

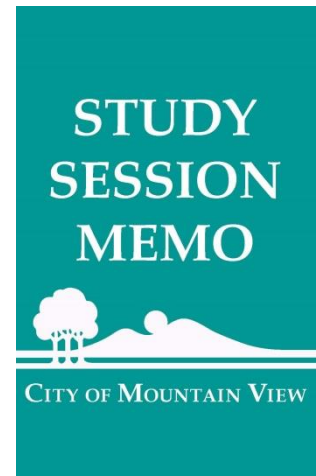
DATE: June 19, 2018

TO: Honorable Mayor and City Council

FROM: Kimberly S. Thomas, Assistant to the City Manager
Kaitlyn Cyr, Management Fellow
Kim Springer, MTEP Fellow
Audrey Seymour Ramberg, Assistant City Manager

VIA: Daniel H. Rich, City Manager

TITLE: **Population Growth and Public Service Levels**



PURPOSE

The purpose of this Study Session is to: (1) provide information on the planning processes and documents that define community needs and values and identify resources and track progress toward meeting them; (2) review potential development and population projections for the planning horizon; (3) provide preliminary, top-level analysis of the potential resource needs that may be required to serve a growing population while maintaining Mountain View's high quality of life; and (4) suggest next steps and seek Council input.

BACKGROUND

During the biannual goal setting process, the City Council expressed an interest in better understanding how the City is planning for the impacts of potentially significant population growth on City service levels. The City's commitment to service is front and center to all that we do. Our mission states that: "The City of Mountain View provides quality services and facilities that meet the needs of a caring and diverse community in a financially responsible manner." Reinforcing this commitment, the first of our three organizational values is to provide exceptional service.

Mountain View strives to provide not only mandatory and common City services, but often goes above and beyond industry benchmarks to provide high-quality services that exceed expectations, are tailored to our community and unique to Mountain View. Examples include the Mountain View Center for the Performing Arts, Deer Hollow Farm, Shoreline at Mountain View, Multilingual Community Outreach Program, neighborhood services such as the Council Neighborhoods Committee, regional trail planning, and many other programs that contribute to Mountain View's high quality of life.

The City consistently receives grants, awards, and recognition for the services we provide. Last fiscal year, this included five recognitions for public safety, five for Library programs, three for housing and planning, five for finance and budgeting, and three for recreation programs and trail systems. We seek and act on resident feedback through *AskMV*, community surveys, community meetings, and social media. We receive positive scores and anecdotal comments indicating high levels of resident satisfaction with City services and with the accessibility and responsiveness of City staff and policy-makers.

As shown in Figure 1 below, the number of Mountain View residents grew slowly through the 1940s, after which there was a steep increase (725 percent) between 1950 and 1970. During the subsequent 20-year periods, the population growth has been more modest: 24 percent from 1970 to 1990 and 10 percent from 1990 to 2010.

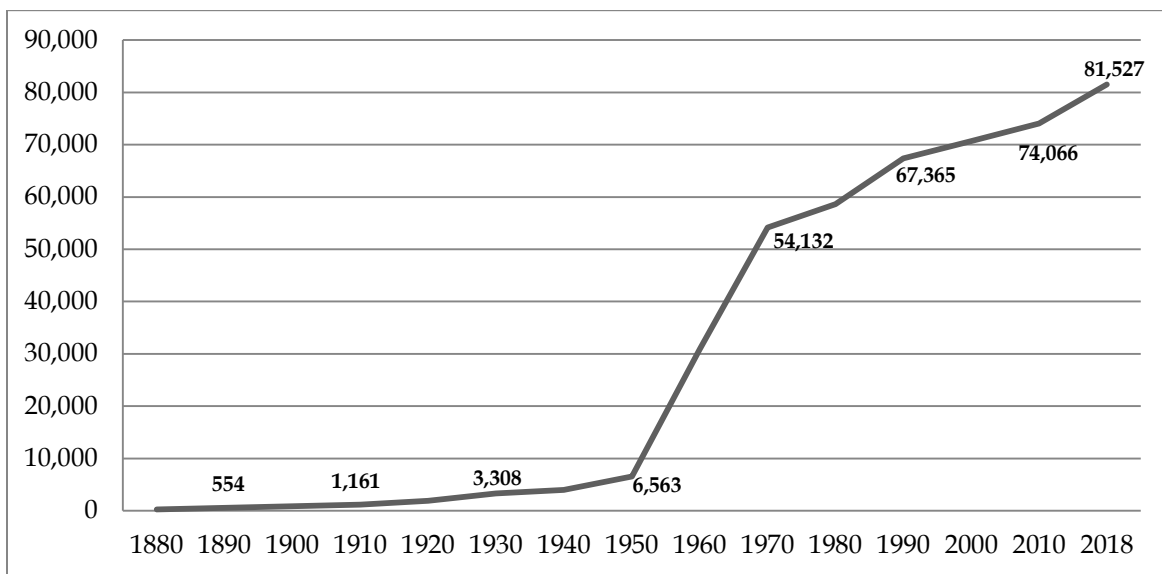


Figure 1: City of Mountain View Historic Population

In 2018, the California Department of Finance estimated residential population is 81,527. The daytime population, which includes people who work in Mountain View as well as a percentage of residents who are at home during the day, is estimated to be 116,199. In the past several years, both the residential and daytime population have begun to increase more quickly due to a combination of the development resulting from the current strong economic climate and the Council priority to increase the supply and affordability of housing. With the anticipation of additional growth associated with recent Precise Plans and Gatekeeper projects that are in the pipeline, this Study Session provides a good opportunity to confirm that the City is planning adequately to maintain its high standards for public service.

There are two important caveats when discussing planning for services in light of population growth. First, population projections are only estimates based on the information available at the current point in time. There are many factors outside of the City's control, including general demographic trends, which influence the types and levels of service needs and the health of the economy, which influences the pace at which development projects are completed. Thus, it is helpful to consider the population numbers included in City planning documents as the maximum allowed development within the planning horizon. Potential projects and associated population growth will not occur all at once and may not occur within the plan horizon – or at all. And generally, significant development applications take several years to work their way through the process, which provides time for proactive planning with the most current and accurate information.

A second caveat is that service levels and City resource needs are not planned on a per-capita basis. Municipal public service levels are generally set in accordance with Council policy and goals, annual budgets, staff's professional experience and judgment, and industry guidelines. There are many factors that influence the relationship between service levels and population change, such as service delivery models, economies of scale, technological advancements, development location and concentration, and evolving community needs. Consequently, there is no simple formula for predicting resource needs relative to population size. For the City of Mountain View, the relationship between the two has not been linear. Between 1990 and 2018, the City's residential population has increased 21 percent over this time frame, whereas the number of regular staff employed by the City has increased by only 3.6 percent. In light of these caveats, this report does not identify a specific timeline for population growth or make specific recommendations about resource needs at certain times.

CITY POLICIES

The City has a history of being proactive, thoughtful, and thorough in developing policies and plans that establish goals, identify necessary resources, and track progress toward meeting community needs. The most significant of these planning efforts include the General Plan, specific area Precise Plans, the biannual Council goal-setting process, nexus studies and impact fee policies, various department or program master plans, annual budgets, long-term fiscal forecasts, and the five-year Capital Improvement Program (CIP). City departments regularly review and update these policies and plans, which are described briefly below. More information about current City services and the planning documents that guide them can be found in Attachment 1.

General Plan 2030 and Precise Plans

The City's most comprehensive planning document is the General Plan 2030 included in Attachment 2, which, through an extensive community input process, establishes a vision for Mountain View's future and sets goals and policies to guide the City's physical development and preservation. Adopted by the City Council in 2012, the General Plan includes sections on: land use design; mobility; infrastructure and conservation; parks, open space, and community facilities, noise, and safety. Staff reviews the Plan and the Council adopts updates as appropriate and undertakes an annual cross-departmental process to update the action items that implement the General Plan.

The General Plan identifies overarching quality-of-life strategies related to preserving neighborhood character, enhancing City revenues, partnering with school districts for shared open space and recreation, expanding parks and open space, and supporting nonautomotive mobility. The plan makes clear the City's intent to maintain the high quality of life in Mountain View by preserving the land uses within most neighborhoods and establishing policies to help enhance and support their distinct characters. Most of the General Plan change in the City is focused in the North Bayshore Area and along transit corridors in the East Whisman, El Camino Real, and San Antonio areas.

Precise Plans are developed to define the community's vision for these change areas, anticipate potential population growth and associated impacts, and develop strategies to address impacts and guide implementation of the Plans. During the past five years, Precise Plans have been adopted for El Camino, San Antonio, and North Bayshore. A Precise Plan is currently being developed for East Whisman. An example of a strategy to address potential impacts in the North Bayshore Precise Plan (Attachment 3) is the inclusion of school funding policies to support future school facilities to serve enrollment growth anticipated due to new development.

Development Impact Fees

New development can be required to fund some facilities and improvements, if the development has a relationship (or "nexus") to the need for those improvements. The City has adopted a number of these "impact fees":

- Commercial development must pay a Housing Impact Fee to build affordable housing.

- Market-rate residential development must provide below-market-rate units, or pay an in-lieu fee.
- North Bayshore development must pay transportation and utility impact fees for improvements serving that area.
- Water and Sewer Capacity Fees help support the expansion of those utility systems.
- Residential development must provide land for public parks, or pay a Park Land Dedication Fee.

In addition to these adopted fees, the City is reviewing a Nexus Study for a Citywide Transportation Impact Fee.

Program Master Plans

Staff develops master plans in many programmatic areas to look to the future, identify needs, set goals, and establish and track multi-year work plans. For example, the Community Services Department's Parks and Open Space Plan provides a comprehensive review of open space needs for the City and a framework for decision-making that is aligned with the General Plan and CIP. Other City plans include the Consolidated Plan, Environmental Sustainability Action Plans, Police Strategic Plan, Recreation Plan, Park Master Plan, Sanitary Sewer Master Plan, Storm Drain Master Plan, Urban Water Management Plan, Zero Waste Plan, Pedestrian Master Plan, and Bicycle Transportation Plan.

Council Goals

Every two years, the Council establishes major goals to address priority community needs. Projects to support these goals, and any necessary resource allocations, are included in the City's budget. Seventy (70) projects were adopted in the Fiscal Year 2016-17 Budget to accomplish the current Council goals to preserve the City's socioeconomic and cultural diversity; improve availability of affordable housing and ownership opportunities; establish coordinated transportation strategies; and promote environmental sustainability.

Annual Budget Process, Financial Forecasts, and Capital Improvement Program

Each year, staff analyzes community needs, economic trends, revenues, expenditures, and balances available and proposes an annual spending plan for City services. The

City also prepares a long-term Financial Forecast every year, with either a 5-year or a 10-year time horizon. The Fiscal Year 2018-19 budget includes a forecast through Fiscal Year 2027-28. In developing the forecast, staff attempts to anticipate changes in revenue and expenditures, as well as new development, thus providing a critical planning tool for future service needs that may require increased resources and staff. From FY 12-13 through FY 17-18, a net increase of 35 FTE staff have been added, with additional positions in the Proposed FY 18-19 Budget.

Coinciding with the budget process, the City Council adopts a five-year CIP to define priorities and allocate funds for major facility and infrastructure projects.

Revenue Measures

Continuing its long tradition of planning for the future, the City is evaluating options for funding future needs which are necessary to maintain the quality of life in Mountain View but which cannot be funded with existing revenues. These future needs include critical large-scale transportation projects, such as an Automated Guideway Transit system, rail grade separations at Rengstorff Avenue and Castro Street, Transit Center improvements, shuttle services, and various bike/pedestrian improvements. Consequently, Council is considering two revenue measures, which may be included on the November 2018 ballot.

POPULATION PROJECTIONS

The Community Development Department reviews specific development projects that contribute to growth. These projects are usually, but not always, within the scope of the General Plan, Zoning, or Precise Plans. Through the City's "Gatekeeper" process, developers interested in building residential, commercial, or office projects outside of this scope can request rezoning or other variations from established plan parameters.

The City's population and workforce size are dependent on the amount of allowed development that is actually approved and built. There is no certainty that all development allowed in the City's planning documents, or even entitled by the Council, will be completed. The planning horizon for the General Plan and Precise Plans is through 2030. However, it is likely that development and the associated population growth will continue beyond this time frame. If all allowed development in the City's current plans were to be completed, this would mean that development in Mountain View had reached "planning capacity."

Planning capacity is currently estimated at a total of approximately 60,000 dwelling units, a 66 percent increase from existing, including approximately 3,000 units being

studied as part of “Gatekeeper” development projects requesting rezoning. More information about the planned/projected number and type of units proposed for each planning area is included as Attachment 4. Based on estimates of people per unit, a total population of approximately 127,000 could be reached if the City has a total of 60,000 dwelling units.

The planning capacity contains approximately 124,000 jobs. If the full planning capacity is reached, this could generate a daytime population of approximately 162,000. This number is the sum of all potential jobs and a portion of residents who are estimated to be nonworking (30 percent) and remaining in the City during the day. The majority of the City’s growth is expected in the General Plan “Change Areas,” including North Bayshore, East Whisman, San Antonio, and El Camino Real. New residential areas in East Whisman and North Bayshore create unique new service areas for the City as these areas have historically been only commercial or office.

While the City’s planning capacity horizon defines the City’s total potential growth, near-term forecasts can be estimated based on proposed developments that are currently under review by the Community Development Department. In general, it takes approximately three to four years for a large project to go from planning review to complete construction. Given this typical project life cycle, most projects currently under review are expected to be built by 2023, which could result in approximately 42,500 housing units, a residential population of approximately 95,000 and a daytime population of approximately 130,000 (Figure 2).

Figure 2:	Existing*	Foreseeable Development**	Planning Capacity***
Units	35,841	42,420	59,600
Population	81,527	94,660	126,500
Jobs	91,741	102,000	124,000
Daytime Population****	116,199	130,398	161,950

* Units and Population: 1/1/2018 Estimate from California Department of Finance; Jobs: 2016 1-year estimate from US Census Bureau, American Community Survey.

** Foreseeable Development based on development projects under review and approved as of May 2018, with estimated completion in 2023.

*** Includes adopted General Plan, Precise Plans, all Gatekeepers, and under-review Precise Plans (East Whisman, Shenandoah).

****30% of Population plus 100% of Jobs.

Between now and 2023, it is estimated that Mountain View's residential population will increase from the current 64 percent of planning capacity to 75 percent of planning capacity. As discussed in the Next Steps section of this memo, the City could include in the 2021-23 two-year Council goal-setting process a review of the status of development projects and population and propose specific strategies, staffing and projects to address impacts.

POTENTIAL SERVICE/RESOURCE IMPACTS

As the City considers service levels in light of population and development estimates, it is important to remember that research reports that communicate per-capita costs are often generalized and based on the maximum potential staffing levels. There is no simple formulaic approach to set service levels, and each department must consider a variety of factors to determine the best way to meet community needs and maintain the quality of life as the population changes. Moreover, it is difficult to make direct comparisons with other jurisdictions due to unique community demographics, different tax bases, and diverse resources. As previously mentioned, Mountain View's past staffing has not been linear, and our total employee count has changed based on factors that do not directly correlate with population.

That being said, there is truth to the logic that at some point, more staff and resources are likely to be required to serve a growing population. This impact may be felt first by the Police, Fire, Library Services, Community Services, and Public Works Departments, which provide direct services to residents as well as those working in Mountain View and other visitors (i.e., external customers). In addition, the Community Development Department provides services in planning and building that are highly impacted by the level of development. This would be followed by a secondary impact on services that tend to be more internally focused (such as purchasing, accounting, budgeting, information technology, human resources, fleet and facilities maintenance, and legal services), which would be needed to support an increase in City staff, programs, and activities.

For the purposes of this Study Session report, each department reviewed the above population estimates, consulted relevant planning documents, and considered professional guidelines to develop some preliminary ideas about the areas in which additional resources may be needed to maintain City service levels. Since the extent and timing of population growth is uncertain and significant changes will not occur immediately, staff is not making recommendations for specific resource increases at this time. Given the typical lead time of three to four years for large projects to move through the development, approval, and construction process, the City will have time to develop programs and budgets to address increasing or changing needs.

The following sections highlight potential future resource needs to maintain customer service levels in the externally focused departments (Fire, Police, Community Services, Library Services, and Public Works).

Fire Services

Generally, increases in both residential and daytime population and density can be expected to create increased demand for fire and emergency response services, potentially requiring additional Firefighters/Paramedics to provide fire suppression and advance life support services, and other personnel as well as additional equipment. When such growth occurs, it can often be accommodated through expansion of existing fire stations (rather than an increase in the number of stations) to house any additional staff and equipment that are needed. Due to the age of Fire Station 3, which was built in 1960, there is an unfunded CIP proposal to replace this station. In future CIPs, when funding of this project is considered, this could include an expansion of equipment bays and dorms. Fire Stations 4 and 5 could also potentially be expanded to provide for additional dorms and facilities. Given the importance of response times and proximity, additional resources are most likely going to be concentrated in areas of growth.

In addition to considering general, Citywide population changes, a focused, strategic review is required for the North Bayshore Area given the Precise Plan vision of creating three mixed-use neighborhoods with a significant increase in housing in this traditionally office park area. The North Bayshore Precise Plan includes as an implementation action to prepare a study within three years to better understand and prepare for fire and emergency response needs in this area.

Fire Department services also include management of the City's Multi-Family Housing Inspection, Hazardous Materials Program, and Fire Prevention Program, which currently serves approximately 680 rental properties totaling 15,850 units, and approximately 450 hazardous materials permitted facilities. In accordance with State statute, apartments (R-2 occupancies) and high-rise buildings are required to be inspected annually, and hazardous materials permitted facilities at least once every three years. The City Code also requires interior inspection of apartments units at least once every five years, or once every eight years, dependent upon the fire and life safety severity of previously identified inspection violations. With the potential of 9,848 new housing units in North Bayshore, the inclusion of emergency generators and fire pumps for mid and high-rise buildings, and other large developments in the City, additional fire inspection staff will likely be needed.

Police Services

Similar to the Fire Department, the Police Department provides services to both the residential and daytime population. In general, using an Officer-to-population ratio is not an accurate way to predict potential increases to Police Department staffing. Staffing-level decisions require consideration of a number of factors, including time required to handle calls for service, unobligated time available for discretionary activities, shift relief factors, assessment of the most appropriate types of resources to efficiently provide certain services, and recommendations to improve the way resources are deployed. For each additional shift, it is estimated that two to three additional patrol vehicles and related equipment would need to be added to the existing fleet.

The Police Department has reviewed service needs with an emphasis on North Bayshore, where the potential increase in population and amenities could justify over time that this area be designated as its own patrol area (commonly referred to as a beat). The Police Department staffs each beat with one Officer on each shift. Adding an additional beat to the Police Department's deployment plan could require an additional 8 to 10 Police Officer positions. Additional services for schools, investigations, and traffic may also require additional positions. Design of a Police/Fire conference/training room next to Fire Station 5 is currently funded in the CIP. Construction funding is planned for Fiscal Year 2019-20. If and when the North Bayshore Area starts to approach full development, the Police Department can assess population density and response times to determine whether some additional physical facilities are needed in the area that would provide Officers with access to City networks, a break room, and parking.

Library Services

The Mountain View Library serves residents and visitors alike. However, the demand for library services is likely to be more impacted by changes in the residential rather than the daytime population. As the population level reaches the full projected growth, Library staff would expect to see increases in the circulation of library materials, program attendance, and use of the facility. Resources, such as additional staff, would need to be increased to accommodate that demand and continue to offer the quality Library services our community expects. However, efficiencies have allowed services to be maintained over the past decades without linear growth in staffing, and staff levels are to be determined based on the expansion of other resources. In addition to staffing, at the heart of excellent public library service is a rich collection of print and electronic materials. To maintain appropriate materials-to-population ratios, the Library's spending on its collection would need to increase.

Looking specifically at population growth in North Bayshore, it may be appropriate to consider a branch Library to serve the new neighborhoods that are expected to be developed in this area. To minimize costs, a joint-use facility with a community center or a school district could be considered. For example, Sunnyvale is currently considering the concept of a joint community center and library for a new branch of 20,000 square feet, and several branches of the San Jose library system are combined with community centers.

Community Services

Similar to the Library, the Community Services Department will likely need more facility space and programming to meet the expected needs of a growing residential population. This could potentially include an additional multi-use center, pool, and athletic fields. In North Bayshore, community center space could be provided through the development of a joint-use facility as discussed above. As for park space, the Precise Plan requires that parks be developed as part of each of the three anticipated neighborhoods and includes minimum guidelines for open space.

Citywide, including Shoreline at Mountain View, there should be adequate park land to accommodate population growth in the North Bayshore Area. The City will continue to work toward the Citywide goal of having three acres of park land per 1,000 residents and parks within comfortable walking distance of all residents.

Ongoing upgrades or renovations would also be needed to maintain aging infrastructure. The Community Services Department expects the need to add Parks Division personnel in order to maintain appropriate ratios of Parks Maintenance Workers to acres of park land to ensure the department can handle additional workload and maintain service quality. There is no current established standard for the number of Recreation or Performing Arts personnel per program or facility, but some additions may be appropriate to service a larger population. Staff will continue to monitor population growth and assess the need for additional programs and facilities.

Infrastructure and Utilities

The Public Works Department manages the City's infrastructure and utilities, which are impacted by the volume of usage by both the residential and daytime population. The projected population growth may require development of new infrastructure and create additional and ongoing maintenance and customer service workloads, as well as the need for expanded project management capabilities. Additionally, significant day and resident population increases will require study to ensure adequate water and sewer capacity, as well as evaluation of water storage to ensure adequate supply for ongoing

and emergency needs. While this has been studied in the General Plan and Precise Plans, some level of ongoing study is required based on the location of actual development and other factors. Increasing daytime populations will generate more vehicular traffic, increasing the need for streets maintenance. Increased vehicle and pedestrian traffic will also require additional traffic and transportation management resources. Daytime wastewater flows will likely increase, requiring more frequent preventive maintenance to reduce the potential for system blockages and overflows.

The growing residential population will necessitate the addition of water meters and sewer connections with proportional increases in meter reading, billing and maintenance needs. Customer service calls for water and sewer systems will also increase, requiring additional staff response time. Required water quality testing will increase with a larger service area population, necessitating additional staff to handle the increased workload. Finally, the anticipated expansion of the City's recycled water system infrastructure to serve new development, particularly in the North Bayshore Area, will require additional staffing for system operation and maintenance.

Summary of Potential Service/Resource Impacts

The preliminary assessments described above have identified a number of key areas of potential service level impacts that the City should continue to monitor in order to ensure appropriate plans are in place to address resource needs. Highlights of potential resource needs at the point that significant population increases occur include:

- A multi-use facility in North Bayshore, potentially including library and recreational programming.
- A Police beat in North Bayshore.
- Fire staffing and equipment increase accommodated at existing fire stations.
- Increased fire inspection staffing for multi-family and high rise developments.
- Increased park maintenance staffing.
- Increased staffing in engineering, project management, and maintenance to expand, upgrade, and maintain City infrastructure.
- Water and sewer capacity studies.
- Transportation studies.

- Additional staff in internal service departments to support an increase in City programs, facilities, and staffing.

NEXT STEPS

Staff suggests the following next steps and seeks Council input.

1. Continue current annual service planning processes and ongoing monitoring of population increases, development approvals, and project completions and prepare an annual update of the status of growth toward planning capacity.
2. As part of the next Council Goal- Setting Process for Fiscal Years 2019-20 and 2020-21, undertake the Fire and Emergency Response Study included as an Implementation Action in the North Bayshore Precise Plan. This could include Police staffing as well.
3. As part of the Fiscal Year 2021-22 and 2022-23 Council Goal-Setting Process, include a review of the status of development and population projections and propose projects as appropriate to address service level impacts and resource needs. This would be a good checkpoint given the anticipated completion of projects currently under review, but before significant residential growth is expected to be completed in North Bayshore and East Whisman.
4. Provide other Council direction.

KST-KC-KS-ASR/2/CAM

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- Attachments:
1. External Public Services Highlights
 2. [General Plan 2030](#)
 3. [North Bayshore Precise Plan](#)
 4. Population Estimates by Planning Area