



COUNCIL REPORT

DATE: September 12, 2023
CATEGORY: Consent
DEPT.: Public Works
TITLE: **Utility Services Agreement with Palo Alto**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Enter into an Agreement with the City of Palo Alto to Provide Water and Sanitary Sewer Services Outside of the Corporate Limits of the City of Mountain View, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

LifeMoves, a 501(c)(3) nonprofit organization that addresses homelessness with interim housing and support services, proposes to develop an 88-unit emergency shelter (HomeKey Palo Alto) at 1237 San Antonio Road, on a 1.33-acre lot (Figure 1) leased from and located in the City of Palo Alto (Palo Alto). The site fronts San Antonio Road along the Palo Alto and Mountain View city boundary. The water and sanitary sewer mains in San Antonio Road are owned and maintained by the City of Mountain View (City).

The City of Palo Alto faces challenges in providing water and sewer services for the proposed HomeKey Palo Alto project due to a lack of Palo Alto utility infrastructure at the terminus of San Antonio Road to connect back to their systems. Therefore, the City of Palo Alto requested that the City provide these utility services to HomeKey Palo Alto.

As required under Government Code Section 56133, the Santa Clara Local Agency Formation Commission (LAFCO) has approved the City of Mountain View's provision of water and sewer services to the site without a requirement that the property be annexed into the City.

Chapter 35 of the Mountain View City Code prohibits the City from providing water or sewer services outside of the City's corporate limits except to government agencies or political subdivisions authorized by the City Council.

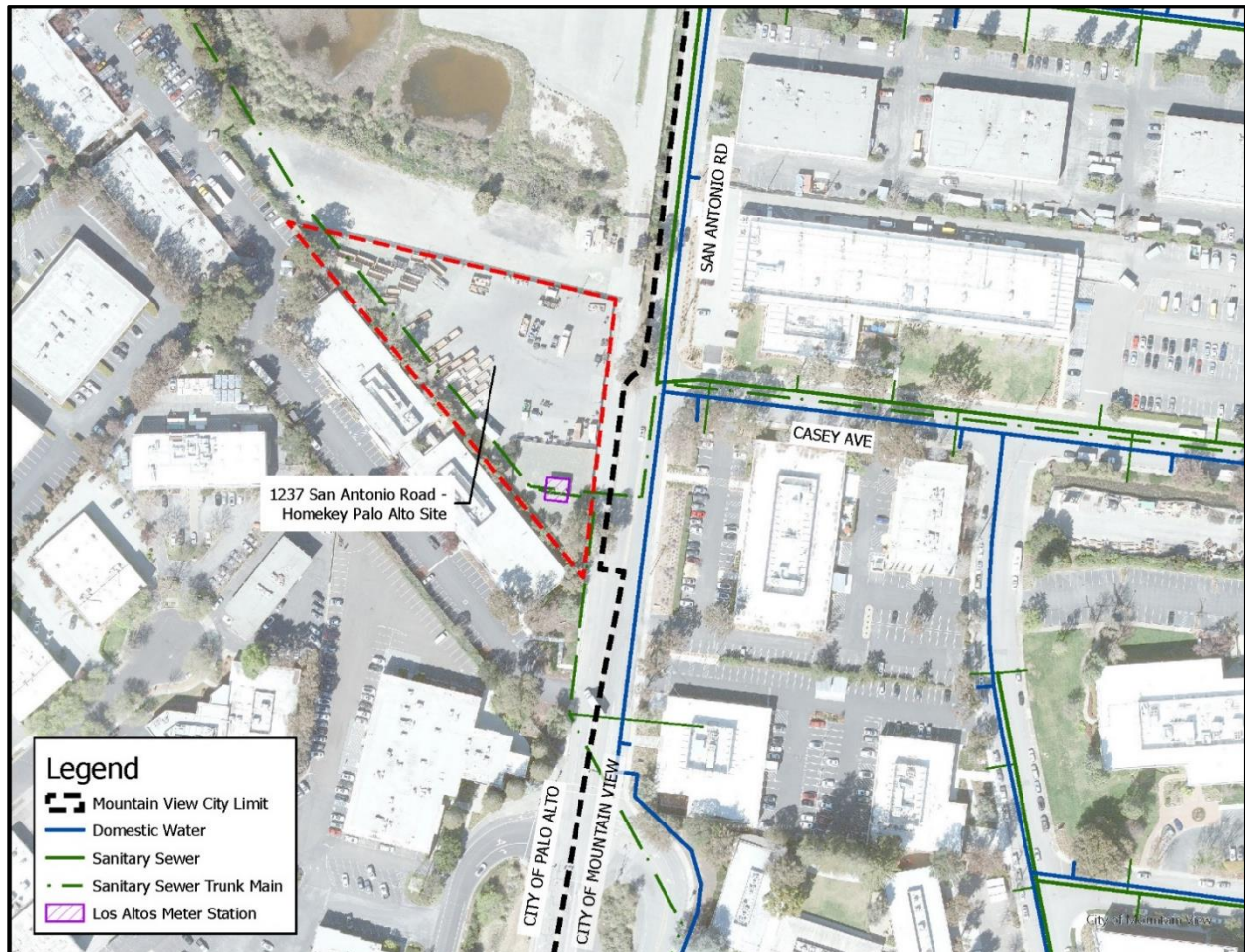


Figure 1: Project Location

ANALYSIS

The existing City water and sewer mains on San Antonio Road have sufficient capacity to meet the needs of the HomeKey Palo Alto development. Therefore, staff recommends that Council authorize the City to provide water and sewer services to the HomeKey Palo Alto project site and authorize the City Manager or designee to execute a utility services agreement with the City of Palo Alto. The main terms of the agreement are that the City of Palo Alto will be responsible for all utility connection costs, including capital costs and capacity fees, current and future utility rates, permits, and compliance with conditions in the agreement. On August 21, 2023, the Palo Alto City Council approved entering into the agreement with the City of Mountain View.

FISCAL IMPACT

There is no fiscal impact associated with this agreement for the City. The City of Palo Alto and/or HomeKey Palo Alto will pay for all costs associated with providing the water and sewer

connections to the site, including the capital costs, capacity fees, and current and future utility rates.

ALTERNATIVES

1. Do not enter into a utility services agreement with Palo Alto. Palo Alto will be responsible for providing utilities to the project.
2. Provide other direction.

PUBLIC NOTICING—Agenda posting.

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Attachment: 1. Resolution

cc: USM