

# City Council Questions

## February 8, 2022 Council Meeting

### ITEM 4.3 Adoption of Legislative Platform for 2022

1. What is the intended process for Council to move from “monitor, watch” to “support” or “oppose.” In other words, if we have been watching potential legislation and one or more of us decide it’s time to support or oppose it, how does Council take steps to do that, or have we taken that legislative topic permanently out of action and now only allow Council to watch it?

The City Manager, in coordination with departments, and the Mayor will weigh the pros and cons of engagement (including timing and urgency to engage) in the context of the specifics of a given piece of legislation and how it relates to Mountain View’s adopted Legislative Platform and existing policy direction and make a determination as to whether a position is recommended and whether Council action is needed. Staff would come to Council for direction unless the legislation is clearly not consistent with existing policy or past action, or is squarely within the other guiding principles of City Council Policy A-16 regarding the protection or increase of local control or revenue.

### ITEM 6.1 Residential Development Project at 555 West Middlefield Road

1. Is it mandatory to provide on-site park space for developments over 50 units? Or is it that the city has the right to make it mandatory to provide on-site park space for developments over 50 units?

For developments over 50 units Council has the discretion to require full dedication of the required park land area, a combination of land and park in-lieu fee, or allow full payment of an in-lieu fee.

2. What is the income profile of current residents (e.g., % of residents in the low, very low, moderate, etc? AMI categories)?

The City does not have this information.

3. In the past the council has discussed removing the barriers to condo mapping. Have the barriers been removed with the Phase 1 and Phase 2 updates to the BMR ordinance?

Over the past few years, staff have held stakeholder meetings with developers regarding barriers to building for-sale projects, particularly condos. The main reasons given by the developers were 1) the market provided better returns with rental projects in Mountain View and 2) the ten-year period of liability against construction defects. As such, developers have chosen not to condo-map their rental projects. This is not something that is and would be able to be addressed by the BMR ordinance.

4. What was the incremental cost of condo mapping building A?

Building A does not have residential units in it. Building B is currently planned to be mapped to be able to be converted to condominiums in the future. The City will require cost-recovery fees to process the map, which cannot be calculated at this time. Specific information about the legal and administrative costs on the applicant’s side will be more significant and can be provided by the applicant.

5. Will new residents (not residents who already live at the complex) be notified of the upcoming construction? How will they be notified?

Please see response to Question 9.

6. What is being done during the renovation of the existing units that might help with noise and air quality? Will the windows all be replaced in the existing units with double pane windows?

Renovations to the existing buildings are being done via three separate processes:

- Exterior improvements have been included as a part of the proposed development project that are intended to make the entire site more aesthetically cohesive. These improvements include re-painting the exterior walls, updating balcony railings, and adding wood-like siding. If approved, these improvements be made towards the end of the development's overall construction schedule.
- Interior apartment improvements are being made on a rolling basis throughout the property, usually upon resident move-outs (to avoid the disruption of occupied-apartment renovations). These improvements include renovations to flooring, kitchens, bathrooms, paint, and some building systems. Many apartments have already been renovated, and we expect more to be completed each year as the apartments turn.
- Exterior siding replacement, full window replacement with new vinyl windows, and roof replacement has not yet begun at the property, but will be completed over time as part of a long-term capital improvement plan. This is invasive work that must be done one full building at a time, and it will require its own detailed phasing and coordination plan.

As a more near-term measure to address resident concerns about air filtration, AvalonBay has offered to provide a one-time rent credit for each apartment on the property sufficient to purchase a high-quality air filter for their apartment. (This will be part of the suite of rent credits and concessions that will be offered to residents, per the new process laid out by Mountain View's Rental Housing Committee.)

7. How should residents of 555 W Middlefield adjust their daily lives to minimize the health risks of the construction of this project? Should they always stay inside? Should they only go outside during non-construction work hours? What should they do? What should they not do?

Some ideas for minimizing exposure to project PM2.5:

- Limiting outdoor activity during construction hours;
- Operate an indoor air filter;
- Close windows/doors/vents during construction hours.

8. How should neighbors not living at 555 W Middlefield, but within 1,000 feet of the project as studied in the EIR, adjust their daily lives to minimize the health risks of the construction of this project? Should they always stay inside? Should they only go outside during non-construction work hours? What should they do? What should they not do?

Please see the response to Question 7.

9. If this project is approved, will new residents be provided with notice of the upcoming construction and construction period and the potential impacts that are associated with the construction period? If so, what does that notification look like? Will they also be entitled to a temporary rent reduction?

As a standard condition of approval, the applicant is required to send out notice of construction to all the addresses within 750' radius of the project site (including on-site units) to notify the neighborhood about upcoming construction activities. Please refer to project condition of approval # 92 in Attachment 3 - Project Resolution.

10. What is the incremental percent increase in getting cancer from the development of this project? Meaning, if 6 in one million is the incremental risk, what is the risk of getting cancer in general (e.g., 20 in one million, 3 in one million, etc.)?

As shown in Table 3.2-10 of the FEIR, the background cancer risk from sources evaluated in the cumulative health risk analysis ranges from 42 in one million to 50 in one million for the most impacted (on-site) receptors. The highest cancer risk from the project is 6 in one million, so 6 divided by 42 is roughly 14 percent. This increase in cancer risk assumes being outside 24 hours per day for the duration of construction, so the bulleted list provided above for Question 32 would substantially decrease this estimate.

11. Construction hours are not to commence prior to 7 am. What specifically is restricted? Can trucks stage prior to 7 am? Can workers unload their tools? Can work that might be considered to be quiet be done?

As per City's current ordinance and practice, all construction related activity is prohibited prior to 7 am, which includes the prohibition of any person on-site associated with construction before 7 am.

12. What will the fuel be for the barbecue pits?

Barbecue pit details will be formalized as part of building permits and will follow the latest state and local regulations.

13. Is there any data on the utilization of bicycle parking spaces at the newer developments?

City currently does not have this information.

14. What organizations are using the existing tennis courts? Do they pay a fee for use of the courts?

The tennis courts are leased to a local tennis coach, who pays a fee for use of the courts.

15. Where is the Mountain View's Model Parking Standard referred to in the staff report online?

The City's Model Parking standards is a policy accepted by the EPC and Council for higher density residential projects in 2012. Its provisions were the basis for the residential parking standard of some precise plans, like the El Camino Real Precise Plan.

16. Where will the inclusionary affordable units be located? Will they be scattered throughout all buildings in the project, all located in Block C closest to HWY 85 or something else?

The inclusionary affordable units will be distributed evenly across all unit types, buildings, and floors of the buildings (Block B and Block C) per the City's BMR guidelines.

17. When in 2023 would demolition/construction start if approved to go forward?

If approved, the first phase of demolition and construction work is anticipated to start in Q3 2022.

18. Will residents be notified of the negative air quality impact identified in the EIR? If so, how and when?

Please see the response to Question 19.

19. Beyond the rent credit, what mitigations or accommodations are proposed to help residents impacted by the negative air quality impact?

Proposed mitigations and accommodations are summarized below:

### **Mandatory Conditions of Approval**

#### **Construction Mitigations**

The applicant should take all feasible steps to reduce the air pollution generated by construction activities to ensure that the air quality impact is minimized. Included in the project's Conditions of Approval are specific construction techniques identified in the EIR, and additional standard mitigations required by the City and the Bay Area Air Quality Management District (BAAQMD). These requirements include:

- Techniques to mitigate dust from construction, especially during excavation, such as spraying down open dirt areas and washing the tires of all trucks that leave the property.
- Requirements governing the equipment (i.e. bulldozers, excavators) that can be used on site and the haul trucks that will deliver materials to the site. The EIR lays out specific requirements for the age of the engines for each type of vehicle (i.e. all haul trucks must have engines newer than model-year 2010).
- All paints and sealants on the new buildings must be low- or no-VOC architectural coatings.
- Many more detailed requirements to reduce the project's air quality impact that are not listed above.

#### **Construction Outreach and Communication**

As per the standard condition of approval, the applicant is required to send out a construction notice to all neighbors within 750 feet of the project site,

### **Voluntary and acknowledged in the Conditions of Approval**

#### **Voluntary Rent Reductions**

The Mountain View Rental Housing Committee adopted a regulation in 2021 which allows property owners to voluntarily offer a package of rent reductions to compensate residents for the inconvenience of living on a site that is undergoing construction. This package will be developed, offered to residents, and then submitted to the Rental Housing Committee staff prior to the issuance of any building permit on the property. Avalon Bay is now offering the following voluntary rent reductions:

- Rent reductions for the temporary loss of amenity space on the property.
- Rent reductions for proximity to active construction activity on the site.

- A one-time rent reduction in an amount sufficient to purchase a new high-quality air filter. (This is not a required mitigation. It is intended to assuage any remaining resident concerns about air quality at the property.)

### New Items Voluntarily offered by the Applicant

Since the posting of the agenda, the applicant is proposing to voluntarily offer the following items to the tenants:

#### Resident Notification

As background, the applicant is required to provide construction notices prior to the start of demolition and construction and to have a designated contact to register complaints for tenants and neighbors at all times during the construction period.

The applicant has voluntarily offered to conduct multiple meetings before construction begins, to inform neighbors and residents about what they should expect and when. (These meetings will also inform residents of the other benefits available to them, as described further below.)

From these meetings, an ongoing email list of interested residents and neighbors, would be developed and used to provide updates about construction progress and anticipated timing of major events on site (such as concrete pours, which generate a large amount of one-time traffic on a specific day and time).

Additionally, new tenants will be notified of construction activity before they sign their new lease, and a notification of all programs offered to new tenants will be included in their lease language.

#### Air Filter Reimbursement

The applicant is also offered reimbursement towards the purchase of an indoor air filter.

#### Voluntary Relocation to another AvalonBay property

The developer is offering a voluntary relocation to another Avalon property. If an existing resident of the property has a documented medical issue that would be exacerbated by increased exposure to particulate matter (PM2.5) that could potentially occur during project construction, AvalonBay will offer to relocate the resident to a comparable apartment at another AvalonBay property in the local area for the remainder of the term of the resident's lease, and to maintain all terms of the resident's existing lease at the alternate location. The resident will need to provide reasonable documentation of the medical condition and the anticipated exacerbation (from a licensed medical professional) to AvalonBay no later than 60 days after commencement of building construction.

#### Voluntary Hospitality Suites

AvalonBay is also offering a number of furnished, vacant units to be made available to residents on portions of the site distant from the construction activity. Residents will be able to reserve these "hospitality suites" on a daily basis for free for their use during construction hours. On other similar projects, these have been popular among residents who work from home and want to schedule important meetings, or those who work at night and need to sleep during the day.

20. Have windows, sliders, and sealant been replaced in any existing units during rehabilitation? Would the applicant replace windows, sliders, or sealant for residents who request it?

Refer to response to Question 6. Additionally, the property has a dedicated maintenance staff on site and available to make repairs. The applicant has reported that as part of the regular maintenance program, they complete repair work on existing windows (such as re-caulking or re-sealing) on an ongoing basis.

This maintenance is regularly done in response to resident requests. It is also done whenever a resident moves out and the entire apartment is inspected.

21. Does the negative air quality impact affect Cypress Point Drive residents, or only 555 W Middlefield residents?

Please see the response to Question 6.

22. Is it possible to eliminate some parking in the garage proposed in order to preserve some heritage trees – for instance, tree #179?

Applicant has worked extensively with staff to revise the project site design to preserve as many existing trees as possible, and as a result proposes to preserve or transplant 184 of the site's 241 heritage trees. However, in order to construct new buildings where parking and open space areas exist with trees today, some trees need to be removed.

Tree #179 is located within the footprint of the Block A's below grade parking garage. Reconfiguring the garage to preserve this tree would require a significant redesign, and the loss of a large number of parking spaces (approximately 80-100 by the applicant's estimation). This would be a significant project change and is unprecedented since most projects are required to comply with the City's Model Parking standards. The reduction in parking may result in further changes to the location/amount of paving areas, on-street parking demand, changing circulation patterns, safety, etc. This would require additional environmental assessment and updating a few technical studies such as the MTA.

This change could also result in on-street parking spillover onto Cypress Point Drive. This issue has been a persistent community concern from the Cypress Point Drive residents and the parking proposed by the project has sought to address this issue.

23. Could any trees on the proposed public park be retained, or must they be removed in order to comply with the Parkland Dedication Ordinance?

A majority of the proposed park parcel is currently developed with tennis court facilities and therefore includes a minimal number of trees. Any further tree changes on the public park parcel would be reviewed during City's park design process.

24. Could trees #202-204 be saved by eliminating the proposed poolside shower?

Tree #202- 204 are proposed for removal because they are located within the footprint of the Block A's below-grade parking garage. Reconfiguring that garage to preserve the tree would require a significant redesign, and the loss of a large number of parking spaces. See response# 23 for details of impact of tree preservation on proposed project.

25. Can tree #284 be saved? If so, how?

Tree # 284 is proposed to be preserved on site.

26. How many project EIRs over the last 15 years have been approved with a Statement of Overriding Considerations and what were some of them?

Some of the most recent project EIR with statement of overriding considerations are listed below. None of these identified PM 2.5 concentration as a significant unavoidable impact because the CEQA documents for these projects were prepared prior to late 2019 BAAQMD, when revised their protocol for conducting air modelling to include fugitive dust (from moving soil and construction activity). In the past only exhaust PM concentrations were considered in the modelling. This issue is expected to come up more frequently with the changed requirements, especially for projects of this size and where existing units are retained.

Sr. No.	Project	Development Type	Significant unavoidable Impact
1.	700 E Middlefield Road	LinkedIn Office Development	Freeway segment impact
2.	750 Moffett Boulevard	Hotel and Office mixed – use development	Freeway segment impact
3.	San Antonio Center Phase II	Mixed use development	Roadway segment impact

27. The staff report mentioned that the existing units will be renovated. Will the renovations include new double-paned windows and air filtration equipment? Will the renovations be made prior to the construction of the new buildings?

Please see response to Question 6.

28. RE: EIR Air Quality section - The EIR describes sensitive areas as within 1000 feet of the project but only lists the onsite receptors as being significantly affected by PM2.5 that cannot be mitigated to less than significant levels. Does that mean that the other sensitive receptors within 1000 feet are not affected at all, or are affected at lower levels of significance?

The other sensitive receptors within 1000 feet are affected at lower levels of significance since PM2.5 concentrations dissipate the further away they are from construction activity.

29. Will the new units be all-electric and follow our EV charging station requirements for new buildings?

Yes, the new units will be all-electric and the project will meet or exceed Mountain View’s EV charging station requirements which are part of the Building Code.

30. Why the new are trees only 75% native? Can we require 100% native?

Typically some non-native, but appropriate to this area, tree species are incorporated into landscape designs to allow for a variety of tree species. The project includes existing Olive trees to be transplanted on site which are non-native trees but suitable for this area.

31. Is there a sense of how many tenants in the current units would qualify for TRA0 if they had to be relocated?

Staff does not have this information because the project does not propose displacement of any existing residents.

32. Has staff considered requiring the developer to relocate any tenants who wish to be relocated during construction at current rents as a condition of approval?

The project does not propose to displace any existing residents and therefore, relocation benefits for any existing tenants who wish to relocate during construction can only be offered voluntarily by the applicant and not as a City requirement. The applicant has indicated to staff they are willing to relocate tenants to other Avalon units and would be able to elaborate on this topic.

33. Table 3.2-6 &7 show the pollutant emissions by Phase of the project relate to the analysis of regional impacts. It shows that the PM2.5 levels do vary by Phase.

1. The Dust column and the Exhaust Column should be added to get a cumulative number, correct?

No, for construction, Dust and Exhaust thresholds are considered separately. BAAQMD's PM mass thresholds (lbs/day) for Dust are considered less than significant with application of BAAQMD's Basic Construction Mitigation Measures, which apply to all construction projects within BAAQMD. Construction PM Emissions for Exhaust calculated and compared to the applicable thresholds – 82 lbs/day for PM10 and 54 lbs/day for PM2.5. It should be noted that the modeling assumptions for PM2.5 impacts per BAAQMD's requirements are conservative and assume that the people are outdoors for 24 hours a day and seven days a week.

2. Given that the Phases take place at different parts of the project site, please describe how the impacts will vary over the site during different phases.

Majority of the PM2.5 impacts would occur from dust related to construction activities. PM2.5 emissions vary for each construction year and construction phase, with the highest concentration being during earth moving construction activities.

3. Is the effect the same all year long?

No, PM2.5 emissions vary by the phase of construction and weather conditions. Generally, the PM 2.5 concentrations drop significantly within an hour of end of construction activity for the day. The reported PM2.5 results are maximum annual PM2.5 concentrations over the duration of the project construction duration – years 2023 through 2028.

4. Is there a similar table for pollutant emissions by Phase for the local or on-site impacts?

Air quality modelling was done for each year's construction and not phase wise. PM2.5 concentrations are reported as annual concentrations.

34. What do you mean by sensitive on-site receptors? Does on-site mean everything modeled as shown on Figure 3.2-1 or just the project site?

Sensitive on-site receptors are existing residences, modeled at the edges of existing on-site buildings closest to the nearest construction phases. Fig 3.2-1 in the EIR shows all sensitive receptors within 1000' of project site.

35. Table 3.2-10 shows the Background contaminant levels for our area. They are already over the 0.8 micro-gram/m<sup>3</sup>. Isn't that correct? Doesn't that mean that any project has a significant impact that can't be mitigated? If not, why not?

Yes. Table 3.2-10 shows the Background contaminant levels for the area is near or over the 0.8 micro-gram/m<sup>3</sup>. Background PM<sub>2.5</sub> concentrations are high for receptors near the project site, near or above 0.8 ug/m<sup>3</sup>. Technically, any project with PM 2.5 emissions would have a significant and unavoidable cumulative PM<sub>2.5</sub> impact for receptor locations where the background PM<sub>2.5</sub> concentration is at or above 0.8 ug/m<sup>3</sup>.

36. How much of the exceedance shown in Table 3.2-10 can be attributed to background conditions?

As discussed above, the background PM<sub>2.5</sub> concentrations in the area are near or over the BAAQMD thresholds of 0.8 ug/m<sup>3</sup> and the project construction phase adds to this.

37. How well do home air filters work if they are operated properly? Will there be instructions to residents to make sure they are working properly?

MERV-13 and above (especially MERV-15 and above) rated air filters work very well at removing PM<sub>2.5</sub> from the air and can reduce the PM 2.5 concentrations at least by 75% indoors. Air filter operational instructions are included in the new units available for purchase.

38. Pollutant generation is related to specific activities, correct? Or will you actually have meters on-site measuring these things? If they are related to activities that means the residents and other sensitive receptors can be notified of times when running their filters is particularly important. What's the program for getting those notifications out?

Pollutant emissions are modeled based on construction equipment/activity assumptions provided/vetted by the applicant/contractor and are not required to be based on on-site measuring. It is difficult to anticipate heavy equipment use in advance. The pollution estimates are therefore designed to be conservative estimates of project construction equipment/activity. Actual emissions generated in reality are usually lower than estimated amounts. Since it is difficult to anticipate construction equipment use, continued use of the air filter is recommended. General construction notices are sent out twice, once before demolition and another at the beginning of the actual construction on site.

39. How long does the pollution persist after the activity stops? For instance would you expect it to go away overnight or the weekend?

Assuming a normal construction work schedule of 8 or 9 hours per day, 5 days/week, we can expect to see large decreases in PM<sub>2.5</sub> pollution concentrations (especially PM<sub>2.5</sub> dust) from project sources within an hour or so after construction equipment is not operating – including nighttime and weekends.

40. How does the smoke from wildfires compare to the pollution from the construction? Will the air filters work for that pollution as well?

PM 2.5 impacts depend on many factors such as weather conditions and time of construction. During the 2018 wildfires, ambient 24-hr PM<sub>2.5</sub> concentrations were measured at 133.9 ug/m<sup>3</sup>. The maximum PM 2.5 concentration as assessed for the project ranges from 1.0-2.1 ug/m<sup>3</sup> depending on the location of the existing units. Yes, air filters will work for any type of PM 2.5.

41. Given that this project is conveniently located to transit and jobs, will this project reduce GHG emissions per service population when completed?

Yes

**ITEM 6.2 601-649 Escuela Avenue and 1873 Latham Street Mixed-Use Project**

1. Is the sidewalk on Escuela 5 feet? What is the width of the sidewalk on Latham? Is a 5 foot wide sidewalk a standard width for a sidewalk in a village center?

The sidewalk along Escuela Avenue is 5' and the sidewalk for Latham Street varies from 5' to 10' wide. Village Centers and Neighborhood corners typically would include improvements for wider sidewalks but as this is a parcel within the Low Intensity Corridor (supports smaller parcels and is designed with setback standards that support commercial uses close to the street) the minimum 5' setback with 5' buffer landscaping on both sides of the sidewalk was found to be the most compatible with the scale of the building and neighborhood off of El Camino Real.

2. For the requested setback exceptions – is it the patios and balconies that are not in compliance, or the entire building, or something else? Please provide more specifics on the setback exceptions.

The requested setback exceptions are only for the window canopies on the third floor, the Juliet balconies on the third floor, and the balconies for the second floor. The 2nd floor balconies are an extension of the ground-floor arcade, which is in compliance with the ground-floor setbacks, and although the portion that serves the 2nd floor is not in compliance with the second floor setbacks, the balconies and the arcade below are well-integrated and enhance the building design, which is why staff is recommending the exception.

3. Does the parking stacker provide independent access to each vehicle, meaning there is no need to move other vehicles in the stacker out of the stacker to get to another vehicle in the stacker? How exactly do the proposed stackers work?

Parking stackers utilize rotation of vehicles within vertical space in order to maximize horizontal space. The applicant can provide additional information.

4. One of the sidings looks like it may be mislabeled. What's the siding labelled 7/8" painted stucco finish (light gray) on p. A3.1? It appears brick colored in the plans but is labelled light gray. Is it really a stucco finish or is it brick or something else?

The building's main materials are stucco, wood siding, and stone veneer; brick is not a proposed material type. The Keynote #1 for 7/8" painted stucco finish is the primary finish for the building with wood siding as accent for the 2nd and 3rd floors and the stone veneer as the base.

5. Does the city have a sidewalk improvement plan for the substandard sidewalk on Escuela between El Camino and California? People walk a lot in this area but the sidewalks are (1) narrow (2) tilted and (3) full of signage and phone poles that make them difficult for walking and impossible to travel by wheelchair or stroller. Is there a plan to address all three of these problems?

Yes, the sidewalk for this project will be improved to enhance the pedestrian and bicyclist experience on Escuela Avenue. Public Works staff is using the California/Escuela/Shoreline Complete Streets Feasibility Study to inform the final design during their review of the off-site improvement plans.

6. What is the proposed width of the publicly accessible sidewalk, unobstructed by planters, etc., next to the development along Latham and also along Escuela? If the width is proposed to vary, what will the various dimensions be?

Starting at the northeast corner, and moving counter clockwise, the width of the sidewalk along Latham Street is at its widest of 10' then reduced to 5' around the intersection, and the sidewalk along Escuela Avenue is 5' the entire length. As part of the design, the corner area in front of the building is a paved patio area that extends from the building frontage to the property lines (edge of sidewalk) which extends the sidewalk area to be more than 10' wide at northwest corner.

7. Does the community benefit expectation (for instance, required of 555 W Middlefield Rd) come from the need for a discretionary legislative action like a General Plan amendment or rezoning? If not, where does it come from (excluding precise plan requirements)?

Yes, community benefit contributions are associated with General Plan and Zoning amendments. A special authorization from Council (Gatekeeper) is in order for staff to review projects that require a General Plan or Zoning amendment. Certain projects are exempt from this authorization process and do not require community benefit contributions or other application requirements as described in Section 36.52.15 of the City Code.

8. If the community benefit expectation DOES come from the need for a GPA or rezoning, why is this project exempt from that expectation?

Under Section 36.52.15(e) of the City Code, the project is exempt from the Gatekeeper process because the project sites comply with the following:

- Project sites within more than one (1) zoning district,
- Under two (2) acres in total size, and
- Owned by a single entity if the change is consistent with one (1) of the site's existing land use designations or land use types

9. If this project were subject to a community benefit requirement, approximately what would it be?

The community benefits that are offered and contributed vary across projects. Since this project is exempt under the City Code from the authorization process, a community benefits package evaluation was not needed.

10. Can the City legally impose any requirements on the applicant to retain or provide relocation assistance to the displaced commercial tenants?

The City of Mountain View adopted an ordinance that requires relocation assistance be provided to certain residential tenants. At the current time, there is no such requirement in place for commercial tenants. Without such a regulation, the city could not impose a requirement to provide relocation assistance to commercial tenants.

11. Is this project being mapped for condos? If not, why not?

The project is not being mapped for condos since the proposed units are rental apartments.

### **ITEM 7.1 Fiscal Year 2021-22 Midyear Budget Status Report and Adjustments, Strategic Roadmap Action Plan Update, and Fiscal Year 2022-23 Preliminary General Operating Fund Forecast**

1. In the Shoreline Community - How much do we have in our Sea Level Rise reserve fund?

By the end of FY 2022, SRPC will have \$12M reserve for the Sea level Rise Reserve. This reserve is being increased by \$3M annually with a goal to reach \$30M. However, a more recent study has shown the impacts will be more severe than originally believed and the cost to mitigate will likely be higher than initial estimates.

2. Wastewater - how much do we have in reserve for Treatment Plant Improvements and how much do we need to have in full?

There is estimated \$11M in reserves by the end of FY 2022. Beginning in FY 2015 a 2% rate increase was approved for the next 10 years in order to begin providing for needed improvements and to mitigate large rate increases down the road once projects get underway. There are a few capital projects in the planning stages. If these capital improvement projects are able to move ahead as planned, the City may have about \$5 million in annual debt payment starting in FY 2025-26, although the timeframe is tentative and subject to change. Until such time as these actual projects get underway, the intent is to continue to build a healthy reserve to fund the required debt service payments and minimize any rate increase that may be needed.

3. Mobile Home Rent Stabilization Implementation- Are we expecting to be reimbursed for the \$107,000 recommended one time startup funds?

No, this is a one-time start-up cost that would be paid by the City without reimbursement.

4. Hope Street Project Debt Service - This project has been continuously delayed. Can we get an update on exactly where we are with this project?

Due to the pandemic, the project was put on hold due to difficulties in securing construction financing by the developer, RGC. The City issued a Notice of Intent to issue a building permit in September; however, the developer was not able to secure the needed financing by the deadline provided in the development agreement, so a six-month extension was made which gives the developer until June 29, 2022 to close on the construction financing.

5. Just want to confirm that staff is recommending that the city pay \$107,000 of the cost of implementing the Mobile Home Rent Stabilization Ordinance? (The additional \$85,600 is a loan.)

Yes, that is correct. It is for one-time start-up costs.

6. When was the decision made to use revenue from the Ameswell property for limited-period items?

The City Council approved this with the adoption of the Fiscal Year 2017-18 budget. The use of these revenues for limited period items was meant to be temporary until the City issued long-term debt for a new or renovated Public Safety Administration Building.

7. What are the main sources of our sales tax?

The largest categories of sales tax each generate greater than \$3 million annually and, in the aggregate, represent >75% of total sales tax are: Restaurants & Hotels, State & County Pools, General Consumer Goods (e.g. general retail including department stores), and Business & Industry (e.g., office supplies/furniture, medical, food service and other equipment).

8. What does our forfeiture revenue consist of?

Fines and forfeiture are generated from parking and other citations issued by the City Police Department, the California Highway Patrol as well as Library fines.

9. What does intergovernmental revenue consist of if it isn't mandated reimbursement funding or intergovernmental grants and reimbursements?

There are actually a few grants/reimbursements that are included in the budget which are ongoing and which amounts do not vary significantly from year to year. However, most of the grants/reimbursements vary and are difficult to budget and so are typically not budgeted. Other revenues included in this category are Homeowner Property Tax Exemption revenue, Motor Vehicle In Lieu Fees, and a few smaller recurring type revenues from other governments.