternative means of compliance with the Inclusionary Housing Ordinance, which may include payment of a housing in-lieu fee upon City Council approval from time to time, allow the City to achieve better overall compliance with the City's housing goals?

REPORT NARRATIVE:

On July 25, 2018, the City Council adopted Ordinance No. 2278, the City's Inclusionary Housing Ordinance, effective August 25, 2018. Morgan Hill Municipal Code (MHMC) Chapter 14.04 (Inclusionary Housing) requires developers to set-aside a certain percentage of housing units in newly constructed or rehabilitated projects for low-and moderate-income buyers and renters. These units are made available at affordable rents or sales prices and are deed restricted.

All for-sale and rental projects outside of Downtown consisting of two (2) or more dwelling units are required to provide Below Market Rate (BMR) units at a rate of fifteen (15) percent. For-sale and rental projects within the Downtown consisting of two (2) or more dwelling units are required to provide BMR units at a rate of ten (10) percent.

Recognizing that not all developments are the same, that fees are needed to provide local match dollars or leverage for 100% affordable housing projects, and that the housing program needs some funds for rehabilitation, program management and other housing support activities, the City team has been exploring the conditions under which in-lieu fees should be accepted vs. unit build out. As described in section 14.04.070 of the MHMC, the Inclusionary Housing Ordinance (IHO) includes alternative means of compliance, e.g. construct rental units in for-sale projects, off-site construction, land dedication, and payment of an in-lieu housing fee in restricted circumstances. However, in discussions with the development community, and reviewing the City's housing goals, other alternative means may be desired. The development community would like some additional flexibility with the payment of an in-lieu fee, and staff agrees that there will be circumstances where accepting a fee is more advantageous to achieving the City's broader housing production, especially when attempting to meet very low-income housing goals.

The IHO currently allows for the payment of an in-lieu fee only for the following types of projects:

1. The project has a Residential Detached Low (up to 4 units or approx. 10,000 sf lots) General Plan Land Use Designation
2. The project is 4 dwelling units or less
3. There is a fractional number of inclusionary units (0.49 or less)

Staff is recommending the City Council amend the ordinance to permit *all Residential projects* to pay a "housing in-lieu fee" as an alternative means of compliance, pending staff recommendation and City Council approval on a case by case basis, consistent with the following guiding principles:

- a. *As provided in Section 14.04.040A, whenever application of the requirements of this Chapter results in a fractional number of .49 or less of required Inclusionary Units.*
- b. *For all other residential projects, upon determination by City Council that payment of an in-lieu fee is preferred to building inclusionary units onsite, or one of the other alternatives described in 14.04.070, considering the following:*
 - i. *Whether the production of the proposed Inclusionary Units will fill a need in an affordable housing category, or some other prioritized housing need area.*
 - ii. *Whether the proposed Inclusionary Units are in a category for which the City has already met its RHNA goal and therefore payment of a fee may be preferred.*
 - iii. *Whether there is a specific identifiable project that the City can provide local match dollars and/or leveraged financing support with the fees, thereby producing more affordable units.*

iv. Whether affordable units are appropriate in the specific project.

At this time the RDCS point system limits the ability to accept some alternative options or a varied combination of alternative options that the development community could propose. Currently the RDCS manual does proactively anticipate and provide points for building the units, paying the fee, dedicating land, encouraging ADUs, etc., however, it does not allow every possible project scenario or a combination of alternatives to score well in the Affordable Housing criteria. In addition, each project must receive a minimum of 18 points within the Affordable Housing criteria.

In previous discussions, the Council has stated that the preference is to develop BMR (inclusionary) units within projects. Staff acknowledges that building the units within the developments promotes “mixed income” planning efforts and would cautiously propose accepting a fee as needed based on the circumstances at that time. However, the City cannot meet its affordable housing needs by income level utilizing solely 15% inclusionary policy. For example, 66% or 612 units of the City’s current (928) RHNA cycle numbers are non- market rate. Measure “S” caps annual allotments at 215 per year. For the 8- year housing cycle, $215 \times 8 = 1720$. 15% of 1720 is 258, not 612 units. By illustration, it will take a mix of 100% affordable projects as well as the 15% inclusionary rules to produce the required number of units. This may also mean, that the City will need to create mixed-income projects, where apartments and for sale units reside side by side in alternate densities.

It is also important to note that if the City does not accept funding from time to time, it will not likely be able to contribute to funding 100% affordable projects. This does not mean that the City will not see affordable housing projects built, it means that without a City contribution, the City will not be able to shape and influence the project as the City was historically able to do with Redevelopment funding. Affordable projects are exempt from RDCS per the Housing Accountability Act and may come forward outside the competition. They may also obtain funding from outside sources. Having City funding in a deal is important. Throughout the years of the RDCS competition, the City has accepted a combination of both funds and units; staff’s recommendation is to continue on that path.

Finally, when the Council adopted the IHO Ordinance and the New Housing Fees, the “value” was established for contributing to the Housing Program. Moving forward, as the City receives and evaluates varied proposals from developers, the “value” of the proposal will be considered to ensure that the fee is equal in value to what the cost would be if units were built on-site. Again, there are instances where producing a greater number of affordable units than the City would have received if the units were built, or deeper affordability is desired if it facilitates the City’s ability to meet its designated housing goals. The modifications recommended are tools needed to make this happen.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the proposed amendment to the Inclusionary Housing Ordinance.

ALTERNATIVE ACTIONS:

The City Council may choose to not adopt the amendment to the Inclusionary Housing Ordinance, and or direct staff to return with alternatives.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

1. Beginning in May 2016, several Housing Workshops were held to discuss several elements of the City of Morgan Hill's Housing Program.
2. May 2, 2016, City Council BMR Workshop.
3. June 15, 2016, City Council adopted a BMR Ordinance regulating administration of the Ownership Program.
4. June 15, 2016, KMA Housing In-lieu fee workshop with the development community.
5. June 22, 2016, KMA Housing In-lieu fee discussion with City Council.
6. November 1, 2016, Second KMA Housing In-lieu fee workshop with the development community.
7. April 19, 2017, Housing Program workshop with City Council to discuss the 8% annual percentage of affordable units in projects and the RDCS competition.
8. May 17, 2017, City institutes a \$12.92 housing in-lieu fee (based on 8% affordability provision), per square foot of livable space of the entire project, effective with the Fiscal Year (FY) 2019-20 Residential Development Control System (RDCS).
9. February 7, 2018, City Council meeting, the Housing Team provided an update to the City's Housing Program and discussed new 2017 housing legislation impacts
10. May 2, 2018, City Council meeting to discuss meeting the Housing Accountability Act requirements, Morgan Hill's Regional Housing Needs Allocation (RHNA) housing goals. Additionally, the Council received a KMA report, "Strategy for Increasing the Supply of Affordable Housing."
11. July 18, 2018, City Council Meeting, introduced the Inclusionary Housing Ordinance and provided the Santa Clara County-wide report from the Civil Grand Jury. The Ordinance was subsequently adopted July 25, 2018 and effective August 25, 2018.
12. September 25, 2018, Planning Commission presented BMR Development Standards.
13. September 26, 2018, City Council Meeting, introduced a range of New Housing Fees, BMR Guides, and BMR Development Standards, subsequently approved on October 17, 2018.

FISCAL AND RESOURCE IMPACT:

The resource impact of proposing this ordinance amendment is accommodated in the Department's workplan.

CEQA (California Environmental Quality Act):

Not a Project. Adoption of this Amendment to the Ordinance has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. Specifically, adoption of the Ordinance is consistent with and implements several policies and programs reviewed in the Morgan Hill 2035 Environmental Impact Report (EIR) for the General Plan Update, which was certified and adopted on July 27, 2016 by Council Resolution No 16-128. No additional environmental analysis is

warranted at this time. All future discretionary development that may be impacted by the proposed Ordinance will be subject to a project-specific CEQA analysis as part of the required planning entitlement review (e.g. Rezoning, Site and Architectural Review, Subdivision, etc.) to determine if there are any environmental impacts.

LINKS/ATTACHMENTS:

1. Inclusionary Housing Ordinance_Amend 14.04.070
2. Letter from Silicon Valley @ Home

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 14.04.020 “PURPOSE” AND 14.04.070 “ALTERNATIVES” OF CHAPTER 14.04 “INCLUSIONARY HOUSING” OF TITLE 14 “HOUSING” OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL TO CLARIFY THE INTENT OF THE CHAPTER AND TO ALLOW PAYMENT OF IN-LIEU FEES FOR ALL RESIDENTIAL PROJECTS AS DETERMINED BY CITY COUNCIL.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Section 14.04.020 (Purpose) of Chapter 14.04 (Inclusionary Housing) of Title 14 (Housing) is hereby amended to read as follows (additions in underline, deletions in strikeout):

The purpose of this chapter is to further the city's efforts to require housing available to extremely low-income, very low-income, low-income, and moderate-income households. The housing element of the city's general plan implements the established policy of the state of California that each community should foster an adequate supply of housing for persons at all economic levels.

Providing the inclusionary units required by this chapter will help to ensure that part of Morgan Hill's remaining developable land is used to provide affordable housing to encourage an economically balanced community. Requiring builders of new market-rate housing to include some housing affordable to households at a range of incomes is consistent with the goal of fostering an adequate supply of housing for persons at all income levels and serves the goal of mixed-income housing. Furthermore, the production of inclusionary units is intended to assist the City in meeting its Regional Housing Need Allocation.

The inclusionary housing ordinance is required in order to promote and protect the public health, safety, and general welfare while preserving and enhancing economic diversity and inclusiveness within the city.

Section 2. Section 14.04.070 (Alternatives) of Chapter 14.04 (Inclusionary Housing) of Title 14 (Housing) is hereby amended to read as follows (additions in underline, deletions in strikeout):

14.04.070 Alternatives.

In lieu of building Inclusionary Units within a Residential Project, an Applicant may propose to satisfy the requirements of this Chapter by one of the following alternative modes of compliance, provided that the Applicant includes such proposal in its application for the First Approval of the Residential Project, and further provided that the criteria stated in the relevant subsection below are satisfied.

- A. Rental units in for-sale projects. Where owner-occupied Inclusionary Units are required by Section 14.04.040 of this Chapter, an Applicant may instead elect to construct as part of the Residential Project the same or a greater number of rental units, affordable to extremely low-, very low-, low- and moderate-income households in the proportions and at the rents as prescribed in Section 14.04.030 of this Chapter. Substitution of rental units shall be allowed under this subsection only if either: (1) the rental units are at least equal in number of bedrooms to the owner-occupancy units that would have been allowed, or (2) any comparative deficiency in the number of bedrooms is compensated for by additional units and/or affordability to households with lower incomes.
- B. Off-site construction. An Applicant may propose to construct, or make possible construction by another developer, units that will not be physically contiguous to the market-rate units (or units that are physically contiguous to the market-rate units if the City determines this will provide greater public benefit). Off-site construction pursuant to this subsection shall be approved only if:
1. An Inclusionary Affordable Housing Agreement acceptable to the City Manager or his or her designee that requires an equal or greater number of Inclusionary Units as required under Section 14.04.040 of this Chapter is recorded;
 2. Approval has been secured for the off-site units not later than the time the Residential Project is approved, and completion of the off-site units is secured by a requirement that Certificates of Occupancy for the related market-rate units will be issued after Certificates of Occupancy have been issued for the Inclusionary Units, provided that the time requirements set forth in this subsection for final inspections for occupancy for market-rate units may be modified to accommodate phasing schedules, model variations, financing requirements, or other factors, if the City determines this will provide greater public benefit;
 3. The off-site units will be greater in number, larger, or will be affordable to households with lower incomes than would otherwise be required by Section 14.04.040 of this Chapter;
 4. Financing or a viable financing plan is in place for the off-site units;
 5. If the off-site units receive any public assistance, the developer of the market-rate project will contribute economic value to the off-site units equivalent to the cost that would have been incurred to provide the required number of Inclusionary Units on-site in the Residential Project; and
 6. The City may require that completion of off-site units shall be further secured by the developer's agreement to pay an In-Lieu Fee in the amount approved by City Council in the event the off-site units are not timely completed.
- C. Land dedication. An Applicant may pro-pose to dedicate without cost to the City, a lot or lots within or contiguous to the Residential Project, sufficient to accommodate at least the required Inclusionary Units for the Residential Project. An election to dedicate land in lieu of compliance with other provisions of this

Chapter shall be allowed only if:

1. The value of the lot or lots to be dedicated is sufficient to make development of the otherwise required Inclusionary Units economically feasible, and financing or a viable financing plan is in place for at least the required number of Inclusionary Units; and
2. The lot or lots are zoned for and suitable for construction of affordable housing at a feasible cost, served by utilities, streets, and other infra-structure; there are no hazardous materials present or other material constraints on development of affordable housing on the lot or lots; and land use approvals have been obtained as necessary for the development of the Inclusionary Units on the lot or lots.

D. In-lieu housing fee.

1. An in-lieu housing fee may be paid in addition to building or in-lieu of building as follows:

a. ~~For All Residential Projects, pending City Council approval for which a Residential Detached Low General Plan Land Use Designation (allowing up to four dwelling units per acre) (ten thousand eight hundred ninety square foot lots) applies; , _____ for Residential Projects of four dwelling units or less; and~~

aAs provided in Section 14.04.040A, whenever application of the requirements of this Chapter results in a fractional number of .49 or less of required Inclusionary Units, ~~where the fraction is 0.49 or less; the Applicant may elect to pay an In-Lieu Fee, instead of developing the Inclusionary Units required in Section 14.04.040 of this Chapter, pursuant to the requirements set forth below in this subsection.~~

b. For all other residential projects, upon determination by City Council that payment of an in-lieu fee is preferred to building Inclusionary Units onsite, or one of the other alternatives described in 14.04.070 A through C above, considering the following:

- i. Whether the production of the proposed Inclusionary Units will fill a need in an affordable housing category or some other prioritized housing need area.
- ii. Whether the proposed Inclusionary Units are in a category for which the City has already met its RHNA goal and therefore payment of a fee may be preferred.
- iii. Whether there is a specific identifiable project that the City can support with the fees.
- iv. Whether affordable units are appropriate in the specific project.

24. The initial In-Lieu Fee schedule shall be set by City Council resolution or other action of the City Council so that the fee amounts are not greater than the difference between: (a) the amount of a conventional permanent loan that an inclusionary unit would support based on the Affordable Rent or Affordable Sales Price for the Inclusionary Unit; and (b) the estimated total development cost of a

prototypical Inclusionary Unit.

32. The City Council may annually review the fees authorized by this subsection by resolution, and may, based on that review, adjust the fee amount. For any annual period during which the City Council does not review the fee authorized by this subsection, fee amounts shall be adjusted once by the City Manager or his or her designee based on the construction cost index.

43. In-Lieu Fees shall be calculated based on the fee schedule in effect at the time the fee is paid. In-Lieu Fees shall be paid prior to issuance of building permits for Market-Rate units in a Residential Project. If building permits are issued for only part of a Residential Project, the fee amount shall be based only on the number of units then permitted. Where payment is delayed, in the event of default or for any other reason, the amount of the In-Lieu Fee payable under this subsection shall be based upon the fee schedule in effect at the time the fee is paid.

Section 2. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 3. Effective Date; Posting. This Ordinance shall take effect on _____, 2019. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the _____ day of _____, 20__, and adopted at a meeting held on the _____ day of _____, 20__, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

ATTEST:

APPROVED:

 IRMA TORREZ, City Clerk

 RICH CONSTANTINE, Mayor

CERTIFICATE OF THE CITY CLERK

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____,

New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ____ day of _____, 2019.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____
IRMA TORREZ, City Clerk

Board of Directors

Ron Gonzales, Chair
*Hispanic Foundation
of Silicon Valley*

Janice Jensen, Vice Chair
*Habitat for Humanity
East Bay/Silicon Valley*

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Amie Fishman
*Non-Profit Housing Association of
Northern California*

Javier Gonzalez
Google

Poncho Guevara
Sacred Heart Community Service

Nathan Ho
Silicon Valley Leadership Group

Janikke Klem
Technology Credit Union

Jan Lindenthal
MidPen Housing

Jennifer Loving
Destination: Home

Mary Murtagh
EAH Housing

Chris Neale
The Core Companies

Andrea Osgood
Eden Housing

Kelly Snider
Kelly Snider Consulting

Jennifer Van Every
The Van Every Group

Staff

Leslye Corsiglia
Executive Director

TRANSMITTED VIA EMAIL**February 19, 2019**

Honorable Mayor Constantine and Members of the City Council
Morgan Hill City Hall 17575 Peak Ave.
Morgan Hill, CA 95037

Dear Mayor Constantine, Mayor Pro Tempore Spring, and Councilmembers
Martinez Beltran, Carr, and Mckay:

RE: Item 12: Amendments to Inclusionary Housing Alternatives Chapter 14.04

SV@Home works to increase housing opportunities in Santa Clara County for people who live on our streets to those who work for our leading employers. Our membership represents a broad range of interests, from leading employers who drive the Bay Area economy, to labor and service organizations, to local government agencies, to nonprofit and for-profit developers who provide housing and services to those most in need.

We support City staff's proposal to amend Morgan Hills Inclusionary Housing Ordinance to expand which residential projects are allowed to pay in-lieu fees as an alternative means of fulfilling their inclusionary affordable housing obligations.

To guide cities in the development of IHO ordinances, we have prepared the attached set of best practices that ensure that inclusionary housing requirements are feasible for developers, while also supporting established affordable housing goals. These best practices recognize that not all developments are the same, and that by offering alternative compliance measures opportunities may be created to provide deeper levels of affordability to households with lower incomes.

It is important that alternative compliance measures result in the same value to the City as building the units on site. As the City is considering expanding which projects are eligible for the in-lieu fee program, it is important that the in-lieu mechanism follow this standard to support the affordable housing goals that the City has established.

The recommended amendments create space for Council to insure that this value is met for projects utilizing the in-lieu fee mechanism, and provide guidelines to inform this decision and **we remain supportive of the existing fee levels.**

Sincerely,

Leslye Corsiglia
Executive Director



Inclusionary Housing in Santa Clara County:

Aligning Local Policies toward a Countywide Affordable Housing Strategy (July 2018)

Inclusionary Housing: An Introduction

Inclusionary housing policies require or encourage developers to set aside a certain percentage of housing units in newly constructed or rehabilitated projects for low- and moderate-income residents. By creating mixed-income developments, people from different socio-economic backgrounds are given the opportunity to access the same services and amenities, furthering equity and inclusion, and addressing federal fair housing obligations.

For a number of years, inclusionary housing was only legal for for-sale housing in California due to the [Palmer Sixth Street Properties v Los Angeles](#) court case. This changed effective January 1, 2018 when new law created by AB 1505 went into effect. AB 1505 expressly supersedes the *Palmer* decision by authorizing the legislative body of any city or county to adopt ordinances requiring that, as a condition of developing rental housing units, the development include a certain percentage of rental units affordable to moderate- income, lower-income, very low-income, or extremely low-income households.

In February 2016, the US Supreme Court declined to review a challenge brought by the California Building Industry Association, which questioned the validity of local inclusionary ordinances for for-sale housing. This decision removed any questions over the ability for local government to adopt and implement inclusionary ordinances for for-sale housing.

Legal and Legislative Requirements

AB 1505 authorizes communities to adopt rental inclusionary requirements by *ordinance*. An ordinance should be adopted to implement inclusionary requirements contained in general plans, housing elements, or other policy documents.

Existing rental inclusionary ordinances that were not amended after *Palmer* can be implemented after January 1, 2018 as long as they include provisions for alternative means of compliance.

No nexus study is required to justify a rental inclusionary requirement. In the 2015 California Supreme Court decision *California Building Industry Ass'n v. City of San Jose (CBIA)*, it determined that inclusionary requirements were "land use provisions similar to rent and price controls and met constitutional requirements so long as not 'confiscatory' and designed to further the public health, safety, and welfare."¹

If a rental inclusionary ordinance was adopted prior to September 15, 2017, no economic feasibility study is required to justify a rental inclusionary requirement, regardless of the required set-aside percentage. If the ordinance was adopted or amended after September 15, 2017 to require affordable rental housing, a feasibility study would not be required if the set-aside percentage required is 15 percent or less. However, if the ordinance requires a higher inclusionary requirement, or if affordability

¹ Goldfarb and Lipman

restrictions are deeper (targeting extremely low- income or very low-income households), a jurisdiction may choose to prepare a feasibility study.

The State Department of Housing and Community Development has the authority to require that an economic feasibility study be provided for any inclusionary ordinance that was adopted after September 15, 2017 if the ordinance requires that more than 15% of the homes be affordable, but only in two circumstances: (1) if the jurisdiction has failed to meet at least 75% of its RHNA need in the above moderate income category for five or more years, or (2) if the jurisdiction has not submitted its annual housing element report for two consecutive years. If HCD should find that the study is insufficient, the jurisdiction would only be able to require 15% affordability until it could prove through an economic feasibility study that additional affordability was feasible.

CASA-- the Committee to House the Bay Area-- is currently considering potential inclusionary housing requirements for the 9-County Bay Area. Recommendations from CASA are not expected until late 2018 or early 2019.

SV@Home's Recommendations:

Local jurisdictions must make many choices when designing an inclusionary housing ordinance. As these choices are made, it is important to ensure that the inclusionary requirements are both feasible for developers and support achievement of affordable housing goals. To the extent that all 16 Santa Clara County jurisdictions adopt similar requirements, it will provide more certainty to the development community working in the South Bay.

SV@Home encourages all Santa Clara County jurisdictions to consider SV@Home's recommendations as a way to align local policy goals with a broader countywide inclusionary housing strategy.

Criterion	Recommendation	Rationale
Set-Aside Percentage	Adopt a minimum 15% onsite inclusionary housing onsite requirement for both for-sale and rental housing. If an Alternative Compliance Option is selected (see below) then this percentage should be increased to a minimum of 20%	Creating a consistent 15% requirement across the county provides predictability for developers as well as a level playing field for cities. The cities of Campbell, Cupertino, Palo Alto, Santa Clara, and San Jose have set 15% affordability as their inclusionary requirement. The recommended set-aside percentage is increased to 20% to incentivize the development of integrated on-site affordable units.
Project Size Threshold	Apply the inclusionary requirements to projects of ten or more units. Do not apply to ADUs. For projects that are smaller than ten units, require that developers pay a fee if the units exceed 1,200 square feet. The fee can increase for larger units.	It is important to offer "missing middle" opportunities, and requiring inclusionary percentages for smaller developments can discourage developers from pursuing small infill development like row houses, stacked flats, duplexes and fourplexes which tend to be more naturally affordable, and therefore affordable to teachers, nurses, construction workers, and others. At the same time, it is recognized that some developments that are small are offered at luxury prices and not naturally affordable. Santa Cruz and San Mateo Counties have

Criterion	Recommendation	Rationale
		adopted inclusionary ordinances that tier fees according to unit size. No fees should apply to ADUs, a building type that should be encouraged with fewer fees, not new and additional fees.
Income Restrictions—Rental	Average 60% of Area Median Income (AMI)	This allows a developer to provide units for a variety of income levels.
Income Restrictions—Owner	Average 100% of Area Median Income (AMI)	This allows a developer to provide units for a variety of income levels.
Term of Affordability -- Rental	Place affordability restrictions on rental homes for a minimum of 55 years	This ensures that the homes are available for an extended period, and is consistent with other State and federal affordable housing programs.
Term of Affordability -- Owner	Place affordability restrictions on for sale homes for a minimum of 45 years	This ensures that the homes are available for an extended period, and is consistent with other State and federal affordable housing programs. (Note: these restrictions can be removed upon an equity share sale)
Resale Restrictions—Owner	Implement an equity share provision that allows the original buyer of an affordable unit to sell the unit at market rate and share in the equity appreciation	This allows homeowners to acquire equity, making it possible for them to purchase a new home when they need to move. It also allows the local agency to re-invest its share in a new first-time homebuyer family who can purchase a new home anywhere in the jurisdiction.
Home Amenities	Affordable homes are indistinguishable from market rate homes and are integrated into the development	This is a best practice that ensures that lower- and moderate-income households have access to the same amenities as market-rate households.
Alternative Compliance Options	Provide a variety of alternative options for compliance: - Build Onsite - Offsite construction - Credit trading/transfer - Housing Preservation credits - In lieu fee - Land dedication - Acquisition/Rehabilitation - Combination	Recognizes that not all developments are the same, and provides both the developer and the City with flexibility to respond, particularly when a different option would result in more affordability. Additionally, in some circumstances, payment of an in-lieu fee or another compliance option may be preferable, as in the case of a multi-million dollar home subdivision. According to AB 1505, all rental inclusionary ordinances must include alternative means of compliance, however jurisdictions have broad discretion over the alternative means provided.

Criterion	Recommendation	Rationale
Incentives	Provide a robust suite of incentives to developers that should include: - Density bonus - Reduction in parking spaces - Changes to setbacks, height requirements, and other zoning variances - Expedited review - Fee or tax exemptions - Financial support	Provides developers the opportunity to achieve cost savings that can offset the cost of providing the affordable units.
Timeframe and Grandfathering	While an ordinance should go into effect in 30 days, provide an adequate timeframe for the market to adjust when adopting new inclusionary requirements. Our recommendation is to grandfather those projects that Establish requirements that ensure that any project that is grandfathered continues to move forward through the development process.	This is a best practice that recognizes that the development process is long, and that many developers have invested time and resources into projects that are already in the development pipeline. Requiring that the developments that receive grandfather status meet key requirements for progress ensures that those requesting an exemption are verifiably in the development process.
Incentives	Adopt incentives that offset the cost to the developer of providing the affordable units. This can include reduced parking, reduction in fees, reduced setbacks, increased height, and fast track permitting.	Recognizes that there is a cost to providing the inclusionary units.



CITY COUNCIL STAFF REPORT

MEETING DATE: March 6, 2019

PREPARED BY: Rebecca Garcia, Housing Manager

APPROVED BY: City Manager

REPORT REGARDING HOMELESSNESS IN MORGAN HILL

RECOMMENDATION(S)

Receive Report and provide direction.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust
Enhancing Diversity and Inclusiveness
Advancing Regional Initiatives

2019 Strategic Priorities

Homelessness
Housing

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

Homelessness affects our communities on a national, regional, and local level. The extent of the challenge is mind-boggling. Across the nation, cities are grappling with how to positively impact the problem of homelessness in their communities. While programs have been tailored to urban communities' needs, how does a suburban community provide services with limited funding while being geographically separated from available resources, transportation, and the people that provide these safety net services?

The purpose of this report is to share what the challenges currently are, which City Departments are engaged, the combined assistance and enforcement strategy, and City response to date (support and services that are provided to the unhoused).

What is the Challenge?

California hosts a total of 113,952 homeless individuals, this represents 20% of all homeless people in the United States, and there are approximately 15,179 homeless veterans. In 2015, in Santa Clara County (SCC), there were 6,556 homeless, of that 4,654 of them were unsheltered and on the streets as opposed to staying in a temporary shelter. There are approximately 683 homeless veterans in SCC.

The Cities of Morgan Hill and Gilroy have seen a significant increase in homelessness. Morgan Hill homelessness has increased by 380%, up from 81 people in 2015 to 388 people in 2017. Gilroy homelessness increased by 64%, up from 439 people in 2015 to 722 people in 2017. New County-wide Homeless Census data will be made available in the coming months based on the 2019 Homeless Census Count that recently took place on January 29, 2019.

While the Homeless Census report is helpful in gaging whether there is an increase or decrease over a two-year period, it is only a one-day snapshot. It is fair to say that while the number of homeless in Morgan Hill and Gilroy is significantly less than other larger cities, homelessness has become visually apparent to residents in both communities based on the number of inquiries and requests for service.

What is the definition of Homelessness?

Any person living in a temporary location, such as a shelter or a place not fit for human habitation (encampment, car, abandoned building, etc.), is considered homeless, according to the Department of Housing and Urban Development.

The issue of modern homelessness is very broad and complex, affecting too many of our neighbors and communities. People experiencing homelessness can be individuals, children, or families. These unstable situations result in a spectrum of homelessness severity, ranging from those who have simply moved more than twice in 60 days, to those living on the streets. This complex issue is not unique to Morgan Hill, it is a State and Regional Crisis. It takes a toll on the economy, environment, health care and criminal justice systems, and the lives of fellow human beings.

What causes homelessness?

The Bay Area is home to some of the wealthiest and most expensive places to live in the world, yet despite the massive wealth, people are homeless and live below the poverty line on the verge of homelessness. There are many reasons people can become homeless: a traumatic event, loss of a job, the inability to pay for needed health-care, previous offenses or convictions hindering job search, drugs or alcohol use, divorce or separation, domestic issues or violence, eviction, mental or physical health, medical condition, incarceration, and housing restrictions due to probation or parole, to name a few. Risk factors coupled with a State wide "Housing Crisis", has created tremendous attention around housing, and a significant amount of policy work, across sectors to recommend housing policy changes and new legislation.

While homelessness is only one part of the greater affordability challenge, we face, it takes a toll on the economy, environment, health care and criminal justice systems, and the lives of fellow human beings. Homelessness costs Santa Clara County \$520 million a year, as high as \$83,000 per chronically homeless individual, according to the Home Not Found: The Cost of Homelessness in Silicon Valley.

Recently, attention has been focused on the ecological impact of homelessness. Trash, human waste, and other refuse from homeless encampments pollute waterways and public spaces. Since public restrooms and trash receptacles are limited, and because many businesses prohibit the homeless from accessing restrooms, homeless people are forced to use whatever location they can find to dispose of their trash and other waste. This phenomenon results in a public health hazard and contributes to additional costs.

As an example, in 2014, the Santa Clara Valley Water District released a report showing that it, with the City of San Jose, spent \$275,542 in the prior year and removed 2,011 cubic yards of debris from homeless encampments along creeks and rivers in Santa Clara County. When the Story Road Encampment in San Jose, colloquially known as the “Jungle Encampment,” closed on December 4, 2014, city officials removed 600 tons of trash and over 1,500 pounds of human waste. While the Jungle is an extreme example, it speaks to the severe impact trash and human waste have on our environment.

City Teammates Engaged

The Community Services Department (CSD) has taken the lead role on the cleanup efforts of Homeless Encampments on public property, repairs to City facilities and City property, and installation of signage and improvements to prevent misuse in the City Right of Way. CSD incurred 148 staff hours in 2017 on these efforts and 202 staff hours in 2018. Additionally, CSD annual contract expenses were \$21,585. Time spent on these activities means less time on others.

The Recreation Division has experienced inappropriate uses of City recreation facilities, resulting in increased calls for support from the Police Department at the recreation facilities. The Police Department also assists with encampment clean-ups, the cost for PD is approximately 17 hours in Officer time per each clean up (\$2,210).

While the City generally responds to Public Property issues, the City also plays a different and limited role in responding to encampments on Private Property. When an encampment becomes apparent on Private Property, City teammates will notify the Private property owner to explain the situation and express the need for cooperation of private property owners in maintaining their property. The opposite is also true; staff has led various coordinated discussions at the request of frustrated property owners who have expressed concerns for the misuse of their property. The coordinated effort includes providing service and referrals to shelters and services through outreach workers and ultimately a notice is provided that clean-up will occur.

What is the City doing to address the issue and help?

In response to the rising South County Homeless issue in 2017, the Housing Team began coordinating efforts with a balanced approach, one that can be viewed as realistic given the City’s limited resources. The Team has made every attempt to

leverage dollars and partner with the County so that the City is in-sync, as much as possible, with the County's significant coordinated "big-picture" county-wide efforts.

The following Programs are viewed as first steps or a foundation of building blocks laid in order to create a localized, well-balanced, Homeless strategy that solves for what issues we can resolve and helps as many people as we can. This philosophy of a well-balanced approach came about as a result of wanting to focus and facilitate meaningful outcomes on what is one of the greatest challenges facing the Bay Area, and at the same time understand the City's limitations, resources, and the simple fact that we are better off partnering with the County and the City of Gilroy to solve it.

By increasing affordable housing production at all levels of affordability, preserving existing affordable housing, and protecting vulnerable households from instability and displacement, the City continues to address the issue to the best of its ability.

City Programs and Services protecting vulnerable households:

- Two part-time County Homeless Outreach Workers conduct interviews and assessments (medical and social risk factors) of the homeless on the streets in the City. The City contributes \$25,000 to this larger Countywide effort.
- Ongoing County Rapid Rehousing Program, a Homeless Prevention (financial rental assistance) Program for families, targeting families with children in the school district at risk of homelessness. The City contributes \$25,000 to this larger Countywide effort.
- Per earlier Council discussions confirming that there is a need to address the issue, staff is developing a Pilot Program, in partnership with the City of Gilroy, for both Councils' consideration. Given both have limited resources, similar needs, and a shared concern, staff is recommending continuing to work together on the issue. As a first step, the City of Morgan Hill has appropriated an additional \$50,000 in Fiscal Year (FY) 2018-19 to fund a South County Case Manager or "Housing Navigator," pending similar funding commitments from the City of Gilroy and the County of Santa Clara. The Housing Team is collaboratively working on a joint proposal with the City of Gilroy for both City Councils to review, prior to submitting a funding request to the County. With the funding that has already been appropriated, we wish to contribute to the hiring of a dedicated position referred to as, the "Housing Navigator". This person will be physically located in South County to establish ongoing, meaningful connections.
- City Code Compliance Homeless Prevention Program, 3-day emergency hotel stay, in the event that a household receives a notice of violation or "red tag" resulting in homelessness – City budgeted amount \$7,000.
- Ongoing operation of Safe Park Program (FOCUS), Faith-based community volunteers offering an eight space, pet welcome overnight respite at a local church for eight homeless families (25 people max) living in their cars where they

are receiving coordinated assessment, services, meals, and support with the goal of providing some stability while they wait for permanent housing. Service daily, 7:00 p.m. to 8:00 a.m. The City contributes \$30,000 towards the case management.

- Establishment of Catholic Charities, new Countywide House Sharing Program. This is a free roommate matching program that matches community members with underutilized homes with other community residents who need an affordable option, usually in need of renting a room or house sharing.

City Production of New Units and Preservation of Existing Units

- Adopted a 15% Inclusionary Housing Ordinance, 10% required within the Downtown to promote mixed income housing development.
- Instituted increased Housing Fees (New Range is \$13.20 to \$29.00) to help create new units and fund services.
- Major Rehabilitation of Park Place near completion (1970's Village Avante), a 112-unit multifamily development that is home to 420 people. As turn-over occurs in this development, some of the units are set aside for families transitioning out of temporary housing; thus, freeing up nearby temporary units to be vacated so that room can be available for homeless families.
- Approved Eden Housing, Inc., recast and re-subordination of existing City loan for rehabilitation of Sycamore Glen Senior Affordable Housing apartment community (140 West Dunne Ave., houses Very Low Income senior residents, and consists of 20 one-bedroom units). The estimate of repairs and upgrades will total approximately \$2.3 million.
- Approved Eden Housing, Inc., recast and re-subordination of existing City loans and ground leases for the future major rehabilitation of four affordable apartment communities Skeels, Villa Ciolino, Willows and Depot Commons. The estimate of repairs and upgrades is currently being evaluated.
- NEW EAH affordable housing development scattered site is leased up; 41 new units designated for families and Transitional Age Youth (TAY) aging out of foster care and at risk of homelessness.
- UPCOMING UHC project, 39-unit affordable family housing development (corner of Monterey and Bisceglia) for homeless families and very low-income families, expected completion in October 2019.
- The Housing Team is discussing potential opportunities for farmworker agricultural housing in South County with the County Planning Department and the Office of Supportive Housing on a potential City owned site.

- Currently searching for potential affordable housing sites to meet the remaining Regional Housing Needs Assessment Goal of 115 Very Low-Income Units.

Next Steps

As a smaller city, Morgan Hill is challenged by limited resources, the City is nimble enough to quickly adjust as needed and continue the path of partnership and innovation. A synergetic approach to a systematic issue is needed to solve homelessness everywhere, but specifically in South County.

Santa Clara County will receive one-time Homeless Emergency Aid Program (HEAP) funding from the State, \$17.5 million, to be expended before June 30, 2021. Staff is developing a proposal for a South County Team of Case Managers to be housed locally, after both Councils have had an opportunity to review the proposal.

COMMUNITY ENGAGEMENT: This report provides the community with an update on homelessness.

ALTERNATIVE ACTIONS:

No alternative actions as this is a Homeless Update for the City Council and the Community.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 17, 2015, the City Council adopted a resolution to support the Community Plan to End Homelessness in Santa Clara County. On February 3, 2016, the Council adopted a resolution at the request of the County Housing Task Force to further affirm the City of Morgan Hill's commitment to affordable housing. On April 5, 2017, the Council authorized \$50,000 of the Housing Fund to support two new homeless programs as a partial match to the County's larger Program, a Rapid Rehousing Rental Assistance Program and Homeless Outreach Caseworker program. Shortly after, this same action was further added to at the May 19, 2017 budget workshop where the Council authorized an additional \$25,000. As a result, \$50,000 went towards outreach workers and \$25,000 towards rental assistance for a two-year period.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact in preparing this report, as it is an activity included in the Division's workplan.

CEQA (California Environmental Quality Act):

Not a Project—This is an informational report. Acceptance of the report will not have an impact on the environment.



2019 Affordable Housing Update Item 1



Affordable Housing Inventory



- 520 “Income Based” deed restricted BMR ownership units
- 1,204 Total “Income Based” Deed restricted rental units
- 39 additional Urban Housing Communities (UHC) rental units in the pipeline
- 41 rental units, EAH scattered site project leased
- 1 out of every 8 units in Morgan Hill is “Income Based” *or affordable*
- 14,415 total housing units
- Plus 800 mobile home units

Affordable Housing (cont'd)



Housing Drivers

- Housing Element and General Plan Policy
- The State Housing Accountability Act (HAA) and the relationship to the Residential Development Control System (RDCS)
- Identification of Affordable Housing sites to accommodate Regional Housing Needs Allocation (RHNA)
- New RHNA income production goals
- New CA Department of Housing and Community Development (HCD) Reporting Audits – 4/1/2019

Affordable Housing (cont'd)



Housing Drivers

- Accessory Dwelling Unit (ADU) Program
 - o Further legislative changes:
 - Impact fee exemptions
 - Connection fee exemptions
 - Cap on permit fees
- Proposed State Housing Legislation

Affordable Housing (cont'd)



Current RHNA #'s (2014-2018) - HCD									RDACS Projection		
Income Level	RHNA # Allocated to MH	Permits Issued 2014/2015	Permits Issued 2016	Permits Issued 2017	HCD % Met	Permits Issued 2018	Total	HCD % Met	HCD Remaining Allocation	RDACS Pipeline	Units Still needed
Very Low Income up to 50% AMI (includes ELI)	273	12	29	0	15%	31	72	26%	201	86*	115*
Low Income 51% to 80% AMI	154	118	23	13	100%	25	179	116%	0	13	-38
Moderate Income 81% to 120% AMI	185	107	6	9	66%	271	393	212%	0	320**	-528**
Above Moderate Income/Market Rate more than 120% AMI	316	647	219	192	334%	192	1250	396%	0	TBD	-934
Total	928	884	277	214	148%	519	1894	204%	201	419	115
* Mwest included (78 VLI)											
** Non - Deed Restricted Moderate Units Included (311 Mwest, 168 Evergreen, 83 Sunsweet, 63 Diamond Creek, 22 Borello (ADU's), 4 Amadora North/South (ADU's), 8 Loden Place (ADU's), 1 Sherimar (ADU), 5 Campoli (ADU's), 3 Solera Ranch (ADU's), 3 Ventura (ADU's), 1 Sienna Trails (ADU), 1 Conn (ADU), 17 non project (ADU's), 4 Madrone Plaza (BMR's))											

New HCD RHNA Report Guidelines



1. Data on housing units and development for which an application was filed and deemed complete
2. Identification of sites required by no net loss
3. Annual Building Activity
4. Progress in meeting Housing Element programs and policies (BMR, Down payment Assistance, Homebuyer Education)
5. Total Number of Units requested, number of units approved, affordability category of units approved and denied
6. Number of units entitled, permitted and certificate of occupancy's
7. Units rehabilitated; units lost to demolition for another purpose

Table I: 2018 HCD Income Table



# of Persons	1	2	3	4	5	6	7	8
Extremely Low 0-30%	27,950	31,950	35,950	39,900	43,100	46,300	49,500	52,700
Very Low 31-50%	46,550	53,200	59,850	66,500	71,850	77,150	82,500	87,800
Lower 51-80%	66,150	75,600	85,050	94,450	102,050	109,600	117,150	124,700
Moderate 81-120%	105,200	120,200	135,250	150,250	162,250	174,300	186,300	198,350

Table II: Rent Table



	BELOW MARKET RATE (BMR) RENTAL RATES			
No. of Bedrooms	Extremely Low	Very Low	Lower	Moderate
0 Bedroom (Efficiency)	\$699	\$1,164	\$1,654	\$2,630
1 Bedroom	\$799	\$1,330	\$1,890	\$3,005
2 Bedrooms	\$899	\$1,496	\$2,126	\$3,381
3 Bedrooms	\$998	\$1,663	\$2,361	\$3,756
4 Bedrooms	\$1,078	\$1,796	\$2,551	\$4,056

Table III: BMR Purchase Sale Price by Income



# of Persons	1	2	3	4	5	6	7	8
Extremely Low 0-30%	\$259,200	\$300,510	\$342,630	\$387,180	\$422,010	\$422,010	\$422,010	\$422,010
Very Low 31-50%	To	To	To	To	To	To	To	To
Lower 51-80%	\$320,000	\$371,000	\$423,000	\$478,000	\$521,000	\$521,000	\$521,000	\$521,000
Median 100%								
Moderate 81-120%	\$352,000 to \$384,000	\$408,100 to \$445,200	\$465,300 to \$507,600	\$525,800 to \$573,600	\$573,100 to \$625,200	\$573,100 to \$625,200	\$573,100 to \$625,200	\$573,100 to \$625,200

New Initiatives – CASA



- Regional just cause eviction
- Rent control (AB 1399 Bloom) – spot bill
- Emergency rent and legal assistance (SB-18 Skinner Keep Californians Housed Act)
- More tiny homes, “Accessory Dwelling Units” (ADUs)
 - o Remove fees (AB 68 Ting, Skinner, Wiener, Gloria. AB 69 Ting, SB 13 Wieckowski)

New Initiatives – CASA



- Greater density
 - o 4-8 stories (development concessions - SB 4 McGuire, SB 50 Wiener)
 - o Limit parking (SB 50)
- Standards for uniform permitting
 - o Caps on Impact Fees
- Fast-track certain projects, streamlining (SB 6 Beall/McGuire)

New Initiatives – CASA (cont'd)



- Unlock public lands
- New taxes to generate \$1.5B/year of new revenue
 - o Employee tax
 - o Local Government revenue tax share
 - o Multi-County sales tax
 - o Housing Redevelopment Agencies (AB 11 Chiu)
- New Regional Housing Agency distributes revenue
 - o All new housing – prevailing wage
 - o Incentives – property tax exemptions for up to “missing middle”

New Initiatives – Legislation



- SB-50 (2019 SB 827) Wiener
 - o Exempts specified housing developments from parking, height, density and height limits less than 55' with 20% affordable units, restricted 55 years
 - o .5 parking within proximity to major transit stop
 - o Allows density bonus and concessions

New Initiatives – Legislation



- SB-330 (Skinner)
 - o 10 years
 - o Limits the ability to deny, regulate the number of housing units
 - o Requires speedy permitting
 - o Limits design review for features, open space or density reduction
 - o Removes parking requirements
 - o Limits “de novo” hearings
 - o Requires development be allowed to maximum density range

Modifications to General Plan and RDCS to Gain RDCS compliance



- Award allocations to projects designed to meet the reach of the missing middle; smaller units, smaller lots, more multi-family
- Prioritize award of allocations to projects that are more affordable, discouraging large lot, single family development
- Prioritize award of allocations to projects which provide more than the minimum 15% inclusionary units
- Complete Specific Plan for Monterey Corridor requiring Missing Middle or affordable construction, and preparing EIR clearance for construction of new units

Modifications to General Plan and RDCS to Gain RDCS compliance



- Modify the General Plan goal of a mix of 70% single family/30% multi-family
- Convene the community in a process which identifies where higher density units should be located
- Remove impediments to Accessory Dwelling Unit construction such as zoning restrictions in single family attached and multifamily zoning districts, side and rear-yard setbacks as well as public right of way and undergrounding enhancements
- Make General Plan and Zoning changes to provide mixed income; rental and ownership neighborhoods



2019 Wastewater Rates Adjustment

March 6, 2019

Item 14



Overview

- Background
- Process to Date
- Recommendation and Next Steps

Background



- 2015 Rate Study
- 2017 Sewer System Master Plan and legal requirements
- 2019 Wastewater Rate Study

February 20, 2019 – Council Direction



- Finance immediate CIP needs, through bonds, to allow for smaller gradual rate increases
- Extend the annual adjustment for lift stations of 3.6% (5 Years)
- Extend the annual adjustment to low-income subsidy (5% from 2021 through 2023)
- Remove the current cap of 13 consumption units

Cash Balances and Reserve

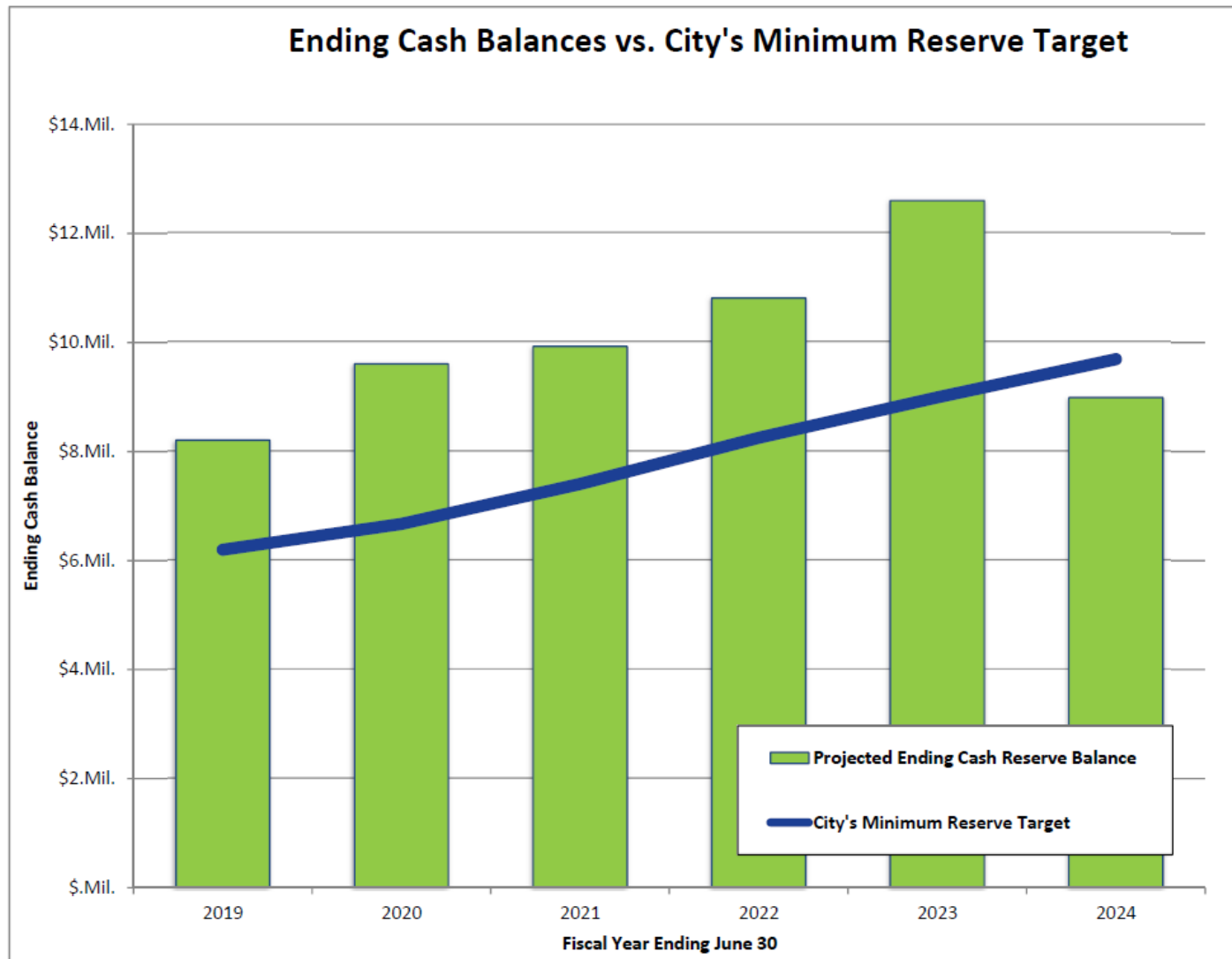


Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected				
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Sewer Operations Fund (640)	\$ 2,081,319	\$ 2,294,000	\$ 2,356,000	\$ 2,440,000	\$ 2,483,000	\$ 2,600,000
<i>City's Minimum Reserve Target</i>	<i>2,263,000</i>	<i>2,294,000</i>	<i>2,356,000</i>	<i>2,440,000</i>	<i>2,483,000</i>	<i>2,600,000</i>
Sewer System Replacement Fund (643)	\$ 4,046,243	\$ 5,191,916	\$ 5,409,584	\$ 6,169,667	\$ 7,866,900	\$ 4,091,216
<i>City's Minimum Reserve Target</i>	<i>1,857,900</i>	<i>2,077,900</i>	<i>2,503,000</i>	<i>3,102,100</i>	<i>3,621,100</i>	<i>4,014,300</i>
Rate Stabilization Fund (642)	\$ 2,078,200	\$ 2,119,764	\$ 2,162,159	\$ 2,205,402	\$ 2,249,511	\$ 2,294,501
<i>City's Minimum Reserve Target</i>	<i>2,078,200</i>	<i>2,299,217</i>	<i>2,543,738</i>	<i>2,710,989</i>	<i>2,889,237</i>	<i>3,079,204</i>
Total Ending Fund Balances	\$ 8,205,762	\$ 9,605,680	\$ 9,927,743	\$ 10,815,069	\$ 12,599,411	\$ 8,985,717
<i>Total City's Minimum Reserve Target</i>	<i>\$ 6,199,100</i>	<i>\$ 6,671,117</i>	<i>\$ 7,402,738</i>	<i>\$ 8,253,089</i>	<i>\$ 8,993,337</i>	<i>\$ 9,693,504</i>

Changes from February 20, 2019

- Exclusion of bond debt reserve

Cash Balances and Reserve



February 25, 2019 – Public Meeting Discussion



- Proposition 218 Notices and vote count
- Existing wastewater infrastructure and immediate need for improvements
- SCRWA treatment plant operation/expansion
- Proposed rate increases
- Discussion of minimum two (2) units, in addition to maximum cap of thirteen (13) units

Proposed Sewer Rates – Fixed Charges



Sewer Rate Schedule	Current Rates Effective 1/1/19	Proposed Rates				
		7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
		9.00%	9.00%	5.00%	5.00%	5.00%
Monthly Fixed Charges:						
Residential (5/8-1 inch meters)	\$19.67	\$21.44	\$23.36	\$24.52	\$25.74	\$27.02
All Other Customers:						
5/8 inch	\$19.67	\$21.44	\$23.36	\$24.52	\$25.74	\$27.02
3/4 inch	\$19.67	\$21.44	\$23.36	\$24.52	\$25.74	\$27.02
1 inch	\$19.67	\$21.44	\$23.36	\$24.52	\$25.74	\$27.02
1.5 inch	\$73.63	\$80.25	\$87.47	\$91.84	\$96.43	\$101.25
2 inch	\$117.23	\$127.78	\$139.28	\$146.24	\$153.55	\$161.22
3 inch	\$255.39	\$278.37	\$303.42	\$318.59	\$334.51	\$351.23
4 inch	\$458.73	\$500.01	\$545.01	\$572.26	\$600.87	\$630.91
6 inch	\$1,018.18	\$1,109.81	\$1,209.69	\$1,270.17	\$1,333.67	\$1,400.35
8 inch	\$1,572.90	\$1,714.46	\$1,868.76	\$1,962.19	\$2,060.29	\$2,163.30
10 inch	\$1,966.13	\$2,143.08	\$2,335.95	\$2,452.74	\$2,575.37	\$2,704.13

Proposed Sewer Rates – Volumetric Charges

Sewer Rate Schedule	Current Rates Effective 1/1/19	Proposed Rates				
		7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
		9.00%	9.00%	5.00%	5.00%	5.00%
Monthly Volumetric Charges:						
Single-Family	\$4.17	\$4.54	\$4.94	\$5.18	\$5.43	\$5.70
Multi-Family	\$4.17	\$4.54	\$4.94	\$5.18	\$5.43	\$5.70
Commercial Charge						
Commercial 1	\$3.99	\$4.34	\$4.73	\$4.96	\$5.20	\$5.46
Commercial 2	\$4.67	\$5.09	\$5.54	\$5.81	\$6.10	\$6.40
Commercial 3	\$5.68	\$6.19	\$6.74	\$7.07	\$7.42	\$7.79
Commercial 4	\$6.44	\$7.01	\$7.64	\$8.02	\$8.42	\$8.84
Commercial 5	\$7.65	\$8.33	\$9.07	\$9.52	\$9.99	\$10.48
Commercial 6	\$12.77	\$13.91	\$15.16	\$15.91	\$16.70	\$17.53

Proposed Lift Station Charge



	Current Rate	Proposed 7/1/2019	Proposed 7/1/2020	Proposed 7/1/2021	Proposed 7/1/2022	Proposed 7/1/2023
Lift Station Charge	\$ 9.41	\$ 9.75	\$ 10.10	\$ 10.46	\$ 10.84	\$ 11.23
% Change		3.6%	3.6%	3.6%	3.6%	3.6%

Proposed Low-Income Subsidy



	Current Rate	Approved 1/1/2020	Proposed 7/1/2021	Proposed 7/1/2022	Proposed 7/1/2023
Wastewater Subsidy	\$ 11.13	\$ 12.24	\$ 12.85	\$ 13.49	\$ 14.17
% Change		10%	5%	5%	5%

Tonight's Recommendation



Adopt a resolution:

1. Declaring intent to adjust wastewater rates as proposed;
2. Authorizing the commencement of Proposition 218 Noticing; and
3. Setting May 1, 2019, as the date of Public Hearing and new wastewater rates adoption.

Questions and Answers





**Notice of Public Hearing
On Wastewater Rate Adjustments**

Hearing Date and Time: May 1, 2019, at 7:00 pm or as soon thereafter as possible
Hearing Location: City Council Chambers • 17555 Peak Avenue • Morgan Hill, CA 95037-4128

The City of Morgan Hill is proposing a five-year wastewater rate program adjustment for all customers. The proposal will be considered by the City Council at a Public Hearing on **May 1, 2019**. If approved, the wastewater rate adjustments will commence July 1, 2019. You are receiving this notification in compliance with California Constitution Article XIII D Section 6 (Proposition 218) requirements that all impacted property owners are mailed notice of proposed rate changes at least 45 days prior to a public hearing. In addition, Section 53755 of the Government Code authorizes that notices be mailed to customers who are billed for the service. Proposition 218 also establishes a protest process for the public to follow if they wish to oppose the proposed rates.

BASIS OF PROPOSED RATES

The City is required by State law and City policy to collect revenues sufficient to cover the costs of operating the wastewater system. These revenues allow the City to protect public health and safely and reliably convey and treat wastewater. Costs that must be recovered through rate revenue include electricity, equipment, supplies and services, wastewater treatment, debt service, and salaries and benefits. Additionally, revenues generated from wastewater rates would be used to finance the repair and renovation of aging wastewater infrastructure and maintain reserve funds. The rates proposed herein were developed through a Wastewater Rate Study designed to meet all legal requirements and fairly and equitably recover the required revenue from all customer classes. The Rate Study is available for review at www.morgan-hill.ca.gov/1754/2019-Wastewater-Rate-Adjustment.

WHAT DO WASTEWATER RATES FUND?

The City provides wastewater utility services to residential and commercial customers. All revenue generated from customer wastewater bills is used to pay for the ongoing operation, maintenance, repair and replacement of the existing wastewater systems. The cost of system expansions, to serve new development, is recovered through connection or impact fees imposed on the developer requesting City services. By State law, the City may not collect more revenue than is necessary to recover the costs of providing services.

WHY IS THE RATE ADJUSTMENT NEEDED?

Unlike private utility companies that benefit financially from increased rates associated with increased costs, the City strives to maintain low rates to support its residents and businesses. However, significant improvements to the City's aging wastewater infrastructure are necessary soon. The City's system includes certain pipe sections that are over 90 years old. As the system ages and is damaged by natural changes in the environment (such as tree roots) the sewer pipes begin allowing rainwater and groundwater to enter the wastewater system. During extremely wet conditions this infiltration can cause the wastewater system to be overwhelmed and spill. To ensure safety of residents and to meet the requirements of the State of California, the City must repair these issues. The capital projects associated with the repair of the aging system require appropriate funding, which result in an increase to the wastewater rates.

WHAT IS BEING DONE TO MINIMIZE THE IMPACT TO RATE-PAYERS?

The City plans to utilize municipal bonds to cover the majority of the City's existing wastewater infrastructure improvements. Financing allows the costs to be spread out over 20-30 years, reducing the immediate impact to rates. The City balanced the levels of financing and rate adjustments necessary to provide for moderate rate increases, while keeping debt at a manageable level. The Wastewater Rate Study prepared by an independent financial firm, NBS Government Finance Group, concludes that the proposed rates would provide sufficient funds to pay the costs of operations, maintenance, administration, debt service, and the capital improvements over the next five years.

PROPOSED WASTEWATER RATES

The City currently charges residential and non-residential customers a monthly fixed wastewater charge based on meter size. In addition to a fixed monthly charge, residential customers pay a variable charge (volumetric charge) of \$4.17 per unit of baseline water use for wastewater service, with a minimum volume of 2 units and maximum of 13 units. It is proposed the maximum 13 units cap be removed to assess customers their true winter water average. Variable charges for residential customers are determined by the average monthly water usage for the three lowest consecutive months in the period between November and April of each year. As a general rule, a household's average monthly water use for the months of November through April provides a reasonable baseline estimate of the wastewater produced by the household each month of the year. Commercial and industrial customers are billed according to the volume of flow and strength of their wastewater discharges. The proposed wastewater rate charges for the next five years are presented in detail on *Table 1: Proposed Wastewater Rate Adjustment Schedule 2019-2023*, below.

Table 1: Proposed Wastewater Rate Adjustment Schedule 2019-2023.

Description		Proposed Wastewater Rates				
Fixed Charge	Current	1-Jul-19	1-Jul-20	1-Jul-21	1-Jul-22	1-Jul-23
Meter Size						
<i>Single & Multi-Family Residential</i>						
5/8" – 1"	\$19.67	\$21.44	\$23.37	\$24.54	\$25.77	\$27.05
<i>All Other Customers</i>						
5/8"	\$19.67	\$21.44	\$23.37	\$24.54	\$25.77	\$27.05
3/4"	\$19.67	\$21.44	\$23.37	\$24.54	\$25.77	\$27.05
1"	\$19.67	\$21.44	\$23.37	\$24.54	\$25.77	\$27.05
1-1/2"	\$73.63	\$80.26	\$87.48	\$91.85	\$96.45	\$101.27
2"	\$117.23	\$127.78	\$139.28	\$146.25	\$153.56	\$161.24
3"	\$255.39	\$278.38	\$303.43	\$318.60	\$334.53	\$351.26
4"	\$458.73	\$500.02	\$545.02	\$572.27	\$600.88	\$630.93
6"	\$1,018.18	\$1,109.82	\$1,209.70	\$1,270.18	\$1,333.69	\$1,400.38
8"	\$1,572.90	\$1,714.46	\$1,868.76	\$1,962.20	\$2,060.31	\$2,163.33
10"	\$1,966.13	\$2,143.08	\$2,335.96	\$2,452.76	\$2,575.39	\$2,704.16
Volumetric Charge – Rate per baseline estimate HCF						
<i>Single & Multi-Family Residential</i>	\$4.17	\$4.55	\$4.95	\$5.20	\$5.46	\$5.74
<i>Commercial/Industrial/Public</i>						
Commercial 1	\$3.99	\$4.35	\$4.74	\$4.98	\$5.23	\$5.49
Commercial 2	\$4.67	\$5.09	\$5.55	\$5.83	\$6.12	\$6.42
Commercial 3	\$5.68	\$6.19	\$6.75	\$7.09	\$7.44	\$7.81
Commercial 4	\$6.44	\$7.02	\$7.65	\$8.03	\$8.44	\$8.86
Commercial 5	\$7.65	\$8.34	\$9.09	\$9.54	\$10.02	\$10.52
Commercial 6	\$12.77	\$13.92	\$15.17	\$15.93	\$16.73	\$17.56
Lift Station Service Charge						
	\$9.41	\$9.75	\$10.10	\$10.46	\$10.84	\$11.23

LIFT STATION SERVICE CHARGES

Due to Morgan Hill's varying topography, additional infrastructure is required to provide wastewater services to residents living at different elevations within the City. Lift station charges based on the cost of service to operate and replace this additional infrastructure will be charged to those residents living in the areas requiring the use of the additional infrastructure. Proposed lift station service charges are included on *Table 1: Proposed Wastewater Rate Adjustment Schedule 2019-2023*. Maps that allow customers to determine if they fall within an area serviced by lift stations are available for review at www.morgan-hill.ca.gov/1754/2019-Wastewater-Rate-Adjustment.

IMPACT TO WASTEWATER CHARGE ON THE BILL

If approved, wastewater rate increases would commence July 1, 2019, and adjust annually on July 1 thereafter.

The total amount of customer's wastewater charge will depend on the amount of water used between the months of November and April. For an average single family residence (8 units of wastewater), the wastewater charge on the utility bill will increase as shown below.

Table 2: Average Monthly Single Family Residence Wastewater Charge (8 units)

	CURRENT	UNDER PROPOSED RATES				
		1-Jul-19	1-Jul-20	1-Jul-21	1-Jul-22	1-Jul-22
Wastewater	\$ 53.03	\$ 57.80	\$ 63.00	\$ 66.15	\$ 69.46	\$ 72.93
Total Percent Increase		9%	9%	5%	5%	5%

HOW TO PROTEST THE PROPOSED RATE ADJUSTMENTS

As the owner or customer of record of a parcel subject to the imposition of the proposed rate adjustments, you may submit a written protest against the proposed rate changes. If the City receives written protests against proposed wastewater rates by a majority of the affected property owners or tenants or utility customers on record prior to the end of the hearing, the Council will not approve the change. Only one written protest will be counted per identified parcel.

You have the right to withdraw a written protest that you previously submitted prior to the conclusion of the public hearing. The City Council will count all written protests received (not postmarked) prior to the conclusion of the public hearing. The City Council will not count written protests submitted after the conclusion of the public hearing. Only one protest per parcel will be counted.

A written protest must include (1) your name; (2) identification of the parcel by address or assessor's parcel number; (3) whether you are the owner of the parcel or the person receiving the service for which the fee is charged; and (4) your statement of the specific rate changes for which you protest the increase in the fee; and (5) your original signature. Written protests will not be accepted by e-mail or by fax. Verbal protests will not be counted. Written protests may be submitted by mail or in person to:

**City of Morgan Hill
Attn: Rate Protest
17575 Peak Avenue
Morgan Hill, CA 95037-4128**

For more information, visit www.morgan-hill.ca.gov/1754/2019-Wastewater-Rate-Adjustment or call Utility Billing at (408) 779-7221.



Inclusionary Housing Ordinance Amendment Item 15



Inclusionary Housing

Adopted July 25, 2018, effective August 25, 2018

For-sale and rental projects outside of Downtown consisting of 2 or more units, required to provide BMR units at a rate of 15%

For-sale and rental projects within the Downtown consisting of 2 or more units, required to provide BMR units at a rate of 10%

Current Alternative Compliance Options



Construct rental units in for-sale projects

Off-site construction

Land dedication

Payment of an in-lieu housing fee in specified circumstances

Recommendation

It is recommended that the IHO be amended to allow a Housing In-lieu fee for *all* Residential Projects pending City Council approval for each case

Guiding Principles



1. Whether the production of the proposed Inclusionary Units will fill a need in an affordable housing category, or some other prioritized housing need area
2. Whether the proposed Inclusionary Units are in a category for which the City has already met its RHNA goal and therefore payment of a fee may be preferred
3. Whether there is a specific identifiable project that the City can provide local match dollars and/or leveraged financing support with the fees, thereby producing more affordable units
4. Whether affordable units are appropriate in the specific project



Homelessness in Morgan Hill

Item 16



Homelessness

- What is the challenge?
- What Departments are engaged?
- Strategy and Response?
- Is it helping?
- What can we expect?
- Next Steps?

What is the Challenge?



- Complex, NOT unique to Morgan Hill, State and Regional Crisis
- 13% increase countywide in the number of people experiencing homelessness, 7,394 counted in 2017
- Morgan Hill increased by 380%, up from 81 people in 2015 to 388 people
- Gilroy increased by 64%, up from 439 people in 2015 to 722 people
- Why? Personal Crisis, Lack of Affordable Housing, Youth and LGBTQ, Mental Health, Substance Abuse
- Homeless Census Count January 29, 2019

Teammates Engaged



Community Services Department (CSD)

Police Department

Community Development Housing

Code Enforcement

Recreation

Community Service Department (CSD)



- Cleanup of Homeless Encampments on Public Property
- Repairs to City facilities and property
- Installation of signage and improvements to prevent misuse in the City Right of Way
- Inappropriate uses of City recreation facilities, increased calls for support from the Police Department at the recreation facilities
- CSD - 148 staff hours in 2017 & 202 staff hours in 2018, Contract Expenses: \$21,585

Increased Maintenance - Cleanup and Security

- Police Department assists with encampment clean-up
- Cost is 17 hours in Officer time per each clean up (\$2,210)
- Multiple collateral issues

Encampments on Private Property

- What is the City's role and process?
- What can the City do?
- Limitations?
- Cooperation of private property owners

Strategy and Response



- Street Outreach and Assessment (medical and social risk factors) – 404 assessments - City \$25,000
- Safe Parking, temporary respite, and Case Management for 8 families living in their cars - City \$30,000
- House Sharing - Catholic Charities Roommate Matching
- Rapid Rehousing helps families quickly exit homelessness by providing financial assistance and Case Management services for a short period of time - City \$25,000

Strategy and Response



- Code Compliance Homeless Prevention 3-day emergency hotel stay, in the event that a household receives a notice of violation or “red tag” resulting in homelessness - City \$7,000
- Potential for a South County Case Manager to support the existing efforts in South County, pending a partnership with the City of Gilroy/\$50,000. Morgan Hill has appropriated an additional \$50,000 for FY 18/19

Strategy and Response

New Development % Preservation



- Rehab Park Place, Del Monte Avenue, 112 unit
- Rehab Eden Sycamore Glen, West Dunne Ave, 20 units
- Rehab Eden *Skeels, Villa Ciolino, Willows, and Depot Commons (totaling 140 units)*
- New EAH scattered site 41 units, families and Transitional Age Youth (TAY)
- New UHC 39 units - Measure A (corner of Monterey and Bisceglia)
- New Potential opportunity for 40 units of farmworker agricultural housing, City owned site (Railroad & Fisher, bisected by Butterfield overpass), inside City limits, outside of Urban Service Area, requires LAFCO
- Investigate potential affordable sites

Next Steps & Discussion



- Is it helping? What can we expect?
- SCC One-time Homeless Emergency Aid Program (HEAP) funding from the State, \$17.5 million to be expended before June 30, 2021
- Submit a proposal to the County (Case Managers)
- Move forward with a Balanced Approach and South County Led Initiative in partnership with the County



Special - Regular Meeting Agenda

City Council

Rich Constantine - Mayor
Rene Spring - Mayor Pro Tem
Yvonne Martinez Beltran - Council Member
Larry Carr - Council Member
John McKay - Council Member

Wednesday, March 6, 2019 5:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 p.m. for the purpose of conducting a Housing Workshop.

5:00 p.m. Housing Workshop

7:00 p.m. Regular Meeting

SPECIAL MEETING

5:00 P.M.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
Deputy City Clerk Michelle Bigelow

HOUSING WORKSHOP

1. 2019 HOUSING PROGRAM UPDATE

Recommendation:

Receive Report.

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.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Martinez Beltran

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

OTHER REPORTS

PROCLAMATION

Proclaiming the month of March as Youth Art Month
Sharon DeHart

PRESENTATIONS

Valley Water
Upper Llagas Creek Flood Control Project
John Varela, Director and Stephen Ferranti, Project Manager

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)

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

2. APPROVE MEMORANDUM OF UNDERSTANDING ACCEPTING LAW ENFORCEMENT TOBACCO GRANT FROM STATE OF CALIFORNIA DEPARTMENT OF JUSTICE

Recommendation:

Adopt resolution:

1. Authorizing the City Manager to execute and administer the Memorandum of Understanding with the California Department of Justice to accept grant funds for the Law Enforcement Tobacco Grant for a total amount of \$561,649 over three fiscal years; and
2. Amending the City's FY 2018-19 and Fiscal Year (FY) 2019-20 adopted budget to appropriate expenditure of the grant funding of \$137,874 in FY 2018-19 and \$207,061 in FY 2019-20, in the General Fund (010).

3. ADOPT RESOLUTION APPROVING EMERGENCY MANAGEMENT PERFORMANCE GRANT AGREEMENT - 2018

Recommendation:

Adopt resolution:

1. Authorizing the City Manager to execute and administer the Memorandum of Understanding with the County of Santa Clara for the 2018 Emergency Management Performance Grant; and
2. Amending the City's Fiscal Year 2018-19 adopted budget to recognize revenue and appropriating related expenditure, in the amount of \$1,450, from the General Fund (010).

4. IMPACT FEE FINANCING AGREEMENT-BRIDGE GROUP INVESTMENTS, LLC

Recommendation:

Adopt resolution authorizing the City Manager to execute a Sewer and Traffic Impact Fee Financing Agreement, consistent with the Sewer and Traffic Impact Fee Deferral Program and Government Code section 53083, with Bridge Group Investments, LLC, Inc. for the development of a new Warehouse and Distribution Facility for Shoe Palace Corporation.

5. UPDATE ON DOWNTOWN SPECIAL EVENTS AND STREET CLOSURES

Recommendation:

Receive update on Downtown Special Events and Street Closures.

6. ADOPT RESOLUTION AUTHORIZING THE DISPLAY OF THE NATIONAL FLAG OF INDIA AT THE COMMUNITY AND CULTURAL CENTER IN RECOGNITION OF THE ANNUAL CELEBRATION OF INDIA'S INDEPENDENCE DAY

Recommendation:

Adopt resolution authorizing the display of the national flag of India at the Community and Cultural Center annually during the month of August to commemorate India's Independence Day.

7. APPROVE CITY SPONSORSHIP OF PHILANTHROPY NIGHT, INDIAN FLAG RAISING, AND FUTURE WOMEN LEADERS CONFERENCE EVENTS AT THE COMMUNITY AND CULTURAL CENTER

Recommendation:

1. Authorize the City Manager to waive facility rental fees of \$3,000 for Morgan Hill Community Foundation's November 2019 Philanthropy Night Celebration.
2. Authorize the City Manager to waive facility rental fees of \$726 for Indian Association of South Santa Clara County's August 2019 Flag Raising ceremony.
3. Authorize the City Manager to waive facility rental fees of \$651 for American Association of University Women's April 2019 Future Women Leaders Conference.
4. Authorize the City Manager to waive facility rental fees of \$3,000 for American Association of University Women's April 2020 Future Women Leaders Conference.

8. 2018-19 PAVEMENT REHABILITATION PROJECT UPDATE

Recommendation:

Receive an update on the Pavement Rehabilitation Project for Fiscal Year (FY) 2018-19.

9. ADOPT RESOLUTION APPROVING FY2019-20 LIST OF STREET REHABILITATION PROJECTS FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT

Recommendation:

Adopt resolution approving a list of street rehabilitation Projects Funded by SB 1, the Road and Repair Accountability Act of 2017.

10. APPROVE MASTER STREET TREE PLAN

Recommendation:

Approve Master Street Tree Plan.

11. RATIFY CITY POSITION ON PENDING LEGISLATION HR 530 "ACCELERATING BROADBAND DEVELOPMENT BY EMPOWERING LOCAL COMMUNITIES ACT OF 2019"

Recommendation:

Receive legislative correspondence in support of HR 530 "Accelerating Broadband Development by Empowering Local Communities Act of 2019."

12. APPROVE THE FEBRUARY 20, 2019 MEETING MINUTES

Recommendation:

Approve Minutes.

13. APPROVE THE FEBRUARY 27, 2019 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

14. ADOPT RESOLUTION DECLARING INTENT TO IMPLEMENT NEW WASTEWATER RATES, COMMENCING PROPOSITION 218 NOTICES, AND SETTING MAY 1, 2019 AS DATE FOR A PUBLIC HEARING

Recommendation:

Adopt resolution:

1. Declaring intent to adjust wastewater rates;
2. Authorizing the commencement of Proposition 218 noticing; and
3. Setting May 1, 2019 as the date for Public Hearing and new wastewater rates adoption.

Estimated Time: 15 Minutes

15. ORDINANCE AMENDING SECTIONS 14.04.020 PURPOSE AND 14.04.070 ALTERNATIVES OF CHAPTER 14.04, INCLUSIONARY HOUSING

Recommendation:

1. Waive the first and second reading of the ordinance; and
2. Introduce ordinance.

Estimated Time: 30 Minutes

16. REPORT REGARDING HOMELESSNESS IN MORGAN HILL

Recommendation:

Receive Report and provide direction.

Estimated Time: 45 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.

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Panwala v. City of Morgan Hill, Santa Clara County
Case No. 18-CV-333795

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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:

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community

Choose Morgan Hill:

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

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 Community History ·
Enhancing Diversity and Inclusiveness · Advancing Regional Initiatives

2019-2020 STRATEGIC PRIORITIES

Agricultural Preservation
Cannabis Policy
Community Engagement and Messaging
Economic Development
Financial Stewardship
High Speed Rail
Homelessness
Housing Infrastructure
Telecommunications
Traffic/Transportation

Upper Llagas Creek Flood Protection Project

March 6, 2019

City of Morgan Hill
City Council Meeting



Today's meeting

Agenda

- ▶ Project background & objectives
- ▶ Project progress
- ▶ Schedule & next steps
- ▶ Q&A

Flooding history

- Llagas Creek and its tributaries have experienced flooding during major storm events in 1955, 1958, 1962, 1963, 1969, 1982, 1986, 1996, 1997, 1998, 2002, 2008, 2009, 2011, and 2017.

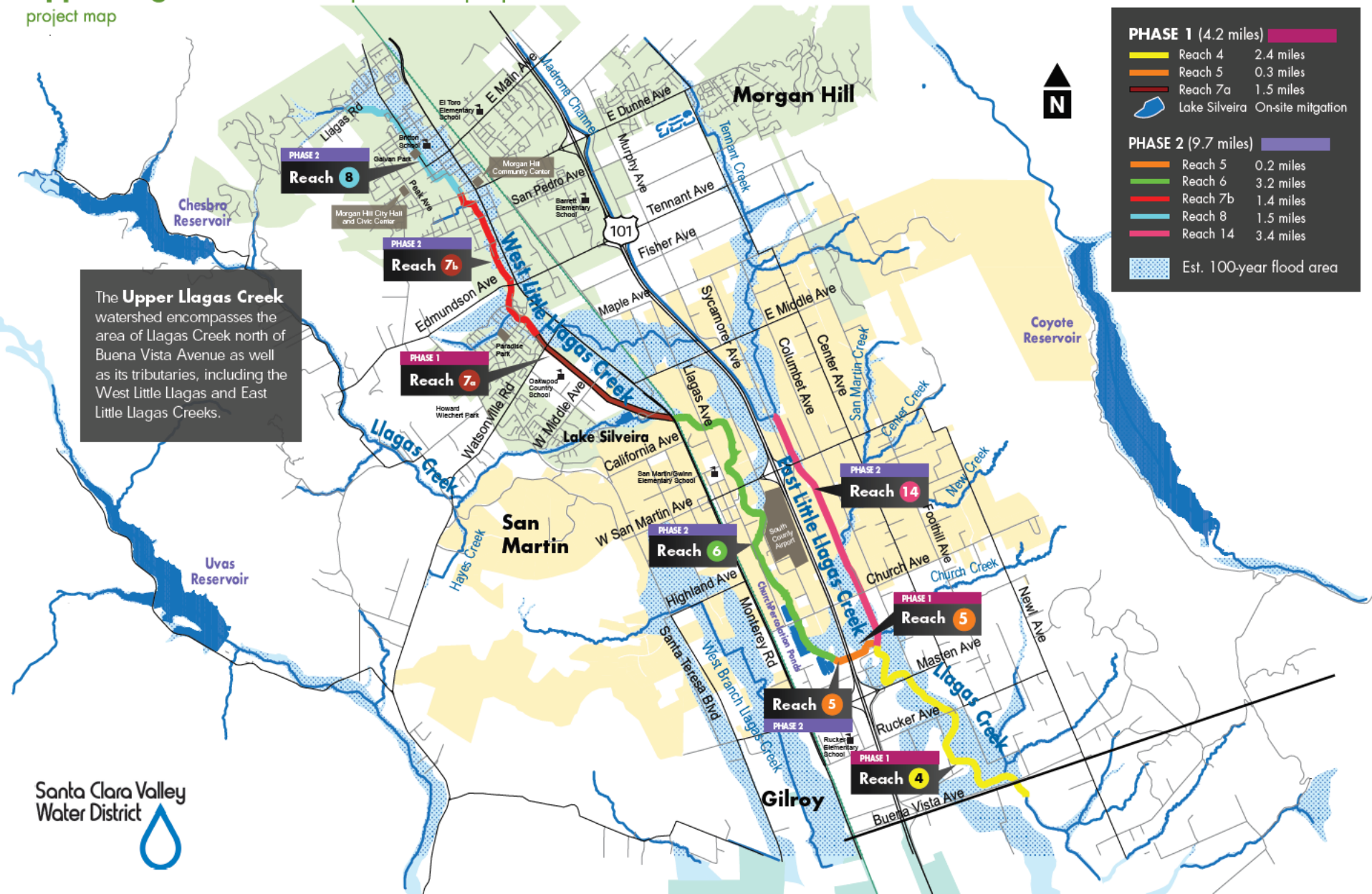


Oct.13, 2009



Upper Llagas Creek Flood Protection Project

Upper Llagas Creek flood protection project project map



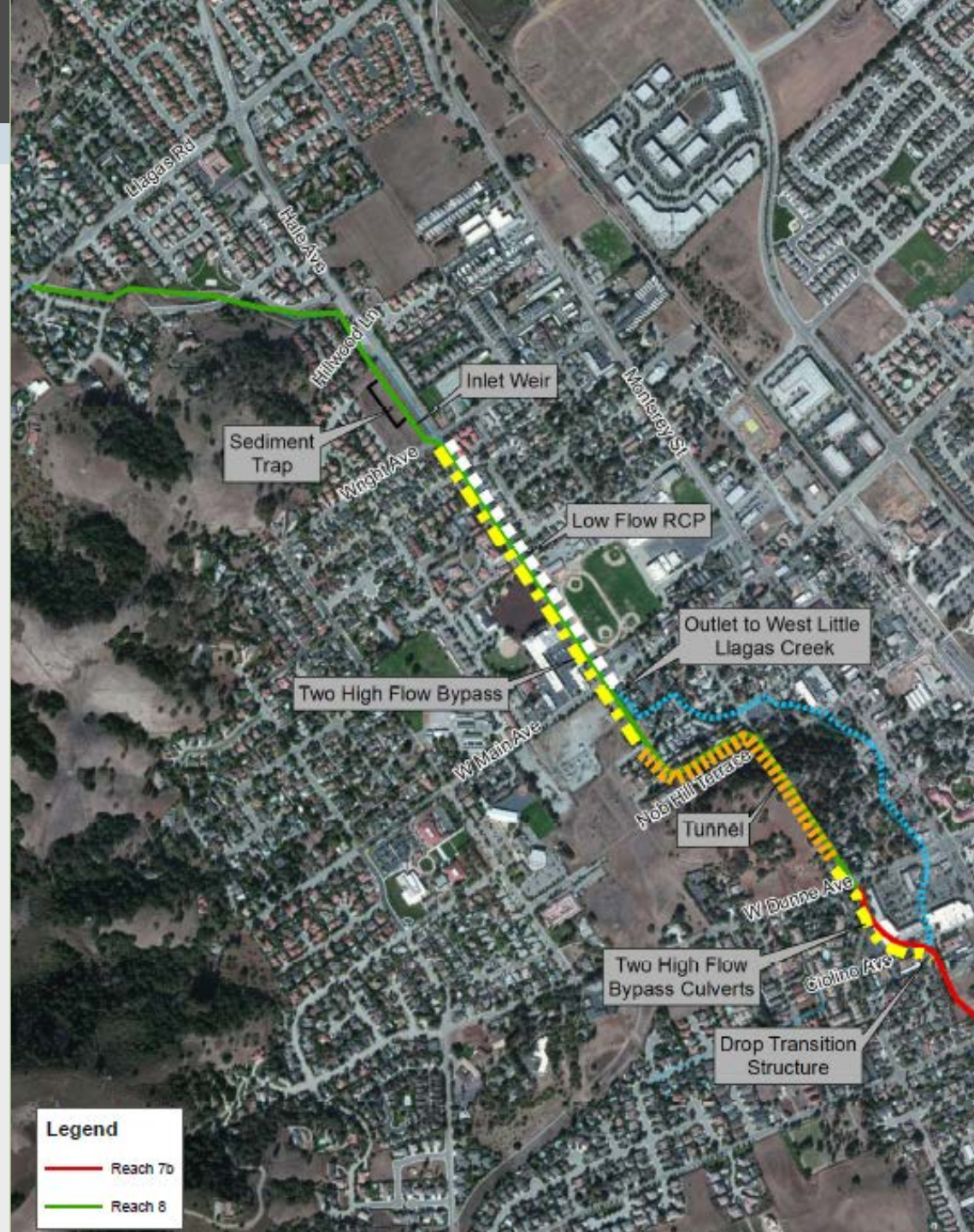
Project Background

Flood Management Objectives

- ▶ Reaches 7 & 8: Provide 100-year level of flood management
- ▶ Reach 14: Provide 10-year level of flood management
- ▶ Reaches 4, 5 & 6: No induced flooding

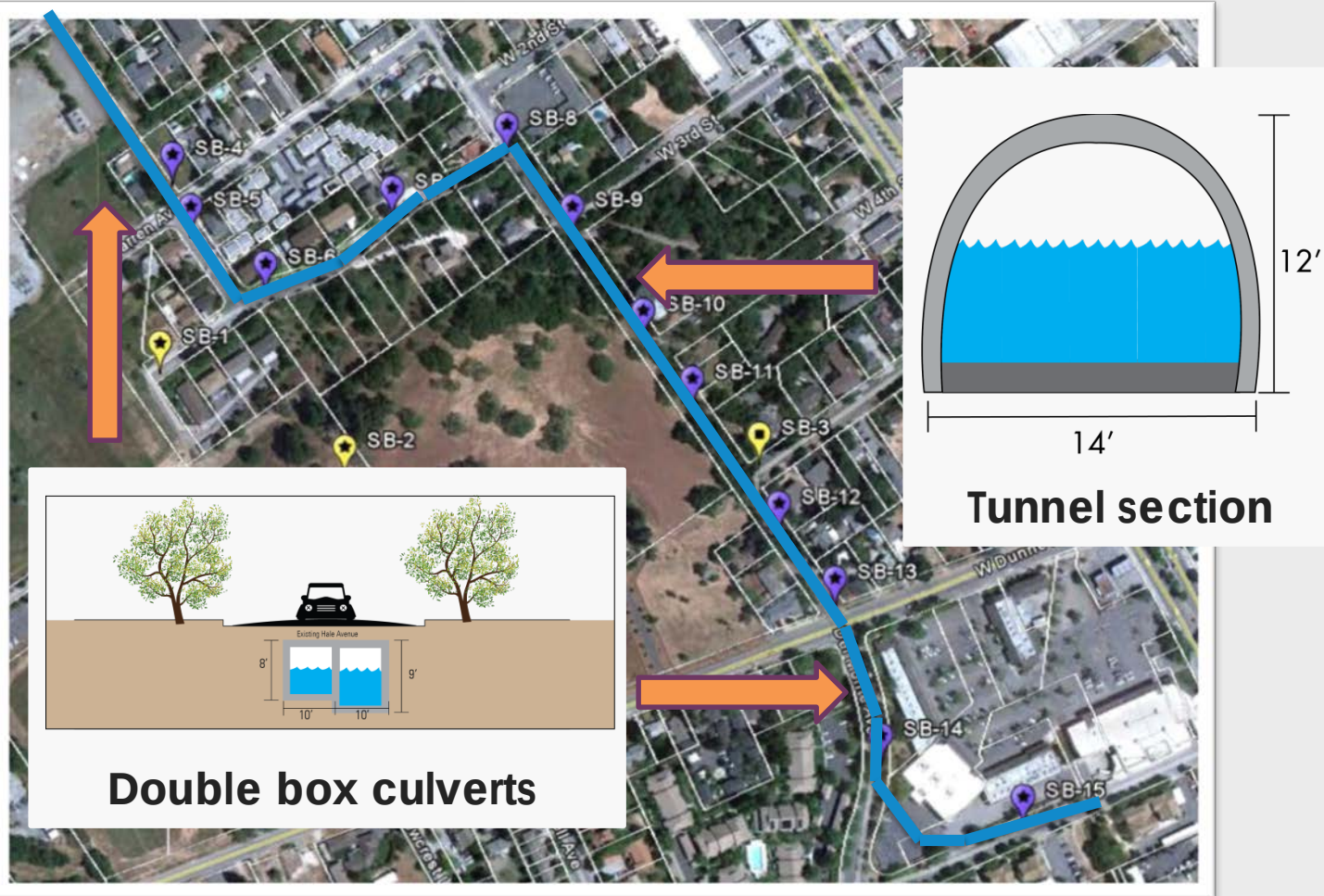
Reach 8

Tunnel and Culvert Alignment



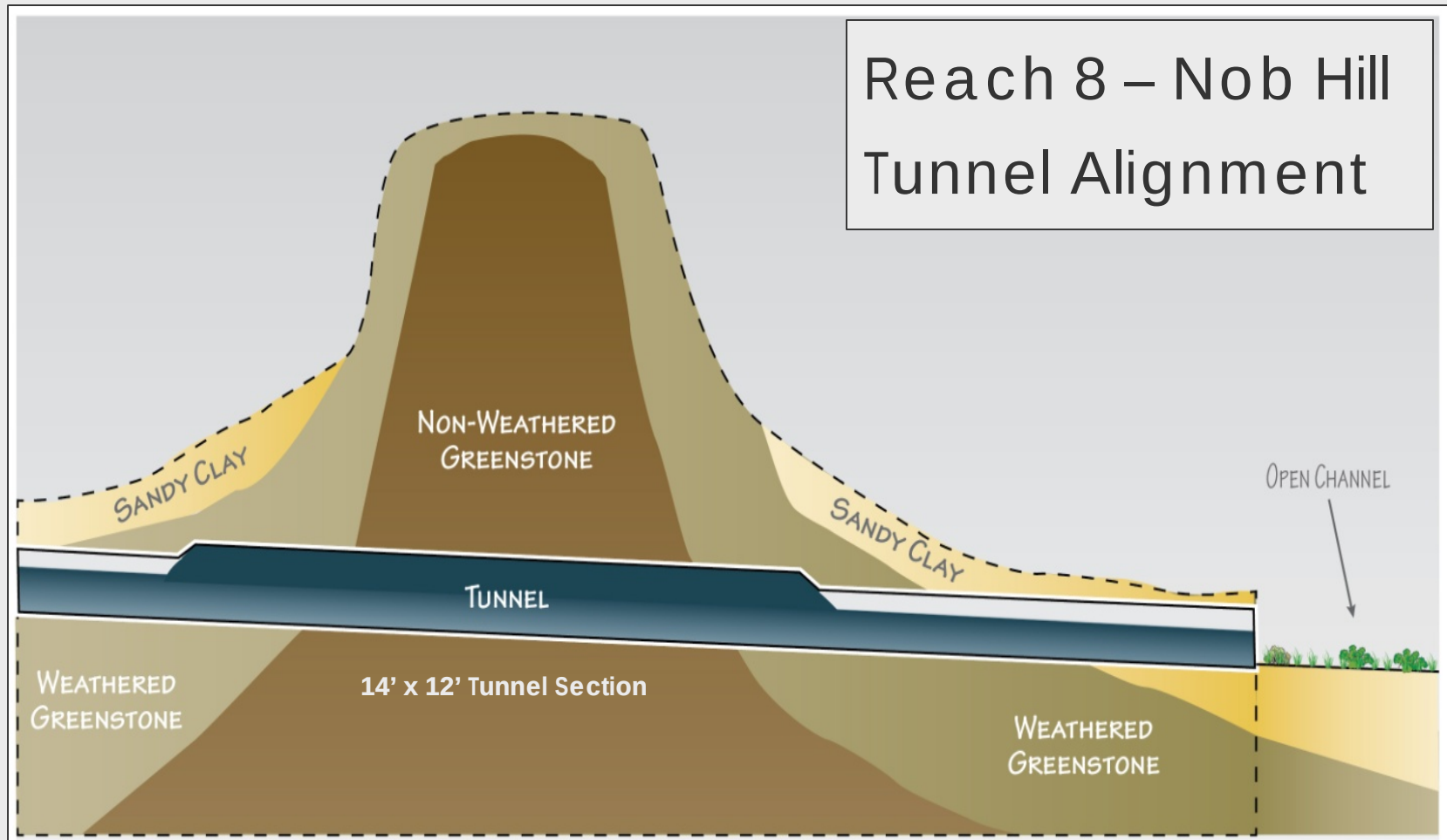
Reach 8 – tunnel and culvert alignment

Design – Reach 8 culverts

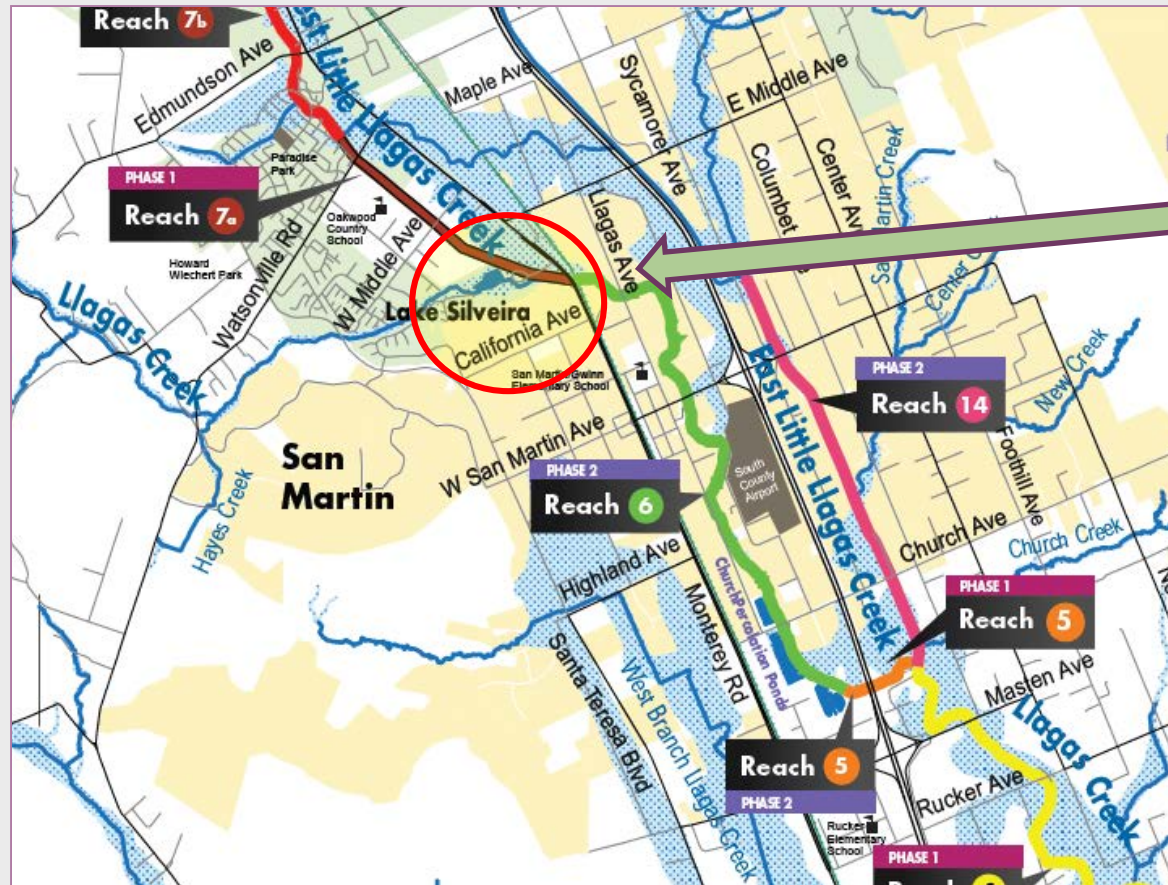


Reach 8 – tunnel alignment

Design

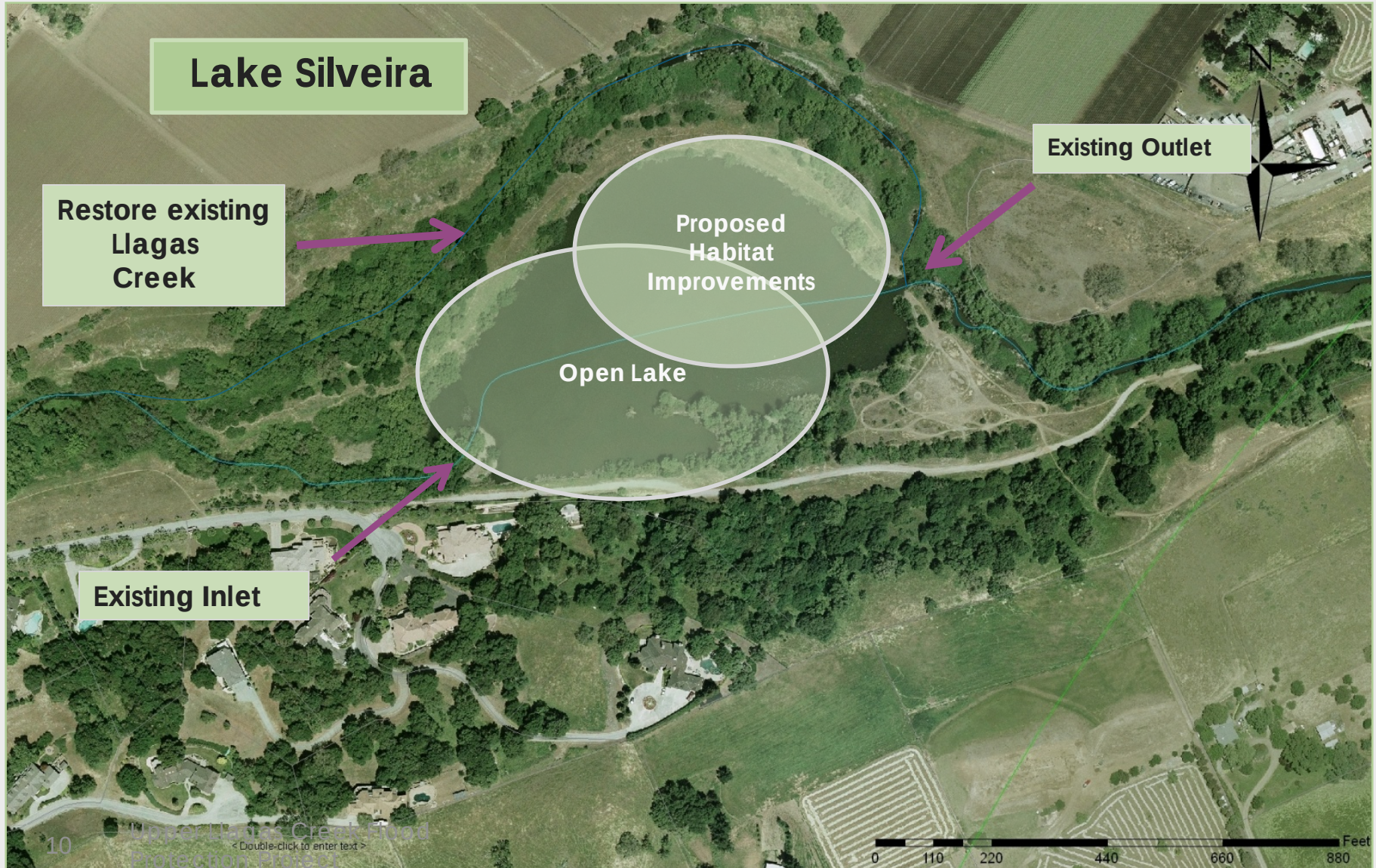


Upper Llagas Creek Flood Protection Project



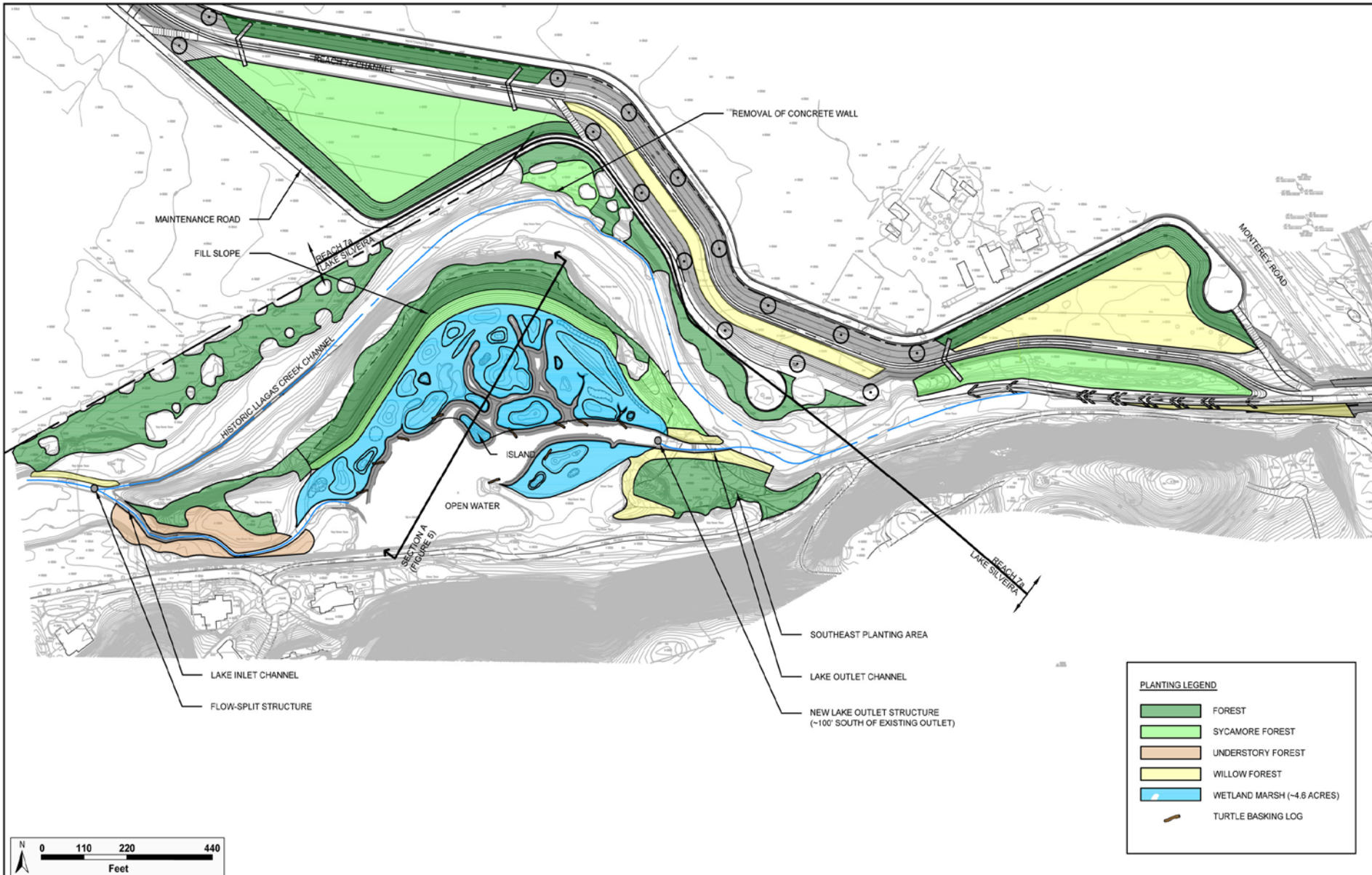
Lake Silveira

Proposed Lake Silveira design



Proposed Lake Silveira design

Upper Llagas Creek Flood Protection Project: On-site Compensatory Mitigation



Upper Llagas Creek project progress

- ▶ Design:
 - ▶ 100% Phase 1 and 95% Phase 2 construction documents
- ▶ Environmental:
 - ▶ Final EIR June 2014
 - ▶ Final EIS January 11, 2019
 - ▶ Record of Decision (ROD) issued by U.S. Army Corps of Engineers (USACE)
- ▶ Real Estate:
 - ▶ 125± Property Acquisitions required, including temporary use for staging, etc.
 - ▶ Phase 1 (44 parcels): 43 acquisitions completed (County Parks-Lake Silveira remains)
 - ▶ Phase 2 (81 parcels): 59 acquisitions completed (4 permanent & 18 temporary remaining)
 - ▶ City of Morgan Hill Joint Use Trail Agreement, executed 8-28-18 (Monterey to Ciolino)
- ▶ Permits:
 - ▶ California Department of Fish and Wildlife (Jan. 2017)
 - ▶ Central Coast Regional Water Quality Control Board (July 2017)
 - ▶ USACE (anticipated by March 22, 2019)

Schedule & Next steps

▶ **March 2019:**

- ▶ USACE issue ROD and 404 Permit
- ▶ Complete Phase 1 property acquisitions (Close Escrow/Record County Parks-Lake Silveira)

▶ **April 2019:**

- ▶ Advertise Phase 1 construction contract (April 23, 2019 Board hearing anticipated)

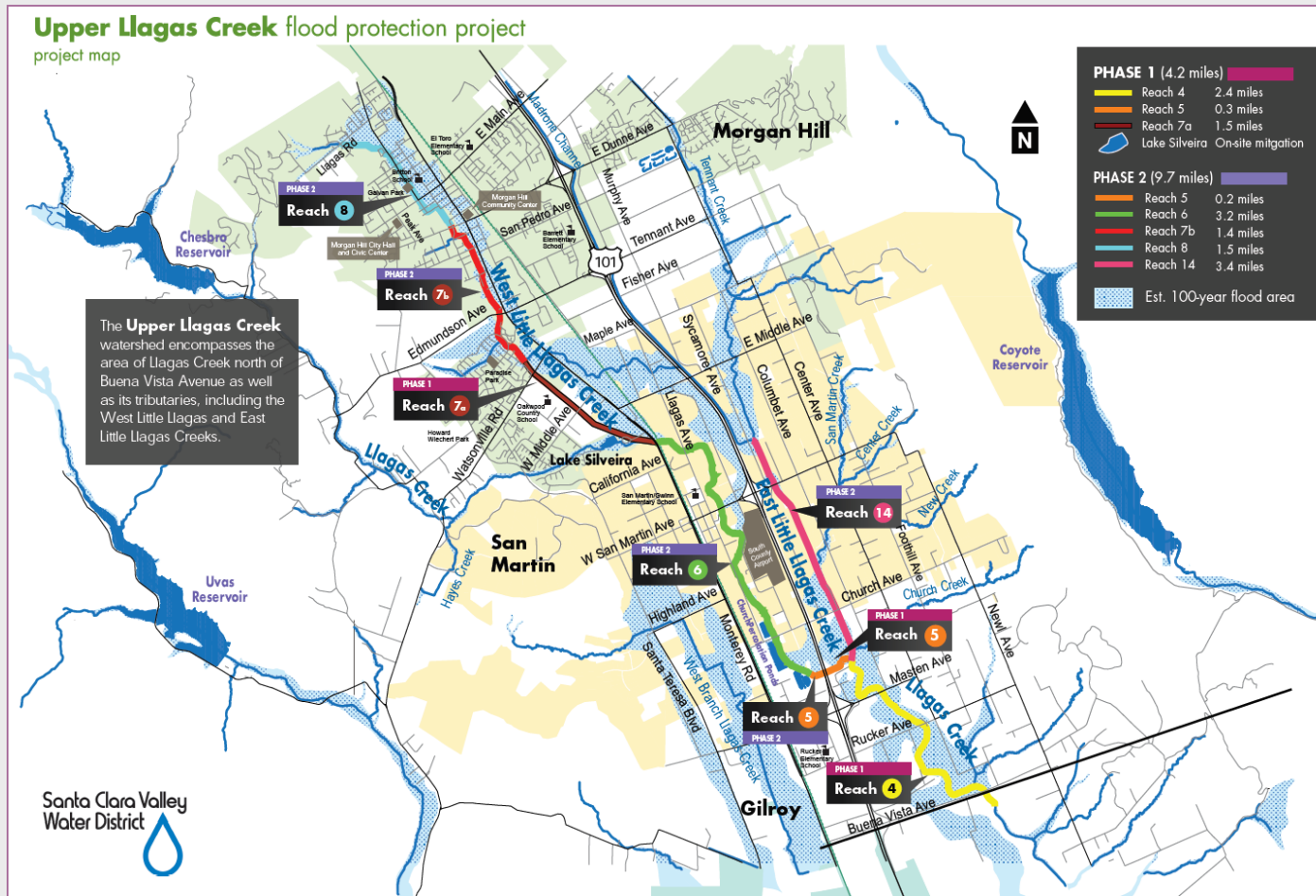
▶ **July 2019:**

- ▶ Complete Phase 2 property acquisitions
- ▶ Complete Phase 2 construction documents

▶ **TBD Based on Funding:**

- ▶ Continue to pursue funding opportunities – Federal, Grants
- ▶ Advertise Phase 2 construction contract

► Comments or questions?



Upper Llagas Creek Flood Protection Project

March 6, 2019

City of Morgan Hill
City Council Meeting

