

City Council Questions
February 12, 2019 Council Meeting

ITEM 3.1 1696 VILLA STREET - UPDATE ON PROPOSED PROJECT

1. How would the path connect to Farley as shown on the map on page 2 of the staff report? It doesn't look like there is a connection between Bonny and Farley.

The connection would require users to go north on Bonny Street to Hackett Avenue and then west to Farley Street. Another possible option could be a shared path from Meridian Way onto the side of Central Avenue to connect the path project directly to Farley Street.

2. Who would own the ramp on the South side of Central? Who would be responsible for the maintenance of the ramp on the South side of Central?

The City would acquire and easement for the path on the project site. Staff recommends that the developer maintain the improvements until a tunnel is constructed, at which time the City would assume maintenance responsibilities for the path on the project site.

3. When would the Council be able to discuss re-prioritizing CIPs?

The first opportunity to discuss the 2019-20 through 2023-24 Capital Improvement Program will be at a Study Session scheduled for March 26, 2019.

4. What are the pedestrian and bike improvements planned as part of the Rengstorff Avenue grade separation?

The preliminary concept for the Rengstorff Grade Separation includes 6' sidewalks and buffered bike lanes on each side of Rengstorff Avenue. Preliminary design has not yet begun, so a final cross section has not been established. If there is sufficient right of way, a cycle track may replace the buffered bike lane. Pedestrians and bicyclists will also no longer need to cross the railroad tracks at grade.

5. Why was an underpass design favored over an overpass?

The overpass required more space due to its switchbacks which created greater site plan issues, overpass height had greater impacts to the project as well as neighbors on Higdon Avenue, and construction over future high speed rail had more uncertainty in cost.

6. What kind of improvements is foreseen to the pedestrian and bike environment on Villa St? Is there any opportunity to improve the tree canopy? Some residents had complained about sun reducing visibility while biking, driving and walking and that more tree canopy might help that. The tree canopy looks pretty good though.

Improvements initially considered were improved crossings, a bike lane, stop sign, and traffic calming measures like speed humps and chicanes. The project includes street tree

planting as approved by the City Arborist and the tree canopy along Villa Street has good tree cover.

7. Is there any estimate of how many people might use the new bike path in the near future?

No.

8. Is there likely to be any new funding for the bike path coming out of the new administration in Sacramento?

It is not known at this time the state funding for which the project may be eligible but staff would consider all options as they arise. There may be Measure B funding in the future but staff has not yet studied the project for a competitive funding application.

9. Traffic calming improvements on Villa Street and pedestrian and bicycle improvements between the Villa Street/Shoreline Boulevard intersection and the Downtown Transit Center have (or had?) been proposed as community benefits. What are the cost estimates for each of these improvements?

The scope (and therefore the cost) of these improvements has not yet been established. A public outreach process would be conducted with neighboring residents to establish the scope. A cost estimate can then be prepared.

10. Could the Villa Street traffic calming improvements be considered mitigations rather than community benefits?

The draft EIR has been completed and calls for one mitigation measure related to traffic calming: the installation of a raised, high-visibility crosswalk with pedestrian activated LED enhanced signs on Villa Street at the Chiquita Avenue intersection. Other traffic calming improvements or street improvements would be considered part of the project's community benefits.

Another mitigation measure requires the project to contribute 25% of the cost of planning improvements to the west leg of the Shoreline Boulevard and Villa Street intersection. This cost, approximated at \$250,000, is a mitigation requirement and not a community benefit.

11. Are there traffic studies that justify the proposed traffic calming improvements on Villa Street?

A traffic study was performed by Hexagon as part of the EIR for CEQA. The traffic study showed the need for a crosswalk at Villa Street and Chiquita Avenue and project contribution of 25% of the cost of improvements to the west leg of the Shoreline Boulevard and Villa Street intersection.

12. "The applicant estimated that the costs for constructing the portion of the path on their site would cost around \$5.3 million. Staff believes this estimate is high..." (p6). What is staff's estimate of the cost of this construction?

The cost estimated by the applicant includes soft costs such as site plan impacts related to the path and lower rents in several units abutting the trail. Staff does not typically consider all soft costs like these as a community benefit. Further analysis would need to be completed by staff to arrive at a more exact amount the applicant may use as a community benefit but it could be a few million dollars less than the current estimate.

13. If the Council answers Question 2a with "yes," when will we have the discussion about potential funding sources and the priority of this project relative to others on the CIP list?

The first opportunity to discuss the 2019-20 through 2023-24 Capital Improvement Program will be at a Study Session scheduled for March 26, 2019.

14. A member of the public suggested in an email that the portion of the potential path on the project site, if constructed, be open to temporary uses (like a dog run or a bocce ball court). Is this already Prometheus' intention for this space until construction of the remainder of the path begins?

The project plans currently include an interim condition on a portion of the trail area with seating and a bocce court for residents.

ITEM 4.2 APPROVE ACQUISITION OF TEMPORARY CONSTRUCTION EASEMENT FROM A PORTION OF 850 LEONG DRIVE (APN 153-19-002)

1. Does this acquisition require Council approval because the value exceeds the City Manager's purchasing/contract authority limit? Or is there another reason Council approval is necessary?

Yes, Council approval is required because the valued exceeds the City Manager's approval limit of \$100,000.

ITEM 6.1 MULTI-FAMILY HOUSING REVENUE BONDS-SHOREBREEZE APARTMENTS

1. Why is there a delay in issuing the bonds?

The Multifamily Housing Revenue Bonds are only issued when the project closes escrow on the tax credits. In order to have a tax credit closing, all loan documents from funding sources must be signed and in place, the building permit needs to be issued and the new legal description must be in place. With some developments, the closing can happen within a few months of the project receiving planning entitlements and in the case of more complex projects, such as Shorebreeze, the tax credit closing may occur over a year later. The Shorebreeze expansion project is extremely complex with multiple funding sources, a property lease requiring renegotiation with the SFPUC and the

relocation of the existing tenants of the 12 units that will need to be demolished. MidPen Housing has been working over the past year to receive final approval of the new lease with the SFPUC, and secure all the funding sources necessary for this development. As mentioned in the report, the Internal Revenue Code requires that the TEFRA Hearing for bond issuance be within a year of the actual issuance of the bonds. Since Shorebreeze's TEFRA Hearing occurred in January 2018 and they will not be able to close on the financing until March 2019, a second TEFRA Hearing is necessary.

2. What is the Housing Revenue Fund's current balance and what is the Fund used for?

The HRF is comprised of three housing subfunds, Below Market Rate Housing, Housing Impact, and Rental Housing Impact. The projected available balance for June 30, 2019 as stated in the Fiscal Year 2018-19 Adopted Budget is \$40.1 million. Only interest earnings are included in the Adopted Budget projects. Additional revenues from fees have been received as of January 31, 2019 in the amount of \$11.0 million. These funds can only be used for the development of affordable housing in the City of Mountain View for 30% Area Median Income (AMI) up to 100% AMI.

ITEM 7.1 APPROVE WATER SUPPLY AGREEMENT AMENDMENTS

1. Amendment 1 – does oversight of the CIP mean BAWSCA has approval/denial authority over the CIPs? If not, what is meant by the word oversight?

This amendment does not give BAWSCA approval/denial authority over CIPs. Amendment 1 requires San Francisco to notify BAWSCA of its proposed CIPs and requires them to respond, in writing, to any comments submitted by BAWSCA or its member agencies.

2. Amendment 3 – how would making San Jose and Santa Clara permanent customers increase supply for other BAWSCA agencies?

Making San Jose and Santa Clara permanent customers does not increase supply for other BAWSCA agencies. The decision to make San Jose and Santa Clara permanent was put on the same timeline as a decision whether or not to provide additional water for other BAWSCA agencies. They are independent actions but are on the same timeline. San Francisco would need to develop new water supplies to support either action.

3. Are there non-profits served by SFPUC/BAWSCA who could use the City's unused water that is subject to the minimum purchase agreement?

Non-profits are retail customers just like all other commercial and residential customers. The City would not be able to give the water to the nonprofits due to concerns that other water rate payers would be subsidizing the cost of providing water to some customers for free or at a discount. However, if the City were interested in providing unused water to nonprofits, it would need to treat similarly situated

nonprofits alike, and also pay for the provision of that water from the general fund instead of any water funds.

ITEM 7.2 FISCAL YEAR 2018-19 MIDYEAR BUDGET STATUS REPORT, FISCAL YEAR 2019-20 PRELIMINARY GENERAL OPERATING FUND FORECAST, AND FISCAL YEAR 2018-19 PERFORMANCE/WORKLOAD MEASURES

1. Page 10 of staff report – what prompted the development services cost of services study? Are specific questions being studied? If so, what are they?

Development Fees have not been reviewed since the consolidation of all development services into the Development Services Fund in Fiscal Year 2014-15. No specific questions, the study is to ensure fees are aligned to the cost of services provided.

2. Page 21 of staff report – what are some of the major reasons the food scraps program incurred higher processing costs?

The major reason is when the City Council approved the food scraps program, staff was in the final stages of negotiating a contract with Harvest Power to process the food scraps/yard trimmings mix. Harvest Power pulled out at the last minute. Staff obtained a back-up agreement with Recology to process the material at their South Valley Organics facility in Gilroy, but they could not match the lower pricing of Harvest Power.

3. Page 27 of staff report – when would we anticipate having finalized agreements on salary reopeners?

According to current labor agreements terms, there is an opportunity for either the City or employee groups to reopen on the topic of salary and one-time leave hours. Notice must be given by March 1, 2019 for SEIU, POA and MVFF. The reopener is automatic for EAGLES since the parties did not come to agreement on year three salary or one-time leave hours. We are aiming to adopt new compensation resolutions by June 25, 2019.

4. What portion of the business license tax is phasing in in 2020?

Businesses of 50 employees or less will pay the full new fee in 2020. The tax is phased in over three years for all businesses with 51 employees or more: January 1, 2020 one-third of the total business license tax owed, January 1, 2021 two-thirds of the total business license tax owed, and from January 1, 2022 forward the full amount of the business license tax is owed.

5. When is the Comprehensive Modal Plan scheduled to be on the agenda for a Council meeting?

The consultant contract for the Comprehensive Modal Plan will be brought to the Council for approval in the second quarter of 2019.

6. What are the most recent uses of Strategic Property Acquisition Reserve funds?

- **FY2016-17 \$5.0 Million was transferred to the Community Center CIP (17-32)**
- **FY15-16 \$1.0 Million was used to purchase a vacant parcel on Franklin Street (Dunn property); \$663,600 was approved for a ground lease of a parcel at the corner of Villa St and View St (5yr lease at \$125,000/year with CPI escalations); and \$50,000 was transferred to the Street Resurfacing and Slurry Seal CIP (16-01) for parking lot improvements on that leased parcel.**
- **FY14-15 \$375,000 was transferred to the Marketing of Hope Street Lots CIP (15-53)**

7. Are Development Services surplus funds/excess revenue restricted for specific uses? What activities/expenditures would be eligible for excess Development Services revenue?

All development services were consolidated into the Development Services Fund in Fiscal Year 2014-15. Development fees collected pay for the cost of development services. Fees are collected in advance of services provided; therefore the balance needs to be maintained to provide the services through completion of the project. Funds can only be used for development related activities.

8. What is the Sea Level Rise Reserve used for?

For the Shoreline Regional Park Community, beginning Fiscal Year 2018-19, \$3.0 million was approved to be set aside annually in the Sea Level Rise Reserve over the next ten years to fund approximately \$30.0 million for projects identified in the Shoreline Sea Level Rise Study.

9. How are the Performance Measures/Workload Measures determined? If the Council were interested in including additional measures, what would we do to add those for future reports?

Each department selects measures common in their industry and considered useful in reporting the outputs and/or outcomes associated with various services. Staff endeavors to select measures that are meaningful in describing performance and also able to be quantified with available data sources and a reasonable commitment of staff effort. Council can express its interest in general performance areas as part of the budget process and then staff could propose appropriate measures going forward.

10. How are the Performance Measures/Workload Measures targets determined?

Departments set targets based upon the desired level of service or outcome, informed by various factors, including industry standards, trends and appropriate expectations within existing resources.