THE CITY OF PLEASANTON

# CITY COUNCIL
# REGULAR MEETING AGENDA

**Tuesday, October 1, 2024**
**7:00 PM**

**City Council Chamber**
**200 Old Bernal Avenue**
**Pleasanton, CA 94566**

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The meeting will be held in-person, broadcast live on Channel 29 and at https://www.tri-valleytv.org and streamed at https://www.youtube.com/user/TheCityofPleasanton.

**Public participation:** It is requested that members of the public wishing to address the City Council submit a speaker card. When public comment is opened on an agenda item, individuals may speak once per agenda item.

To submit written public comment regarding an open session item on this meeting agenda visit https://forms.cityofpleasantonca.gov/f/writtenpubliccomment. Comments will be accepted by the City Clerk's Office until 12:00 p.m. on the day of the Council meeting.

In Person at Council Chamber:

- Submit a physical speaker card to the City Clerk at the meeting. When your name is called, please provide comment at the podium.

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## CALL TO ORDER

- Pledge of Allegiance
- Remarks by Councilmember Nibert
- Roll Call

Resolution No. 2024-062
Ordinance No. 2286

## AGENDA AMENDMENTS

## CONSENT CALENDAR

*Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that particular item will be removed from the consent calendar and will be considered separately.*

1. Ratify Commission and Committee appointments

City Manager

2. Approve meeting minutes of September 3, 2024

Community Development

3. Actions of the Zoning Administrator and Planning Commission

Public Works

4. Accept Public Improvements performed by Villalobos & Associates, Inc. for the Annual Curb and Gutter for Street Resurfacing Project, CIP No. 24509 and approve a budget amendment to return $21,412 to the Gas Tax Fund

5. Accept public improvements performed by Golden State Construction & Utility, Inc., approve an amendment to the professional services agreement with Alta Archaeological Consulting LLC for the Annual Sewer Collection System Improvements Project, CIP No. 24278, and approve a budget amendment in the Sewer Replacement Fund

6. Approve a professional services agreement with SCI Consulting Group, Inc. in the amount of $64,690 to provide Engineer's Reports and Proposition 218 balloting procedures for the Moller Ranch and Ponderosa-Del Prado Landscape Maintenance Districts

7. Approve an approximately three-year maintenance services agreement to the lowest responsive and responsible bidder, Best Quality Tree Service, for median mulch replenishment in the not-to-exceed contract amount of $304,152, inclusive of a 15 percent contingency per year, with the option to extend two additional one-year extensions with satisfactory performance

8. Approve a professional services agreement with West Yost & Associates, Inc., in the not-to-exceed amount of $123,790 to provide assistance with a Cross-Connection Control Plan Development and Hazard Assessments in compliance with the Cross-Connection Control Policy Handbook

**MEETING OPEN TO THE PUBLIC**

9. Oath of Office to new commission and committee members

10. Public Comment regarding items not listed on the agenda – Speakers are limited to 3 minutes.

**PUBLIC HEARINGS AND OTHER MATTERS**

*If necessary to ensure completion of the following items, the Mayor may alter time limits.*

**Workshop**

11. Receive information and discuss options and opportunities for a program to support affordable housing project(s) in Pleasanton

**MATTERS INITIATED BY COUNCIL**

**COUNCIL REPORTS**

*Brief reports on conferences, seminars, and meetings attended by the Council*

## ADJOURNMENT

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**Notice**

Under Government Code §54957.5, any writings/documents regarding an open session item on this agenda and items received by the City Clerk's Office by 12:00 p.m. on the day of the meeting provided to a majority of the City Council after distribution of the agenda packet will be available for public inspection on the City's website https://www.cityofpleasantonca.gov/ and also at the Pleasanton Library located at 400 Old Bernal Ave., Pleasanton, CA 94566.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders, which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure § 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code §65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

**Accessible Public Meetings**

The City of Pleasanton can provide special assistance for persons with disabilities to participate in public meetings. To make a request for a disability-related modification or accommodation (e.g., an assistive listening device), please contact the City Clerk's Office at 123 Main Street, Pleasanton, CA 94566 or (925) 931-5027 at the earliest possible time. If you need sign language assistance, please provide at least two working days' notice prior to the meeting date.

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CITY COUNCIL AGENDA REPORT

October 1, 2024
City Council

# TITLE: RATIFY COMMISSION AND COMMITTEE APPOINTMENTS

## SUMMARY
The City solicited applications to fill vacancies for expiring committee and commission terms in July and August. Applications were received, screened for eligibility, and interviews held. The Mayor makes a selection for each appointment, which are listed in Attachment 1.

## RECOMMENDATION
Ratify Commission and Committee appointments.

## BACKGROUND
In accordance with commission/committee appointment policies, the City solicits applications from interested Pleasanton residents to serve on the City's standing commissions and committees. Generally, recruitment is conducted in the spring and fall of each year.

## DISCUSSION
The following commissions and committees are included in the recommendation for appointment: Energy and Environment Commission, Economic Vitality Committee, Human Services Commission, Library Commission, and Youth Commission. No applications were received for the Commercial Real Estate and Life Sciences positions on the Economic Vitality Committee (EVC); these EVC positions will remain open for application until vacancies are filled. There is a vacancy for a middle school member and a high school senior member on the Youth Commission, both of which will remain unfilled this term.

The appointments for ratification are listed in Attachment 1. Adult members are eligible to serve a four-year term and most youth members, depending on their current grade level, are eligible to serve a two-year term in alignment with the commission/committee restructure.

## EQUITY AND SUSTAINABILITY
The City encourages all eligible and interested community members to participate in committees and commissions, with the intent of including diverse voices from throughout the Pleasanton community. The recruitment process is structured to optimize opportunities for participation. For example, recruitment for Youth Commission is held once a year, in the fall to align membership terms with the commission's meeting calendar, which meets only during the school year. In addition, Youth Commission terms conclude at the end of May in alignment with the commission meeting calendar.

## OUTREACH
Recruitment was open for 30 days in accordance with policy. Staff liaisons to commissions notified members who may have been impacted by the spring commission and committee

restructure of their need to reapply during the fall recruitment cycle if they were eligible and interested in continuing to serve on their respective boards.

**STRATEGIC PLAN ALIGNMENT**

Approval of this action advances the Citywide strategic goal of *Optimizing Our Organization*, Strategy 4 - Evaluate the organization's structure of community engagement opportunities such as commissions and committees to improve information sharing, optimize staff efficiency, and provide greater service to the community.

**FISCAL IMPACT**

Members may be eligible to receive stipends for meetings attended, including for members of the newly formed Energy and Environment Commission.

| Prepared by: | Submitted by: | Approved by: |
| --- | --- | --- |
| Jocelyn Kwong, City Clerk | Alexa Jeffress, Deputy City Manager | Gerry Beaudin, City Manager |

Attachments:

1. Fall 2024 recruitment appointments

ATTACHMENT 1

**Fall 2024 Appointments**

| APPOINTMENT | TERM |
|---|---|
| **Energy and Environment Commission** | |
| Regular Member – Varsha Nene | 10/1/2024 – 9/30/2028 |
| Alternate Member – Phil Bowman | 10/1/2024 – 9/30/2028 |
| **Economic Vitality Committee** | |
| At-Large Representative – Josh Chanin | 10/1/2024 – 9/30/2028 |
| Commercial Services – Gavin Shea | 10/1/2024 – 9/30/2028 |
| Professional Services – Steve McCoy Thompson | 10/1/2024 – 9/30/2028 |
| **Human Services Commission** | |
| Youth Member – Yashvi Jaladi | 10/1/2024 – 9/30/2026 |
| **Library Commission** | |
| Regular Member – Kathryn Stroud | 10/1/2024 – 9/30/2028 |
| Regular Member – Christine Chen | 10/1/2024 – 9/30/2028 |
| **Youth Commission** | |
| Middle School Member (6th Grade) – Fin McShane | 10/1/2024 – 5/31/2026 |
| Middle School Member (8th Grade) – William Bridenbaugh | 10/1/2024 – 5/31/2025 |
| High School Member (9th Grade) – Jayden Bawa | 10/1/2024 – 5/31/2026 |
| High School Member (9th Grade) – Abhee Shah | 10/1/2024 – 5/31/2026 |
| High School Member (9th Grade) – Kaya Kunde | 10/1/2024 – 5/31/2026 |
| High School Member (10th Grade) – Vyan Kumar | 10/1/2024 – 5/31/2025 |
| High School Member (10th Grade) – Pareena Gupta | 10/1/2024 – 5/31/2025 |
| High School Member (10th Grade) – Emily Wang | 10/1/2024 – 5/31/2025 |
| High School Member (11th Grade) – Ella Min | 10/1/2024 – 5/31/2026 |
| High School Member (11th Grade) - Carys Shannon | 10/1/2024 – 5/31/2026 |
| High School Member (11th Grade) – Karishma Parikh | 10/1/2024 – 5/31/2026 |
| High School Member (12th Grade) – Aashi Jain | 10/1/2024 – 5/31/2025 |
| High School Member (12th Grade) – Savana Garber | 10/1/2024 – 5/31/2025 |

**CITY OF PLEASANTON**
**CITY COUNCIL**
**MINUTES**

**Tuesday, September 3, 2024**
**7:00 PM**

## CALL TO ORDER

Mayor Brown called the Regular Meeting of the City Council to order at the hour of 7:00 p.m. from the Council Chamber located at 200 Old Bernal Avenue.

Councilmember Arkin provided opening remarks.

## ROLL CALL

Present: Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown
Absent: None.

## AGENDA AMENDMENTS

Vice Mayor Testa pulled item 4 from the consent calendar for further discussion.

## CONSENT CALENDAR

Mayor Brown recused from voting on item 6 due to the proximity of the project to her residence.

**MOTION:** It was m/s by Nibert/Testa to approve the consent calendar with the exception of item 4. Mayor Brown recused from voting on item 6 due to the proximity to her residence. Motion passed by the following vote:

| | |
|---|---|
| Ayes: | Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown |
| Noes: | None |
| Absent: | None |

Community Development

1. Actions of the Zoning Administrator

   Recommendation: Actions of the Zoning Administrator.

Library and Recreation

2. Accept the donation of the temporary public artwork *The Wonderful Wizard of Oz Book Bench* at the Pleasanton Public Library

   Recommendation: Accept the donation of the temporary public artwork *The Wonderful Wizard of Oz Book Bench* at the Pleasanton Public Library.

Police

3. Adopt a resolution approving an update to the City's Master Fee Schedule for the processing, review, approval and issuance of Concealed Carry Weapons Permits

   Recommendation: Adopt Resolution No. 2024-061 approving an update to the City's Master Fee Schedule to allow for the collection of reasonable fees related to the processing, review, approval, and issuance of concealed carry weapons permits.

Public Works

5. Approve Professional Services Agreement with Water Resources Economics, LLC for a not-to-exceed amount of $217,304 for water and sewer rate and connection fee consulting services and approve budget amendments to the Water Operating Fund and Sewer Operating Fund

   Recommendation:

   1. Approve a professional services agreement with Water Resources Economics, LLC for a not-to-exceed amount of $217,304 for water and sewer rate and connection fee consulting services.
   2. Approve budget amendments by increasing professional services appropriation in the Water Operating Fund (420) and Sewer Operating Fund (430) by $35,000 and $45,000, respectively.

6. Approve plans and specifications and award a construction contract to Silicon Valley Paving, Inc. in the amount of $406,319 with an approximately 10 percent contingency of $41,000 for the Annual Court Resurfacing project at the Fairlands Park and Tennis and Community Park and approve budget amendments to the Park CIP General Fund (Fund 221)

   Recommendation:

   1. Reject all bids received on July 11 for the Annual Court Resurfacing project at the Fairlands Park and Tennis and Community Park.
   2. Approve plans and specifications and award the project construction contract to Silicon Valley Paving, Inc., for the low bid amount of $371,796, and the bid alternative in the amount of $34,523, for a total bid amount of

$406,319.

3. Authorize the City Manager to enter into the project contract.
4. Authorize the Director of Public Works, or authorized staff, to approve and execute contract change orders for a project contingency amount of $41,000 (approximately 10 percent) for unforeseen yet necessary related work.
5. Approve budget amendments in the Park CIP - General Fund (Fund 221) by increasing revenue by $100,000 and also increasing expenditure for the Annual Court Resurfacing project by $100,000.

**MEETING OPEN TO THE PUBLIC**

7. Public Comment regarding items not listed on the agenda

Mayor Brown opened public comment. The following individuals provided comment: Tom Wong, Leslie Huang, Doug Miller, Vicki LaBarge.

Mayor Brown closed the public comment.

**PUBLIC HEARINGS AND OTHER MATTERS**

4. Continued from August 20, 2024 - Approve plans and specifications and award a construction contract to Integra Construction Services, Inc., in the amount of $1,265,000 with an approximately 10 percent contingency of $127,000 and approve an amendment to a professional services agreement in the total amount of $31,800 for the Lions Wayside and Delucchi Park Renovations Project, CIP No. 06716 to be fully funded with dedicated Park Development Impact Fees

Recommendation:

1. Approve plans and specifications and award the project construction contract to Integra Construction Services, Inc., for the low bid amount of $1,265,000.
2. Authorize the City Manager to enter into the project contract.
3. Authorize the Director of Public Works, or authorized staff, to approve and execute contract change orders for a project contingency amount of $127,000 (approximately 10 percent) for unforeseen yet necessary related work.
4. Authorize the City Manager to approve an amendment to the professional services agreement with Callander Associates in the amount of $31,800 (for a total not-to-exceed contract amount of $146,800) for construction support services.

Presentation by Matt Gruber, Landscape Architect.

Mayor Brown opened public comment. The following individuals provided comment: Les Duman, Doug Miller.

Mayor Brown closed the public comment.

**MOTION:** It was m/s by Testa/Arkin to approve the item as recommended. Motion passed by the following vote:

| | |
|---|---|
| Ayes: | Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown |
| Noes: | None |
| Absent: | None |

## MATTERS INITIATED BY COUNCIL

None.

## COUNCIL REPORTS

The City Council reported on regional and local meetings attended.

## ADJOURNMENT

Mayor Brown adjourned the meeting at 8:15 p.m.

Jocelyn Kwong, City Clerk

THE CITY OF PLEASANTON

**Item #3**

# CITY COUNCIL AGENDA REPORT

October 1, 2024
Community Development

**TITLE: ACTIONS OF THE ZONING ADMINISTRATOR AND PLANNING COMMISSION**

**P24-0504, Diane Catalano Rodriguez**
Application for Administrative Design Review approval to replace two windows like-for-like on the east elevation of the historic home located at 541 St. Mary Street.

Approved. (*12 days*)

**P24-0515, Jaime Arafiles**
Application for Administrative Design Review approval to construct an approximately 288-square-foot first-story addition to the front of an existing residence located at 7229 Valley Trails Drive.

*Project Information:*
*Existing floor area: 1,721 square feet*
*Total floor area with addition: 2,009 square feet*
*Lot size: 6,220 square feet*
*Existing floor area ratio: 27.67 percent*
*Total floor area ratio with addition: 32.3 percent*

Approved. (*9 days*)

**P24-0519, Laura Cuda**
Application for Administrative Design Review approval to construct an approximately 864-square-foot first-story addition to the south of an existing residence located at 6523 Amber Lane.

*Project Information:*
*Existing floor area: 1,885 square feet*
*Total floor area with addition: 2,749 square feet*
*Lot size: 11,731 square feet*
*Existing floor area ratio: 16.07 percent*
*Total floor area ratio with addition: 23.43 percent*

Approved. (*9 days*)

**P24-0525, Jaime Arafiles**
Application for Administrative Design Review approval to construct an approximately 141-square-foot second-story addition with a bay window to the front of an existing residence located at 3710 W. Las Positas Boulevard.

*Project Information:*
*Existing floor area: 2,071 square feet*
*Total floor area with addition: 2,212 square feet*
*Lot size: 8,004 square feet*
*Existing floor area ratio: 25.87 percent*
*Total floor area ratio with addition: 27.64 percent*

Approved. (*8 days*)

**P24-0508, Jeffrey Kim / The Ssam**
Application for Design Review approval for a façade color change located at 4889 Hopyard Road.

Approved. (*14 days*)

**P24-0528, Greg Johnson / USS United Sign Systems**
Application for Sign Design Review approval to install one wall sign for a veterinary hospital located at 7 California Avenue.

Approved. (*0 days*)

**P24-0507, Myat Kyaw**
Application for Administrative Design Review approval to construct an approximately 528-square-foot addition at the rear of the existing residence located at 3548 S. Olympic Court.

*Project Information:*
*Existing floor area: 1,311 square feet*
*Total floor area with addition: 1,839 square feet*
*Lot size: 6,700 square feet*
*Existing floor area ratio: 19.57 percent*
*Total floor area ratio with addition: 27.45 percent*

Approved. (*10 days*)

**P24-0545, Judy Yam/Bank of America**
Application for Active Ground Floor Use Requirement Exemption approval for the installation of one ATM located at 310 Main Street, Suite E, based on PMC Section 18.81.050.A.2, the frontage of the tenant space is less than 10 feet.

Approved. (*N/A*)

**PUD-06-10M, Ryan Callahan**
Applications for: 1) a Planned Unit Development (PUD) modification to modify Conditions of Approval No. 3. c. of City Council Ordinance No. 1834 to allow the proposed agricultural building to be located outside the building envelope area on the subject site; and 2) a Design Review approval to construct an approximately 2,976-square-foot, 21-foot, 6-inch tall agriculture and equipment storage building to the southeast of the existing house located at 1201 Machado Place.

Approved. (*28 days*)

***Planning Commission, September 11, 2024***

| | |
|---|---|
| Commissioners Present: | Anurag Jain, Vivek Mohan, Ken Morgan, Brandon Pace, Stephanie Wedge and Chair Matt Gaidos |
| Commissioners Absent: | N/A |

**P24-0505, City of Pleasanton**
Review, consider, and provide a recommendation for amendments to Chapters 17.40, 17.44, and 18.38 of the Pleasanton Municipal Code regarding inclusionary rates, affordable levels, design and development standards, approval processes, requirements, and administrative procedures for the affordable housing fee; and update the City's Objective Design Standards for Housing Sites to align with the proposed municipal code amendments.

Action Recommended: Recommend City Council approval of amendments to PMC Chapters 17.44, Inclusionary Zoning Ordinance and related amendments to Chapter 17.40, Affordable Housing Fee, Chapter 18.38, Housing Opportunity Zone District, and the Objective Design Standards for Housing Element Sites.

Actions Taken: Approve as recommended with an additional request for staff to provide additional information to City Council with respect to the basis for establishing minimum unit sizes for rental inclusionary units.

Vote: 4-1, Mohan opposed

**P24-0334, City of Pleasanton**
Review, consider, and provide a recommendation for amendments to Chapters 17.38, 18.08, 18.88, and 18.106 of the Pleasanton Municipal Code regarding density bonus, major transit stop, and separate conveyance of accessory dwelling units as identified in State law.

Action Recommended: Recommend Planning Commission discuss draft amendments to the municipal code related to the Density Bonus and Major Transit Stop and recommend City Council adopt the proposed changes. Recommend deferring an ordinance allowing separate conveyance of ADUs until a greater number of jurisdictions similar to Pleasanton adopt such an ordinance.

Actions Taken: Approve text amendments to the Pleasanton Municipal Code related to the Density Bonus and Major Transit Stop (as amended by supplemental memo), retain Section 17.38.140 to the Density Bonus ordinance, and recommend City Council consider directing staff to develop PMC text amendments that would allow separate conveyance of accessory dwelling units.

Vote: 5-0

| Prepared by: | Submitted by: | Approved by: |
|---|---|---|
| Melinda Denis<br>Zoning Administrator | Ellen Clark<br>Director of Community Development | Gerry Beaudin<br>City Manager |

THE CITY OF PLEASANTON

Item #4

**CITY COUNCIL AGENDA REPORT**

October 1, 2024
Public Works - Engineering Division

**TITLE: ACCEPT PUBLIC IMPROVEMENTS PERFORMED BY VILLALOBOS & ASSOCIATES, INC. FOR THE ANNUAL CURB AND GUTTER FOR STREET RESURFACING PROJECT, CIP NO. 24509 AND APPROVE A BUDGET AMENDMENT TO RETURN $21,412 TO THE GAS TAX FUND**

## SUMMARY

The 2024 Curb and Gutter for Street Resurfacing project consisted of removing and replacing damaged concrete sidewalks, curbs, and gutters. The project also included the installation or modification of the Americans with Disabilities Act (ADA) pedestrian access ramps and pedestrian push buttons where none existed or were significantly out of compliance with current ADA standards. On February 20, 2024, the City Council awarded the contract to Villalobos & Associates, Inc. The work has been completed in accordance with the City Engineer's approved plans and specifications and to the satisfaction of the Director of Public Works. The project is recommended for acceptance as complete by the City Council.

## RECOMMENDATION

1. Accept the project as complete and authorize the City Clerk to file a Notice of Completion.
2. Authorize release of the retention in the amount of $39,396 to Villalobos & Associates, Inc., 30 days after the recordation of the Notice of Completion.
3. Approve a budget amendment to return the project's unused balance of $21,412 to the Gas Tax fund balance (Fund 160).

## BACKGROUND

On February 20, 2024, the City Council awarded Villalobos & Associates, Inc. a contract for $720,618 and authorized the Director of Public Works to approve change orders up to the project contingency amount of $72,000. Construction began in March 2024 and was substantially completed in June 2024.

## DISCUSSION

As part of the City's Pavement Program, this annual project addresses concrete improvements in advance of the annual paving projects. The project removed and replaced 10,349 square feet of sidewalk and 1,588 linear feet of curb and gutter. The project also installed 42 new ADA pedestrian ramps and made improvements to 10 pedestrian refuge/passageway islands, and two existing pedestrian ramps were modified to be ADA-compliant. Additionally, 97 linear feet of valley gutter were replaced, and 56 pedestrian push-button poles were installed or modified to meet new ADA standards. Recent ADA laws require that ADA ramps be directional with the crosswalks, or the truncated ADA domes must expand across the crosswalks. This requirement resulted in the replacement of all ADA ramps where only one ramp serves two crosswalks. The new asset upgrade is captured in the GIS database and in the asset management database for tracking. See Attachments 1 and 2 for the project map and locations of the improvement work.

All work performed by Villalobos & Associates, Inc. has been reviewed and verified by the City Engineer to meet the City's approved plans and specifications and has been completed to the satisfaction of the Director of Public Works. Staff recommends the City Council accept the work, authorize the City Clerk to file a Notice of Completion, and authorize the release of the retention 30 days after recordation.

**EQUITY AND SUSTAINABILITY**

Approval of this action advances the City's Climate Action Plan *Materials & Consumption* strategy – Reduce GHG emissions from materials management and consumption, which will support regional waste reduction efforts as recycled aggregates were used. The updated ADA ramps will also improve accessibility at signalized intersections and remove potential hazards on sidewalks, improving mobility.

**OUTREACH**

Construction notices, social media messaging, and information on the City's website were provided before the start of construction. Construction notices were hand-delivered by the contractor to businesses and residents around where the project occurred.

**STRATEGIC PLAN ALIGNMENT**

Approval of this action advances the ONE Pleasanton strategic plan goal of *Investing in Our Environment,* Strategy 1 – Implement the four-year Capital Improvement Program (CIP) to complete design and construction of budgeted capital projects.

**FISCAL IMPACT**

Funding for this project totaled $908,369, and the project expenditures totaled $886,957, inclusive of the final agreement with Villalobos & Associates, Inc. ($787,927), traffic signal modifications by the City's on-call contractor ($98,279), and the other project support costs ($751), leaving a balance of $21,412. Attachment 3 provides the funding expenditures. Staff recommends the project balance be returned to the fund balance in the Gas Tax Fund (Fund 160).

| Prepared by: | Submitted by: | Approved by: |
|---|---|---|
| Adam Nelkie, Assistant Dir. of Public Works - Engineering | Siew-Chin Yeong, Director of Public Works | Gerry Beaudin, City Manager |

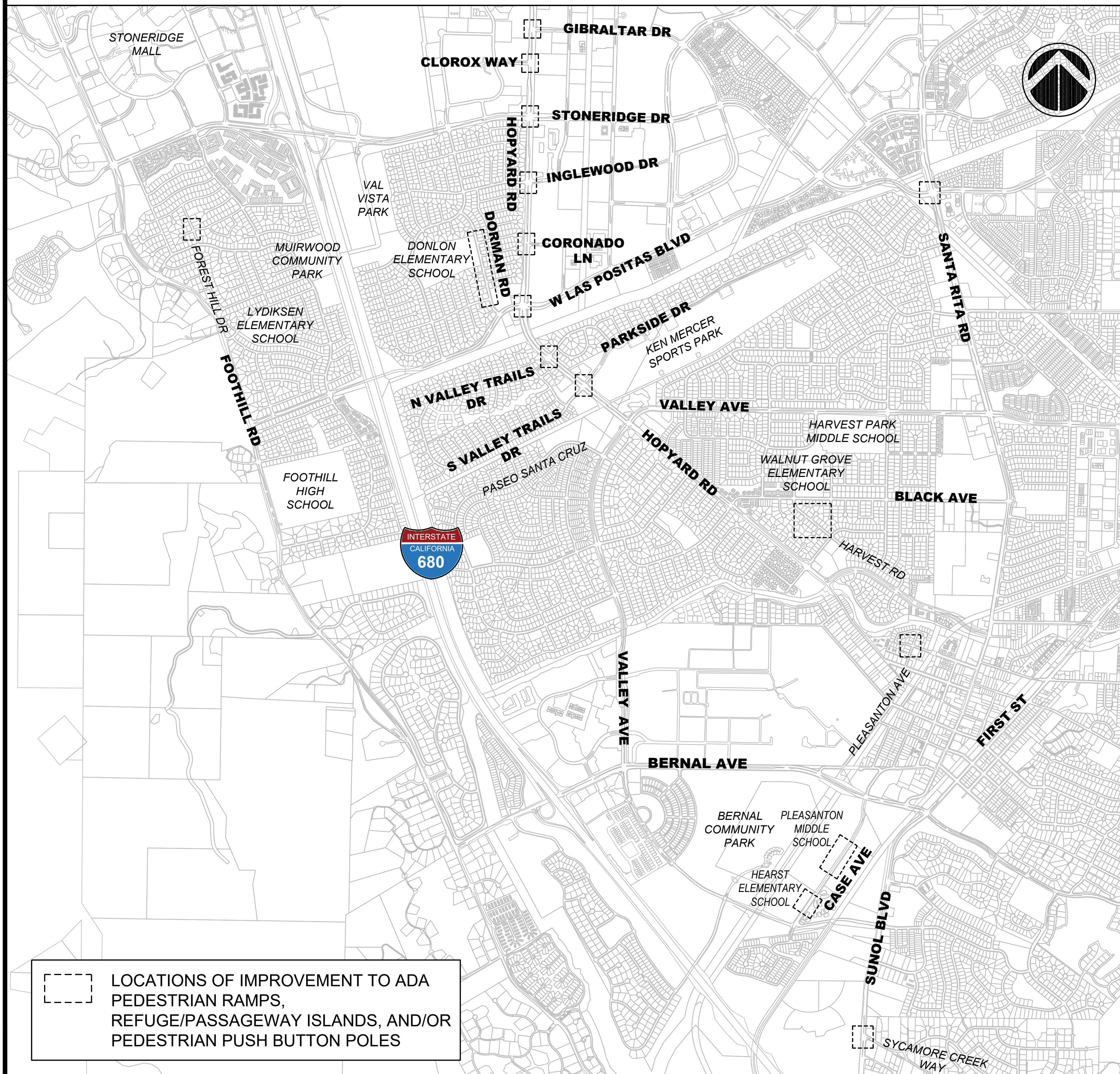
Attachments:

1. Location Map
2. ADA Ramp and Push Button Improvement Locations
3. Financial Expenditure Summary

# CITY OF PLEASANTON

## PUBLIC WORKS DEPARTMENT

## ANNUAL CURB AND GUTTER FOR STREET RESURFACING PROJECTS - CIP NO. 24509




**LOCATION MAP**

NOT TO SCALE

| STREET NAME | INTERSECTION NAME/ADDRESS | PEDESTRIAN ADA RAMPS | PEDESTRIAN REFUGE/PASSAGEWAY ISLANDS | PEDESTRIAN PUSH BUTTON POLES |
|---|---|---|---|---|
| HOPYARD ROAD | 5050 HOPYARD ROAD | 2 | | |
| HOPYARD ROAD | GIBRALTAR DRIVE | 5 | | 6 |
| HOPYARD ROAD | CLOROX WAY | 3 | | 4 |
| HOPYARD ROAD | STONERIDGE DRIVE | 3 | 3 | 8 |
| HOPYARD ROAD | INGLEWOOD DRIVE | 4 | 1 | 8 |
| HOPYARD ROAD | CORONADO LANE | 2 | | 2 |
| HOPYARD ROAD | ARTHUR DRIVE | 2 | | 8 |
| HOPYARD ROAD | N. VALLEY TRAILS DRIVE | 2 | | |
| HOPYARD ROAD | PARKSIDE DRIVE | | 2 | |
| HOPYARD ROAD | S. VALLEY TRAILS DRIVE | 2 | | |
| HOPYARD ROAD | VALLEY AVENUE | | 2 | |
| HOPYARD ROAD | W. LAS POSITAS BLVD. | | 1 | |
| DORMAN ROAD | HOMER WAY | 1 | | |
| DORMAN ROAD | ROBIN COURT | 2 | | |
| DORMAN ROAD | ROSLIN COURT | 2 | | |
| DORMAN ROAD | SHOREWOOD COURT | 1 | | |
| DORMAN ROAD | RUXTON COURT | 1 | | |
| DORMAN ROAD | SUDDARD CT | 2 | | |
| DORMAN ROAD | SINGLETREE WAY | 2 | | |
| DORMAN ROAD | W. LAS POSITAS BLVD. | | | 6 |
| HARVEST ROAD | OAKVIEW COURT | 1 | | |
| HARVEST ROAD | PEBBLEWOOD COURT | 2 | | |
| HARVEST ROAD | CRESTWOOD COURT | 2 | | |
| FOREST HILL DRIVE | MEADOWBROOK COURT | 2 | | |
| PLEASANTON AVENUE | ST. JOHN CIRCLE | 1 | | |
| SYCAMORE ROAD | SUNOL BLVD. | | | 6 |
| W. LAS POSITAS BLVD. | SANTA RITA ROAD | | 1 | |
| VINEYARD AVENUE | EL CAPITAN DR./MONTEVINO DR. | | | 8 |
| **TOTAL** | | **44** | **10** | **56** |

# ANNUAL CURB & GUTTER REPLACEMENTS FOR STREET RESURFACING
## CIP NO. 24509
## 09/17/24

| Project Funding to Date | Amount | Totals |
|---|---|---|
| 2023-24 CIP Allocation (Fund 160 - Gas Tax) | $650,000 | |
| *Transfer from CIP No. 24505 | $200,000 | |
| *Transfer from CIP No. 24512 | $58,369 | |
| **TOTAL FUNDING TO DATE** | | **$908,369** |

| Project Expenditures | | |
|---|---|---|
| Advertising | $751 | |
| Villalobos & Associates, Inc. - Construction Contract | $720,618 | |
| Villalobos & Associates, Inc. - Change Orders No. 1, 2, 3 and 4 | $67,309 | |
| St. Francis Electric - Pedestrian Push Button Installation/Modification | $29,720 | |
| Jam Services Inc. - Pedestrian Push Button Installation/Modification | $68,559 | |
| **TOTAL PROJECT EXPENDITURES** | | **$886,957** |

| Funding Balance/ (Shortfall) | | |
|---|---|---|
| Current Balance/ (Shortfall) | | **$21,412** |

Item #5

CITY COUNCIL AGENDA REPORT

October 1, 2024
Public Works - Engineering Division

**TITLE: ACCEPT PUBLIC IMPROVEMENTS PERFORMED BY GOLDEN STATE CONSTRUCTION & UTILITY, INC., APPROVE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH ALTA ARCHAEOLOGICAL CONSULTING LLC FOR THE ANNUAL SEWER COLLECTION SYSTEM IMPROVEMENTS PROJECT, CIP NO. 24278, AND APPROVE A BUDGET AMENDMENT IN THE SEWER REPLACEMENT FUND**


## SUMMARY

This project addressed several sewer lines and structures needing replacement or rehabilitation on Regency Drive at Meadowlark Park, W. Angela Street between Main and First Streets, at the intersection of California Avenue and Washington Street, and Arendt Way between First and Second Streets. Work also included the realignment of the sewer main at Bernal Avenue west of W. Lagoon Road, which is preventative work to avoid potential service impacts associated with the continuing erosion of the banks of the Arroyo de la Laguna, and work to divert sewer flows along Rose Avenue from the current west-to-east system to an existing system to run east-to-west. The work has been completed in accordance with the City Engineer's approved plans and specifications and to the satisfaction of the Director of Public Works. The project is recommended for acceptance as complete by the City Council. Unforeseen circumstances required additional excavation requiring archeological monitoring that Alta Archeological Consultants performed; staff recommends approving a contract amendment in the amount of $7,545 to cover the additional services and to close out the contract.


## RECOMMENDATION

1. Accept the project as complete and authorize the City Clerk to file a Notice of Completion.
2. Authorize release of the retention in the amount of $35,795 to Golden State Construction & Utility, Inc. 30 days after recordation of the Notice of Completion.
3. Approve a budget amendment to return the project's balance of $754,426 to the fund balance in the Sewer Replacement Fund (Fund 431).
4. Approve an amendment with Alta Archaeological Consulting LLC, extending the term through September 30, 2024, and increasing the total contract amount to $24,345, an increase of $7,545 from the initial $16,800.

## BACKGROUND

On October 3, 2023, the City Council awarded a contract to Golden State Construction & Utility, Inc. for the not-to-exceed amount of $544,000, authorized the Director of Public Works to execute change orders up to $82,000 and approved a contract with Alta Archeological Consultants for $16,800 for the Annual Sewer Collection System Improvements Project, CIP

No. 24278. On December 19, 2023, City Council increased the authorization for change orders and the project's contingency by $100,000 to a total of $182,000. This increased authorization was required due to changes in the work at Meadowlark Park caused by unanticipated field conditions. Construction began in October 2023 and was completed in May 2024.

**DISCUSSION**

As part of the annual sewer maintenance program to address sewer lines and structures needing replacement or rehabilitation, this project removed and replaced 572 linear feet of 8-inch sewer line and 269 linear feet of 10-inch sewer line, installed 329 linear feet of 18-inch sewer line, replaced 69 linear feet of sewer laterals, installed four sewer manholes, and reconstructed three manhole inverts. The project also removed one sewer manhole, 12 linear feet of 6-inch sewer line, and 215 linear of 18-inch sewer line, abandoned 1,142 linear feet of 8-inch sewer line, and modified sewer manholes along Rose Avenue to divert sewer flows from the current west-to-east system to an existing system to run east-to-west.

During the construction of the project, the City's on-call materials testing firm, Geocon Consultants, Inc., provided materials testing and inspection services for $3,432.

The City's archeological consultant, Alta Archaeological Consulting, LLC (Alta) provided monitoring services within project areas where there was a potential to encounter cultural resources. The project required additional services from Alta beyond the original contract amount due to extended limits of excavation after uncovering unmarked dry utilities requiring additional trenching, which increased the new total anticipated amount to $24,345.

All work performed by Golden State Construction & Utility, Inc. has been reviewed and verified by the City Engineer to meet the City's approved plans and specifications and has been completed to the satisfaction of the Director of Public Works. Staff recommends the City Council accept the work, authorize the City Clerk to file a Notice of Completion, authorize the release of retention 30 days after recordation, and approve the contract amendment with Alta Archaeological Consulting LLC. The contract with Alta will be closed out after the contract amendment has been processed.

**EQUITY AND SUSTAINABILITY**

Staff followed the City Procurement Policy for purchasing procedures as these types of repairs are routine matters of City business.

**OUTREACH**

Construction notices were sent to residents and businesses adjacent to project locations.

**STRATEGIC PLAN ALIGNMENT**

This project advances the ONE Pleasanton strategic plan goal of *Investing in Our Environment,* Strategy 1 – Implement the Four-Year Capital Improvement Program (CIP) to complete the design and construction of budgeted capital projects.

**FISCAL IMPACT**

Funding for this project totaled $1.5 million, and project expenditures to date of $721,229, and anticipated expenditures of $24,345 (Alta), leaving a balance of $754,426 (see Attachment 1). Staff recommends returning the project's remaining unused amount to the fund balance in the

Sewer Replacement fund (Fund 431).

| Prepared by: | Submitted by: | Approved by: |
| --- | --- | --- |
| Adam Nelkie, Assistant Dir. of Public Works - Engineering | Siew-Chin Yeong, Director of Public Works | Gerry Beaudin, City Manager |

Attachments:
1. Financial Expenditure Summary

# ANNUAL SEWER COLLECTION IMPROVEMENTS
## CIP NO. 24278
10/01/24

| **Project Funding to Date** | **Amount** | **Totals** |
| --- | --- | --- |
| 2024-2025 CIP Allocation (Sewer Repair - Fund 431) | $1,500,000 | |
| **TOTAL PROJECT FUNDING** | | **$1,500,000** |
| | | |
| **Project Expenditures to Date** | | |
| Advertising - Bay Area News Group | $704 | |
| West Coast Arborists, Inc. | $1,200 | |
| Golden State Construction & Utility, Inc. - Contract | $544,000 | |
| Golden State Construction & Utility, Inc. - Change Order No. 1-3 | $171,893 | |
| Geocon Consultants, Inc. - Testing/Inspection Services | $3,432 | |
| **TOTAL PROJECT EXPENDITURES** | | **$721,229** |
| | | |
| **Anticipated Project Expenditures to Date** | | |
| Alta Archaeological Consultants - Archaeological Monitoring Services | $24,345 | |
| **TOTAL ENCUMBRANCES** | | **$24,345** |
| | | |
| **Funding Balance/ (Shortfall)** | | |
| Current (Shortfall) - Return back to Sewer Repair - Fund (F431) | | **$754,426** |

THE CITY OF PLEASANTON

**Item #6**

**CITY COUNCIL AGENDA REPORT**

October 1, 2024
Public Works - Engineering Division

**TITLE: APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH SCI CONSULTING GROUP, INC. IN THE AMOUNT OF $64,690 TO PROVIDE ENGINEER'S REPORTS AND PROPOSITION 218 BALLOTING PROCEDURES FOR THE MOLLER RANCH AND PONDEROSA-DEL PRADO LANDSCAPE MAINTENANCE DISTRICTS**

## SUMMARY


On June 18, 2024, the City Council adopted a resolution confirming the Engineer's Reports for the City's five Landscape Maintenance Districts (LMDs). The Engineer's Reports for the Moller Ranch and Ponderosa-Del Prado LMDs allocated funding for the proposed services from SCI.

Staff recommends the approval of a professional services agreement with SCI for a not-to-exceed amount of $64,690 to provide the services required for this project. The term of the agreement is from October 2024 through December 31, 2025. Staff also recommends the City Council authorize the Director of Public Works to execute amendments for a not-to-exceed amount of $6,500. The costs for the project are fully funded by the Landscape Maintenance District reserve funds.


## RECOMMENDATION

1. Approve the professional services agreement with SCI Consulting Group, Inc. in the amount of $64,690 to provide engineers reports and Proposition 218 balloting procedures for the Moller Ranch and Ponderosa-Del Prado Landscape Maintenance Districts and authorize the City Manager to execute the agreement.
2. Authorize the Director of Public Works to execute amendments to the professional service agreement up to a not-to-exceed amount of $6,500 (approximately 10 percent) for unforeseen yet necessary related work.

## BACKGROUND

The Landscaping and Lighting Act of 1972 authorizes local agencies to impose an annual assessment on real property benefiting from project-specific improvements to pay for the construction and maintenance of landscaping and lighting special improvements that benefit those parcels. The assessments are collected by the Alameda County Assessor's Office to be applied to each owner's property tax bill.

For each LMD, City staff follows a statutorily imposed process for yearly administration. The engineer's budget for each district includes a reserve fund to provide for the replacement of capital improvements such as planting, irrigation, decorative entry walls, signage, light fixtures, etc. Currently, the reserve funds are insufficient to cover these replacement costs.

The Engineer's Reports approved by the City Council on June 18, 2024, allocated funding for a Proposition 218-compliant vote for the Moller Ranch and Ponderosa-Del Prado LMDs. The reserve fund for each LMD will be utilized to fund the costs of the public outreach and balloting procedures required to increase the assessments to cover actual costs and to align with Proposition 218 requirements.

In July 2024, staff advertised a Request for Qualifications (RFQ) for financial and engineering services to update the Engineer's Reports and provide Proposition 218-compliant balloting procedures for the Moller Ranch and Ponderosa-Del Prado LMDs.

**DISCUSSION**

SCI's professional services will include public outreach and a Proposition 218-compliant vote to increase assessments for the Moller Ranch and Ponderosa-Del Prado LMDs to address existing funding deficiencies. The LMD assessments have not been increased since the formation of the districts. Ponderosa-Del Prado was formed in 1984, and Moller Ranch was formed in 1995. There was no escalation or inflation factor included in the approval of the districts, which has been the primary factor leading to the funding shortfall.

Two consulting firms submitted a Statement of Qualifications (SOQ) for the project prior to the July 26, 2024, submittal deadline. Staff reviewed the SOQs and invited both firms for interviews. The interviewed firms were SCI Consulting Group, Inc., and Harris. Based on the ratings of the SOQ, interviews, and reference checks, staff recommends awarding the contract to SCI Consulting Group, Inc. for $64,690 (see Attachment 1) and approving a design contingency of 10 percent, approximately $6,500. The contingency will allow the City to conduct further public outreach, if necessary, or respond to concerns brought up during the outreach process.

<u>Schedule</u>

| | |
|---|---|
| Award of contract | October 1, 2024 |
| Public outreach | Nov. 2024 – April 2025 |
| Balloting procedure | May/June 2025 |
| Finalize Assessment changes | July/August 2025 |

**EQUITY AND SUSTAINABILITY**

Not applicable, as this item is a routine matter of City business.

**OUTREACH**

Prior to the Proposition 218 vote, staff and the consultant will hold public outreach meetings and will poll the LMD property owners.

**STRATEGIC PLAN ALIGNMENT**

Approval of this action advances the Citywide ONE Pleasanton strategic goal of *Funding our Future*, Strategy 1 - Develop a long-term strategy for funding operations and maintenance needs to ensure reliability of community-owned facilities and infrastructure and continuity of City services.

**FISCAL IMPACT**

A total of $80,000 is budgeted in the Moller Ranch ($40,000) and Ponderosa-Del Prado

($40,000) Landscape Maintenance District Funds in FY 2024/25. Staff time will be required to oversee the consultant and administer the Proposition 218 balloting procedure.

| Prepared by: | Submitted by: | Approved by: |
|---|---|---|
| Adam Nelkie, Assistant Dir. of Public Works - Engineering | Siew-Chin Yeong, Director of Public Works | Gerry Beaudin, City Manager |

Attachments:

1. Professional Services Agreement with SCI Consulting Group, Inc.

# PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into this 1st day of October 2024, between the CITY OF PLEASANTON, a municipal corporation ("City"), and SCI CONSULTING GROUP, a Corporation, whose address is 4745 Mangels Blvd, Fairfield, CA 94534, and telephone number is (707) 430-4300, ("Consultant").

## RECITALS

A. Consultant is qualified to and experienced in providing financial and engineering services for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant's Services**. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in Exhibit A. Consultant shall provide said services at that time, place and in the manner specified in Exhibit A.

2. **City Assistance, Facilities, Equipment and Clerical Support**. Except as set forth in Exhibit A, Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in Exhibit A according to the terms and conditions set forth in Exhibit A.

3. **Term**. This contract shall commence on the date written above and shall expire on December 31, 2025.

4. **Compensation**. City shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in Exhibit A. The payments shall be made on a monthly basis upon receipt and approval of Consultant's invoice. Total compensation for services and reimbursement for costs shall not exceed **$64,690**.

a. Invoices submitted to City must contain a brief description of work performed, time used and City reference number. Payment shall be made within thirty (30) days of receipt of Consultant's invoice and approved by City.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

5. **Sufficiency of Consultant's Work**. All work product and all other documents prepared by Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

6. **Ownership of Work**. All work product and all other documents completed or partially completed by Consultant in the performance of this Agreement shall become the property of the City. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Consultant shall replace them at its own expense. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Consultant agrees to execute any additional documents that may be necessary to evidence such assignment. Consultant shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

7. **Changes**. City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

8. **Consultant's Status**. In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

9. **Termination for Convenience of City**. The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

10. **Non-Assignability**. The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors.

11. **Indemnity and Hold Harmless**. Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

12. **<u>Insurance</u>**. During the term of this Agreement, Consultant shall maintain in full force and effect, at its own cost and expense, insurance coverages with insurers with an A.M. Best's rating of no less than A:VII. Contractor shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Contractor's policies:

a. <u>General Liability and Bodily Injury Insurance</u>. Commercial general liability insurance with limits of at least $2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named as additional insureds under the policy as evidenced by an additional insured endorsement satisfactory to the City Attorney. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.

b. <u>Automobile Liability Insurance</u>. Automobile liability insurance with limits not less than $2,000,000 per person/per occurrence.

c. <u>Workers' Compensation Insurance</u>. Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least $1,000,000.

d. <u>Professional Liability Insurance</u>. Professional liability insurance in the amount of $2,000,000.

e. <u>Certificate of Insurance</u>. Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the <u>insured</u> shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

f. <u>Waiver of Subrogation</u>. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.

g. <u>Defense Costs</u>. Coverage shall be provided on a "pay on behalf of" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusions. These provisions do not apply to Professional Liability.

h. <u>Subcontractors</u>. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.

13. **Notices**. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

| | | | |
|---|---|---|---|
| To Consultant: | John W. Bliss, President<br>SCI Consulting Group<br>4745 Mangels Blvd<br>Fairfield, CA 94534 | To City: | City Manager<br>City of Pleasanton<br>P.O. Box 520<br>Pleasanton, CA 94566 |

14. **Conformance to Applicable Laws**. Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

15. **Licenses, Certifications and Permits**. Prior to the City's execution of this Agreement and prior to the Consultant's engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Pleasanton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

16. **Records and Audits**. Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

17. **Confidentiality**. Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

18. **Conflicts of Interest**. Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant's services under this Agreement. If such an interest arises, Consultant will immediately notify the City.

19. **Waiver**. In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

20. **Governing Law**. California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Alameda County.

21. **No Personal Liability**. No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

22. **Exhibits**. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. **Counterparts and Electronic Signatures**. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

24. **Scope of Agreement**. This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

**THIS AGREEMENT** executed the date and year first above written.

**CITY OF PLEASANTON**

____________________________
Gerry Beaudin, City Manager

ATTEST:

____________________________
Jocelyn Kwong, City Clerk

Approved as to form:

____________________________
Daniel G. Sodergren, City Attorney

**CONSULTANT**

By: ____________________________
Signature

____________________________
Print name

Its: ____________________________
Title

By: ____________________________
Signature

____________________________
Print name

Its: ____________________________
Title

*[If Consultant is a corporation, signatures must comply with California Corporations Code §313]*

Rev. 11/23

Our team's extensive experience in benefit assessment engineering and knowledge of the Landscaping and Lighting District Act of 1972, Proposition 218, and recent case law will ensure the project's success. We will provide comprehensive services that minimize the City's time and resources, adhering to solid project management principles. Our communication strategy includes regular project meetings, progress reports, and a transparent workflow to keep the City informed and engaged.

No changes to the project team will occur without the City's prior written approval, ensuring continuity and stability. We are committed to delivering high-quality, legally defensible results on time and within budget.

## PROJECT METHODS

Based on the requested scope of work and the technical analysis needed by the City, we propose the following scope of work and approach for a successful outcome:

### Task 1: Project Kickoff, Data Collection, and Preliminary Analysis

At SCI Consulting Group, our workflow is centered on thoroughness and collaboration throughout the project. We begin with a project kickoff meeting to align with the City's specific objectives and requirements. This initial meeting is followed by a comprehensive data collection and review phase involving a detailed review of existing conditions, financial status, and Proposition 218 compliance of the City's two LLMDs. We then develop a tentative timeline that outlines key milestones, deliverables, and responsibilities, ensuring clear communication and alignment with all stakeholders throughout the duration of the project.

Subsequently, we will analyze the desired improvements and services, property ownership, tax base, and demographic and political profiles within each LLMD. Data will be gathered from the City, County Assessors, and other relevant sources. After compiling this data, we will assess it in the context of the City's goals and community factors. This in-depth research and analysis will provide SCI with a solid foundation for designing and evaluating the proposed assessment measure.

In a benefit assessment Proposition 218 ballot proceeding, each property owner, whether residing within or outside the assessment district area, will receive a notice and ballot by first-class mail, with a minimum of 45 days to return their ballot. Following the balloting period, a public hearing will be conducted, and the ballots will be tabulated. The assessment will be approved if more than 50% of the returned ballots are in favor, with each ballot weighted by the proposed assessment amount for the property. This weighting is crucial as it gives significant "votes" to property owners with higher assessment amounts.

**Task Deliverables:**

- Information and data request list
- Project kickoff meeting (Virtual)
- Project timeline

### Task 2: Assessment Engineering and Engineer's Reports

SCI will develop multi-year revenue and expense proformas in collaboration with the City, forming the essential basis for the budgets and cost estimates provided within the Engineer's Report. Comprehensive assessment engineering work includes defining the proportional assessment rate methodology and separating and quantifying special and general benefits from the proposed improvements and services. SCI will use its industry-leading benefit assessment engineering expertise to develop a benefit assessment methodology that fully complies with the legal and procedural requirements for a new, post-Proposition 218 benefit assessment. This methodology aligns with key court decisions such as Silicon Valley Taxpayers Association v. Santa Clara County Open Space Authority, Dahms v. City of Pomona, Greene v. Marin County Flood Control and Water Conservation District, and Robert Beutz v. County of Riverside.

In a review session, we will present these fiscal plans, data review and analysis, and the proposed assessment methodology, levies, and budgets to the City. Any issues uncovered will be highlighted, and remedies suggested. After the City and its legal counsel have reviewed the data and information, we will prepare an Engineer's Report that fully meets the requirements of Articles XIIIC and XIIID of the California Constitution (Proposition 218), the Government Code, and other relevant sections.

The Engineer's Report will be prepared by John Bliss, P.E., an assessment engineer with 22 years of extensive experience. It will include a detailed description of the assessment plans, future capital and facility improvement needs, a detailed cost estimate, an analysis of special and general benefits, the rationale for the assessment apportionment, the method of assessment apportionment, calculation of the proposed assessment amount for each parcel, an assessment diagram, and other elements.

After preparing the Engineer's Report, SCI will review it with City staff and make necessary revisions to address any comments or issues identified. We will finalize the assessment levies, roll, diagram, and other related documents for preliminary approval by the City. Additionally, SCI will draft resolutions, notices, and any other required or recommended documents in collaboration with the City attorney. Finally, we will present the findings, proposed assessment levies, and the Engineer's Report to City staff, the City Council, and the public, including property owners within the LLMDs.

**Task Deliverables:**

- Project Meeting (Virtual)
- Two Proposition 218-compliant Engineer's Report (PDF)
- Draft resolutions and associated agenda reports (MS Word)
- Presentation at City Council meeting (In-Person)
- Two (2) public meetings for each LLMD (In-Person or Virtual)

**Task 3: Informational Outreach Support**

Effective informational outreach is essential for a successful ballot outcome. When voters are properly informed about the purpose of a local funding measure, they are more likely to be supportive. Misinformed or mistrusting voters tend to vote no, while well-informed voters tend to be more supportive if they are adequately informed about a measure's purpose.

Under California law, the District can engage in informational activities to educate the public about District-related issues, including ballot measures. However, these activities must be strictly informational and cannot be used for advocacy or to promote a particular outcome. This means that the information provided must be factual and objective, presenting the funding measure's pros and cons without attempting to sway public opinion in a particular direction.

Task 3 services would include supporting the City at four outreach meetings with the public and the property owners within the LLMDs.  SCI would also assist the City with preparing the presentations for each meeting.

**Task Deliverables:**

- Informational outreach strategy
- Property owner informational services
- Four outreach meetings (In-Person)

**Task 4:  Proposition 218 Ballot Proceeding Services**

Services under this Task shall include designing, printing, addressing, and mailing the official assessment notice and ballots to all property owners, which are the proposed boundaries of the LLMD.  The official notice and assessment ballot design and supporting informational items and mailers are essential to a successful ballot outcome.  SCI will utilize its unmatched expertise and track record to design notices, ballots, and informational items that clearly and concisely explain the reason for the services and meet all legal requirements.

After the draft notice and ballot are prepared, they will be provided to the City and the City Attorney for review and comment.  Feedback and comments will be incorporated before the documents are finalized.

After the official notice and ballot are finalized, SCI will oversee the printing and addressing of the ballots. Admail West, a printing and mailing firm with industry-leading experience with assessment ballot proceedings, may perform this work.  After the notices and ballots are printed and addressed, they will be mailed to all property owners in the proposed LLMD with a proposed assessment pursuant to the California Constitution and the Government Code.

SCI will also field and respond to property owner inquiries throughout the balloting, research and confirm new owners not reflected on the official county property ownership records, and issue replacement ballots as necessary.  SCI will also prepare resolutions, documents, and information for the public hearing and assist the City and the City Attorney in responding to property owner testimony at the public hearing.

The City Clerk will be the official tabulator, with the legally required condition to perform the tabulation publicly.  SCI will provide tabulation software, scanners, and procedures to support the tabulation.  SCI will employ its well-proven barcoded ballot identification system on this balloting, facilitating efficient and effective tabulation.

**Task Deliverables:**

- Project meeting (Virtual)
- Official Proposition 218 notice, ballot, and envelopes
- Printing, mailing, addressing, and postage for Proposition 218 balloting
- Presentation at City Council meeting (In-Person)
- Draft resolution and supporting documents
- Balloting process support
- Tabulation process support

**City Resources**

SCI will carry out all tasks specified in the Work Plan and any other related services, as appropriate. The City would be responsible for the following:

- Periodically meet or participate in video or voice conference calls with SCI as needed.
- Provide information and documentation regarding the City's two LLMDs and their associated capital improvement plan, description of services and improvements to be funded by the assessment, the annual revenues needed, and additional data as requested.
- Designate a City point of contact with authority to act on its behalf regarding the Work Plan.
- Assist with planning, review, and coordination of action items.

## PROJECT TIMELINE

We understand that the City would like to complete the Proposition 218 ballot proceeding prior to the County levy submittal deadline of August 10, 2025, for the FY 2025-26 property tax roll. A detailed timeline, task list, and deliverables will be developed at the project kickoff meeting in Task 1.

## FEE SCHEDULE / MANNER OF PAYMENT

In consideration of the work accomplished, as outlined in the Work Plan, SCI shall be compensated as detailed below. Our professional fees are based on our understanding of the City's needs and the level of effort we expect is necessary to complete the Work Plan successfully.

After completing each task, SCI shall submit an invoice for the work performed. Payments shall be due and payable upon submitting an invoice for each completed task.

**Detailed Fee and Hourly Labor Rate Schedule**

| | Billable Labor Hours | | | | |
|---|---|---|---|---|---|
| **Work Plan and Approach** | **SVP / Engineer of Work** | **Senior Consultant** | **President, Principle-In-Charge** | **Total Billable Hours** | **Fixed Fees** |
| **2024 Hourly Billing Rates** | $287 | $217 | $306 | | |
| Task 1: Project Kickoff and Data Collection | 8 | 8 | 2 | **18** | **$4,640** |
| Task 2: Assessment Engineering and Engineer's Reports (2) | 40 | 100 | 10 | **150** | **$36,240** |
| Task 3: Informational Outreach Support | 1 | 42 | 1 | **44** | **$9,710** |
| Task 4: Proposition 218 Ballot Proceeding Services | 4 | 36 | 2 | **42** | **$9,570** |
| **Labor Costs** | **49** | **150** | **13** | **254** | **$60,160** |
| **Direct Costs (Task 4)** | | | | | **$3,030** |
| **Incidental Costs NTE [2]** | | | | | **$1,500** |
| **Total Project Cost** | | | | | **$64,690** |

Notes:

[1] Work Plan assumes the LLMD engineer reports and associated ballot proceedings would occur concurrently. Work Plan include two (2) in-person meetings for Task 2 and four in-person meetings for Task 3.

[2] Customary incidental expenses, including travel, lodging, printing, postage, data, or other out-of-pocket costs, shall be billed at actual cost plus 10% not to exceed $1,500 without prior authorization from the City. Mileage expenses shall be billed at the IRS-approved rate.

## PROFESSIONAL SERVICES AGREEMENT

SCI has reviewed and accepts the terms of the City's standard Professional Services Agreement and will enter into such an agreement if selected. However, SCI will require recognition as a design professional for indemnification purposes. In accordance with California Civil Code Section 2782.8, SCI will defend and indemnify the City against claims arising from, related to, or connected with SCI's negligence, recklessness, or willful misconduct in the performance of the work.

THE CITY OF PLEASANTON

**Item #7**

**CITY COUNCIL AGENDA REPORT**

October 1, 2024
Public Works - Operations Division

**TITLE: APPROVE AN APPROXIMATELY THREE-YEAR MAINTENANCE SERVICES AGREEMENT TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, BEST QUALITY TREE SERVICE, FOR MEDIAN MULCH REPLENISHMENT IN THE NOT-TO-EXCEED CONTRACT AMOUNT OF $304,152, INCLUSIVE OF A 15 PERCENT CONTINGENCY PER YEAR, WITH THE OPTION TO EXTEND TWO ADDITIONAL ONE-YEAR EXTENSIONS WITH SATISFACTORY PERFORMANCE**


**SUMMARY**

One of the City's methods to control weeds throughout all City-owned medians is to install mulch, a natural product that not only limits weed growth but also helps to conserve water. The project will be initiated each fall or spring, and the contractor will have a designated timeframe to complete the work. The last agreement expired on June 30, 2023. On August 16, 2024, a Request for Bid (RFB) was formally advertised for the services of experienced, licensed contractors to perform mulch replenishment by posting a legal publication and posting the notification on the City's website. The lowest responsive bid provided by Best Quality Tree Service was found to be qualified to perform the required services.


**RECOMMENDATION**

1. Approve an approximately three-year agreement with Best Quality Tree Service from November 1, 2024, to June 30, 2027, in the not-to-exceed amount of $304,152, inclusive of a 15 percent contingency per year.
2. Authorize the City Manager to exercise optional two additional one-year contract extensions provided upon satisfactory performance at the end of the three-year term contract.

**BACKGROUND**

The City maintains approximately 85 acres of street median landscaping, accounting for nearly 40 percent of the total medians maintained in the city. Regularly applying mulch to the City-owned medians is a best management practice that helps suppress weeds, conserves soil moisture, improves plant health, and provides an aesthetically pleasing look to the City's landscaped medians. The City's tree maintenance contractor generates the mulch for this project; this longstanding practice keeps the mulch generated from tree trimming in the city, reduces emissions associated with hauling this material away for processing, and helps control costs by not needing to purchase mulch. Contracting out this routine maintenance work effectively controls costs, allowing Parks Division staff to concentrate on higher-skilled maintenance activities such as irrigation system inspections and repairs, pruning, field renovations, and planting.

**DISCUSSION**
The project scope of mulch installation consists of loading, transporting, providing traffic control, and installing wood mulch in City-owned street medians at various locations throughout the city.The contractor adds mulch to areas, bringing the existing level to a uniform five-inch thickness across the open planter area. The contract is divided into three years, each year addressing a pre-determined section of the city so that all medians will be replenished every three years. The project will be initiated each fall or spring, and the contractor will have a designated timeframe to complete the work.

The last service contract expired on June 30, 2023. An RFB was formally advertised in August 2024 for a new agreement for services. On August 28, 2024, seven bids were received for this contract. The bids are summarized below.

| Company | Bid Results | With 15% Contingency |
|---|---|---|
| Best Quality Tree Service | $264,480 | $304,152 |
| Westside Landscape & Concrete, Inc. | $312,146 | $358,968 |
| New Image Landscape Company | $356,849 | $410,376 |
| JetMulch, Inc. | $387,021 | $445,074 |
| Terra Landscape | $395,750 | $455,112 |
| eLawns LLC | $399,922 | $459,910 |
| Cowan & Thompson Construction, Inc. | $494,824 | $569,047 |

The scope of work to be performed by Best Quality Tree Service is detailed in Exhibit A of the Agreement for Maintenance Services. Work under this contract would begin November 1, 2024, with scheduled completion by June 30, 2027. The City may terminate the Agreement at any time by mailing a notice to the Contractor per Section 10.a. of the Agreement if reduced service levels are needed in the future.

**EQUITY AND SUSTAINABILITY**
Not applicable, as this item is a routine matter of City business.

**OUTREACH**
No outreach was conducted in addition to the formal bid process, as this item is a routine matter of City business.

**STRATEGIC PLAN ALIGNMENT**
Approval of this action advances the Citywide ONE Pleasanton strategic plan goal of *Investing in Our Environment*, Strategy 7 – Continue to invest in parks, bicycle and pedestrian infrastructure, and public art to improve traffic safety, promote climate resilience, and increase equitable access to cultural and recreational opportunities. By implementing the best management practice of routinely applying mulch to our medians, the City is suppressing weed growth, conserving water, and maintaining a large and extensive city asset.

**FISCAL IMPACT**
Funding for the agreement is allocated in the Parks Maintenance Division Operating Budget (00140400-430107). The proposed agreement with Best Quality Tree Service is for a not-to-exceed amount of $304,152. This amount includes a 15 percent contingency per year for

unforeseen circumstances and related extra services as determined to be necessary by the City.

| Prepared by: | Submitted by: | Approved by: |
| --- | --- | --- |
| Tamara Baptista | | |
| Tamara Baptista, Assistant Dir. of Public Works - Operations & Maintenance | Siew-Chin Yeong, Director of Public Works | Gerry Beaudin, City Manager |

Attachments:
1. Best Quality Maintenance and Trade Agreement

**MAINTENANCE AND TRADE SERVICES AGREEMENT**
**FOR STREET MEDIAN MULCH REPLENISHMENT**
**RFB #PWD 24-304**

THIS AGREEMENT is made and entered into this ______ day of October 2024 between **Best Quality Tree Service** ("Contractor"), a California Corporation, whose address is 1648 Miner Avenue, San Pablo CA 94806 and the **CITY OF PLEASANTON**, a municipal corporation ("City").

**RECITALS**

A. Contractor has submitted a proposal in response to the City of Pleasanton's Request for Bids **(RFB) #PWD 24-304** and is qualified and experienced in providing Landscape Maintenance Services as set forth in **Exhibit A** of this Agreement.

B. City finds it necessary and advisable to obtain work or services from Contractor on both a scheduled basis as set forth in RFB #PWD 24-304, as well as on an as-needed basis for potential unscheduled work also described therein.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions in this Agreement, City and Contractor agree as follows:

1. **Term**. The term of this Agreement commences on the date written above and will expire on October 31, 2027, unless the parties agree to extend the Agreement for an additional two (2) one-year terms, not to exceed five (5) year's total for this Agreement.

2. **Services to be performed**. Contractor shall perform, or cause to be performed, the work or services described in **Exhibit A and Exhibit B.**

3. **Compensation**. Total compensation under this Agreement for all work of this Agreement shall not exceed **$304,152**, of which, the total for each year shall not exceed **$100,050** for the first year, **$102,051** for the second year, and **$102,051** for the third year. City shall pay Contractor for all work performed based on the bid proposal **RFB PWD 24.304, in Exhibit B**. Each year includes a 15% contingency for unforeseen circumstances and related extra services as determined to be necessary by the City. Payment of such contingency funds is not guaranteed to Contractor unless the City requests in writing of such extra services. For the fourth or subsequent year of the Agreement, the cost of each one-year term may increase only by the change in the consumer price index for the San Francisco-Oakland-San Jose Metropolitan Area (all items index; all urban consumers) for the twelve-month period ending in August each year as published by the Bureau of Labor Statistics, U.S. Department of Labor.

   a. Payment shall be made within thirty (30) days of receipt of Contractor's invoice and approval by City. Contractor must include a monthly report of curb miles or parking lots swept, categorized by zones. This report should accompany each invoice submitted for payment. It is essential that this report is complete and approved to facilitate the timely processing and remittance of payment

4. **Indemnification**. Contractor shall hold harmless, defend, and indemnify the City, its officers, agents and employees ("Indemnities"), against any and all claims, costs, demands, causes of action, suits, losses, expenses, attorney's fees, or liability, arising from or in any manner related to Contractor's (includes Contractor's employees, agents, or subcontractors) negligent act or omission, whether alleged or actual, regarding the work or services performed or caused to be performed pursuant to this Agreement and any amendments thereto. Contractor shall not, however, be obligated to indemnify Indemnities from claims arising from the sole negligence or willful misconduct of Indemnities. This indemnification includes any claim that the materials or equipment provided under this Agreement, or any tool, article or process used, constitutes an infringement of any patent issued by the United States. This indemnification provision shall survive termination or cancellation of the Agreement.

5. **Insurance**. During the term of this Agreement, Contractor shall maintain at its own cost and expense the following insurance coverage with insurers with an A.M. Best's rating of no less than A:VII. Contractor shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Contractor's policies

    a. General Liability and Bodily Injury Insurance. Commercial general liability insurance with limits of at least $2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named additional insured's under the policy as evidenced by an additional insured endorsement satisfactory to the City Attorney. The policy shall further state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Contractor and its subcontractors, and that no other insurance effected by City or other named insured will be called on to cover a loss.

    b. Automobile Liability Insurance. Automobile liability insurance with limits not less than $2,000,000 per person/per occurrence.

    c. Workers' Compensation Insurance. Workers' Compensation Insurance for all of Contractor's employees shall be in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least $1,000,000.

       For work or services deemed public works, by signing this Agreement, Contractor is certifying, pursuant to Section 1861 of the California Labor Code, that: "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract."

    d. Certificate of Insurance. Contractor shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

e. Subcontractors. Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited to naming additional insureds.

f. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.

g. Defense Costs. Coverage shall be provided on a "pay on behalf of" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusions.

6. **Independent Contractor**. The Contractor is an independent contractor retained by the City. All personnel employed by the Contractor, including subcontractors, and personnel of subcontractors, are not and shall not be employees of the City.

7. **Contractor's Warranty**. Contractor shall bear the risk of loss or damage to any goods associated with the services until delivered to and accepted by City. Contractor further warrants that all work done and goods provided under this Agreement shall: a) meet all conditions of the Agreement; b) shall be free from all defects in design, material and workmanship; and 3) shall be fit for the purposes intended. If any defects occur within the 12 months following acceptance, Contractor shall be solely responsible for the correction of those defects.

8. **Labor Code/Prevailing Wages**. The work performed under this Agreement is a "public work" and prevailing wage laws shall apply. No less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the work under this Agreement shall be paid to all workers, laborers and mechanics, electricians, employed in the execution of the work by the Contractor or any subcontractor doing or contracting to do any part of the work. The appropriate determination of the Director of the California Department of Industrial Relations shall be filed at the City Clerk's Office and available for inspection. Contractor shall post, at each job site, a copy of the prevailing rate of per diem wages.

   To the extent applicable, Contractor shall comply with all requirements of the California Labor Code, including but not limited to, Labor Code sections: 1773.2 (regarding posting wage determinations at each job site); section 1776 (regarding the certification, maintenance, and availability for inspection of payroll records); section 1777.5 (regarding employment of apprentices); section 1810 (regarding a legal day's work as 8 hours of labor); and section 1775 (regarding penalties for violations). The Contractor shall forfeit fifty dollars ($50.00) for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for any public work done under the Agreement by it or by any subcontractor under Contractor

9. **Notices.** All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

| | |
|---|---|
| To Contractor: ______________________ | To City: City Manager |
| ______________________ | City of Pleasanton |
| ______________________ | P.O. Box 520 |
| ______________________ | Pleasanton, CA 94566 |

10. **Miscellaneous Provisions.**

a. City may terminate this Agreement at any time by mailing a notice to Contractor. Contractor shall be paid for that portion of work or services already completed by Contractor as approved by City.
b. Contractor acknowledges that time is of the essence regarding the performance of this Agreement.
c. Contractor shall not assign or transfer this Agreement.
d. If either City or Contractor waives a breach of this Agreement, such waiver shall not constitute a waiver of other or succeeding breaches of this Agreement.
e. This Agreement constitutes the entire understanding of the parties.
f. This Agreement may only be modified by a writing signed by the authorized representative of both parties.
g. Contractor covenants that it has obtained and will keep in effect during the term of the Agreement all certificates, licenses, including a City Business License, permits or the like required by any federal, state or local regulatory agency in order to perform the work under this Agreement.
h. Contractor shall comply with all federal, state and local laws, regulations and rules, including but not limited to applicable safety and environmental laws. Contractor shall bear full and exclusive responsibility for any release of hazardous or non-hazardous substances and disposal of hazardous wastes.
i. The Contractor will permit the City to audit, examine and make copies of all contracts, invoices, payrolls and other documents or data relating to this Agreement. Such records shall be maintained for three years from the date of final payment under this Agreement.
j. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other

transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

k. This Agreement shall be governed by the laws of the State of California, with venue for any action under this Agreement in Alameda County, California.

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

| **CITY OF PLEASANTON** | **CONTRACTOR – BEST QUALITY TREE SERVICE** |
|---|---|
| ______________________________<br>Gerry Beaudin, City Manager | By: ___________________________<br>Signature |
| | ___________________________<br>Print name |
| ATTEST: | Title: ___________________________ |
| ______________________________<br>Jocelyn Kwong, City Clerk | *[If Contractor is a corporation, signatures must comply with California Corporations Code §313]* |
| APPROVED AS TO FORM: | ______________________________<br>Signature |
| ___________________________<br>Daniel Sodergren, City Attorney | ___________________________<br>Print name |
| | Title: ___________________________ |

# EXHIBIT A – STREET MULCH REPLENISHMENT
# SCOPE OF SERVICES – RFB 25.304

Contractor to provide street median mulching replenishment in various landscape median planters throughout the City.

**City Project Manager** - Project Manager will be the Parks Division Manager or their Designee.

**Supervision and Management -** Respond to questions and resolve problems as they arise.

**Intent** - The City of Pleasanton is seeking bid proposals for street median mulching replenishment in various landscape median planters throughout the City. All work to be performed shall be in accordance with the City of Pleasanton *Standard Specifications and Details*, July 2024, and shall be overseen by the Parks Division Manager or their designee (all reference hereafter to the Parks Division Manager shall include his designee). The selected Contractor will provide the following services:

1. Supervision and management of services;
2. Obtaining mulch from City's Operation Services Center;
3. Progress updates;
4. Traffic control;
5. Mulch loading, transportation and installation;
6. Site clean-up

**Scope and Schedule** - Scope of Work consists of providing street median wood mulch replenishment services for the areas and sites outlined in the attached Route 1, Route 2 and Route 3 maps. Street Medians included are also described in the attached maps. The size and conditions of each median site varies in volume of mulch required and difficulty of installation.

Mulch replenishment for all the street medians shown in the Route 1 map is to be completed from the period of the Notice to Proceed to November 1, 2024 to March 1, 2025; mulch replenishment for all the street medians shown in the Route 2 map is to be completed between September 1, 2025 to March 1, 2026; and mulch replenishment for all the street medians shown in the Route 3 map is to be completed between September 1, 2026 to March 1, 2027; at a general schedule for each route determined annually by the Parks Division Manager.

Additional mulch locations may be added in addition to the specified areas. Any additional mulch locations will be identified by the Parks Division Manager with a map or on site meeting. Additional mulch locations will be billed on a per 1,000 square foot basis.

1. **Mulching Work**
   a. **Supervision and Management:** Provide on-site supervision of crew and management of sites. Respond to questions and resolve problems as they arise.

b. **Obtain mulch from Operations Services Center:** Recycled wood mulch for this work will be made available to Contractor at no cost at the City's Operations Services Center at 3333 Busch Road, Pleasanton. Contractor will be issued two (2) entry cards for Contractor to enter 3333 Busch Road between the hours of 6:30 a.m. to 3:30 p.m. weekdays (except City holidays) to load Contractor's trucks with mulch.

   i) Contractor shall immediately advise the Parks Division Manager if an entry card is lost or stolen.

   ii) Contractor shall not store any vehicles or equipment at the 3333 Busch Road other than equipment needed to load mulch.

c. **Updates:** On a schedule to be determined by the Parks Division Manager, provide updates on all current and future work to the Parks Division Manager.

d. **Traffic Control:** Provide traffic control at median work sites. Written traffic control plans shall meet Section 2 of the City's *Standard Specifications and Details* and must be submitted to the Parks Division Manager for approval at least two (2) business days before work commences. No traffic control shall be performed without the approval of the Parks Division Manager. A written traffic control plan shall be submitted to the Parks Division Manager prior to any work. Traffic control on major streets, or near schools, may be restricted to between the hours of 10:00 a.m. to 2:00 p.m. The Contractor is required to provide all safety cones, sign boards, arrow boards and other appropriate measures and equipment as prescribed by the Department of Transportation Manual on Uniform Traffic Control Devices (MUTCD) for traffic control at no additional cost to the City.

e. **Mulch Installation:** Load, transport and install wood mulch in City owned street medians at various locations within the City. The City shall provide recycled wood chip mulch at its 3333 Busch Road facility. It shall be the Contractor's responsibility to load, transport and install mulch. Where mulch already exists in median planters, Contractor shall only add additional mulch to bring the existing level to a uniform 5" thickness across the open planter area. Wood mulch depth shall be tapered near curb edges to match curb height. All mulch installation work is to be performed between the hours of 8 a.m. to 4 p.m., Monday through Friday (except City holidays), unless subject to additional limits as a major street or near a school as described in Subsection d., Traffic Control, above.

   **NOTE: Heavy equipment is prohibited from entering street median planters and is limited to use on hardscapes only.**

   **All existing irrigation valve boxes and utility boxes must not be covered with mulch.**

   **Measures must be taken to avoid damaging landscaping, sprinklers, irrigation systems, hardscape, plants, or other median components.**

f. **Cleanup:** Before work crews leave each site, mulch and wood dust shall not be left on curb lines, sidewalks, streets, or on top of existing plant material. All work is performed in accordance with City Specifications and requirements, and to the reasonable satisfaction of the Parks Division Manager.

**2. Control, Supervision and Approval Authority**

a. Unless otherwise provided by specific provisions, Contractor's operations and activities pursuant to any contract shall be under the control and supervision of the Parks Division Manager.

b. Whenever the Contractor is prohibited from conducting work unless Contractor first obtains the approval or consent of the City, such approval and consent must be obtained from the Parks Division Manager.

c. **Supervision, Inspection, and Contract Compliance:** Contractor must provide for adequate supervision and inspection of all work performed to ensure that each requirement of these specifications is consistently met.

A fully qualified supervisor representing the Contractor shall be readily available to meet with the Parks Division Manager as needed for the purposes of correcting problems, conflicts, and coordinating work schedules.

Inspection by Parks Division Manager shall be made during normal City operating hours, unless otherwise arranged.

The progress and standard of quality of work to be accomplished shall be to the degree reasonably acceptable to the Parks Division Manager. In the event the Parks Division Manager determines Contractor's work is unsatisfactory, Contractor will be required to perform the additional corrective work at no cost to the City.

d. The City will periodically inspect the work to assist in ensuring the work meets City's standards and the Parks Division Manager will be available during regularly schedule hours to discuss and resolve any concerns of the Contractor.

e. **General:** The Contractor shall furnish supervision of its crew and inspection of conditions daily. The City reserves the right to request the removal of any employee of the Contractor for good cause.

All Contractors’ work will be in City-specified areas only.

f. **Supervisor:** Landscape Supervisor will have a minimum of five (5) continuous years as supervisor of complete landscape maintenance service, at least two (2) years performing duties of a foreperson.

g. **Crew Leader:** Crew Foreperson shall have two (2) continuous years of on-the-job experience.

h. **Uniforms:** All employees on site which are employed by the Contractor are to wear clothing which clearly identifies the Contractor.

i. **Vehicles:** All vehicles utilized by the Contractor shall have wording which clearly identifies the Contractor.

j. Transportation of equipment on public streets shall comply with the California Vehicle Code.

3. **Damages**

All damages to landscaping, sprinklers, irrigation systems, hardscape, plants, or other median components shall be reported by Contractor to the City and will be repaired by the City and billed to the Contractor.

# BID FORM

*(Required)*

Bidder hereby certifies to City that all representations, certifications, and statements made by Bidder, as set forth in this Bid Form and attachments are true and correct and are made under penalty of perjury pursuant to the laws of California.

The cost quoted below shall include all taxes and all other charges, including travel expenses, and is the cost the City will pay for the term of any contract that is a result of this bid.

The listed prices include the composite price for labor and equipment, including all incidental power tools, hand tools and vehicles, as well as all overhead costs.

| | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Route 1 (see Route 1 PDF of bid package)** | $ 87,000 | | |
| **Route 2 (see Route 2 PDF of bid package)** | | $ 88,740 | |
| **Route 3 (see Route 3 PDF of bid package)** | | | $ 88,740 |
| **TOTAL** | $ 264,480 | | |

| ADDITIONAL SERVICES/LOCATIONS | Price per 1,000 sq. ft. **Year 1** | Price per 1,000 sq. ft. **Year 2** | Price per 1,000 sq. ft. **Year 3** |
|---|---|---|---|
| Price to load, transport, and apply mulch to 1,000 sq. ft. of landscaped median | $ 2,500 | $ 2,625 | $ 2,750 |

Company: Best Quality Tree Service Representative Name: German Gaytan

SIGNATURE: ______________ Date: 9/5/2024

THE CITY OF PLEASANTON

**Item #8**

**CITY COUNCIL AGENDA REPORT**

October 1, 2024
Public Works - Utilities Division

**TITLE: APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST & ASSOCIATES, INC., IN THE NOT-TO-EXCEED AMOUNT OF $123,790 TO PROVIDE ASSISTANCE WITH A CROSS-CONNECTION CONTROL PLAN DEVELOPMENT AND HAZARD ASSESSMENTS IN COMPLIANCE WITH THE CROSS-CONNECTION CONTROL POLICY HANDBOOK**


## SUMMARY

The City seeks a consultant to assist with the development of the City's cross-connection control plan and associated potable water system hazard assessments, services related to regulatory compliance under the new Cross-Connection Control Policy Handbook (CCCPH) as required under Assembly Bill (AB) 1671. As conducting the work directed under the CCCPH will require intensive specialized technical expertise for a limited time and such specialized technical expertise is limited within the City organization, staff recommends consultant assistance on obligations under the CCCPH.

Staff issued a formal Request for Proposals (RFP) for cross-connection control plan and hazard assessment services for CCCPH compliance. Following proposal review, West Yost & Associates, Inc., was selected based on the established RFP evaluation criteria and reference checks. Staff is proposing a three-year agreement for the identified tasks in the amount of $103,158 with a 20 percent contingency of $20,632 for a total not-to-exceed amount of $123,790.


## RECOMMENDATION

Approve a professional services agreement with West Yost & Associates, Inc., in the not-to-exceed amount of $123,790 to provide assistance with a cross-connection control plan development and hazard assessments in compliance with the Cross-Connection Control Policy Handbook.

## BACKGROUND

AB 1671 mandates the State Water Resources Control Board (SWRCB) to adopt updated backflow protection and cross-connection control standards. On December 19, 2023, the SWRCB fulfilled this directive through the adoption of the CCCPH, which went into effect July 1, 2024, and will replace Title 17, the original statute governing cross-connection controls, on January 1, 2025.

The purpose of the CCCPH is to protect public health by establishing standards that protect the public water system's potable distribution system by preventing any potential backflow or back-siphonage of water from end-user sources back into the potable distribution system. The City Council was informed of the CCCPH adoption through the quarterly Water System Activities Update item on the July 16, 2024, City Council meeting agenda.

The CCCPH requires the City to prepare and submit to the SWRCB a Cross-Connection Control Plan (CCCP) by July 1, 2025. The CCCP must detail the following essential information:

- How the City will achieve and maintain compliance with the CCCPH directives.
- Description of the process, personnel, and timeframes for completing hazard assessments.
- Description of the legal authority to implement corrective actions against water users if necessary to achieve CCCPH compliance.
- Description of the City's backflow program, tracking, and procedures for responding to backflow incidents.
- Description of the corrective actions the City will implement when a cross-connection exists and/or a backflow protection assembly requires repair/ replacement.
- Description of public outreach and education as required under the CCCPH.

In addition, the City is required to conduct an initial hazard assessment of the potable distribution system. The hazard assessment will identify actual or potential cross-connection hazards, the degree of hazards, and any backflow protection needed.

The SWRCB is the regulating authority over submitted cross-connection control plans. Following the City's CCCP submittal, the SWRCB will review and approve the plan. Due to the uncertainty of how long it will take to receive SWRCB's review comments and the potential need for assistance on CCCP revision, the proposed contract term is three years.

**DISCUSSION**

Specialized cross-connection control and backflow experience assistance are necessary to provide the City with the technical knowledge needed to develop the CCCP and guidance/recommendations on assessing the degree of hazard for potential site hazard assessments. Under the proposed contract, staff will be provided with recommendations for appropriate measures, programmatic standard changes, or both necessary to achieve and maintain CCCPH compliance in relation to the existing City processes and standards.

The City received two proposals in response to the RFP, which was announced on the City's website and Bidnet Direct. The two firms that submitted proposals were West Yost & Associates, Inc. and HydroCorp, LLC. The proposals received were evaluated based on disclosed evaluation criteria, which included a thorough understanding of the CCCPH, project approach, selected project team qualifications, demonstration of relevant experience, and financial feasibility. Staff recommends the selection of West Yost & Associates, Inc. for contract award of these services based on its detailed understanding of the scope of work, qualifications, relevant work history, and reasonable pricing of $103,158 with a 20 percent contingency of $20,632 for a total not-to-exceed amount of $123,790.

**EQUITY AND SUSTAINABILITY**

As a full-service municipality, the City provides a wide range of services and programs to meet the needs of all community members. Completing the Cross-Connection Control Plan will ensure the protection of the drinking water system from sources of contamination caused by cross-connections.

## OUTREACH

The RFP was posted on the City's website and Bidnet Direct as it is the City's standard practice.

## STRATEGIC PLAN ALIGNMENT

Approval of this action advances, in general, the ONE Pleasanton strategic plan goal of *Investing in our Environment*, Strategy 6 – Continue to implement priority items from the Climate Action Plan 2.0, Water Resources.

## FISCAL IMPACT

This project funding will be shared between the Recycled Water Operating Fund (425), which has $100,000 budgeted for this project, and the Water Operating Fund (420), which has $25,000 budgeted. This agreement will be charged to Professional Services (430101) object code, with 80 percent of the costs charged to Fund 425 and the remaining 20 percent charged to Fund 420.

| Prepared by: | Submitted by: | Approved by: |
| --- | --- | --- |
| Ryan Smith, Assistant Dir. of Public Works - Utilities | Siew-Chin Yeong, Director of Public Works | Gerry Beaudin, City Manager |

Attachments:

1. Professional Services Agreement Cross-Connection Control Plan and Hazard Assessments

# PROFESSIONAL SERVICES AGREEMENT
# CROSS-CONNECTION CONTROL PLAN & HAZARD ASSESSMENTS
# RFP PWD 24.202

**THIS PROFESSIONAL SERVICES AGREEMENT** ("Agreement") is entered into this ___ day of October 2024, between the **CITY OF PLEASANTON**, a municipal corporation ("City"), and **West Yost Associates**, whose address is 6800 Koll Center Parkway, Suite 150, Pleasanton CA 94566 and telephone number is 925.426.2580 ("Consultant").

## RECITALS

A. Consultant is qualified to and experienced to provide consulting services for Compliance with Cross-Connection Control Plan and Hazard Assessments in accordance with the State regulations, for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant's Services**. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in **Exhibit A**. Consultant shall provide said services at that time, place and in the manner specified in **Exhibit B**.

2. **City Assistance, Facilities, Equipment and Clerical Support**. Except as set forth in **Exhibit A**, Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in **Exhibit A** according to the terms and conditions set forth in **Exhibit A**.

3. **Terms**. This contract shall commence on the date written above and will expire three years from the date written above. The parties may extend this Agreement, by Amendment, for additional two (2), one-year terms, not to exceed five years for the total Agreement. The rates shall remain firm during the initial term of the Agreement, for the fourth or subsequent years of the Agreement, the cost of each one-year term may increase only by the change in the consumer price index for the San Francisco-Oakland-San Jose Metropolitan Area (all items index; all urban consumers) for the twelve-month period ending in August each year as published by the Bureau of Labor Statistics, U.S. Department of Labor. It is the sole responsibility of the contractor to provide the City with their new calculated rate sheet(s).

4. **Compensation**. City shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in **Exhibit B**. The payments shall be made on a monthly basis upon receipt and approval of Consultant's invoice. Compensation for services and reimbursement for costs shall not exceed **$123,790** for the term of this Agreement, which includes a 20% contingency for unforeseen circumstances and related extra services as determined necessary by the City. Payment of such contingency funds is not guaranteed to Consultant unless the City requests such extra services.

a. Invoices submitted to City must contain a brief description of work performed, with identified task if applicable, time used, personnel performing services and City reference number. Also included with the invoices is a tracking mechanism of the percentage of task completed in comparison to the available allocated dollar amounts per task. Rates included on the invoice must match the Fee Schedule/Rate Sheet on file with this Agreement. For all markups, all receipts and invoices must be submitted with invoice for reimbursement. Upon completion of work and acceptance by City, Consultant shall submit final invoice for payment.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

5. **Sufficiency of Consultant's Work**. All work product and all other documents prepared by Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

6. **Ownership of Work**. Both Consultant and City shall jointly own any and all work product created by the Consultant on behalf of City pursuant to this Agreement. Nothing herein shall result in the transfer of any ownership rights from Consultant to City for any previously created and/or copyrighted material owned by Consultant. To the extent that the work product created by Consultant for City incorporates any such previously created and/or copyrighted material into such work product, Consultant grants to City an irrevocable and unrestricted license to use such previously created and/or copyrighted material for City's internal use. The City shall ensure that these editable materials, including MS Word training PowerPoint presentations, are used only for City's internal use and, unless required by law, not released or made available via internet, on disk, or otherwise to anyone outside the City business operations.

7. **Changes**. City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

8. **Consultant's Status**. In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

9. **Termination for Convenience of City**. The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

10. **Non-Assignability**. The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon

such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors.

11. **Indemnity and Hold Harmless**. Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

12. **Insurance**. During the term of this Agreement, Consultant shall maintain in full force and effect, at its own cost and expense, insurance coverages with insurers with an A.M. Best's rating of no less than A:VII. Contractor shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Contractor's policies:

a. General Liability and Bodily Injury Insurance. Commercial general liability insurance with limits of at least $2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named as additional insureds under the policy as evidenced by an additional insured endorsement satisfactory to the City Attorney. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.

b. Automobile Liability Insurance. Automobile liability insurance with limits not less than $2,000,000 per person/per occurrence.

c. Workers' Compensation Insurance. Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least $1,000,000.

d. Professional Liability Insurance. Professional liability insurance in the amount of $2,000,000.

e. Certificate of Insurance. Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

f. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.

g. Defense Costs. Coverage shall be provided on a "pay on behalf of" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusions.

h. Subcontractors. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.

13. **Notices**. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

| | |
|---|---|
| To Consultant:___________________ | To City: City Manager |
| ___________________ | City of Pleasanton |
| ____________________ | P.O. Box 520 |
| | Pleasanton, CA 94566 |

14. **Conformance to Applicable Laws**. Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

15. **Licenses, Certifications and Permits**. Prior to the City's execution of this Agreement and prior to the Consultant's engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Pleasanton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

16. **Records and Audits**. Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

17. **Confidentiality**. Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

18. **Conflicts of Interest**. Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its

principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant's services under this Agreement. If such an interest arises, Consultant will immediately notify the City.

19. **Waiver**. In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

20. **Governing Law**. California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Alameda County.

21. **No Personal Liability**. No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

22. **Exhibits**. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. **Counterparts and Electronic Signatures**. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

24. **Scope of Agreement**. This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

**THIS AGREEMENT** executed the date and year first above written.

| **CITY OF PLEASANTON** | **CONSULTANT** |
|---|---|
| ___________________________ | By: ___________________________ |
| Gerry Beaudin, City Manager | Signature |
| ATTEST: | ___________________________ |
| | Print name |
| ___________________________ | |
| Jocelyn Kwong, City Clerk | Its: ___________________________ |
| | Title |
| APPROVED AS TO FORM: | |
| ___________________________ | |
| Daniel G. Sodergren, City Attorney | |

# EXHIBIT A
# SCOPE OF SERVICES

Tasks are broken down as follows:

1. Review the City's current backflow program, potable distribution system, relevant existing City standards, and composition of end-user types for classification of low and high-risk hazard potential.
    a. Evaluation shall take into account the potential for auxiliary water supplies (e.g. wells), pumping systems, or pressure systems, and existing standards for residential fire systems.

    b. Following review of City standards of applicable designs (e.g. residential fire protection systems, backflow prevention, etc.), consultant shall provide City with recommended changes, if any, to ensure compliance with the CCCPH.

2. Prepare the City's Cross-Connection Control Plan (CCCP) in time for submittal by the July 1, 2025, due date in compliance with CCCPH Chapter 3, Article 1, Section 3.1.4(b), the information acquired from Task 1, and any concurrent Hazard Assessments effort under Task 3.

    a. The responsible signatory of the City's CCCP will be the City's Utilities Manager.

    b. Advise on approach to address City's compliance with CCCPH Chapter 3, Article 2, Section 3.2.2(e) for existing residential fire protection systems without DC protection.
        i. City currently has an estimated 612 known parcels

    c. Advise and develop a public outreach and educational program for City's review/approval and inclusion under City's to be developed CCCP section 9, in compliance with CCCPH Chapter 3, Article 1, Section 3.1.3(a)(9).
        i. In Bidder "Fee Schedule" under Task 2, <u>include itemized line item</u> for services to provide community wide public relations/educational awareness for the City's implementation, if Bidder has the ability to provide such services. This may include general awareness brochures/handouts (electronic version), local press releases, web site content of program overview and resources.

    d. Prepare the draft CCCP for City review and comment no later than May 2025. Consultant may be requested to assist as technical support in informational meeting(s) at City Council or public workshops. Consultant shall incorporate comments from City into the final report ready for submittal prior to July 1, 2025.
        i. Include in consultant "Fee Schedule" how technical support assistance for public workshops or City Council meetings will be charged (e.g. hourly rate, if in-person is travel included).

    e. In developing the CCCP, the consultant shall prepare a template that can be used by the City in preparation of future updates.

3. Hazard Assessments: Advise on the hazard assessment approach, account type selection, conduct hazard assessments, and data management. Provide bid options for completing the hazard assessment **over a two-year time frame**. Consultant shall prioritize high hazard parcels within first year of implementation.

    a. In compliance with CCCPH Chapter 3, Article 2, Section 3.2.1, and the review conducted in Task 1; develop hazard assessment approach for City approval. The City's end-user customers services are broken down as follows:
        *i.* 19,967 Single-family residential
        ii. 525 Multi-Family Residential
        *iii.* 1,057 Commercial (majority with backflow protection)
        iv. 888 Irrigation (backflow protected)
        v. 158 Recycled Water (157 are dedicated supply for landscape irrigation, and 1 is for dual-plumbed domestic use with backflow protection and current with cross connection testing)

    b. Conduct hazard assessments for high hazard and suspected high hazard parcels. Consultant can either select to utilize City's hazard assessment form (**see Attachment II**) or provide option of consultant's recommended template/application.

    c. Develop and implement if recommended/requested by City, low hazard parcels assessments. At a minimum, provide cost estimate for development and implementation of a residential customer survey for the identification of residential parcels with high hazards.

    d. Consultant shall track the data obtained during all assessments by meter account number. Database of all records tracked will be provided to the City upon request and at the completion of the project.

    e. Review with City staff consultant's recommend approach(es) for addressing found hazards that require corrective action for informing the development of CCCP in Task 3, for City approval.

4. Additional Services, As-Needed requests made by the Project Manager:

    a. Provide assistance with conducting public workshop(s)/public outreach and/or City Council Meeting assistance with City staff, as-needed, to support the preparation, education, and communication of the City's Cross-Connection Control Program. (Include any additional travel expenses for in-person versus virtual participation on Fee Schedule related to this work.)

    b. Consultant shall include in proposal support to address comments the City may receive back from the State Water Board Division of Drinking Water following submittal, as well as any modifications/adjustment necessary to address new direction provided from State regulating body.

# 02 PROJECT APPROACH

## UNDERSTANDING

On December 19, 2023, the State Water Resources Control Board (SWRCB) adopted the Cross-Connection Control Policy Handbook (CCCPH). The CCCPH became effective on July 1, 2024 and replaced Title 17, the original statute governing cross-connection controls. The purpose of the CCCPH is the protection of public health by establishing standards to safeguard public water system from cross-connections and potential backflow or back-siphonage of water from end-users.

The CCCPH will build upon current Title 17 regulations and will include four new elements as shown below in red.

| CURRENT TITLE 17 ELEMENTS | CCCPH ELEMENTS |
|---|---|
| 1. Operating Rules and Ordinance<br>2. Conducting Surveys<br>3. Backflow Protection<br>4. One person trained in Cross-Connection Control<br>5. Establishment of Testing Procedures<br>6. Maintenance of Records | 1. Operating Rules and Ordinance<br>2. Conducting Hazard assessments<br>3. Backflow Protection<br>4. Cross-Connection Control Coordinator Identified<br>5. Backflow Assembly Testing<br>6. Maintenance of Records<br>7. Use of Certified Testers and Specialists<br>8. Backflow Incident Response<br>9. Public Outreach and Education<br>10. Local Entity Coordination |

The City of Pleasanton (City) is subject to the CCCPH requirements as the CCCPH and its standards apply to all California public water systems, as defined in California's Health and Safety Code (CHSC, section 116275 (h)).

The City's Request for Proposal addresses the following CCCPH requirements:

- Cross-Connection Control Plan Submittal (CCCPH Section 3.1.4): The City must submit to the SWRCB by July 1, 2025, a Cross-Connection Control Plan (CCCP) developed in consultation with a **cross-connection control specialist** to describe how the City will achieve and maintain compliance with the CCCPH.
- Initial Hazard Assessments (CCCPH Section 3.2.1): The City must conduct an initial hazard assessment of user premises within its services area. The assessment must determine backflow protection requirements of a premise based on the degree of hazard. Single-family residences are included in the hazard assessment process. Site hazard assessments must be conducted by a certified **cross-connection control specialist.**
- Public Outreach and Education (CCCPH Section 3.1.3): The City must implement a cross-connection control public outreach and education program element that includes educating staff, customers, and the community about backflow protection and cross-connection control.

As of the date of the RFP, the City's end-user customer services are as follows:

THE CITY OF PLEASANTON.

**Item #11**

**CITY COUNCIL AGENDA REPORT**

October 1, 2024
Community Development

**TITLE: RECEIVE INFORMATION AND DISCUSS OPTIONS AND OPPORTUNITIES FOR A PROGRAM TO SUPPORT AFFORDABLE HOUSING PROJECT(S) IN PLEASANTON**

## SUMMARY

The City Council recently expressed renewed interest in how the City can more proactively advance a program that would support the construction of a City-sponsored affordable housing development in Pleasanton. This report provides the City Council with information, options, and opportunities to discuss the development of a program to support affordable housing project(s) in Pleasanton.

To develop and implement this affordable housing program, the staff is seeking input and initial direction on a series of key items and discussion questions that will help inform the next steps and efforts.

## RECOMMENDATION

Receive information and discuss options and opportunities for a program to support affordable housing project(s) in Pleasanton.

## BACKGROUND

Pleasanton has an inventory of 1,267 affordable housing units, comprising 1,126 rental housing units and 141 ownership units located throughout the city. In the ONE Pleasanton Strategic Plan and the 2023-2031 Housing Element, the City committed to exploring creative ways and innovative avenues to continue to support the construction of affordable housing for residents and address homelessness.

City staff provided the City Council with a memorandum (Attachment 1) that includes a summary of how affordable housing units in Pleasanton have been funded and constructed to date. The memorandum also includes a survey of some of the programs, project types, and resources that serve as a menu of options for City Council consideration, that could be deployed to advance a program for a new City-supported affordable housing development, or developments, in Pleasanton.

As outlined in the memorandum, there are many different types of projects the City could pursue and support, each of which would differ in terms of funding, potential partnerships, location and other key elements. As a starting point to help direct next-step efforts, staff is seeking City Council input and direction on aspects such as the target population to be served by a project, the type of housing, and the use of City resources, specifically the City's Lower Income Housing Fund, and potentially City-owned land.

It is noted that all options and opportunities discussed in this report are focused on <u>affordable</u>

rental housing. This is a recommendation based on practical considerations, driven by the nature of available outside funding, and the types of projects that are going to be feasible; it is also a staff policy recommendation based on the much greater number and types of households that could benefit from this important investment of local funds. The input from this workshop will inform a broader discussion of policy priorities around the City's overall affordable housing strategy, which will be presented to the City Council in the future and will include use of the City's Lower Income Housing Fund as well as consideration of other programs or future partnership opportunities, such as those to support ownership housing.

**DISCUSSION**

As staff has detailed in the background memorandum, the City has directly and indirectly supported the development of affordable rental housing in various ways over recent decades. However, past support for the production of the city's affordable housing stock has generally occurred in one of three different ways:

1. Units constructed before the adoption of the City's Inclusionary Zoning Ordinance (IZO) in 2000, which were primarily achieved through negotiated agreements as part of large-scale residential developments.
2. Units provided under the requirement of the IZO as inclusionary units within market-rate projects.
3. Partnerships with non-profit affordable housing developers (sometimes in conjunction with the first two strategies) to construct affordable rental housing developments largely funded with federal and state Low-Income Housing Tax Credits (LIHTC) financing.

Most recently, significant increments of City resources have been deployed to three projects: The 131-unit Kottinger Gardens Phase 1 senior housing development, which was supported by an $11.17 million loan from the LIHF and a $450,000 HOME loan and a City ground lease; the 54-unit Kottinger Gardens Phase 2, which was supported also by a City ground lease and a $2.86 million loan from the LIHF and an allocation of $4.6 million in County Measure A1 funding; and the 31-unit Sunflower Hill at Irby Ranch development, to which the City contributed resources in the form of a ground lease of a developer-donated site, a $2.25 million loan and $1.25 million grant from the LIHF, and an allocation of $7.19 million in County Measure A1 funding.

City Council Discussion Questions

Since several years have elapsed since those projects were built, and with affordable housing needs a significant ongoing local concern, the City Council recently directed staff to evaluate the feasibility of the City initiating and potentially providing more substantial resources toward the development of an affordable housing project. As staff considers how to formulate an affordable housing program focused on City support or funding for one or more specific projects, staff is requesting City Council review and provide policy direction on the following discussion questions:

**1) What is the preferred target population(s) to be served?**

A key consideration for City-sponsored affordable rental housing development is the target population the housing would serve. As outlined in the background memorandum, the largest allocations of City resources on housing production have been somewhat unevenly focused, with a greater emphasis on senior housing, and housing for the developmentally disabled population, with a lesser focus on housing for lower-income families, those experiencing homelessness, and certain other target populations, such as veterans. Each of these populations has housing needs that are not well met in Pleasanton. As described in the memo, the target population would heavily influence the type of housing that would need to be built, and decisions such as site size, amenities, location, and related services, affect overall project costs and eligibility for various types of non-local funding.

**2) Should the City's focus be on a "quick build" project that could potentially be constructed at relatively low cost and address the most urgent housing needs, or on creation of more permanent and long-term housing solutions that come with higher costs and a longer period to plan, design, fund and build?**

As described in the background memorandum, cities have developed a number of "quick build" projects using non-traditional and innovative approaches (e.g., tiny homes, quick-build modular units). The key advantage of these projects is how rapidly and relatively less expensively they can be constructed, which is beneficial when considering populations with particularly critical needs, such as those experiencing homelessness. However, such projects generally require the donation of a site (whether a City property or one donated by a non-profit or religious organization) as well as ongoing funding for costs of operation and provision of services. Additionally, in some circumstances and locations, housing projects for homeless residents could generate neighborhood concerns that must be addressed.

On the other hand, while traditional, stick-built projects may generate fewer such concerns, and create a permanent stock of new units, they are substantially more expensive to build, typically requiring several years to plan and design, to assemble funding, and to construct. And, because permanent housing typically demands a project size (75+ units) and high-density, multi-family building types to be financially feasible and competitive for necessary funding, projects can also cause neighborhood concerns around perceived project impacts.

**3) What City resources should be considered to support a project?**

The obvious manner in which the City could support an affordable housing project would be by allocating a portion of the existing Lower Income Housing Fund (LIHF) balance, which is a fund restricted for this purpose. However, the City Council could also direct staff to explore potential use of City-owned land via a ground lease arrangement, allocation of formula-based allocations of state and federal funds, and in-kind support such as waiver of fees or other City-levied charges, or support through entitlement (e.g., completion of the CEQA document). As discussed at length in the background memo, the substantial costs associated (in particular) with housing construction mean that any project will realistically rely on several funding sources, of which local funds may end up being a small fraction.

There is currently more than $14 million in the Lower Income Housing Fund, and the LIHF balance is projected to increase significantly (to $18-$20 million) once several approved housing projects in the pipeline pay their required affordable housing fees in accordance with the IZO requirements. However, it is noted that the City annually allocates LIHF to various housing programs and to cover City administration costs, and there may be benefit in holding back an increment of the available funds to allow the City to take advantage of (as yet unforeseen) opportunities for partnerships or investments in affordable housing, subject to development of a future strategy and/or policy guidance to evaluate such requests (see discussion below).

**4) Is there any other analysis or information the City Council would like to have to inform a decision on how best to proceed?**
Depending on City Council interests, there may be other information that would be beneficial for staff (or outside experts) to provide and/or to help to clarify questions or options under consideration.

Next Steps
After the City Council provides direction on each of the considerations described above, City staff will develop the elements of the program toward the identified goals, with the expectation the City Council would then review and consider that more detailed plan of action.

Regardless of the option(s) selected, and assuming there would be majority City Council support to move forward with the program, staff would anticipate a key eventual outcome to be the release of a Notice of Funding Availability (NOFA) for the creation of affordable rental housing in Pleasanton. The NOFA would be a solicitation for interested and qualified affordable housing developers, or development teams, to submit proposals to the City for evaluation in accordance with any policies or program guidelines developed by the City.

Related follow-up actions, as part of the development of the NOFA, might include evaluation and identification of prospective City- or public agency-owned sites, as well as further policy discussions around aspects such as funding amounts to be allocated and additional information sharing or research to be provided to respond to City Council and/or community questions and concerns.

Affordable Housing Strategy
A decision to move forward with a City-supported affordable housing project would involve the commitment of a (likely substantial) portion of the LIHF balance. However, it cannot constitute the entirety of the balance, since there are existing and ongoing annual expenditures (e.g., as part of the Housing and Human Services Grant program) that should be accounted for. Further, it may be prudent to retain an additional increment of the LIHF balance as a reserve, to provide the City with the ability to respond to opportunities to financially support other affordable housing projects and programs that might be proposed, whether in Pleasanton or, as has been the case in recent years, by one of the City's Tri-Valley partners. It would be beneficial to have clear guidance from City Council on the priorities, criteria and expectations around use of City staff, financial, and other resources to support affordable housing, both to assist in evaluating future requests for use of City housing funds and other resources, as well as in directing staff efforts in pursuit of outside grant funding and similar opportunities. Staff would propose to present this strategy, reflective of direction from this meeting, for discussion and input at a future meeting.

## EQUITY AND SUSTAINABILITY
This workshop directly implements the Housing Element that serves as the City's strategy for addressing its housing needs for all residents at all income levels. There are several programs (Programs 1.5, 2.1, 2.9, 2.11, 5.2, and 5.5) in the 2023-2031 Housing Element aimed at directly creating affordable housing throughout the City for various populations and needs. Additionally, Housing Element Policy 2.1 is to use the Lower Income Housing Fund (LIHF) to support the production of affordable housing for extremely low-, very low-, and low-income households. Attachment 1 provides more detail on those specific Housing Element policies and programs.

## OUTREACH

No outreach was conducted for the workshop, since this initial item is to solicit initial City Council input on opportunities to develop a program around production of affordable units in Pleasanton. If the effort proceeds, formulation of the program would include an outreach effort to stakeholders and community members with interest in this topic or a specific future project.

## STRATEGIC PLAN ALIGNMENT

This effort helps to implement the ONE Pleasanton Strategic Plan strategic goal of *Building a Community Where Everyone Belongs*, Strategy 6 - Implement the Housing Element and develop a plan to end homelessness and provide opportunities for additional housing and shelter in Pleasanton. This initiative, if pursued by City Council, would also address Strategy 10 to establish a partnership with a non-profit developer to secure a site and develop an affordable housing project.

## FISCAL IMPACT

There is no fiscal impact as an outcome of this discussion. If work proceeds, staff would provide more detailed analysis with respect to City financial and other resources that may be dedicated to the program. It is noted that the most likely source of City funds, if any, would be the Lower Income Housing Fund (LIHF), the use of which is restricted to expenditure on affordable housing-related programs and projects.

| Prepared by: | Submitted by: | Approved by: |
|---|---|---|
| Steve Hernandez, Housing Division Program Manager | Ellen Clark, Director of Community Development | Gerry Beaudin, City Manager |

Attachments:

1. Background Memo to City Council: City-Supported Affordable Housing
2. Presentation - City Supported Affordable Housing Project

ATTACHMENT 1

THE CITY OF PLEASANTON

# MEMORANDUM

**Date:** September 20, 2024

**To:** Mayor and City Council

**From:** Gerry Beaudin, City Manager
Ellen Clark, Community Development Director

**Subject:** City-Supported Affordable Housing: Background Memorandum

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**Introduction**

The City has a long-standing commitment to supporting the provision of affordable housing in Pleasanton, providing direct and indirect financial and other support for numerous projects and programs over past decades. More recently, the City Council has expressed interest, reflected in the ONE Pleasanton Strategic Plan and in a range of policies and programs in the 6th Cycle Housing Element, to more proactively advance a program that would support the construction of affordable housing units in Pleasanton.

To provide more context on the range of options available when considering how to effectively direct such a program and deploy the resources available to the City, this memorandum provides:

- A summary and overview of affordable housing development in Pleasanton over time, including units provided with City financial and other assistance;
- An overview and some case studies of the projects and housing types that have been successfully produced or secured with local funding assistance; and
- Strategies and financial resources available to facilitate affordable housing production.

**ONE Pleasanton Strategic Plan and Housing Element Alignment**

ONE Pleasanton Strategic Plan

The City Council adopted the City's first five-year citywide strategic plan, ONE Pleasanton, in October 2023. The ONE Pleasanton strategic plan includes Goal E: Building a Community Where Everyone Belongs, which includes strategies around developing a plan to end homelessness, increasing opportunities for shelter and affordable housing in Pleasanton, and even more particularly, establishing a partnership with a non-profit developer to secure a site and develop an affordable housing project.

2023-2031 Housing Element

The 2023-2031 City Council adopted, and State-certified Housing Element includes several programs and policies aimed at directly creating affordable housing throughout the city for various populations and needs, including the following:

- Program 1.5: Acquire and/or assist in the development of one or more sites for housing affordable to lower-income households, including a focus on extremely low-income households. Specific actions the City will undertake to pursue this effort include […]:

    5. When land becomes available to the City, reserve suitable sites for non-profit organizations to build below-market rate housing that includes a mix of unit sizes, including a proportion of three-bedroom units for large households (if the project is not age-restricted), in addition to smaller units for smaller households. To encourage a high proportion of affordable units on such sites, the City may issue a Request for Proposals in conjunction with non-profit or for-profit housing developers for development providing at least 20 percent of the units to very low-income households and 20 percent of the units to low-income households.

    6. Facilitate funding of site acquisition and project construction for appropriate sites through strategies such as issuance of tax-exempt bonds, and other financing mechanisms, to finance the construction of housing units affordable to extremely low-, very low- and low-income households, to purchase land for such a use, and to reduce mortgage rates.

- Policy 2.1: Use the Lower-Income Housing Fund (LIHF) to support the production of and access to extremely-low, very-low, and low-income households with a range of specific allowable uses of the LIHF listed, ranging from providing seed money or supplemental funding for projects funded with state and federal grants; purchase of land and construction, housing rehabilitation, and other direct and indirect assistance to renters and homebuyers.

- Program 2.9: Seek County, State and Federal assistance for the development of housing to meet the housing needs of households with extremely low, low and very low incomes as well as those with disabilities.

- Program 2.11: The City will analyze and explore State programs and/or potential public/private partnerships with major employers to acquire existing market-rate housing units or develop new housing units to create moderate or workforce housing (available to households with incomes at 80 percent to 120 percent of AMI).

- Program 5.2: Continue to dedicate funding and staff resources to support regional and subregional efforts to address homelessness. Ongoing programs may include […..]:

    2. Allocating funding as available and as opportunities arise, to support innovative programs to provide shelter to homeless individuals.

- Program 5.5: Assign a portion of the City's Lower-Income Housing Fund for housing projects which accommodate the needs of special housing groups such as for persons with physical, mental and/or developmental disabilities, and persons with extremely low incomes and experiencing homelessness.

**What is Affordable Housing?**
The U.S. Department of Housing and Urban Development (HUD) defines "affordable housing" as housing on which the occupant pays no more than 30% of gross income for housing costs, including utilities. "Affordable housing" also generally means housing affordable to lower-income households, with income at or below 80% of the Area Median Income (AMI) for rental housing developments; affordable homeownership programs more typically target households with income up to 120% of AMI.

Pursuant to State law and other requirements, affordability is classified into several brackets, defined on the basis of a household's income as a proportion of the County AMI. Those brackets and respective income limits for Alameda County are shown in Table 1.

**Table 1: Affordability and Income Limits for Alameda County, 2024**

| | **MAXIMUM ANNUAL INCOME** | | | | | |
|---|---|---|---|---|---|---|
| ***Persons in Household*** | Extremely Low ***(30%)*** | Very Low ***(50%)*** | Low ***(60%)*** | Low ***(80%)*** | Median ***(100%)*** | Moderate ***(120%)*** |
| **1** | $32,700 | $54,500 | $65,400 | $84,600 | $109,000 | $130,800 |
| **2** | $37,400 | $62,300 | $74,730 | $96,650 | $124,550 | $149,500 |
| **3** | $42,050 | $70,100 | $84,090 | $108,750 | $140,150 | $168,150 |
| **4** | $46,700 | $77,850 | $93,420 | $120,800 | $155,700 | $186,850 |
| **5** | $50,450 | $84,100 | $100,890 | $130,500 | $168,150 | $201,800 |
| **6** | $54,200 | $90,350 | $108,360 | $140,150 | $180,600 | $216,750 |
| **7** | $57,950 | $96,550 | $115,830 | $149,800 | $193,050 | $231,700 |
| **8** | $61,650 | $102,800 | $123,300 | $159,500 | $205,500 | $246,650 |

*Derived from the Oakland-Fremont, CA HUD Metro Fair Market Rate (FMR) Area most recent median income level for a family of four (*). The Oakland-Fremont FMR Area includes Alameda and Contra Costa counties.

For rental and for-sale housing, the household income limits are used to establish the maximum "affordable" monthly rent or home sales price, taking into account various housing costs. For rental projects, housing costs include utilities and a monthly rent; for ownership projects, housing costs include the monthly mortgage payment, property taxes and insurance, and other typical costs of home ownership.

Examples of affordable maximum monthly rents are provided in Table 2, below. It is more complicated to assess maximum affordable home prices since those cover a broader range of cost factors (e.g., interest rates, insurance costs) that can vary significantly over time.

However, by way of example, the two most recently sold Below-Market Rate single-family units in Pleasanton were priced at $360,450 (a 3-bedroom/2.5-bathroom unit, at 80% AMI sold in 2022) and $550,511 (a 2-bedroom/2.5-bathroom, at 120% AMI, sold in 2023). Note that the two-bedroom unit was more expensive than the three-bedroom unit, based on when the units were previously sold – the smaller unit had previously been sold more recently than the larger unit. Its price with allowable adjustments was correspondingly higher.

**Table 2: Example Affordable Rents**

| | **MAXIMUM MONTHLY RENT** | | | | | |
|---|---|---|---|---|---|---|
| ***Size/Type*** | Extremely Low | Very Low | Low | Low | Median | Moderate |
| ***of Unit*** | ***(30%)*** | ***(50%)*** | ***(60%)*** | ***(80%)*** | ***(100%)*** | ***(120%)*** |
| **Studio** | $818 | $1,363 | $1,635 | $2,115 | $2,725 | $3,270 |
| **1 BR** | $935 | $1,558 | $1,868 | $2,416 | $3,114 | $3,738 |
| **2 BR** | $1,051 | $1,753 | $2,102 | $2,719 | $3,504 | $4,204 |
| **3 BR** | $1,168 | $1,946 | $2,336 | $3,020 | $3,893 | $4,671 |

Affordable housing units are deed-restricted (i.e., legally limited through recordation of a restriction against the property) to income-eligible individuals or households, typically for a period of no less than 55 years. Local ordinances may require longer periods, as in the case of the City's Inclusionary Zoning Ordinance, which requires affordability in perpetuity.

Affordable housing developments fall into a broad range of types: they may include for-sale or rental, single-family or multifamily (apartment) units. And those units can serve different populations, including seniors, families, formerly unhoused individuals, veterans, or people with disabilities, often with services for residents included ("supportive housing"). Affordable housing may also be intended for permanent or transitional (temporary) use, be located as a subset of units within a larger, market-rate project, or be within a dedicated, 100% deed-restricted property. These options are discussed in more detail below.

**History of Affordable Housing Development in Pleasanton**

There are currently 1,104 affordable rental housing units in Pleasanton, located among 16 housing projects and 141 affordable ownership units. Another 22 "units" (rooms) are located within group homes operated by Tri-Valley REACH. **Attachment A** provides a comprehensive summary of the City's below-market rate (BMR) inventory.

*Rental Units*
All of the more than 1,100 BMR rental units are owned and managed by entities other than the City. However, the City's Housing Division monitors these properties to ensure their ongoing affordability and compliance with the applicable regulatory agreements.

**Table 3** summarizes the income restriction levels for existing BMR rental housing units. As shown, most of the units are deed restricted in the Very Low (30-50% AMI) and Low Income (51%- 80% AMI) categories, in approximately equal measure.

**Table 3: Summary of BMR Rental Units in Pleasanton**

| Total | 30% AMI | 40% AMI | 50% AMI | 60% AMI | 80% AMI | 120% AMI | Unrestricted Staff Units |
|---|---|---|---|---|---|---|---|
| ***1,073*** | 13 | 45 | 442 | 59 | 505 | 31 | 2 |

*For Sale BMR Units*
Although affordable rental units make up the largest part of Pleasanton's affordable housing stock, there are 141 affordable homeownership units in the City, most developed as inclusionary units (negotiated before the adoption of the Inclusionary Zoning Ordinance (IZO) or required in conjunction with the Ordinance). The City's 141 BMR homeownership units are distributed among 13 residential developments throughout the city. The first of these units were constructed in 1992, and most of the units were provided between 1990 and 2010, with the exception of 10 units provided as part of the Andares townhome project in 2017 and a single unit provided in 2015 as part of a 10-unit project on Vineyard Avenue.

As shown in Attachment A, 57 of the existing ownership units are deed-restricted at 100-120% AMI (moderate), with 79 units at 80% AMI (low), and 5 at 50% AMI (very low).

*How has Affordable Housing Been Constructed in Pleasanton?*
The City has contributed to the development of affordable rental housing in a number of different ways; however, the units produced generally resulted from three different key approaches:

<u>1) Units Secured Prior to Adoption of the Inclusionary Zoning Ordinance</u>
Before the adoption of the IZO in 2000, affordability restrictions were negotiated by the City through conditions of approval, on an ad-hoc basis, as part of large-scale residential developments. Projects secured in this manner include Ridge View Commons (1988), Division Street Senior Apartments (1994), and Promenade Apartments (1996).

In addition to providing loan financing for Ridge View Commons and Promenade Apartments, the City also supported the development of these properties through long-term ground leases of the underlying City-owned property. The City provided Ridge View Commons with two City loans: a $4 million Housing Development Grant (HDG) Loan using federal funds granted to the City by the U.S. Department of Housing and Urban Development (HUD), and a $2.457 million loan that used the City's Lower Income Housing Fund (LIHF). For Promenade, the City utilized $2.2 million from the LIHF to purchase the property. Also, it provided two loans ($2,16,576 from the LIHF and $432,000 in federal HOME funds) to assist with construction financing.

2) Units Secured based on Requirements of the Inclusionary Zoning Ordinance
Adoption of the IZO in 2000 instituted a requirement for all larger residential developments to provide an increment of affordable housing, with other projects subject to payment of a fee. The City often negotiated the specifics of the affordable units provided through the IZO, and on occasion opted to collect fees or offer other flexibility to projects for compliance with the Ordinance. This was most often seen in for-sale projects, and since recent rental housing projects have individually tended to comprise a larger total number of units, the majority, although not all, units secured through the IZO are rental units. Today, there are more than 300 inclusionary units within a range of market-rate projects including at Park Hacienda (2001), Civic Square Apartments (2011), Anton Hacienda (2015), Galloway at Owens (2016), Mason Flats (2016), and Galloway at Hacienda (2017).

3) Affordable Housing Projects, Developed through Public/Private Partnerships
This final set of projects was generally achieved with some contribution of City resources or support. This has included projects with ground leases of City-owned property, supported by local funds from the City's Lower Income Housing Fund (LIHF), federal HOME funds, or regional Measure A1 funds, as well as federal and state Low-Income Housing Tax Credit (LIHTC) financing.

Projects developed through such partnerships include Kottinger Gardens Phase 1 (a 2017 redevelopment of an existing affordable senior housing project), Kottinger Gardens Phase 2 (2019), and the Sunflower Hill project (2020), which was a site donated to the City as part of the Irby Ranch subdivision and developed with a ground lease and financial support from the City as well as a range of other funding sources.

Generally, properties developed by market-rate (for-profit) developers have a mix of market-rate and BMR units (e.g., Park Hacienda, Civic Square, Anton Hacienda, Galloways, and Mason Flats). In contrast, those properties owned and managed by nonprofit developers and/or through ground lease arrangements are typically 100% affordable (e.g., Ridge View Commons, Kottinger Gardens, and Sunflower Hill).

The City has also contributed funds to support affordable rental housing development outside of Pleasanton. In 2003, the City provided a $80,000 loan using federal HOME funds to support the construction of Lorenzo Creek Apartments, a 28-unit affordable rental housing community for formerly homeless and individuals with disabilities in Castro Valley. More recently, funding has also been provided to support projects in Livermore, including the Goodness Village and Vineyard 2.0 transitional housing projects.

Target Populations Served in City-Supported Housing Projects
Of the16 deed-restricted properties in Pleasanton, 7 properties, with approximately 660 units (60% of the total) are for seniors 62 years and older in 100% affordable developments, while the remaining units (40% or 413 units) are inclusionary units for non-seniors in mixed-income developments.

As described above, these 100% senior affordable projects have historically been supported through ground leasing of City-owned land to the developments: deed-restricted senior projects supported in this manner include Ridge View Commons (200 units), Parkview Apartments (105 units), and Kottinger Gardens Phase 1 (135 Units).

Sunflower Hill is an affordable rental housing community for individuals with developmental disabilities the City supported with a ground lease (of land donated to the City by a private developer) and with $4 million in Affordable Housing funds and $7.19 million in the City's allocation of Alameda County Measure A1 Housing Bond funds (Measure A1 funds)[1].

There are certain target populations or project types that have never been directly funded by the City: they include housing dedicated to veterans and transitional housing for unhoused and/or formerly homeless residents. Also, while inclusionary units and those secured in mixed-income projects have provided important housing opportunities for lower-income (non-senior) individuals and households, no dedicated affordable family rental housing project in the community has ever been directly funded by the City.

There is an opportunity to serve these underserved populations, and potentially improve the supply of housing affordable to lower-income families, which is a population under-represented in the current affordable housing stock. There has also been past interest in supporting workforce housing or housing for the "missing middle" (generally, for households earning between 80-120% AMI, a target income bracket that is often ineligible for government subsidies). Finally, per the initial 2024 Point in Time Count (PIT) preliminary data recently released by Alameda County, there are approximately 69 individuals experiencing homelessness in Pleasanton. –There is a need and an opportunity to improve housing options for these unhoused members of the community, particularly in conjunction with supportive services and programs that can address the unique needs of this population.

**Affordable Housing Opportunities – Housing Types and Target Populations**
As the City considers investing resources into affordable housing, a key consideration will be the target population the housing would serve.

The type of housing built frequently corresponds to the needs of that population in terms of unit types as well as services, amenities, location, and other characteristics. For example, senior housing usually comprises smaller units and may provide space for group activities, meals or socializing, or on-site medical and personal care services. Family housing will typically comprise larger, multi-bedroom units, with outdoor spaces and play areas for children.

Affordable housing can be intended for long-term (permanent) or short-term (transitional) use. It may include services to help people at risk of homelessness or transitioning out of homelessness live more stable lives. Transitional, or temporary supportive housing, helps people experiencing homelessness find stability and move into permanent housing. These buildings typically consist of smaller unit sizes, which may have private or shared bathrooms, and range from emergency shelters to longer-term transitional housing programs. All have specific time limits for occupancy, usually ranging from a few months to a few years. Services offered in conjunction with these projects could include employment counseling, healthcare, mental health care, and/or substance use counseling and treatment.

[1] The 2016 voter-approved passage of the Alameda County Measure A1 Housing Bond resulted in the City of Pleasanton being awarded more than $13.7 million in "Base City Allocation" that may be used for the development of affordable rental housing.

In all cases, affordable housing projects benefit from being located near services and transit so that residents who may have limited or no access to a private vehicle can meet their basic needs, or travel to other locations.

**Affordable Housing, Construction Types**

*Traditional or Stick-Built Permanent Construction*

Traditional “stick-built” (constructed on-site) construction is the most common way to build affordable housing, but also the most costly. California has high construction costs due to the cost of materials, stringent energy, and seismic design standards, and, in the case of publicly-funded projects with complex multi-layered financing and lengthy build periods (typically 12-18 months or longer), higher labor costs due to requirements to pay prevailing wages. However, these types of permanent units can provide housing opportunities over the very long-term, including over many decades. To date, all the City-restricted properties in Pleasanton were built using traditional construction.

While stick-built construction remains the most common form of providing permanent affordable housing, other construction methods for multi-family housing have been gaining popularity, primarily due to cost-effectiveness and shorter construction timelines. Modular construction is a process in which a section of a building is constructed off-site and that prefabricated component, comprising repeated sections called modules, is delivered and installed onsite. Modular construction is known for its speed, resulting in shorter schedules and significantly reduced construction costs.

In terms of project characteristics, permanent affordable units, whether stick-built or modular construction, are costly to build. A survey of recently completed affordable housing projects that (among other sources) utilized County Measure A1 funds, showed typical construction costs for range of projects built in the last 1-4 years, to be between more than $700,000 and over $1million <u>per unit</u> to construct.[2] The Sunflower Hill Project in Pleasanton, with a total construction cost of approximately $751,000 per unit, falls within this range.

As a result, affordable housing projects typically require a “mosaic” of funding – local funds, grants, tax-credit financing, developer contributions, or other outside sources. Further, because of high costs and typical funding program requirements, permanent, stick-built housing most commonly provides a relatively large number of units (75+) to achieve economy of scale and be a competitive project applying for tax credit funding, and, depending on parking requirements and other on-site needs, requires a site of at least 1-2 acres to construct.

*Short-Term/Temporary and Pre-Fabricated Units*

In recent years, many communities have sought even more rapid and cost-effective ways to meet their most critical housing needs, particularly with respect to housing opportunities for the populations experiencing homelessness. An innovative solution embraced by a number of Bay Area communities has been the use of converted, non-traditional pre-fabricated units – such as “TufSheds” or shipping containers, to create short-term housing, typically sited on public land, and with basic amenities and services provided in mobile/modular units on site.

[2] Source: https://measurea1.acgov.org/rental-project-summaries/

Tiny homes are another, more cost-effective, and rapid affordable housing solution. Goodness Village in Livermore consists of 28 single occupancy 160 square foot tiny homes available onsite at the CrossWinds Church grounds. Each home includes a restroom, shower, kitchenette, HVAC, and a porch. The 28 tiny homes were constructed with a $3 million development budget from the Alameda County, and with support from the Tri-Valley cities, including an allocation of funding for operation from Pleasanton, opened in June 2021.

*"Quick Build" Permanent and Semi-Permanent Construction*

Finally, a hybrid model has emerged, particularly in transitional housing, that uses "quick-build" techniques to construct new units cost-efficiently. Such units may or may not be intended to remain on the site permanently. However, they generally have a longer lifespan than the above-described temporary housing types, such as tiny homes (discussed more below).

An example of this type of "quick build" modular project is Dignity Village in Alameda, an interim supportive housing community consisting of 47 138-square foot units with private bathrooms in a two-story building with auxiliary buildings with staff offices, training rooms, a dining room, kitchen, and guest storage. Outdoor amenities include a community garden, pet relief area, and an ADA-accessible deck. The City of Alameda owns the land and ground leases it to DignityMoves which constructed Dignity Village to serve 61 formerly homeless individuals with 5 units specifically set aside for homeless youth aged 18-24. The project was constructed in only 8 months in 2023 at a total cost of $16.1 million, including an initial city contribution of $10,855,995 toward the development and operations of this project.

*Acquisition and Repurposing of Existing Buildings*

"Conversion" is a creative method to convert an underutilized property into affordable, long-term rental housing. The Vineyard 2.0 project in Livermore converted the Vineyard Christian Fellowship Church property into a 24-unit community resource center for formerly homeless clients that includes shower and laundry services, mailboxes, temporary overnight shelter, and a commercial-sized kitchen for Open Heart Kitchen to operate its kitchen and dining room services.

The State's Project Roomkey program was established in March 2020 as part of California's response to the COVID-19 pandemic to provide funding for non-congregate shelter options, such as hotels and motels, for people experiencing homelessness and recovering from/having been exposed to COVID-19. As the pandemic evolved, this program evolved into the Homekey program," which awarded grant funding to local cities to convert commercial properties, specifically motels and hotels, to permanent or interim housing for individuals experiencing homelessness.

Homekey projects in Alameda County includes the Imperial Inn in Oakland that was converted into 48 permanent housing and the Nimitz Motel in San Leandro that converted into 29 interim housing units. The units generated are often known as "Single-Room Occupancy" or SRO developments and may include private or shared bathrooms and/or kitchen facilities for residents.

## Local Resources and Financing for Affordable Housing

Developing, producing, managing and maintaining any form of affordable housing is complex and costly. As a result, local jurisdictions rarely undertake affordable housing projects alone, with projects most commonly developed with multi-party partnerships and development teams, often with a non-profit builder or organization in the lead.

*Funding and In-Kind Financial Support*
Local resources available to the City to support affordable housing include funding (loans, grants, or other direct financial support from the Lower-Income Housing Fund), but could also include land owned (or acquired) by the City and offered as a site for a qualifying affordable project to a third-party developer. The City can also financially support affordable projects by waiving or reducing certain fees or permit costs, taking on entitlement costs or development (e.g., preparation of site surveys, extending utilities, development of a CEQA document), or other similar strategies.

*Lower Income Housing Fund (LIHF)*
The City's IZO provides the option to collect a fee from housing developers in lieu of providing affordable units on-site at the discretion of the City Council. Per the City's Affordable Housing Fee ordinance (PMC Chapter 17.40), non-residential developments, including retail, hotel/motel, office, and industrial, must also pay affordable housing fees. These "in lieu fee payments", or affordable housing fees, are collected into the City's Lower Income Housing Fund (LIHF).

The City has collected between approximately $1.75 million-$2.35 million per year in the fund in the past three years (FY21-23); considering offsetting expenditures, which include spending on housing programs and administration, the fund has grown annually by between approximately $685,000 and $1.26 million in the same period. The current LIHF balance stands at approximately $14 million.

The majority of the City's LIHF funds expended towards housing production to date have been used to award loans to non-profit affordable housing developers to build or preserve affordable housing. In turn, affordable housing developers have used the LIHF funds to leverage millions of dollars in tax credit financing and other regional (Measure A1 funds), and state, and federal (HOME) funds. Recent examples of such partnerships include MidPen Housing's reconstructions of Kottinger Gardens I & II and Satellite Housing (SAHA)/Sunflower Hill's development of the Sunflower Hill project.

*City-Owned Land*
The land is a significant contributor to development costs. The City is currently evaluating City-owned properties that could be developed into housing and considering other suitable sites owned by outside organizations and public entities such as the school district, Caltrans, and/or private owners. It is important to note that any disposition of City-owned or public land for development purposes must comply with the State Surplus Land Act (Gov. Code, §§ 54220-54234) which prioritizes affordable housing development.

In staff's initial evaluation, while the City owns several individual parcels and properties in Pleasanton, many are subject to restrictions that limit or preclude residential uses; others may be unsuitable or undesirable due to location, size, or other constraints or be more appropriate for other types of development opportunities. Nonetheless, as a future task, and if there is interest in further exploring the development of a housing project on City-owned property, a more thorough assessment would be developed.

*Other Locally-Controlled Funding Sources*
In addition to the LIHF funds, there are several other local resources within the City's control that could be allocated to support affordable housing development in Pleasanton, including:

<u>HOME Investment Partnerships (HOME) Program</u>
Pleasanton participates in the Alameda County HOME Consortium along with the cities of Alameda, Fremont, Hayward, Livermore, San Leandro, Union City, and Alameda County Urban County (consisting of the cities of Albany, Dublin, Emeryville, Newark, Piedmont, and unincorporated Alameda County). Consequently, the City is a HOME Subrecipient that receives a HOME allocation annually from the County of Alameda, which is a HOME-entitlement jurisdiction. The City has allocated its HOME funds to affordable housing developments such as Kottinger Gardens Phase 1 and Promenade Apartments in the past; however, in recent years, this funding has been allocated to housing programs. Pleasanton's FY2024/25 HOME allocation is approximately $122,000 – because of the relatively modest funding allocation, Pleasanton has historically used HOME funds toward housing programs, such as the Rapid Rehousing program that provides short-term rental assistance that is a gradually reducing rental subsidy and services with the goal of helping people obtain housing quickly, increase self-sufficiency, and stay housed.

<u>Alameda County Measure A1 Funds</u>
As previously noted, Pleasanton's Base City Allocation from the 2016 $580 million countywide Measure A1 Bond was $13,720,684. The City allocated $4.46 million to Kottinger Gardens Phase II and $7,195,844 to Sunflower Hill. City staff is coordinating with Alameda County staff to allocate the remaining $552,772 remaining balance to the construction of a 2-bedroom, 2-bath Accessory Dwelling Unit (ADU) for Tri-Valley REACH and its Pleasanton clients with developmental and intellectual disabilities. The Measure A1 funds have all essentially been expended. However, Alameda County Housing & Community Development is assessing the possibility of placing another initiative on the 2026 ballot to extend the Measure A1 bond funds. This could potentially be another viable funding source for an affordable rental housing project in Pleasanton.

<u>Homekey+</u>
The California State Housing and Community Development (HCD) department plans to use $2.2 billion in funding from the passage of Proposition 1[3] to expand on the success of its Homekey Program. HCD is working toward releasing a Notice of Funding Availability (NOFA) in late 2024, accepting applications in early 2025, and announcing awards in summer 2025.

<u>Other Potential Funding Sources</u>
In March 2024, California voters passed Proposition 1, which includes the Behavioral Health Services Act (Senate Bill 326) and the Behavioral Health Infrastructure Bond Act (BHIBA) of 2024 (Assembly Bill 531), authorizing a $6.38 billion general obligation bond to help provide treatment, housing, and care facilities for Californians experiencing mental health conditions and substance use disorders. The Department of Housing and Community Development will

[3] Proposition 1 was a two-part general obligation bond measure that was approved by California voters on March 5, 2024. It allocated $2.2 billion to fund supportive housing for veterans and individuals at risk of or experiencing homelessness with behavioral health challenges.

oversee a portion of the available funding—up to $2 billion –through a separate Notice of Funding Availability, with more information coming later this year.

While the $20 Billion Bay Area Housing Finance Authority (BAHFA) Affordable Housing Bond, a general obligation bond measure for the production and preservation of affordable housing, was recently withdrawn from the upcoming November 5 general election ballot in all nine Bay Area counties, it is expected that BAHFA will continue to work diligently to get this bond measure on the 2026 ballot, which could be a meaningful source of funding for a Pleasanton affordable rental housing project.

*Public Agency and Non-Profit Partnerships*

Finally, there may be opportunities to partner with outside organizations to facilitate an affordable housing project. For example, religious/faith-based institutions (churches) own several large sites in Pleasanton that could be potential housing sites. Religious organizations are often mission-aligned with addressing poverty and homelessness in the community and have frequently served as partners to either locate services (e.g., a food pantry was operated at the Muslim Community Center during COVID), or to donate or lease sites for affordable housing. As described above, Goodness Village was constructed on the CrossWinds Church property, and the Vineyard 2.0 project located at the site of the Vineyard Christian Fellowship, both in Livermore.

Another potential partner is PUSD, who, during the Housing Element process, expressed interest and a commitment to supporting the construction of affordable teacher housing as part of the redevelopment of its downtown property. While no recent discussion has been held with the School District on this concept, several recent State laws could help facilitate this type of housing. These include SB1413 (The Teaching Housing Act), AB 2295 which permits school district employee housing “by right” on district-owned property, and AB 1157, which relieves school districts of certain requirements under the Surplus Land Act when using property for affordable teacher housing,

*Private Development Partners*

In addition to the above public/religious institution partners, the City will continue to implement its Inclusionary Zoning Ordinance and, through that mechanism, may be able to pursue public/private partnerships with private owners of large, vacant, or underutilized land suitable for housing development. For example, if the owners of properties in East Pleasanton or at Stoneridge Mall are required to collectively provide a significant number of affordable housing units, there may be an opportunity to partner with the City or an affordable housing developer to build a clustered affordable housing project, within the subject property or elsewhere. While the expectation would be that developers would fully meet their obligations under the IZO, a partnership with the City could help to deepen affordability or increase the number of units built, beyond the basic requirements of the Ordinance.

**Conclusion and Summary**

As outlined in this memorandum, there are a wide range of projects and opportunities that could be pursued by the City, in seeking to support or fund an affordable rental housing project. It will be important to begin to focus on policy questions such as:

- the target population for a prospective project,
- the type(s) of investment the City can (or wishes) to make in a project, and
- goals such as whether the project is intended to serve a long-term need (i.e., permanent housing), or to more rapidly build and serve the most immediate needs, such as those of currently homeless individuals.

The direction provided would allow more refined analysis and investigation of options to be developed, toward formulating a program that meets the City's objectives and effectively serves Pleasanton's most needy residents.

**Attachments:**

Attachment A: Summary of Below-Market Rate Units in Pleasanton

## Table A-18: Pleasanton's Below-Market Rate (BMR) Housing Inventory (Rental)

**CITY OF PLEASANTON**
**Below-Market Rate (BMR) Housing Inventory**
*as of February 2022*

| | | Year Built | Expire Year | Total Units | BMR Units: Total | (%) | Moderate 120% | Median 100% | Low 80% | Low 60% | Very Low 50% | Very Low 40% | Ex. Low 30% | Ex. Low 20% | Staff Unit | Description of Program / Subsidy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Existing / Active Projects** | | | | | | | | | | | | | | | | |
| Rental | | | | | | | | | | | | | | | | |
| Anton Hacienda | 5725 W. Las Positas Blvd. | 2015 | | 168 | 35 | 21% | 0 | 0 | 0 | 0 | 35 | 0 | 0 | 0 | 0 | Completed / occupied June 2015 |
| Civic Square | 4800 Bernal Ave. | 2011 | | 298 | 36 | 12% | 31 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | City BMR agreement; completed Dec 2011 |
| Galloway @ Owens | 4863 Willow Road | 2016 | | 254 | 38 | 15% | 0 | 0 | 0 | 0 | 38 | 0 | 0 | 0 | 0 | Completed / occupied end of 2016 |
| Galloway @ Hacienda | 5789 Gibraltar Drive | 2017 | | 251 | 38 | 15% | 0 | 0 | 0 | 0 | 38 | 0 | 0 | 0 | 0 | Completed / occupied end of 2017 |
| Park Hacienda | 5700 Owens Dr. | 2001 | | 540 | 135 | 25% | 0 | 0 | 135 | 0 | 0 | 0 | 0 | 0 | 0 | City BMR agreement; opened 1999 |
| Promenade Apts. | 5300 Case Ave. | 1996 | | 146 | 68 | 47% | 0 | 0 | 34 | 0 | 34 | 0 | 0 | 0 | 0 | Tax credits; City land / loans; 50/60% AMI |
| The Kensington | 1552 East Gate Way | 2002 | | 100 | 31 | 31% | 0 | 0 | 20 | 0 | 11 | 0 | 0 | 0 | 0 | City BMR agreement; opened 2002 |
| The Mason Flats | 1605 Lexington Lane | 2016 | | 210 | 32 | 15% | 0 | 0 | 0 | 16 | 16 | 0 | 0 | 0 | 0 | City BMR agreement; opened 2016 |
| | | | | **1,967** | **413** | | **31** | **0** | **194** | **16** | **172** | **0** | **0** | **0** | **0** | |
| Senior | | | | | | | | | | | | | | | | |
| Division St. Senior Apts. | 443 Division St. | 1994 | | 20 | 20 | 100% | 0 | 0 | 17 | 0 | 3 | 0 | 0 | 0 | 0 | City BMR agreement; fee waivers; 50/60/80% AMI |
| Gardens at Ironwood | 3431 Cornerstone Ct. | 2005 | | 172 | 138 | 80% | 0 | 0 | 69 | 0 | 69 | 0 | 0 | 0 | 0 | City BMR agrmt; fee waivers; 50/60% AMI + 34 mkt |
| Kottinger Gardens Phase 1 | 240 Kottinger Dr. | 2017 | | 131 | 131 | 100% | 0 | 0 | 0 | 10 | 62 | 45 | 13 | 0 | 1 | LIHTC property 2017; includes 1 non-restricted staff unit |
| Kottinger Gardens Phase 2 | 251 Kottinger Dr. | 2019 | | 54 | 54 | 100% | 0 | 0 | 27 | 26 | 0 | 0 | 0 | 0 | 1 | |
| Parkview Assisted Living | 100 Valley Ave. | 2007 | | 105 | 31 | 30% | 0 | 0 | 0 | 0 | 31 | 0 | 0 | 0 | 0 | Contribution of City land and financial assistance |
| Ridgeview Commons | 5200 Case Ave. | 1989 | | 200 | 200 | 100% | 0 | 0 | 120 | 0 | 80 | 0 | 0 | 0 | 0 | Tax credits; City land; fed grant; 25/33/50/60% AMI |
| Stanley Junction | 4031 Stanley Blvd. | 1996 | | 86 | 86 | 100% | 0 | 0 | 78 | 0 | 8 | 0 | 0 | 0 | 0 | City BMR agreement; fee waivers; 50/60/80% AMI |
| | | | | **768** | **660** | | **0** | **0** | **311** | **36** | **253** | **45** | **13** | **0** | **2** | |
| Disabled / Special Needs | | | | | | | | | | | | | | | | |
| Sunflower Hill / Irby Ranch | Stanley Blvd. | 2020 | | 31 | 31 | 100% | 0 | 0 | 0 | 7 | 17 | 0 | 0 | 6 | 1 | Tax credits; City land; Measure A1 and LIHF-funded |
| | | | | **31** | **31** | | **0** | **0** | **0** | **7** | **17** | **0** | **0** | **6** | **1** | |
| | | | | | **1,104** | **Total # of Rental BMR units** | | | | | | | | | | |

## Table A-19: Pleasanton's Below-Market Rate (BMR) Housing Inventory (Ownership and Single Room Occupancy)

### CITY OF PLEASANTON
### Below-Market Rate (BMR) Housing Inventory
*as of February 2022*

| | | Year Built | Expire Year | Total Units | BMR Units: | | | | | | | | | | | Description of Program / Subsidy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Moderate | Median | Low | Low | Very Low | Very Low | Ex. Low | Ex. Low | Staff | |
| | | | | | Total | (%) | 120% | 100% | 80% | 60% | 50% | 40% | 30% | 20% | Unit | |
| **Existing / Active Projects** | | | | | | | | | | | | | | | | |
| Ownership | | | | | | | | | | | | | | | | |
| Andares (SummerHill) | 5850 W. Las Positas Blvd. | 2017 | | 94 | 10 | 11% | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | Fully leased up and occupied October 2018 |
| Birch Terrace / Silverstone | 3909 Vineyard Ave. | 2007 | | 45 | 7 | 16% | 2 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80/120% AMI |
| California Reflections | Stanley Blvd. / Reflections Dr. | 1994 | | 108 | 16 | 15% | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80/120% AMI |
| Calif. Somerset I / KB Home | 3100-3300 W. Las Positas Bl. | 1993 | | 152 | 26 | 17% | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Alameda Co. program; 95% AMI; limited resale restr |
| Canyon Oaks / KB Home | Bernal Property (Ph. II + III) | 2004 | | 200 | 26 | 13% | 0 | 0 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80% AMI |
| Carlton Oaks / Greenbriar | Bernal Property (Ph. II + III) | 2004 | | 113 | 10 | 9% | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80% AMI |
| Nolan Farm / SummerHill | Rose Ave. / Fair St. | 2001 | | 36 | 5 | 14% | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 50% AMI |
| Palomino Place / Callahan | Palomino Dr./Bernal Ave. | 1992 | | 24 | 4 | 17% | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80% AMI |
| Rotary Commons | Palomino Dr./Concord Wy. | 1994 | | 7 | 7 | 100% | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80% AMI |
| Ryder Homes / The Vines | 5835 Vineyard Ave. | 2015 | | 10 | 1 | 10% | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | For sale townhome (1 low); built 2015 |
| Sycamore Place | Rheem Dr./Katie Ln. | 1994 | | 36 | 6 | 17% | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 120% AMI |
| Town Square | Ray St./Vineyard Ave. | 1998 | | 30 | 3 | 10% | 0 | 3 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 100% AMI |
| Walnut Hills / KB Home | Bernal Property (Ph. I) | 2002 | | 121 | 20 | 15% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | City 1st-time buyer prog w/resale restr; 80% AMI |
| | | | | **976** | **141** | | **54** | **3** | **79** | **0** | **5** | **0** | **0** | **0** | **0** | |
| | | | | | **141** | **Total # of Ownership BMR units** | | | | | | | | | | |
| Disabled / Special Needs | | | | | | | | | | | | | | | | |
| BACS (Bay Area Comm. Svcs.) | 4344 Railroad St. | 1992 | | 6 | 6 | 100% | 0 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | Purchased/rehabed w/fed. CDBG funds |
| REACH (HOUSE, Inc.) | 4158 Vineyard Ave. | 1994 | | 4 | 4 | 100% | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | Purchase/rehab with fed CDBG funds; 4 SRO units |
| REACH (HOUSE, Inc.) | 5608 Hansen Dr. | 1997 | | 3 | 3 | 100% | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | Purchase/rehab with fed HOME funds; 3 SRO units |
| REACH (HOUSE, Inc.) | 2253 Tanager Dr. | 2006 | | 3 | 3 | 100% | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | Purchased with federal (HOME) funds; 3 SRO units |
| REACH (HOUSE, Inc.) | 1352 Oak Vista Way | 2009 | | 3 | 3 | 100% | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | Purchased with federal (HOME) funds; 3 SRO units |
| REACH (HOUSE, Inc.) | 313 Trenton Cir. | 2010 | | 3 | 3 | 100% | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | Purchased with federal (HOME) funds; 3 SRO units |
| | | | | **22** | **22** | | **0** | **0** | **0** | **0** | **22** | **0** | **0** | **0** | **0** | |
| | | | | | **22** | **Total # of SRO units** | | | | | | | | | | |

# Workshop: City Program to Support Affordable Housing Project(s) in Pleasanton

City Council Meeting
October 1, 2024

## Presentation Outline

- What is Affordable Housing?
- Pleasanton's Affordable Housing Inventory
- Affordable Housing Opportunities


**City Council Discussion Questions:**

1. Target population to be served
2. Project Type: "Quick build" versus "stick-built"
3. City resources to support an affordable housing project
4. Additional information

# Strategic Plan and Housing Element Alignment

- **ONE Pleasanton Strategic Plan:**
  - Goal E: Building a Community Where Everyone Belongs
    - Strategy 6: Implement the Housing Element and develop a plan to end homelessness
    - Strategy 10: Establish a partnership with a non-profit developer to secure a site and develop an affordable housing project.
- **2023-2031 Housing Element – various policies, including:**
  - Policy 2.1: Use the LIHF to support the production of housing affordable to extremely-low, very-low and low-income households
  - Program 1.5: Acquire and/or assist in the development of one or more sites for housing affordable to lower-income households

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# What is Affordable Housing?

- HUD Definition: Housing on which no more than 30% of gross income is paid for housing costs
  - Rental projects: Includes monthly rent and utilities
  - Ownership projects: Includes mortgage payment, property taxes, insurance, and HOA fees
- Generally, affordable projects target up to 80% AMI (low-income) for rental and 120% AMI (moderate income) for homeownership units
- Income and Rent Limits for Alameda County based on County AMI

| Income Category | Income Limit (4-person household) |
|---|---|
| 50% AMI | $77,850 |
| 100% AMI | $155,700 |
| 120% AMI | $186,850 |

- Deed restrictions recorded against property specify affordability levels and term (min. 55 years, or longer per local ordinance)

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# Pleasanton's Affordable Housing Inventory

## Pleasanton's Affordable Housing Inventory

- 1,267 affordable housing units
  - 1,126 rental units
  - 141 ownership units
- 60% senior; 40% other populations
- Three major "paths" to production:
  1. Units constructed through negotiated agreements (pre-2000)
  2. Inclusionary Units secured through IZO (post-2000)
  3. Partnerships with non-profit affordable housing developers with city resources

# Affordable Housing Opportunities

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## Opportunities: Target Populations

- Target population drives affordable housing solutions - each population has different needs:
  - Families
  - Individuals/Small Households
  - Senior
  - People with Disabilities
  - Veterans
  - People experiencing Homelessness
- Permanent/long-term
- Transitional/temporary supportive housing
- Supportive services often included in permanent and transitional projects, particularly for highest-need groups

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# Opportunities: Construction Types

- Stick-Built/Traditional Construction
  - Most common, and achieves permanent units, but highest cost solution: $700,000 to $1M + per unit to build
  - Modular construction as a cost-saving approach
  - Higher cost typically means larger projects and sites to achieve economy of scale

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# Opportunities: Construction Types

- Short-Term/Pre-Fabricated Units
  - Transitional/Supportive housing model
  - Small units, typically for individual occupancy
- Hybrid / Quick Build Solutions
  - Interim or Semi-Permanent
  - Basic site improvements, modular construction
- Acquisition/Rehab

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# Opportunities: Funding

- Local funds and resources
  - Lower-Income Housing Fund (balance ~$14 Million; expected to grow)
  - Land/property
  - In-kind resources
- Outside Funds – Locally Allocated
  - HOME
  - County or Regional Bond Funds
- Competitive / Application Based Program Funds (LIHTC, other)

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# Opportunities: Partnerships

- Affordable housing projects are costly and complex to develop and finance – generally involve partnerships, with a non-profit builder or developer in the lead
- Other partnerships:
  - Public agencies
  - Non-Profit or mission-driven organizations (e.g. religious entities)
  - Private, for-profit, developers – public funds can deepen or extend affordability


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# City Council Discussion Questions

## 1. What is the preferred target population(s) to be served?

- City has directly supported affordable housing for seniors, and residents with developmentally disabilities
- Other population for consideration: lower-income families, veterans, those experiencing homelessness
- Target population significantly influences the type of housing and eligibility for non-local funding
- Project cost is affected by site size, amenities, location, and services

# 2. Should the City's focus be on a "quick build" projects or "stick-built" projects?

- Quick build projects (e.g. tiny homes, modular units) are innovative, less expensive to build, and address the most urgent housing needs, particularly for those experiencing homelessness
- Stick-built projects are substantially more expensive to build, but result in permanent stock of housing

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# 3. What City resources should be considered to support a project?

- Lower Income Housing Fund (LIHF)
- Ground lease of City-owned land
- In-kind support (e.g. waiver of fees, support through entitlement)

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# 4. Does the City Council need any other analysis or information?

- Other information that could help City Council make an informed decision on how best to proceed

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# Next Steps

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# Next Steps

- Additional Council input as needed to develop key program parameters (e.g. specific funding amounts)
- Notice of Funding Availability (NOFA) to solicit affordable housing developers to propose an affordable rental housing project in Pleasanton
- NOFA to include evaluation and identification of prospective City- or public-agency-owned sites for a ground lease agreement

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# Affordable Housing Strategy

- In tandem with affordable housing project initiative
- Program and guidance for City policy decisions and priorities for affordable housing, including expenditure of LIHF
- LIHF Expenditure Categories:
  - City-supported affordable housing project
  - Funding to support existing and ongoing support for affordable housing programs
  - Other affordable housing opportunities and partnership opportunities

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