CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS, CITY HALL
7351 ROSANNA STREET, GILROY, CA 95020

REGULAR MEETING | 6:00 PM
MONDAY, JANUARY 23, 2023

MAYOR
Marie Blankley

COUNCIL MEMBERS
Rebeca Armendariz
Dion Bracco
Tom Cline
Zach Hilton
Carol Marques
Fred Tovar

CITY COUNCIL PACKET MATERIALS ARE AVAILABLE ONLINE AT www.cityofgilroy.org
AGENDA CLOSING TIME IS 5:00 P.M. THE TUESDAY PRIOR TO THE MEETING

Due to COVID-19, it is possible that the planned in-person meeting may have to change to a virtual meeting at any time and possibly on short notice. Please check the City of Gilroy website www.cityofgilroy.org for any updates to meeting information.

COMMENTS BY THE PUBLIC WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. Public testimony is subject to reasonable regulations, including but not limited to time restrictions for each individual speaker. Please limit your comments to 3 minutes. The amount of time allowed per speaker may vary at the Mayor's discretion depending on the number of speakers and length of the agenda.
Written comments on any agenda item may be emailed to the City Clerk's Office at cityclerk@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1 p.m. on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1 p.m. deadline will be provided to the City Council as soon as practicable. Written comments are also available on the City's Public Records Portal at http://bit.ly/3NuS1IN.

In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at least 72 hours prior to the meeting at (408) 846-0204 or cityclerk@cityofgilroy.org to help ensure that reasonable arrangements can be made.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.
Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available with the agenda packet on the City website at www.cityofgilroy.org subject to Staff's ability to post the documents before the meeting.

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE, TO RECEIVE A FREE COPY OF THE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION STAFF AT (408) 846-0204.

If you need assistance with translation and would like to speak during public comment, please contact the City Clerk a minimum of 72 hours prior to the meeting at 408-846-0204 or e-mail the City Clerk's Office at cityclerk@cityofgilroy.org.

Si necesita un intérprete durante la junta y gustaría dar un comentario público, comuníquese con el Secretario de la Ciudad un mínimo de 72 horas antes de la junta al 408-846-0204 o envíe un correo electrónico a la Oficina del Secretario de la Ciudad a cityclerk@cityofgilroy.org.

To access written translation during the meeting, please scan the QR Code or click this link:

Para acceder a la traducción durante la reunión, por favor escanee el código QR o haga clic en el enlace:

bit.ly/3FBiGA0

Choose Language and Click Attend | *Seleccione su lenguaje y haga clic en asistir*

Use a headset on your phone for audio or read the transcript on your device.

Use sus auriculares para escuchar el audio o leer la transcripción en el dispositivo.

The agenda for this regular meeting is as follows:

1. **OPENING**
   - 1.1. Call to Order
   - 1.2. Pledge of Allegiance
   - 1.3. Invocation
   - 1.4. City Clerk's Report on Posting the Agenda
   - 1.5. Roll Call
   - 1.6. Orders of the Day
   - 1.7. Employee Introductions
2. **CEREMONIAL ITEMS - Proclamations and Awards**
3. **PRESENTATIONS TO THE COUNCIL**
   - 3.1. **Annual Presentation from City Historian**

3.2. **PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL**

This portion of the meeting is reserved for persons desiring to address the Council on matters within the Gilroy City Council's jurisdiction but not on the agenda. Persons wishing to address the Council are requested to complete a Speaker's Card located at the entrances and handed to the City Clerk. Speakers are limited to 1 to 3 minutes each, varying at the Mayor's discretion depending on the number of speakers and length of the agenda. The law does not permit Council action or extended discussion of any item not on the agenda except under special circumstances. If Council action is requested, the Council may place the matter on a future agenda.

Written comments to address the Council on matters not on this agenda may be e-mailed to the City Clerk's Office at cityclerk@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1:00pm on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street, prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1:00pm deadline will be provided to the City Council as soon as practicable. Written material provided by public members under this section of the agenda will be limited to 10 pages in hard copy. An unlimited amount of material may be provided electronically.

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco – Cities Association Santa Clara County Board of Directors (Alternate), Santa Clara County Library Joint Powers Authority, Santa Clara Valley Water Commission, Valley Water Joint Water Resources Commission, SCRWA

Council Member Armendariz – Santa Clara County Library Joint Powers Authority (Alternate), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, Silicon Valley Clean Energy Authority JPA Board (Alternate), South County United for Health

Council Member Marques – ABAG, Gilroy Gardens Board of Directors, Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (Alternate)

Council Member Hilton – CalTrain Policy Group (Alternate), Silicon Valley Clean Energy Authority JPA Board, South County United for Health (Alternate), VTA Policy Advisory Committee

Council Member Cline – Gilroy Economic Development Partnership, Gilroy Sister Cities Association, Gilroy Youth Task Force, Silicon Valley Regional Interoperability Authority Board, VTA Policy Advisory Committee (Alternate), Visit Gilroy California Welcome Center Board

Council Member Tovar – Gilroy Youth Task Force (Alternate), Santa Clara County Expressway Plan 2040 Policy Advisory Board (PAB), Santa Clara Valley Water Commission (Alternate), SCRWA, South County Youth Task Force Policy Team (Alternate), VTA Mobility Partnership

Mayor Blankley – ABAG (Alternate), CalTrain Policy Group, Cities Association Santa Clara County Board of Directors, Gilroy Economic Development Partnership, Gilroy Sister Cities Association (Alternate), Gilroy Youth Task Force, Valley Water Joint Water Resources Commission, SCRWA, South County Youth Task Force Policy Team, VTA Board of Directors, VTA Mobility Partnership

5. **COUNCIL CORRESPONDENCE**

6. **FUTURE COUNCIL INITIATED AGENDA ITEMS**

7. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a request is made by a member of the City Council or a member of the public. <u>Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar prior to the time the Council votes to approve</u>. If removed, the item will be discussed in the order in which it appears.

7.1. **Action Minutes of the January 9, 2023 City Council Regular Meeting**

7.2. **Accept and File Quarterly Cash and Investment Report as of September 30, 2022**

7.3. **Amendment to the Lease Agreement with Gilroy Gardens Family Theme Park**

8. **BIDS AND PROPOSALS**

9. **PUBLIC HEARINGS**

10. **UNFINISHED BUSINESS**

10.1. **Appointments to City Boards, Commissions, and Committees with Seats Vacant as of January 9, 2023**

1. Staff Report: Thai Nam Pham, City Clerk
2. Public Comment
3. Possible Action:

Appoint members to the following:

Arts and Culture Commission
One seat with a term expiring 12/31/2024; and
One seat with a term expiring 12/31/2025;
Building Board of Appeals
One seat with a term expiring 12/31/2026.
Library Commission
One seat with a term expiring 12/31/2026.
Personnel Commission
Two seats with terms expiring 12/31/2026.
Physically Challenged Board of Appeals
Two seats with a term expiring 12/31/2025; and
One seat with a term expiring 12/31/2026.

11. INTRODUCTION OF NEW BUSINESS

11.1. Interview and Appointment for the Position of City Historian

1. Staff Report: Thai Nam Pham, City Clerk
2. Public Comment
3. Possible Action:

Staff recommends Council interview candidates for the City of Gilroy City Historian position and appoint a member as City Historian after interviews have been conducted.

11.2. Receive Fiscal Year 2022-23 (FY23) Mid-Year Budget Update and Adopt a Resolution Updating the Position Control List

1. Staff Report: Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:

Receive the FY23 mid-year budget update; and
Adopt a resolution updating the City's FY22 and FY23 Position Control List.

11.3. Resolution Declaring the Cherry Blossom Apartments as Surplus Pursuant to Government Code Section 54221

1. Staff Report: Bryce Atkins, Assistant to City Administrator
2. Public Comment
3. Possible Action:

Adopt a resolution of the City Council of the City of Gilroy declaring the Cherry Blossom Apartments Property to be surplus, and direct staff to proceed in conformance with the State Surplus Lands Act regarding the potential disposition of said property.

11.4. Jumpstart Downtown – Approve the Downtown Building and Planning Fee Reduction Policy and the Downtown Façade and Blight Removal Program; and Amend the Fiscal Year 2023 Operation Budget by $100,000 in the General Fund

1. Staff Report: Bryce Atkins, Assistant to City Administrator
2. Public Comment
3. Possible Action:

Receive Downtown Survey results; Adopt a resolution approving the Downtown Building and Planning Fee Reduction Policy; Approve the Downtown Facade and Blight Removal Program; and Adopt a resolution amending the Fiscal Year 2023 operation budget by $100,000 in the General Fund.

11.5. Proposed Modifications to Chapter 19B, Smoking Pollution Control, Relating to Banning Smoking from Multi-Family Developments and Public Events

1. Staff Report: Bryce Atkins, Assistant to City Administrator
2. Public Comment
3. Possible Action:

Council provide direction on the parameters of the multi-family and public event smoking ban.

11.6. **Report on Quality of Life Officer Activity**

1. Staff Report: Pedro Espinoza, Police Chief
2. Public Comment
3. Possible Action:

Receive report.

12. **CITY ADMINISTRATOR'S REPORTS**

12.1. **South County Youth Task Force Strategic Plan Presentation**

12.2. **ICMA-Gilroy Tourism Video**

13. **CITY ATTORNEY'S REPORTS**

14. **CLOSED SESSION**

15. **ADJOURNMENT**

FUTURE MEETING DATES

January 2023
28 Strategic Planning Workshop – 9:00 AM

February 2023
6 Regular Meeting – 6:00 PM
27 Regular Meeting – 6:00 PM

March 2023
6 Regular Meeting – 6:00 PM
20 Regular Meeting – 6:00 PM

Meeting is webstreamed.

City of Gilroy
City Council Regular Meeting Minutes
1/9/2023 6:00 PM

1. OPENING

1.1. Call to Order
The meeting was called to order by Mayor Blankley at 6:00 PM.

1.2. Pledge of Allegiance
Mayor Blankley led the Pledge of Allegiance.

1.3. Invocation
Pastor Greg Quirke from South Valley Community Church led the Invocation.

1.4. City Clerk's Report on Posting the Agenda
City Clerk Pham declared the posting of the agenda.

1.5. Roll Call

Attendee Name	Title	Status
Rebeca Armendariz	Council Member	Present
Dion Bracco	Mayor Pro Tempore	Present
Tom Cline	Council Member	Present
Zach Hilton	Council Member	Present
Carol Marques	Council Member	Present
Fred Tovar	Council Member	Present
Marie Blankley	Mayor	Present

1.6. Orders of the Day
There were none.

1.7. Employee Introductions
Police Chief Espinoza introduced Community Services Officer Jacqueline Quaresma.

Community Development Director Goei introduced Planner II Erin Freitas.

Finance Director Sangha introduced Accounting Assistant Nellie Elizondo.

2. CEREMONIAL ITEMS - Proclamations and Awards
There were none.

3. PRESENTATIONS TO THE COUNCIL

3.1. **PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL**

Mayor Blankley opened Public Comment.

The following members spoke on items that were not on the agenda:

James D. Polo brought to Council's attention about construction work noise violation on First and Wren.

Jeff Orth, Chairman of Gilroy Downtown Business Association (GDBA), provided an update about the makeup of the GDBA.

Ron Kirkish thanked the City Administrator and Public Works for their work with regard to keeping the City in good shape during the rainstorms.

Robert Zepeda spoke about the need to protect children from sexual predators.

There being no further speakers, Mayor Blankley closed Public Comment.

4. **REPORTS OF COUNCIL MEMBERS**

Council Member Bracco reported on the Santa Clara Library Joint Powers Authority.

Council Member Armendariz had nothing to report.

Council Member Marques had nothing to report.

Council Member Hilton reported on VTA Policy Advisory Committee and Silicon Clean Energy Authority JPA Board.

Council Member Cline had nothing to report.

Council Member Tovar had nothing to report.

Mayor Blankley reported on Economic Development Corporation. She also mentioned that the Interfaith Community of South County will be hosting their annual MLK Interfaith gathering, Sunday, January 15th, at St. Mary's.

5. **COUNCIL CORRESPONDENCE**

There were none.

6. **FUTURE COUNCIL INITIATED AGENDA ITEMS**

Council Member Tovar requested that Council discuss the creation of a Standing Committee for Downtown. The item received majority support.

Council Member Armendariz requested Council to discuss having a weather shelter within the City. The item received majority support.

7. **CONSENT CALENDAR**

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

RESULT:	**Pass**
MOVER:	Dion Bracco, Council Member
SECONDER:	Rebeca Armendariz, Council Member
AYES:	Council Member Armendariz, Bracco, Cline, Hilton, Marques, Tovar, and Mayor Blankley

7.1. **Action Minutes of the December 12, 2022 City Council Special Meeting**
A motion was made to approve the minutes.

7.2. **Removal of Commissioner Destiny Saldate from Youth Commission Pursuant to Gilroy City Charter Section 900.**
A motion was made to remove Commissioner Destiny Saldate from Youth Commission.

7.3. **Acceptance of the Annual Development Impact Fee Report for Fiscal Year 2021-2022 as Required under Government Code 66000**
A motion was made to accept the Annual Development Impact Fee Report for Fiscal Year 2021-2022.

7.4. **Adopt an Ordinance of the City Council of the City of Gilroy Repealing Ordinance Number 99-13, Removing the Use of Liens to Collect for Delinquent Garbage Fees**
A motion was made to adopt the ordinance.

Enactment No.: Ordinance No. 2023-01

7.5. **Claim of Roohi Eskandarian (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute the denial of the claim.)**
A motion was made to deny the claim.

8. **BIDS AND PROPOSALS**

There were none.

9. PUBLIC HEARING

There were none.

10. UNFINISHED BUSINESS

10.1. Annual Appointments to City Boards, Commissions, and Committees With Seats Vacant or Expired as of December 31, 2022

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Council appointed the following individuals to the various boards and commissions:

Arts and Culture Commission
No appointment was made to the Arts and Culture Commission with a term expiring 12/31/2024; and
No appointment was made to the Arts and Culture Commission with a term expiring 12/31/2025; and
Ruben Dario Villa and **Adilene Moreno** were appointed to the Arts and Culture Commission Two with terms expiring **12/31/2026**.

Building Board of Appeals
Ronald Robinson, Jr. was appointed to the Building Board of Appeals with a term expiring **12/31/2026**.

Library Commission
No appointment was made to the Library Commission with a term expiring **12/31/2026**.

Open Government Commission
Terrence Fugazzi was appointed to the Open Government Commission with a term expiring **12/31/2024**; and
Diane Sanchez Bentz and **Shayne Somavia** were appointed to the Open Government Commission with terms expiring **12/31/2026**.

Parks and Recreation Commission
Luis Ramirez was appointed to the Parks and Recreation Commission with a term expiring **12/31/2026**.

Personnel Commission
No appointments were made to the Personnel Commission with terms expiring **12/31/2026**.

Physically Challenged Board of Appeals
No appointments were made to the Physically Challenged Board of Appeals with terms expiring **12/31/2025**; and
No appointments were made to the Physically Challenged Board of Appeals with terms expiring **12/31/2026**.

Planning Commission
Michelle Montez was appointed to the Planning Commission with a term expiring **12/31/2023**; and
Manny Bhandal and **Kelly Ramirez** were appointed to the Planning Commission with terms expiring **12/31/2026**.

Youth Commission
Melanie Reynolds and **Jaimee Nguyen** were appointed to the Youth Commission with terms **9/30/2024**.

11. INTRODUCTION OF NEW BUSINESS

11.1. A Resolution of the City Council of the City of Gilroy Authorizing the Submittal of Applications for Payment Programs and Related Authorizations

Public Works Director Jordan provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Possible Action: *Adopt a resolution authorizing the City's application for recycling program funding through the annual CalRecycle program.*

RESULT:	**Pass**
MOVER:	Dion Bracco, Council Member
SECONDER:	Fred Tovar, Council Member
AYES:	Council Members Armendariz, Bracco, Cline, Hilton, Marques, Tovar, and Mayor Blankley

Enactment No.: Resolution No. 2023-01

11.2. Council-Initiated Item: Review of the Social Host Ordinance

City Administrator Forbis provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Council directed staff to come back to Council with a fine amount of $1,000.00 and provide Council recommendations on the number of days for the City to cite citations.

11.3. **Downtown Survey Results.**
Assistant to the City Manager Atkins provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

There being no speakers, Mayor Blankley closed Public Comment.

Council received the report.

12. CITY ADMINISTRATOR'S REPORTS

12.1. **Federal Budget Update – Gilroy Allocations**
City Administrator Forbis provided a brief report on this item and an update on the City's status in dealing with the rainstorms.

13. CITY ATTORNEY'S REPORTS

13.1. **2023 Brown Act Update (AB 2449)**
City Attorney Faber provided a report on this item and responded to Council Member questions.

14. ADJOURN TO CLOSED SESSION IN MEMORY OF DON CHRISTOPHER

15. CLOSED SESSION

Mayor Blankley opened Public Comment.

There being no further speakers, Mayor Blankley closed Public Comment.

A motion was made by Mayor Blankley to go into Closed Session. The vote was unanimous.

Mayor Blankley adjourned Regular Meeting to Closed Session at 7:23 PM.

The City Council convened into Closed Session at 7:32 PM.

The vote to stay in Closed Session was unanimous.

15.1. **Conference with Negotiator – Collective Bargaining Unit Pursuant to Government Code Section 54957.6, Gilroy City Code Section 17A.11 (4) Collective Bargaining Unit**: Gilroy Police Officers Association, Inc., Representing Gilroy Police Officers;

City Negotiators: Jimmy Forbis, City Administrator; LeeAnn McPhillips, Assistant City Administrator/Administrative Services & Human Resources Director;

Anticipated Issue(s) Under Negotiation: Wages, Hours, Benefits, Working Conditions; Memorandum of Understanding: MOU Between City of Gilroy & Gilroy Police Officers

No reportable action.

16. **ADJOURN TO OPEN SESSION**

Mayor Blankley reported out of Closed Session as shown above.

17. **ADJOURNMENT**

The meeting was adjourned by Mayor Blankley at 8:16 PM.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the City Council of the City of Gilroy.

/s/ Thai Nam Pham, CMC, CPMC
City Clerk

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Accept and File Quarterly Cash and Investment Report as of September 30, 2022**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Finance
Submitted By:	Harjot Sangha, Finance Director
Prepared By:	Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS Develop a Financially Resilient Organization

RECOMMENDATION

Accept and file the quarterly cash and investment report as of September 30, 2022.

EXECUTIVE SUMMARY

Council is requested to accept and file the quarterly investment report as of September 30, 2022.

BACKGROUND

The quarterly investment reports are prepared pursuant to the City's investment policy to keep the City Council apprised of the City's investment activities.

ANALYSIS

As of September 30, 2022, the City's cash and investments totaled $172.5 million, of which $153.7 million is invested with the Local Agency Investment Fund (LAIF). The fiscal year-to-date interest earnings are $0.5 million.

In addition, approximately $41.6 million is held by Fiscal Agents in the Trustee capacity for various bond issues as bond proceeds, debt service reserves, bond payments, and for post-employment benefits related to pension. The majority of this balance ($37.2

million) consists of the City of Gilroy's share of the Acquisition and Construction Funds for the SCRWA Plant Expansion Project.

FISCAL IMPACT/FUNDING SOURCE

There are no direct fiscal impacts to receiving and filing the quarterly cash and investment report. This is an activity included in the Finance Department's annual workplan.

Attachments:

1. Cash and Investment Report as of September 30, 2022

CITY OF GILROY

INVESTMENT REPORT

SEPTEMBER 2022

TABLE OF CONTENTS

City of Gilroy
Portfolio Management
Portfolio Summary
September 30, 2022

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0225

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	153,675,909.29	153,675,909.29	153,675,909.29	100.00	1	1	1.235	1.252
Investments	**153,675,909.29**	**153,675,909.29**	**153,675,909.29**	**100.00%**	**1**	**1**	**1.235**	**1.252**
Cash								
Passbook/Checking (not included in yield calculations)	18,790,987.35	18,790,987.35	18,790,987.35		1	1	0.000	0.000
Total Cash and Investments	**172,466,896.64**	**172,466,896.64**	**172,466,896.64**		**1**	**1**	**1.235**	**1.252**

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	170,560.23	523,291.40
Average Daily Balance	**172,716,833.44**	**172,793,163.16**
Effective Rate of Return	**1.20%**	**1.20%**
6 Month T-Bill Benchmark:	3.82%	

NOTES:
1. In addition to the above, the City of Gilroy also holds the following investments in the capacity of a trustee - Deferred Compensation Plans - ICMA, National Deferred, PERS, & The Standard.
2. See "Monies Held by Fiscal Agents" for additional amounts held in the capacity of a trustee.
3. The Maturity Aging Factor of the City's Portfolio = 0.03 months.
4. The unrealized gain resulting from an increase in Market Values obtained from U.S. Bank of all Securities (excluding LAIF) = $0.00.
5. The LAIF balance shown includes $5,258,910.15 in bond proceeds from the Gilroy Library 2010 Bonds that can be used exclusively for the construction of the library.

This is to certify that this schedule of investments is in compliance with the City of Gilroy's investment policy and that there are adequate funds available to meet the City's budgeted and actual expenses for the next six months.

12/22/22

Harjot Sangha, Finance Director

Reporting period 09/01/2022-09/30/2022

Run Date: 11/18/2022 - 11:30

Portfolio GIL
AP
PM (PRF_PM1) 7.3.11
Report Ver. 7.3.11

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0225

City of Gilroy
Investments by Issuer
Active Investments
Sorted by Type
September 30, 2022

CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date		Call Date	Collateral
CHASE BANK												
SYSUNDERCOV	UNDERCOV	Other Banks-Misc.Account-Petty Cash	Fair	698.30		698.30	09/30/2022			1		
		Subtotal and Average		**698.30**		**698.30**				**1**		
LAIF - City of Gilroy												
SYSLAIF01	LAIF01	LAIF	Fair	74,622,908.24	1.530	74,622,908.24	09/30/2022	1.530		1		
		Subtotal and Average		**74,622,908.24**		**74,622,908.24**		**1.530**		**1**		
LAIF - Industrial Dev. Auth.												
SYSLAIF03	LAIF03	LAIF	Fair	73,794,090.90	1.530	73,794,090.90	09/30/2022	1.530		1		
		Subtotal and Average		**73,794,090.90**		**73,794,090.90**		**1.530**		**1**		
LAIF LIBRARY												
LAIF05	LAIF05	LAIF	Fair	5,258,910.15	1.530	5,258,910.15	09/30/2022	1.530		1		
		Subtotal and Average		**5,258,910.15**		**5,258,910.15**		**1.530**		**1**		
MUFG / UNION BANK												
SYS/MUFG	MUFG	Other Banks-Misc.Account-Petty Cash	Fair	0.00		0.00				1		
		Subtotal and Average		**0.00**		**0.00**						
PETTY CASH												
SYSPETTY	PETTY	Other Banks-Misc.Account-Petty Cash	Fair	2,661.56		2,661.56	09/30/2022			1		
		Subtotal and Average		**2,661.56**		**2,661.56**				**1**		
WELLS FARGO												
SYSWFB	WELLS FARGO	Wells Fargo Checking	Fair	18,701,032.49		18,701,032.49	09/30/2022			1		
SYSBAIL	BAIL	Other Banks-Misc.Account-Petty Cash	Fair	0.00		0.00				1		
SYSDISCOVERY	DISCOVERY	Other Banks-Misc.Account-Petty Cash	Fair	15,000.00		15,000.00	09/30/2022			1		
SYSICS	ICS	Other Banks-Misc.Account-Petty Cash	Fair	70,000.00		70,000.00	09/30/2022			1		
		Subtotal and Average		**18,786,032.49**		**18,786,032.49**				**1**		

City of Gilroy
Investments by Issuer
Sorted by Type

CUSIP	Investment #	Security Type	Investment Class	Book Value	Current Rate	Market Value	Market Date	YTM 365	Redemption Date		Call Date	Collateral
WORKING CASH												
SYSWORKING	WORKING	Other Banks-Misc.Account-Petty Cash	Fair	1,595.00		1,595.00	09/30/2022			1		
		Subtotal and Average		**1,595.00**		**1,595.00**				**1**		
		Total and Average		**172,466,896.64**		**172,466,896.64**		**1.363**		**1**		

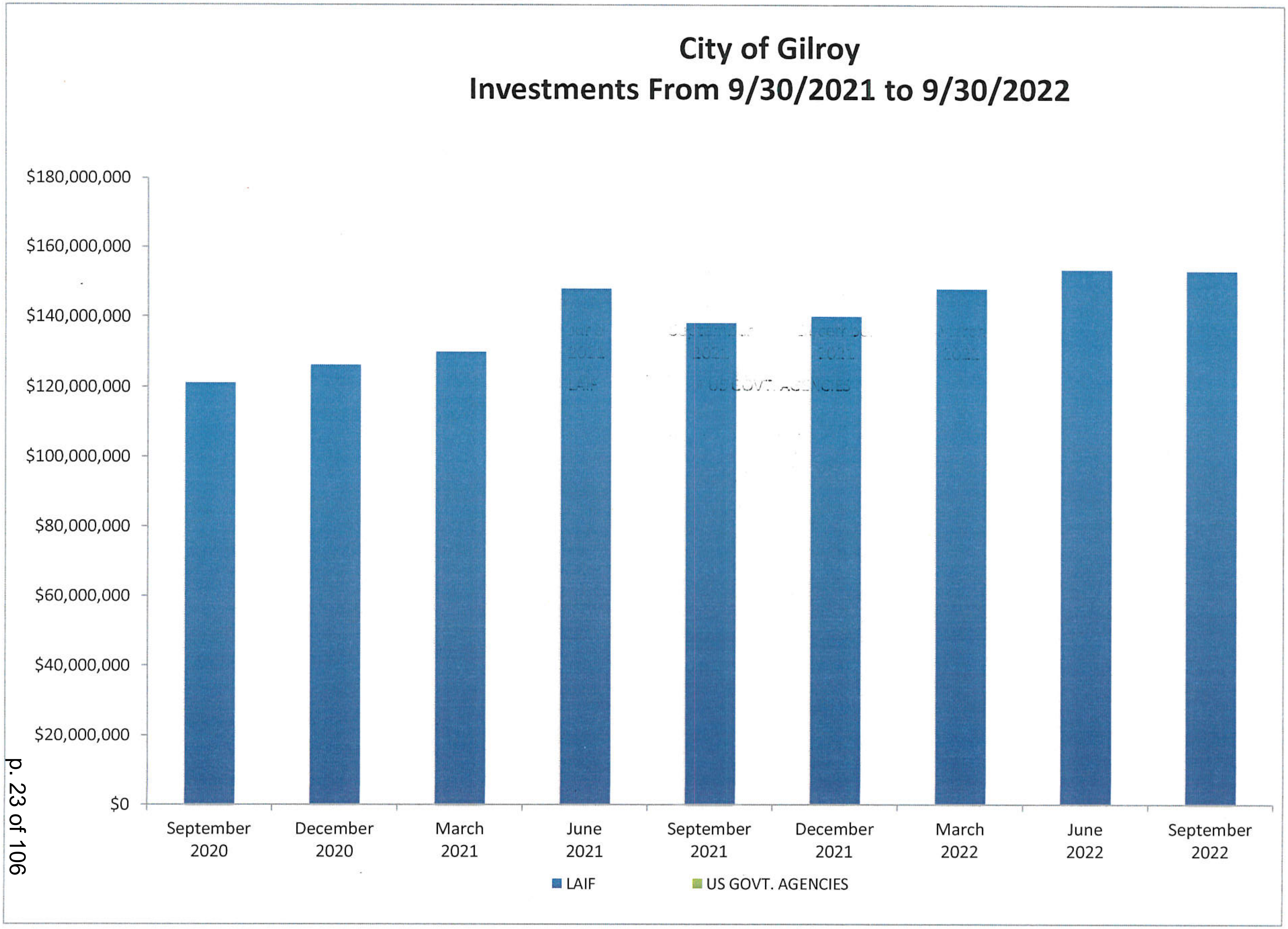
Run Date: 11/18/2022 - 11:58

Portfolio GIL
AP
DI (PRF_DI) 7.3.11
Report Ver. 7.3.11

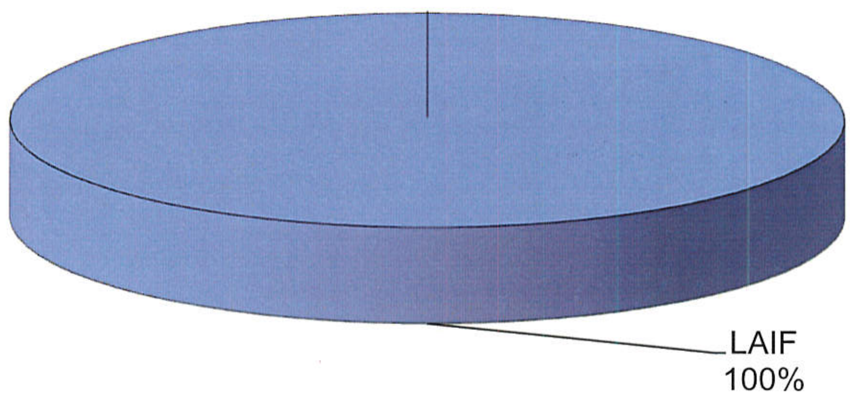
Quarterly Movement over the Last Twelve Months

DESCRIPTION	SEPT 2021	DEC 2021	MAR 2022	JUN 2022	SEPT 2022	% of Total JUN
LAIF:						
CITY OF GILROY	62,506,135	64,444,173	72,280,573	74,983,010	74,622,908	48.56%
GILROY INDUSTRIAL DEV AGENCY	70,667,750	70,710,782	70,751,490	73,657,244	73,794,091	48.02%
LIBRARY	5,238,742	5,241,932	5,244,950	5,249,083	5,258,910	3.42%
SUB TOTAL	138,412,627	140,396,887	148,277,013	153,889,337	153,675,909	100.00%
CERTIFICATE OF DEPOSITS						
US GOVERNMENTAL AGENCIES:						
FEDERAL NATIONAL MORTGAGE AGCY						
FEDERAL AGRICULTURAL MORTGAGE AGCY	0	0	0	0		0.00%
FEDERAL HOME LOAN BANK						
FEDERAL HOME LOAN MORTGAGE CORP						
FEDERAL FARM CREDIT BANK	0	0	0	0		0.00%
SUB TOTAL	0	0	0	0		0.00%
GRAND TOTAL (Book Value)	138,412,627	140,396,887	148,277,013	153,889,337	153,675,909	100.00%

Note: The LAIF balance shown for Sept 2022, includes $5,258,910.15 in bond proceeds from the Gilroy Library 2010 Bonds that can be used exclusively for the construction of the library.

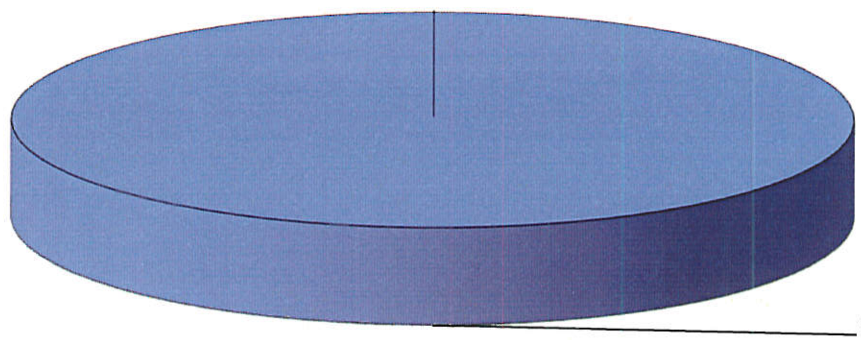

City of Gilroy
Investments From 9/30/2021 to 9/30/2022
$180,000,000
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$0
September 2020
December 2020
March 2021
June 2021
September 2021
December 2021
March 2022
June 2022
September 2022
LAIF
US GOVT. AGENCIES

Book Value by Investment Type
As of 9/30/22



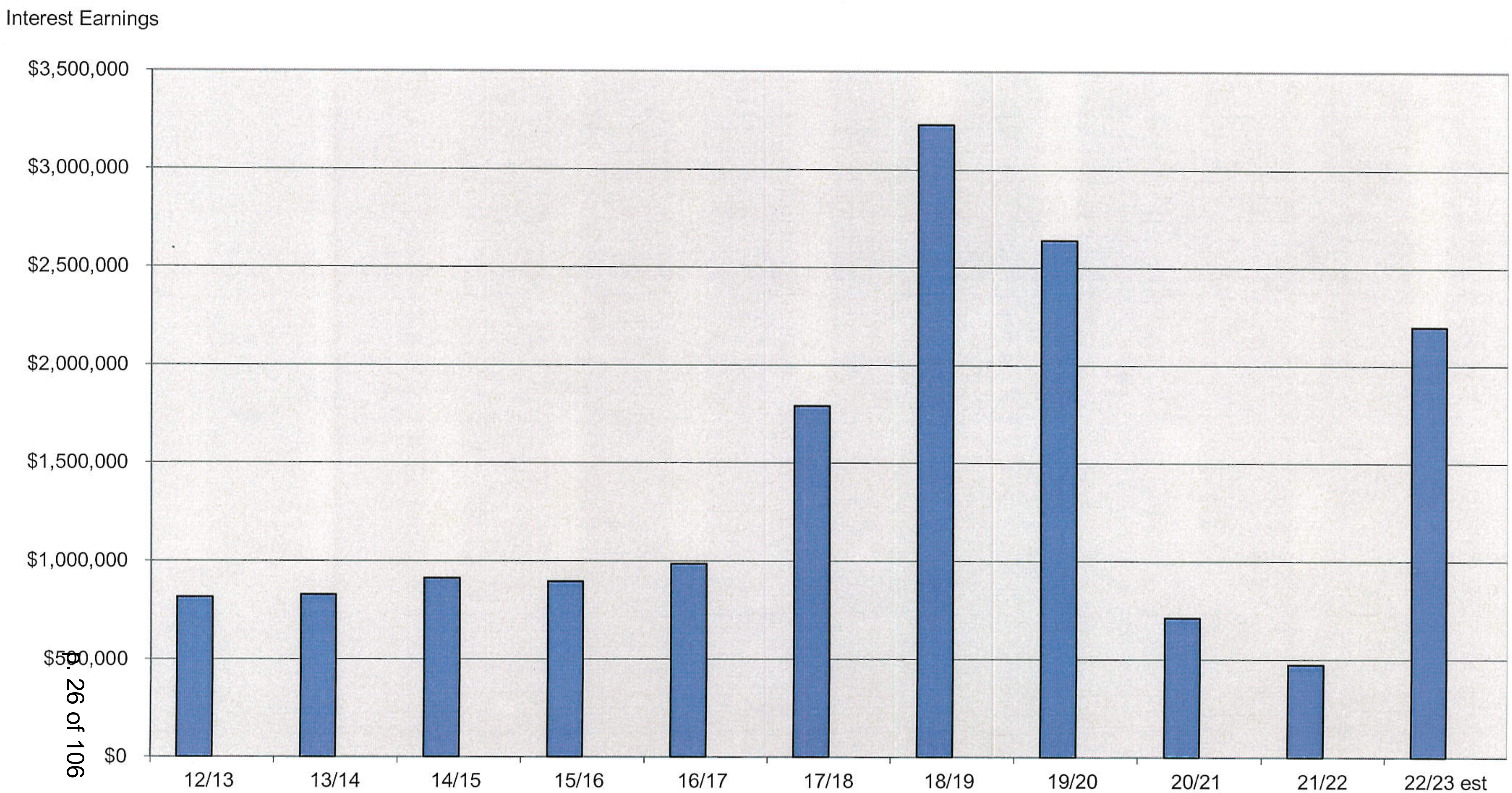
Value of Portfolio: $153,675,909

Portfolio by Asset Class
As of 09/30/22



Value of Portfolio: $172,466,896.64

City of Gilroy
Interest Earnings 2013 - 2023



Fiscal Years *Estimate of interest earnings for FY22/23 from Sympro Treasury Management

CITY OF GILROY
MONIES HELD BY FISCAL AGENTS

DESCRIPTION	VALUE ** AS OF 9/30/22
HIGHWAY 152 SPECIAL TAX BONDS SERIES 2018	
SPECIAL TAX FUND - Bond REVENUE - HELD BY UNION BANK - GL Acct 810-10435	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	617.31
RESERVE FUND - HELD BY UNION BANK - GL Acct 810-10430	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	291,032.84
SPECIAL TAX FUND - INTEREST ACCOUNT - HELD BY UNION BANK - GL Acct 810-10550	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	10.39
SPECIAL TAX FUND - PRINCIPAL ACCOUNT - HELD BY UNION BANK - GL Acct 810-10445	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	73.24
GILROY PUBLIC FACILITIES FINANCING AUTHORITY REFUNDING LEASE REV BONDS 2013	
BOND FUND - HELD BY UNION BANK - GL Acct 510-10435	
BLACKROCK T-FUND MMKT INSTL #60, CUSIP #09248U718	23.56
INTEREST ACCOUNT - HELD BY UNION BANK - GL Acct 510-10440	
BLACKROCK T-FUND MMKT INSTL #60, CUSIP #09248U718	85.26
RESERVE FUND - HELD BY UNION BANK - GL Acct 510-10430	
BLACKROCK T-FUND MMKT INSTL #60, CUSIP #09248U718	924,420.12
GILROY PUBLIC FACILITIES FINANCING AUTHORITY REFUNDING LEASE REV BONDS 2020A	
REVENUE FUND - HELD BY UNION BANK - GL Acct 520-10435	
GOLDMAN SACHS FINANCIAL SQUARE MMKT #466, CUSIP #38141W265	3.77
INTEREST ACCOUNT - HELD BY UNION BANK - GL Acct 520-10440	
GOLDMAN SACHS FINANCIAL SQUARE MMKT #466, CUSIP #38141W265	0.00
GILROY PUBLIC FACILITIES FINANCING AUTHORITY WASTEWATER REV BONDS 2021A	
BOND PAYMENT FUND - HELD BY U.S. BANK - GL ACCT 700-10428	
FIRST AM.GOVT OB FD CL D, CUSIP #31846V401, U.S. TREASURY BILL #912796C31,	1,868.06
U.S. TREASURY NOTES 91282CAC5, AND 91282CBG5	766,175.01
ACQUISITION AND CONSTRUCTION FUND - HELD BY U.S. BANK - GL Acct 700-10426	
FIRST AM.GOVT OB FD CL D, CUSIP #31846V401, LAIF MONEY MARKET FUND	37,202,850.76
GILROY POST - EMPLOYMENT BENEFITS TRUST HELD BY PARS (U.S. BANK)	2,390,404.74
TOTAL	41,577,565.06

** Market Values reported by U.S. Bank

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Amendment to the Lease Agreement with Gilroy Gardens Family Theme Park**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Administration
Submitted By:	Jimmy Forbis, City Administrator
Prepared By:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS Not Applicable

RECOMMENDATION

Council adopt the Twelfth Amendment to the Single Tenant Lease Agreement with the Gilroy Gardens Family Theme Park.

BACKGROUND

The Gilroy Gardens Family Theme Park is currently leasing property owned by the City through a Single Tenant Lease Agreement ("Agreement"). The Agreement's term will end on February 28, 2023. The original Agreement term was set for February 28, 2010 but has been extended ten times through amendments previously approved. A total of eleven amendments have been made, but only ten of them extended the term of the lease.

ANALYSIS

Attached to this staff report is the proposed Twelfth Amendment to the Single Tenant Lease Agreement ("Twelfth Amendment"). This amendment seeks to change the end of the term by extending the Agreement for a period of one year and to include the certified access specialist disclosure required under California Civil Code Section 1938.

Additionally, the amendment increases the insurance amounts to be consistent with the current requirements of the municipal risk pool association to which the City belongs. The increase in insurance elevates the requirement to $10 million per occurrence and in aggregate for claims on the leased property.

ALTERNATIVES

Council may reject or modify the amendment. Rejection is not recommended as it would end the services of Gilroy Gardens Theme Park at this site until a new lease could be negotiated. Council may modify the amendment. It is also not recommended as the terms are not significantly changing aside from the level of insurance that is required. If additional modifications are directed by Council, then an interim amendment may be needed to allow time for negotiation of any changed term(s).

FISCAL IMPACT/FUNDING SOURCE

The proposed extension does not enhance or diminish the fiscal impacts of the Agreement as previously amended. The proposed extension would only continue the current fiscal agreement for one additional year. No increase or decrease in lease revenue terms are included in the amendment.

PUBLIC OUTREACH

The item was included on the agenda for this Council meeting, which was publicly posted.

NEXT STEPS

If approved, staff will commence the signature process and enact the amendment.

Attachments:

1. Twelfth Amendment to the Single Tenant Lease with Gilroy Gardens Family Theme Park

TWELFTH AMENDEMENT TO SINGLE TENANT LEASE BETWEEN GILROY GARDENS FAMILY THEME PARK AND THE CITY OF GILROY

This Twelfth Amendment to Single Tenant Lease ("**Eleventh Amendment**") is made and entered into as of February 28, 2023 ("**Effective Date**"), by and between GILROY GARDENS FAMILY THEME PARK, a Delaware nonprofit corporation, formerly known as Bonfante Gardens, Inc., ("**Tenant**") and the CITY OF GILROY, a California municipal corporation ("**Landlord**").

Recitals

WHEREAS, Landlord and Tenant are parties to that certain Single Tenant Lease, dated as of February 28, 2002, ("**Original Lease**"), as amended by that certain First Amendment to Single Tenant Lease, dated as of July 21, 2008 ("**First Amendment'**), as amended by that certain Second Amendment to Single Tenant Lease, dated as of July 28, 2009 ("**Second Amendment'**), as amended by that certain Third Amendment to Single Tenant Lease, dated as of April 6, 2010 ("**Third Amendment'**), as amended by that certain Fourth Amendment to Single Tenant Lease, dated as of June 5, 2012 ("**Fourth Amendment'**), as amended by that certain Fifth Amendment to Single Tenant Lease, dated as of November 4, 2014 ("**Fifth Amendment'**), as amended by that certain Sixth Amendment to Single Tenant Lease, dated as of September 21, 2016 ("**Sixth Amendment**'), as amended by that certain Seventh Amendment to Single Tenant Lease, having an effective date of February 28, 2018 ("**Seventh Amendment'**), as amended by that certain Eighth Amendment to Single Tenant Lease, dated as of February 28, 2019 ("**Eighth Amendment**"), as amended by that certain Ninth Amendment to Single Tenant Lease, having an effective date of February 29, 2020 ("**Ninth Amendment**"); as amended by that certain Tenth Amendment to Single Tenant Lease, having an effective date of February 28, 2021 ("**Tenth Amendment**"); as amended by that certain Eleventh Amendment to Single Tenant Lease, having an effective date of February 28, 2022 ("**Eleventh Amendment**"); and,

WHEREAS, The Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment, Tenth Amendment, and Eleventh Amendment shall sometimes hereinafter be collectively referred to as the "**Lease**". Pursuant to the terms and conditions of the Lease, Landlord leases to Tenant, and Tenant leases from Landlord certain real property located in Gilroy, California, which is improved with a horticultural education and theme park known as "Gilroy Gardens", which was developed and constructed by Tenant and is more particularly described in the Lease; and,

WHEREAS, The Tenth Extension Term (as defined in Section 2 of the Eleventh Amendment) was scheduled to expire on February 28, 2023; and,

WHEREAS, Landlord and Tenant desire to extend the Term of the Lease for a one (1) year period through and including February 29, 2024; and,

WHEREAS, to extend the agreement, certain updates to the agreement, including but not limited to changes in levels of insurance, are required.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. All capitalized terms used herein, except as otherwise expressly provided herein, shall have the meanings ascribed to them in the Lease.

2. Extension of Lease Term. The Term of the Lease is hereby extended for a period of one (1) year, and shall expire on February 29, 2024 ("Eleventh Extension Term"), unless sooner terminated in accordance with the terms of the Lease.

3. Insurance. Section 7.1 Tenant to Maintain, is hereby amended to read as follows:

   7.1 Tenant to Maintain. Tenant shall at all times maintain insurance coverage providing coverage at least as broad as the existing insurance coverage maintained by Tenant that is described in the schedule attached hereto as Exhibit C. Without limiting the scope of the insurance requirements of Exhibit C, but as a supplement to the requirements thereof, Tenant shall maintain in full force throughout the Term, commercial general liability insurance providing coverage on an occurrence form basis with limits of not less than Ten Million and No/100ths Dollars ($10,000,000.00) each occurrence for bodily injury and property damage combined, Ten Million and No/100ths Dollars ($10,000,000.00) annual general aggregate, and Ten Million and No/100ths Dollars ($10,000,000.00) products and completed operations annual aggregate. Tenant's liability insurance policy or policies shall: (i) include premises and operations liability coverage, products and completed operations liability coverage, broad form property damage coverage including completed operations, blanket contractual liability coverage including, to the maximum extent possible, coverage for the indemnification obligations of Tenant under this Lease, and personal and advertising injury coverage; (ii) provide that the insurance company has the duty to defend all insureds under the policy; (iii) provide that defense costs are paid in addition to and do not deplete any of the policy limits; (iv) cover liabilities arising out of or incurred in connection with Tenant' s use or occupancy of the Premises or the Property; and (v) extend coverage to cover liability for the actions of Tenant' s Representatives.

4. Counterparts; Facsimile Signatures. This Twelfth Amendment maybe executed in counterparts, each of which shall be deemed an original and which together shall constitute one instrument. The signatures of any party or parties on this Twelfth Amendment transmitted by facsimile or electronic mail shall be deemed the same as an original signature and shall be binding on the party transmitting the same.

5. Lease Status. Tenant warrants, represents and certifies to Landlord that, to the best of Tenant's actual knowledge, as of the date of this Twelfth Amendment: (a) Landlord is not

in default under the Lease; and (b) Tenant does not have any defenses or offsets to payment of rent and performance of its obligations under the Lease as and when same becomes due.

6. Certified Access Specialist Disclosure. Landlord hereby makes the certified access specialist disclosure required under California Civil Code Section 1938, which disclosure is more particularly set forth in Exhibit “A” attached hereto. Exhibit “A” is incorporated into this Twelfth Amendment by reference and made a part hereto.

7. Modification. Except as modified above the terms and conditions of the Lease shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms of this Twelfth Amendment and the terms of the Lease the terms of this Twelfth Amendment shall control.

IN WITNESS WHEREOF, the parties have caused this Twelfth Amendment to be executed as of the dates set forth besides their signatures below.

LANDLORD: CITY OF GILROY	TENANT: GILROY GARDENS FAMILY THEME PARK
By: ______________________________ City Administrator	By: ______________________________ Board Chair
Date: ______________________________	Date: ______________________________

ATTEST

By: ______________________________
City Clerk

APPROVED AS TO FORM

By: ______________________________
City Attorney

Exhibit "A"

Certified Access Specialist Disclosure

For purposes of California Civil Code Section 1938, Landlord hereby discloses to Tenant that, as of the Effective Date, to Landlord's actual knowledge, the Premises have not undergone inspection by a Certified Access Specialist ("**CASp**"). Pursuant to California Civil Code Section 1938(e), Landlord hereby further discloses to Tenant the following: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Notwithstanding the foregoing and/or anything to the contrary contained in the Lease (as amended), Landlord and Tenant hereby agree and acknowledge that, in the event Tenant desires to obtain a CASp inspection, then:

(a) Tenant shall provide Landlord with no less than twenty (20) business days' prior written notice and, upon receipt of such notice, Landlord shall have the right to, among other things, (i) select the date and time at which such inspection shall occur, and (ii) have one (1) or more representatives present during such inspection.

(b) Tenant hereby agrees and acknowledges that it shall (i) provide Landlord with a copy of any and all findings, reports and/or other materials (collectively, the "**CASp Report**") provided by the CASp immediately following Tenant's receipt thereof, (ii) at all times maintain (and cause to be maintained) the CASp Report and its findings (and any and all other materials related thereto) confidential and (iii) pay for the CASp inspection and CASp Report at Tenant's sole cost and expense. If Tenant receives a disability access inspection certificate, as described in subdivision (e) of California Civil Code Section 55.53, in connection with or following any CASp inspection undertaken on behalf, or for the benefit, of Tenant, then Tenant shall cause such certificate to be provided immediately to Landlord.

(c) If the CASp Report identifies any violation(s) of applicable construction-related accessibility standards ("**CASp Violation(s)**"), Tenant shall immediately provide written notice to Landlord of any and all such CASp Violation(s). In such event, Tenant shall, at Tenant's sole cost and expense, perform, or cause to be performed, any repairs, modifications and/or other work necessary to correct such the CASp Violation(s) (any such repairs, modifications and/or other work being collectively referred to herein as the "**CASp Work**"). Tenant shall commence (or cause the commencement of) such CASp Work no later than fifteen (15) business days after Landlord's receipt of the CASp Report in accordance with the terms and conditions of the Lease (as amended). Tenant shall diligently prosecute (or cause to be diligently prosecuted) to completion all such CASp Work in a lien free, good and workmanlike manner, and, upon completion, obtain an updated CASp Report showing that the Premises then comply with all applicable construction-related accessibility standards. Any and all cost and expense associated with the CASp Work and/or the updated CASp Report (which Tenant shall provide to Landlord immediately upon Tenant's receipt thereof) shall be at Tenant's sole cost and expense.

Without limiting the generality of the foregoing, Tenant hereby agrees and acknowledges that: (i) Tenant assumes all risk of, and agrees that Landlord shall not be liable for, any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) sustained as a result of the Premises not having been inspected by a Certified Access Specialist (CASp); (ii) Tenant's indemnity obligations set forth in the Lease (as amended) shall include any and all claims relating to or arising as a result of the Premises not having been inspected by a Certified Access Specialist (CASp); and (iii) Landlord may require, as a condition to its consent to any alterations, additions or improvements, that the same be inspected and certified by a Certified Access Specialist (CASp) (following completion) as meeting all applicable construction-related accessibility standards pursuant to California Civil Code Section 55.53.

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Appointments to City Boards, Commission, and Committees with Seats Vacant as of January 9, 2023**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	City Clerk
Submitted By:	Thai Nam Pham, City Clerk
Prepared By:	Thai Nam Pham, City Clerk

STRATEGIC PLAN GOALS Not Applicable

RECOMMENDATION

Appoint members to the following:

Arts and Culture Commission
One seat with a term expiring 12/31/2024; and
One seat with a term expiring 12/31/2025; and

Building Board of Appeals
One seat with a term expiring 12/31/2026.

Library Commission
One seat with a term expiring 12/31/2026.

Personnel Commission
Two seats with terms expiring 12/31/2026.

Physically Challenged Board of Appeals
Two seats with a term expiring 12/31/2025; and
One seat with a term expiring 12/31/2026.

BACKGROUND

At the January 9, 2023 City Council Regular Meeting, Council appointed members to various boards and commissions; however, no appointments were made for the following advisory bodies' seats due to not receiving any applications during the recruitment period or sufficient affirmative votes being received to appoint an applicant for the seat:

Arts and Culture Commission
One seat with a term expiring 12/31/2024; and
One seat with a term expiring 12/31/2025; and

Building Board of Appeals
One seat with a term expiring 12/31/2026.

Library Commission
One seat with a term expiring 12/31/2026.

Personnel Commission
Two seats with terms expiring 12/31/2026.

Physically Challenged Board of Appeals
Two seats with a term expiring 12/31/2025; and
One seat with a term expiring 12/31/2026.

At the end of the appointments, Council directed staff to contact the remaining non-appointed applicants and ask if they would be interested in serving on the advisory bodies listed above for Council's consideration at tonight's City Council Regular Meeting. Staff has contacted the applicants and received the following responses:

Jan Bernstein Chargin – ***Arts and Culture Commission*** and ***Physically Challenged Board of Appeals***

Zhuoyuan Zhang – ***Building Board of Appeals***

Sandra Ramirez – ***Arts and Culture Commission***

Attachments:

1. Application - Jan Bernstein Chargin
2. Application - Zhuoyuan Zhang
3. Application – Sandra Ramirez

City of Gilroy
Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:					
Name:	Jan Bernstein Chargin				
Phone number(s):	[redacted]	**email address*:**	[redacted]		
Are you a registered voter within the City limits?	Yes				
Physical Address*:	[redacted]				
Driver's License or ID No.:	[redacted]	**Date of Birth*:**		**Last 4 of SSN:**	[redacted]

List your qualifications for this appointment:

20+ years as Director of Public Information at Gavilan College, Masters Degree in Public Policy

List any service to the community including any prior appointments:

8 years Housing Advisory Committee, including multiple years as chair; Board member, Destination:Home; Board member PitStop Outreach; former board member: Gilroy Compassion Center , Gilroy Arts Alliance, Leadership Gilroy

What are your goals while serving on this Board/Commission/Committee?

To represent the best interests of all of the citizens of Gilroy, to serve with commitment to the public process

Why are you the most qualified to serve on this Board/Commission/Committee?

I have been a Gilroy resident and homeowner for 20 years abd raised three children in Gilroy. I am sctive in the community and will bring a thoughtful and analytical approach to decision-making

☐ **By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of**

	Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

City of Gilroy
Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:	
Name:	Zhuoyuan Zhang
Phone number(s):	[redacted]
email address*:	[redacted]
Are you a registered voter within the City limits?	Yes
Physical Address*:	[redacted]
Driver's License or ID No.:	[redacted]
Date of Birth*:	
Last 4 of SSN:	[redacted]

List your qualifications for this appointment:

Previous work experience includes business development analysis, most recently worked as a risk manager in an international bank.

List any service to the community including any prior appointments:

Volunteer of HOPE program and Gilroy Garlic Festivals.

What are your goals while serving on this Board/Commission/Committee?

Making our community a better place to live by learning from our past and others.

Why are you the most qualified to serve on this Board/Commission/Committee?

Did business development analysis and planning in corporate America. Being a quick learner and flexible adaptor, I could play a good role in making our community a better place to live.

✓	**By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of**

	Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

City of Gilroy
Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:	
Name:	Sandra Ramirez
Phone number(s):	[redacted]
email address*:	[redacted]
Are you a registered voter within the City limits?	Yes
Physical Address*:	[redacted]
Driver's License or ID No.:	[redacted]
Date of Birth*:	
Last 4 of SSN:	[redacted]

List your qualifications for this appointment:

I am currently on three board at my work and have been involved in many of the decision.

List any service to the community including any prior appointments:

At the moment I have no service to the community unless you count me bring items from NASA to the library for kids to get in involved in Science and Math.

What are your goals while serving on this Board/Commission/Committee?

My goal is to understand and help my community in which I feel it affect me. By being able to see how things work in the city office I can address issues in a proper way.

Why are you the most qualified to serve on this Board/Commission/Committee?

I am qualified to serve on the boards is because I want to make sure our city is well plan and get the community involved to better Gilroy as a city.

✓	**By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of**

	Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Interview and Appointment for the Position of City Historian**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	City Clerk
Submitted By:	Thai Nam Pham, City Clerk
Prepared By:	Thai Nam Pham, City Clerk

STRATEGIC PLAN GOALS Not Applicable

RECOMMENDATION

Staff recommends Council interview candidates for the City of Gilroy City Historian position and appoint a member as City Historian after interviews have been conducted.

BACKGROUND

Since 1977 the City Council has appointed a volunteer from the community to serve as City Historian. The position requires a deep knowledge of the history of Gilroy as the person serving in the role is relied upon to assist with historical queries for efforts such as the placement of historical markers, genealogy research for individuals, and research assistance for staff and the press.

At the March 4, 2019 City Council Regular Meeting, Council adopted Resolution No. 2019-04, establishing the position description for the City Historian and the term's duration to four (4) years. Current City Historian Toby Echelberry's term ended on January 7, 2023.

The application period for City Historian was opened on December 22, 2022, with the closure of Tuesday, January 17, 2023, at 5:00 p.m. The City received one (1) application from Toby Echelberry.

CONCLUSION

Interviews have been scheduled with the City Council at this evening's meeting, and appointments are to be made following the interview process.

Attachments:

1. Application - Toby Echelberry
2. City Historian Volunteer Position Description

Thai Pham

From:	noreply@civicplus.com
Sent:	Tuesday, January 3, 2023 3:38 PM
To:	City Clerk
Subject:	EXTERNAL - Online Form Submittal: City of Gilroy Application for City Historian

City of Gilroy Application for City Historian

City of Gilroy Application for City Historian

* All applications are a public record.

First Name	Toby
Last Name	Echelberry
Physical Address 1	[redacted]
City, State, Zip	[redacted]
Phone Number	[redacted]
E-mail Address	[redacted]
Alternate Phone Number	*Field not completed.*
List your qualifications for this appointment:	I am currently the incumbent for this position which I have held for the past four years. Accomplishments in this last term include: (1) formalizing the City Historian position through Resolution 2019-04, drafting the position description, scope and responsibilities; (2) assisted City Clerk's Office in creation of transcription service for archived City Clerk Minutes, Resolutions and Ordinances where I have completed over 600 documents consuming over 2,000 volunteer hours; (3) I was an active member of the 150th Sesquicentennial Committee; (4) published a handful of early Gilroy History articles; (5) assisted in over a dozen support requests which came through the City

	Historian webpage; (6) lastly networked with several other cities and states in regards to networking and sharing on historical information as well assisted two different cities in developing their own City Historian position.
List any service to the community including any prior appointments.	City of Gilroy City Historian - Feb 2019-PRESENT; City of Gilroy Housing Advisory Committee (achieved status of Chair) - Sep 2014-Jan 2019; City of Gilroy Historic Heritage Committee (achieved status of Chair) - Jan 2015-Dec 2017; City of Gilroy High Speed Rail Station Citizen Advisory Committee (Vice Chair) - Sep 2015-Dec 2017; Gilroy Chamber of Commerce Business and Education Committee (Chair member) Jan 2015-Dec 2021; Rotarian - Jan 2015-PRESENT; Green Mountain Coffee Roasters Grant Committee (Finance Chair) Jan 2011-Mar 2013; Silicon Valley Flex Academy (Volunteer Coach) - 2014; YMCA (Coach) - Aug 2011-Jul 2015
What are you goals while serving as City Historian	To continue providing services to the community and the City as requested. I will continue to work with the City Clerk's office to provide transcription services to update the Laserfiche system where in this next term I aim to complete another 1,000 documents. I will continue the aspiration of refreshing the web presence to provide more civic historical data for individuals to easily utilize. I will pursue creation of at least 4-5 new papers surrounding the prior Mayors and Councilmembers of the City of Gilroy. I will create a full listing of each past Councilmember with brief bio for a future webpage. I will continue to grow the mantra, of telling history through the "Eyes of a City Clerk."
Why are you the most qualified to serve as the City Historian?	I feel my prior 9 years of volunteering with the City of Gilroy, plus my passion for History makes me a strong candidate who strives to provide a civic history for the City of Gilroy, and to not only assist in the preservation, but ability to have ease of use through electronic research will allow individuals from around the globe to understand who we are in Gilroy and how we have become the great city we are through the "Eyes of a City Clerk".

CITY OF GILROY
CITY HISTORIAN
VOLUNTEER POSITION DESCRIPTION

ROLE OF THE CITY HISTORIAN: The role of the City Historian is to increase public awareness of the history of the City and community of Gilroy. The City Historian provides interpretation of Gilroy's past by gathering and evaluating evidence, making thoughtful and appropriate generalizations, and writing well-organized narratives. Duties may include:

1. Providing presentations to organizations and social groups
2. Developing an education program for school tours including history walks
3. Preparing and teaching adult educators in local and regional history
4. Providing articles on local history topics for local print, online and social media
5. Assisting in providing resource to the City's Historic Heritage Committee
6. Support for the endeavors of the Gilroy Historic Society
7. Development and continuation of Heritage Tourism activities

<u>Appointed Term of Office</u>
The person appointed by the City Council to this volunteer position will serve for a four (4) year term, with no term limits.

<u>RESPONSILIBITIES:</u> Responsibility to:

1. Acquire, prepare, record and reporting facts about historically significant Gilroy related events and people.
2. Collaborate with the Gilroy Historic Society on discovery of Gilroy History
3. Collaborate with inter-city agencies, groups and other persons on historical issues
4. Respond to inquiries on Gilroy history
5. Organize and direct commemoration of historical anniversaries and participate in other civic or patriotic observations.
6. Coordinate historical research and subsequent presentation activities among City agencies
7. Advocate for historic preservation and serve as a resource to the City on questions relating to history and historic preservation.
8. Support the preparation of the cultural resources survey, identification of historic structures and prepare nominations to the State and National register of Historic Places.
9. Report to the City Council annual and as required on history-related issues

KNOWLEDGE: Knowledge of:

1. Strong knowledge of Gilroy history
2. Sources for Gilroy history, including but not limited to people, collections, and other data sources
3. Tools and techniques for historical research and writing

SKILLS AND ABILITIES: Ability to:

1. Communicate effectively both verbally and in writing.
2. Understand, interpret and catalog historical facts
3. Excellent interpersonal skills
4. Ability to analyze and interpret information
5. Working knowledge of computers and proficiency using computer databases, supporting website development, and using computer file sharing services

FUNCTIONS

1. Research and Writing. The first and primary responsibly of the City Historian is interpretation of the past. This involves research and writing on aspects of the City for publication in books, magazines and newspapers.
2. Teaching and Public Presentations. As Historian, you may serve as a resource to teachers in the fourth and seventh grade local history curriculum, as a content consultant to speak and lecture to community groups, and you may participate in radio and TV talk shows to disseminate local history.
3. Historic Preservation. Historians are advocates for historic preservation and a resource to the Historic Heritage Committee and City Council on questions relating to history and preservation. The Historian may be asked to support the preparation of a cultural resources survey to identify historic structures and prepare nominations to the State and National Register of Historic Places, and historic marker programs.
4. Organization, Advocacy and Tourism Promotion. Historians are asked to organize and direct the commemoration of historical anniversaries and to participate in other civic or patriotic observations, and may participate in local Heritage tourism activities.

WHAT A HISTORIAN IS NOT

1. The Historian is not an antiquarian. While the Historian may support the Gilroy Historical Society or other agencies in these activities, the Historian does not assemble or maintain collections or components of collections.

2. The Historian is not an archivist. The Historian's function is to support research and make use of archival resources.
3. The Historian is not an event coordinator. The Historian has no formal responsibility for activities such as parades and commemorations.
4. The Historian is not a genealogist. The use of genealogical information may be used by the Historian but it is not part of the role to conduct genealogical research on demand.

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Receive Fiscal Year 2022-23 (FY23) Mid-Year Budget Update Report and Adopt a Resolution Updating the Position Control List**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Finance
Submitted By:	Harjot Sangha, Finance Director
Prepared By:	Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS Develop a Financially Resilient Organization

RECOMMENDATION

1. Receive the FY23 Mid-Year Budget Update Report; and
2. Approve the addition of a Permit Technician position in the Community Development Department; and
3. Adopt a resolution updating the City's FY23 Position Control List.

EXECUTIVE SUMMARY

This report serves to provide the City Council with a mid-year update on the FY23 Budget, as of the six-month period ended December 31, 2022.

BACKGROUND

Each year, the Finance Department prepares and presents to Council a mid-year budget update on the revenues and expenditures of the City's fiscal year performance. This mid-year budget update reports on the six-month period ended December 31, 2022.

Citywide, the revenues of the City are typically received below an evenly distributed level at the mid-year. This is due to the lag time between when the economic transaction occurs and when the City's revenues are received. This is typical in such interval reports until the Annual Comprehensive Financial Report is provided to Council after the completion of each fiscal year.

ANALYSIS

General Fund

Revenues

For FY23, the General Fund's budgeted revenues are $63.6 million. As of December 31, 2022, the year-to-date (YTD) amount received was $22.9 million in revenues, approximately 36% of the total annual amount budgeted. However, the percentages received vary by category type.

General Fund Revenues by Category		FY23 Amended Budget (In Millions)		FY23 YTD as of December 31, 2022	% of Budget
Sales Tax	$	22.6	$	7.3	32%
Property Tax		19.2		4.9	26%
Utility User Tax		5.5		2.7	49%
Franchise Tax		1.8		0.5	29%
Transient Occupancy Tax		1.8		0.7	39%
Business License		0.7		0.4	57%
Other Revenues		12.0		6.4	53%
Total	**$**	**63.6**	**$**	**22.9**	**36%**

Sales Tax - Sales tax is the General Fund's primary source of revenue. The current sales tax rate in Gilroy is 9.125%, and the City directly receives 1% (other entities receive the remaining 8.125%) of the rate as its local share. The sales tax funds are collected by the California Department of Tax and Fee Administration (CDTFA) and are typically received two months after the funds are collected, creating a lag in revenue receipt. The collection amount of $7.3 million represents four months' distribution. Based upon the recent sales tax report, the City's sales tax revenue is now projected to come in under budget by approximately $0.4 million.

Property Tax - The City's property tax revenues are collected and remitted by Santa Clara County and vary in distribution amounts and intervals. As of December 31, 2022, the City had received 26%, or $4.9 million, of the budgeted amount Based on the recent property tax update from the County Assessor's office, the City expects to receive the full budgeted amount of $19.2 million for FY23.

Utility Users Tax (UUT) - Utility taxes are assessed against the value of energy and telecommunications, such as gas, electricity, steam, cable, and phone charges. The current tax rates are 4.5% for telecommunications and 5% for gas and electric. As of December 31, 2022, the City had received 49%, or $2.7 million, of the amount budgeted. This UUT revenue budget was adjusted upwards during mid-cycle due to the increases in energy costs. The City expects to receive the full amended budget amount of $5.5 million for FY23.

Franchise Tax - The City receives franchise tax revenue from three franchise types including gas and electric, cable tv, and garbage/refuse. As of December 31, 2022, the City had received 29%, or $0.5 million, of the amount budgeted. The payments from the operators vary in distribution amounts and intervals, and as such, most of the budgeted revenue is projected to be received in the latter six months of the fiscal year. The City expects to receive the full budgeted amount for FY23.

Transient Occupancy Tax (TOT) – The City's TOT revenue comes from a 9% tax on hotel room rentals for stays less than 30 days, including RV parks in the City. The tax is remitted quarterly and is due within one month after the quarter end. As of December 31, 2022, the City had received 39%, or $0.7 million, of the amount budgeted, which reflects only the first quarter of the fiscal year. The second quarter's payments will be received during the month of January. Staff projects the actual revenue for FY23 to slightly exceed the budget.

Business License – As of December 31, 2022, the City received 57%, or $0.4 million, of the total amount budgeted. The business license revenue is tied to the timing of the annual renewal of the license where the majority are renewed in the first half of the fiscal year. Revenues period reflects the first five months of the fiscal year (July through November) as the December collections will be received during the month of January. Staff projects the actual revenue to come in at or slightly below the budget for FY23.

Other Revenues – This category consists of departmental charges for services, general administration charges, fines and forfeitures, and intergovernmental revenues. As of December 31, 2022, the City received 53%, or $6.4 million, of the total amount budgeted. The development related revenues for Public Works and the Community Development Departments are included in this aggregate category and as of December 31, 2022, these revenues amounted to $2.4 million, or about 42% of the budgeted development related revenues. Staff projects the actual revenues to come in at or slightly above budget for FY23.

Expenditures

For FY23, the General Fund's budgeted expenditures are $65 million. As of December 31, 2022, actual expenditures were $30.5 million, or about 47% of the total amount budgeted. Generally departments are within or below their expenditure target for the period.

General Fund Expenditures by Department/Function	(In Millions) FY23 Amended Budget	FY23 YTD as of December 31, 2022	% of Budget
Administration	$ 3.0	$ 1.1	37%
Recreation Transfer	1.5	0.8	53%
Other Transfers	1.3	1.2	92%
Finance	1.0	0.5	50%
Human Resources	1.6	0.7	44%
Police	26.6	12.7	48%
Fire	13.2	6.8	52%
Public Works	9.0	2.7	30%
Community Development	4.6	2.0	43%
Central Services	1.7	1.0	59%
Other General Government	1.5	1.0	67%
Total	**$ 65.0**	**$ 30.5**	**47%**

Non-General Funds

Revenues

For FY23, the non-General Fund budgeted revenues are $81.9 million. As of December 31, 2022, the revenues received were $34.1 million, or about 42% of the total amount budgeted.

Non-General Fund Revenues by Fund Type	(In Millions) FY23 Amended Budget	FY23 YTD as of December 31, 2022	% of Budget
Special Revenues	$ 9.7	$ 6.1	63%
Recreation	2.1	1.1	52%
Capital/Development	20.6	5.0	24%
Debt Service	5.3	1.7	32%
Internal Service	12.6	6.1	48%
Sewer	15.8	7.2	46%
Water	14.9	6.5	44%
Agency	0.9	0.4	44%
Total	**$ 81.9**	**$ 34.1**	**42%**

Special Revenues – This primary source of revenue in this fund type is intergovernmental funds in the manner of tax sharing or grants from the Federal, State, County, and other regional governments. For the City of Gilroy, these Special Revenues primarily provide funding for transportation (Gas Taxes, Vehicle Registration, and Measure B), public safety (Proposition 172 sales tax, Gang Prevention, and regional task forces) and community development (CDBG and Housing). In aggregate, the revenues are 63% of the target for this reporting period.

Recreation – Recreation has received 52% of the budgeted revenues for the fiscal year. The recreation fund receives an annual allocation of $1.5 million dollars from the General Fund, and in addition, acquires revenues from charges for services or grants related to recreation programs. The services provided by Recreation are seasonal, typically most active during spring and summer. Of the total amount received as of December 31, 2022, $0.7 million is attributable to the YTD General Fund's contribution, and remaining $0.4 million is primarily from charges for services. Staff projects the revenue from charges for services to exceed the budgeted amount by approximately $0.1 million.

Capital/Development – Capital and Development Impact Funds are at 24%, or $5 million, of the budgeted amount. The revenues are collected as a result of new development approval and the required contributions to development impact funds to offset infrastructure impacts. Although the YTD is tracking under budget, the revenue largely depends on the size and impact of the development, and the timing of that project's contribution, and therefore is not evenly distributed during the fiscal year.

Debt Service – Debt service funds receive their revenues from annual property tax levies and/or via interfund transfers from other funds. The revenues are at 32% of the budgeted amount.

Internal Service (Internal Service Funds) –The City's internal services funds (Information Technology (IT), Fleet, Facilities, Worker's Compensation, and Liability Funds) primarily receive their revenue from charges to other departments and funds in the City. These charges are typically assessed in equal monthly amounts based on the total budget for the fiscal year, and as such, charges are at 48%. These charges are trued up at fiscal year-end based on the actual expenditures of the internal service funds.

Sewer – The Sewer Fund has received 46%, or $7.2 million, of its budgeted amount and is tracking slightly below the target for the reporting period. However, the utility is billed monthly in arrears, and therefore lag by one month. Staff expects the actual sewer revenues to come in at the budgeted amount.

Water – The Water Fund has received 44% of its budgeted amount and is tracking slightly below the target for the reporting period. However, like the Sewer

Fund, the utility is billed monthly in arrears, therefore lag by one month. Staff expects the actual water revenues to come in at or slightly under the budgeted amount.

Expenditures

For FY23, the non-General Fund budgeted expenditures are $120.9 million. As of December 31, 2022, the expenditures are $39.6 million, or about 33% of the total amount budgeted.

	(In Millions)		
Non-General Fund Expenditures by Fund Type	**FY23 Amended Budget**	**FY23 YTD as of December 31, 2022**	**% of Budget**
Special Revenues	$ 15.2	$ 4.4	29%
Recreation	2.1	0.8	39%
Capital/Development	20.1	4.0	20%
Debt Service	5.1	3.0	58%
Internal Service	21.3	7.0	33%
Sewer	36.6	14.0	38%
Water	19.6	5.6	29%
Agency	0.9	0.8	89%
Total	**$ 120.9**	**$ 39.6**	**33%**

Special Revenues – The primary expenditures in this fund type are for roads and sidewalk infrastructure, followed by grant related expenditures for the Police Department. As of December 31, 2022, expenditures are at 29%, or $4.4 million, of the annual budgeted amount. Road and infrastructure capital projects typically commence after the winter/rainy season therefore staff expects funds to be encumbered and expenditure to occur in the latter part of the fiscal year for projects such as the annual citywide pavement maintenance and rehabilitation.

Recreation – The recreation division has expended 39%, or $0.8 million, of the total annual budget. The services provided by Recreation are seasonal, typically most active during spring and the summer.

Capital/Development – Capital and Development Impact Funds have expended a total of 20%, or $4.0 million, of the annual budgeted amount. The below target spending is primarily in the capital outlay and Traffic Impact Fee (TIF) reimbursement categories. Staff expects TIF reimbursements to be processed in the second half of the fiscal year. Additionally, staff anticipates that capital outlay projects will commence in the second half of the year, such as the downtown beautification project (gourmet alley), the interim fire station, and the completion of the downtown gourmet parking lot.

Debt Service – The debt service funds have expended 58% of their budgeted amount. The debt service payments typically include semiannual interest payments, and one annual principal payment.

Internal Services - The City's internal services funds (IT, Fleet, Facilities, Equipment Outlay, Worker's Compensation, and Liability Funds) have expended 33%, or $7.0 million, of the total budgeted amount. The underspending is primarily in the capital outlay category for the Fleet, IT, and Equipment Outlay funds.

Of the total budget of $21.3 million, about $9.0 million is related to capital outlay. The City Council recently awarded a $3.7 million energy efficiency project which is expected to commence soon. Fleet Services staff continue to be strategic in procuring vehicles utilizing cooperating purchasing program or identifying alternative available replacements, and expects secure vehicles for most of the planned fleet replacement by the end of the fiscal year.

Sewer – The Sewer Fund has expended 38%, or $14.0 million of the total budgeted amount. Of the total budget of $36.6 million, about $27.3 million is related to capital outlay including the South County Regional Wastewater Authority's Plant Expansion project. The remaining budget, $9.3 million, is related to sewer operations which has expended 52% of its budgeted amount through this reporting period.

Water – The Water Fund has expended 29%, or $5.6 million, of the total budgeted amount. Of the total budget of $19.6 million, about $5.0 million is related to capital outlay. The remaining budget, $14.6 million, is related to water operations which has expended 36% of its budgeted amount through this reporting period. The water extraction fees paid in this reporting period to Valley Water only reflect charges for the first quarter of the fiscal year.

FY23 Mid-Year Budget Adjustment
Staff is recommending adding a Permit Technician position to the Community Development Department's Building Division. There are currently two Permit Technician positions in the Building Division of the Community Development Department. Current staff resources are not adequate to meet rising service demands and to meet standard permit processing timelines.

Building permit activities have increased from an average of 1,585 building permits per year during the pandemic to over 2,200 building permits projected for FY 2022-23. This activity level also exceeds the average of 2,050 building permits per year in the two years pre-pandemic. In examining the in-person customer data, in 2022, an average of 10 customers were assisted by the Building Division at the permit counter per day. The average service time with each customer is 59 minutes. While Permit Technicians assist customers at the permit counter, electronic building permit application packages continue to be submitted, which also experience a wait in processing. This has been causing delays in the permitting process.

In addition, in 2022, AB2234 was signed into law which became effective on January 1, 2023. The bill establishes time limits for completing building permit submittal review for housing development projects. The bill sets 15 business days for building permit completeness review, after which the project enters into the plan review phase. Staff recommends adding a Permit Technician position as there is an immediate need to comply with new state laws aimed at improving permit processing times.

The cost of adding another Permit Technician position is $102,000, which is offset by the Building Division's revenues through permit fees.

Attached to this report is a draft resolution updating the City's Position Control list, which includes the addition of the recommended Permit Technician position.

General Fund Forecast

The City Council last received the General Fund Forecast update in September 2022 when the preliminary FY22 year-end budget report was presented. The chart below is an updated General Fund Forecast, which incorporates unaudited FY22 year-end actuals, roll forward encumbrances, year-to-date budget amendments for FY23, and the recommended FY23 mid-year adjustment noted above.

General Fund Forecast (In Millions)	Unaudited Actuals FY22	Amended FY23	Forecast FY24	Forecast FY25	Forecast FY26	Forecast FY27	Forecast FY28
Beginning Fund Balance	$ 18.6	$ 24.3	$ 25.4	$ 26 9	$ 26.9	$ 27.0	$ 27.1
Add: Revenues	62.0	62.4	63.1	64 2	66.1	68.1	69.8
Less: Expenditures	(56.3)	(61.3)	(61.6)	(64 2)	(66.0)	(68.0)	(69.5)
Operating Margin*	*5.7*	*1.1*	*1.5*	*-*	*0.1*	*0.1*	*0.3*
Ending Fund Balance	*$ 24.3*	*$ 25.4*	*$ 26.9*	*$ 26.9*	*$ 27.0*	*$ 27.1*	*$ 27.4*
One-time Contribution (ARPA)	10.3	0.7					
One-time Expenditures (ARPA)		(3.9)					
Ending Fund Balance (with ARPA)*	**$ 34.6**	**$ 32.5**	**$ 34.0**	**$ 34.0**	**$ 34.1**	**$ 34.2**	**$ 34.5**
Minimum Fund Balance Required	30%	30%	30%	30%	30%	30%	30%
Fund Balance as a %	*43%*	*41%*	*44%*	*42%*	*41%*	*40%*	*39%*
Fund Balance as a % (with ARPA)	***61%***	***50%***	***55%***	***53%***	***52%***	***50%***	***50%***

Positions added back beginning FY22 utilizing the ARPA funds are an ongoing operational expenditure thus are not reflected in the one-time expenditure line item for ARPA above

Notable change is a downward adjustment to the City's sales tax revenue based on the latest projections. The City's sales tax revenue came in lower than previously projected for FY22 and is projected have slower growth for FY23 and FY24. The reduction is primarily in the countywide pool. Currently, approximately 20% of the City's sales tax revenue comes from the countywide pool allocation. Local sales and use taxes are allocated based on taxpayer's place of business. In instances where a sale cannot be attributed to a permanent place of business, as is typically the case with online sales, in such cases, the local sales or use tax in California is allocated to a city through a countywide pool. The tax is reported to the countywide pool of use and then distributed to each city in the county on a pro-rata share of taxable sales each quarter. This category saw a robust increased during the pandemic as more sales took place online. Now, as we enter the post pandemic era, the revenue generated via the countywide pool is expected to decrease, which is offset by nominal increases in the other categories such as transportation, business to business, and general retail. Sales tax is the largest single source of the General Fund revenue and one that is very volatile as it relies directly on consumers discretionary spending. The current forecast does not assume a recession at this time however a slowdown in sales tax revenue growth is expected.

FY23 is now projected to have an operating margin of $1.1 million vs. $3.2 million projected in September 2022. This is due to the aforementioned downward adjustment to the City's sales tax revenue forecast and subsequent budget amendments approved for the General Fund such as funding a portion of the energy efficiency project (expected to be repaid in future year), downtown beautification, and parking management plan. At this time, the FY24 is projected to have a positive operating margin of $1.4 million, while remainder of the forecast years are projected to remain structurally balanced with some positive margins.

The ongoing causes of concern include high inflation, the federal reserve's ongoing tightening monetary policy by hiking federal fund interest rates, and overall volatility in the markets that could have further slowdown in economic activity, which could impact revenue sources. The General Fund's primary expenditure is related to personnel. In the current year, Council approved various multi-year labor contracts which help provide stability for the employees and the organization overall and help to project and budget for the planned increases.

Per the California Association of Realtor's 2023 housing market forecast, the median home price in the State is expected to decline 8.8% during the year, mortgage rates are expected to remain elevated, and the higher rates are expected to reduce the purchasing power of many buyers. As such, housing demand and home prices are expected to soften during the year. At this time, there is no major negative impact expected to the City's property tax revenue, as the property tax revenue is based on annual assessed values vs. the annual fair market value. However, the tax revenue component (documentary tax) related to change of ownership (bought or sold) is expected to decrease, compared to prior year, as the number of transactions is expected to slow.

The next comprehensive General Fund forecast will be developed and presented as part of the FY24 and FY25 biennial budget process.

ALTERNATIVES

There are no recommended alternatives to the FY23 mid-year budget update report.

City Council could elect not to approve the addition of the Permit Technician position. Staff does not recommend this option as it will continue to create delays in permit processing in the Community Development's Building Division.

FISCAL IMPACT/FUNDING SOURCE

The fiscal impact of the FY23 mid-year budget update has been discussed in the above report.

The fiscal impact for the Permit Technician position is $102,000 and will be accommodated within the Community Development Departments' budget for the remainder of the fiscal year, thus no additional appropriations are required. The position and future funding will be included in the upcoming biennial budget.

General Fund 5-Year Forecast
The General Fund is projected to maintain the required minimum fund balance of 30% throughout the 5-year forecast. FY24 is projected to have a positive operating margin of $1.4 million, and the remainder forecast years are projected to remain structurally balanced, with some positive margins, representing the projected revenues are expected to cover the ongoing expenditures. The one-time ARPA monies coupled with robust economic growth experienced have helped stabilize the fund. The accumulated fund balance is recommended to be utilized on strategic one-time or non-routine expenditures, and generally should be avoided to fund ongoing operational expenditures.

Attachments:

1. Draft Resolution - Position Control List

RESOLUTION NO. 2023-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE AUTHORIZED POSITION CONTROL LIST FOR THE CITY OF GILROY FOR FISCAL YEAR 2022-2023

WHEREAS, the business operations of the City of Gilroy are conducted by hired professional staff; and

WHEREAS, the City of Gilroy is committed to delivering services to our residents; and

WHEREAS, the delivery of services is effectuated by providing adequate and appropriate staffing levels to carry out the business of the City.

NOW, THEREFORE, BE IT RESOLVED that the number and classifications of both regular and limited-term full-time positions in which persons may be employed by the City of Gilroy during Fiscal Year 2022-2023 are hereby Amended and shallbe as set forth in the attached position control list, incorporated herein by reference.

BE IT FURTHER RESOLVED that a change in the position control list shall only beaccomplished by resolution of the City Council of the City of Gilroy.

PASSED AND ADOPTED at a Regular Meeting of the City Council this 23rd day of January 2023 by the following vote:

AYES: **COUNCIL MEMBERS:**

NOES: **COUNCIL MEMBERS:**

ABSTAIN: **COUNCIL MEMBERS:**

ABSENT: **COUNCIL MEMBERS:**

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk

POSITION CONTROL LIST

Below is the table showing the authorized full-time positions by department.

Updated January 23, 2023

DEPARTMENT	AMENDED FY22	AMENDED FY23
ADMINISTRATION	**14**	**16**
Assistant to the City Administrator	0	1
City Administrator	1	1
City Clerk	1	1
Community Coordinator	1	1
Community Engagement Manager	1	1
Community Resilience Coordinator	0	1
Deputy City Administrator	0	0
Deputy City Clerk	1	1
Economic Development Manager	0	0
Emergency Services & Volunteer Coordinator	1	1
HCD Technician	1	1
Housing and Grants Manager	0	0
Management Analyst	1	2
Management Assistant	0	0
Office Assistant I/II	0	0
Program Administrator	1	1
Recreation Coordinator	2	1
Recreation Director	0	0
Recreation Manager	1	1
Recreation Specialist	0	0
Recreation Supervisor	0	1
Senior Management Analyst	2	1
ADMINISTRATIVE SERVICES	**18**	**19**
Administrative Services & Human Resources Director/Risk Manager	1	1
Custodian	0	0
Equipment Mechanic	2	2
Facilities Maintenance Specialist	3	3

Facilities Superintendent	1	1
Fleet Superintendent	1	1
Human Resources Analyst	1	1
Human Resources Asssistant I\II	0	0
Human Resources Technician I	1	1
IT Applications Analyst	1	1
IT Director	0	0
IT Manager	1	1
IT Technician I/II	1	1
Management Assistant	1	1
Network Administrator	0	1
Public Safety Systems Administrator	1	1
Senior Custodian	1	1
Senior Equipment Mechanic	1	1
Senior Human Resources Analyst	1	1
COMMUNITY DEVELOPMENT	**23**	**24**
Building Inspector I/II	3	3
Building Official	1	1
Code Enforcement Officer	2	2
Community Development Director	1	1
Customer Service Manager	1	1
Deputy Director of Community Development	0	0
Deputy Fire Marshal/Haz Mat Supervisor	1	1
Fire Marshal	0	0
GIS Coordinator/Planner	1	1
Hazardous Materials Inspector I/II	3	3
Management Analyst	1	1
Management Assistant	1	1
Office Assistant I/II	1	1
Permit Technician	2	3
Planner I/II	2	2
Planner I/II (Limited Term - Three Years)	0	0
Planning Division Manager	0	0
Planning Technician	1	1

Senior Planner	2	2
FINANCE	**13**	**14**
Accountant II	1	1
Accounting Assistant I/II	6	7
Accounting Technician - Payroll	1	1
Accounting Technician I/II	1	1
Budget/Finance Analyst	1	1
Finance Director	1	1
Finance Manager	2	2
Revenue Officer	0	0
FIRE	**44**	**44**
Fire Administration Technician	1	1
Fire Captain	10	10
Fire Chief	1	1
Fire Division Chief	3	3
Fire Engineer	9	9
Firefighter I/II	19	19
Management Analyst	1	1
Management Assistant	0	0
POLICE	**101**	**102**
Community Services Officer	4	4
Crime Analysis/Records/Property and Evidence Manager	0	0
Police Crime Analyst	1	1
Detention Services Officer	3	4
Management Analyst	1	1
Management Assistant	1	1
Multi-Service Officer	1	1
Office Assistant I/II	1	1
Police Captain	3	3
Police Chief	1	1
Police Corporal	8	8
Police Officer	44	44
Police Records Technician I/II	6	6
Police Sergeant	11	11

Property and Evidence Technician	1	1
Public Safety Communications Supervisor	1	1
Public Safety Communicator	12	12
Senior Police Records Technician	0	0
Police Records Supervisor	1	1
Youth Task Force Coordinator	1	1
PUBLIC WORKS	**49**	**49**
City Engineer/Transportation Engineer	1	1
Deputy Director of Public Works	1	1
Engineer I/II	5	5
Engineer I/II (Limited Term - Three Years)	0	0
Engineering Technician/Inspector I/II/III	2	2
Maintenance Worker I/II	27	25
Management Analyst	2	2
Management Assistant	1	1
Operations Services Supervisor	3	3
Public Works Director	1	1
Senior Civil Engineer	2	2
Senior Environmental Engineer	1	1
Senior Management Analyst	0	0
Senior Maintenance Worker	3	5
CITYWIDE FULL-TIME PERSONNEL	**262**	**268**

City of Gilroy

STAFF REPORT

Agenda Item Title:	Resolution Declaring the Cherry Blossom Apartments as Surplus Pursuant to Government Code Section 54221
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Administration
Submitted By:	Jimmy Forbis, City Administrator
Prepared By:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS	Develop a Financially Resilient Organization Promote Safe Affordable Housing for All Promote Economic Development Activities

RECOMMENDATION

Adopt a resolution of the City Council of the City of Gilroy declaring the Cherry Blossom Apartments Property to be surplus, and direct staff to proceed in conformance with the State Surplus Lands Act regarding the potential disposition of said property.

BACKGROUND

The City of Gilroy owns the building with addresses of 7255, 7257, 7259, and 7261 Monterey Road, commonly referred to as the Cherry Blossom Apartments (the "Property"). The City in 2001 issued Community Development Block Grant and Housing Trust Fund loans to rehabilitate the building. The building changed ownership, then the new owner defaulted on the loans. Foreclosure proceedings were enacted, and no one purchased the property at auction. The City then became the owner of the Property. For a few years Santa Clara County expressed interest in purchasing the Property, but no purchase transaction occurred. The City has been maintaining and leasing the 7 residential and 3 ground-level commercial units contained within this building since it took ownership, utilizing a property management company for a portion of that time.

The site is a desirable location for developers, both of mixed-use as well as commercial purposes. The City has a vested interest in retaining affordable housing availability as well as attaining economic development, aesthetic, and other quality enhancements as the Property is located on the main street through Gilroy's downtown.

The City historically has had discussions with Santa Clara County about the County purchasing the Property, but no purchase process was initiated. There has been an increase in interest in the property from developers. Before soliciting offers and evaluating options, the Surplus Lands Act ("SLA") (Government Code Section 54220, et seq.) requires a process to be completed before the Property could be leased or sold.

The purpose of the SLA is to promote affordable housing development on unused or underutilized public land throughout the state to respond to the existing affordable housing crisis. The amendments to the SLA adopted with AB 1486 and AB 1255 clarify and strengthen reporting and enforcement provisions of the SLA to promote increased compliance with the SLA. The first step in the process is for the City Council to declare, by resolution, the Property as surplus.

ANALYSIS

Surplus Land Act

The SLA requires local agencies in California to make land that is no longer needed for agency use available for purchase or lease by public agencies or housing developers, either for park, recreation or open space uses, or for affordable housing. The California Department of Housing and Community Development ("HCD") enforces the SLA and has issued comprehensive guidelines (the "HCD Guidelines") interpreting, and in some cases supplementing, the requirements of the SLA. Compliance with the SLA is required anytime a local agency proposes to sell or lease land except in the case of:

1. Certain short-term leases.
2. Disposition for "agency use".
3. Disposition of "exempt surplus land." Certain dispositions are declared to be exempt from most of the SLA's requirements. If an agency proposes to dispose of land for an exempt purpose, it must first find that the land is "exempt surplus land" and must notify HCD accordingly. Exempt purposes include disposition for certain affordable housing uses and the exchange of property owned by the local agency for other land needed for agency use.

If a local agency proposes to dispose of land and none of the three circumstances listed above applies, then the agency must first declare the property "surplus." Any action taken by the local agency to dispose of the property without first declaring it surplus is improper and may be voidable. After the local agency declares the land surplus, it must deliver a Notice of Availability in a form prescribed by HCD to HCD, all housing developers on a list maintained by HCD that have requested notice, and certain public agencies, including housing authorities, parks agencies, and school districts. For 60 days after the Notice of

Availability is sent, any party entitled to notice may propose to negotiate the purchase or lease of the land for housing, open space, or school facilities. (The term "open space" is used here for convenience to refer to a park, recreation, or open space use.)

If no requests to negotiate are received during the 60-day period, then the local agency may dispose of the land to any party using any procedure allowed by law. However, during the 60-day period, the local agency may not take any steps to negotiate the disposition of the land with any party, including by issuing a request for proposals. Also, if the ultimate disposition of the land is for housing purposes, then the local agency must impose affordability restrictions on the land, as specified in the SLA. Before disposing of the land, the local agency is required to submit information regarding its compliance with the SLA to HCD. HCD has 30 days to review the information submitted by the local agency. If HCD finds a violation of the SLA, then it should provide notice of that violation by the end of the 30-day review period.

If a request to negotiate the purchase or lease of the land for housing, open space, or school facilities is received during the 60-day period, then a 90-day negotiation period begins as soon as the 60-day response period ends. During that time, the local agency must negotiate the disposition of the land in good faith. Where more than one request to negotiate is received, the local agency must prioritize the requests as follows:

1. A parks agency proposing to use the land as open space is entitled to priority if, (i) the land being offered is already being used and is proposed to be used for open space purposes, or (ii) the land is designated for open space use in the local general plan and is proposed to be developed for that purpose.

2. Except as described above, a proposal to use the land for housing with at least 25% of the units deed restricted as affordable is entitled to priority.

3. If the local agency receives more than one proposal for affordable housing, then priority depends first on the number of units proposed and second on the level of affordability proposed.

The fact that one proposal is entitled to priority does not mean that the local agency cannot consider other proposals. However, if the local agency concludes a deal with a party other than the party entitled to priority, then it must justify its actions to HCD.

The SLA states that the local agency is not required to conclude a deal with any party submitting a proposal if, during the 90-day negotiation period, the agency negotiated in good faith but was unable to reach agreement on "sales price and terms or lease terms." However, the HCD Guidelines limit the local agency's discretion further by requiring it to conclude a deal with any party submitting a request to negotiate unless: (1) the local agency concludes a deal with another party; (2) the local agency and the party cannot reach agreement on "sales price" or "lease terms"; or (3) the party's proposal does not satisfy reasonable conditions identified by the local agency in its Notice of Availability, which must be reviewed and approved by HCD in advance. If a party to the negotiation requests to purchase or lease only a portion of the surplus land, the local agency may, but is not required, to entertain this proposal.

One issue that may arise during negotiations is whether the local agency may withdraw its Notice of Availability and decide not to dispose of the land or to dispose of it for agency use or an exempt purpose. The SLA is silent on this issue, but the HCD Guidelines require the local agency to proceed with negotiations if it received a timely request to negotiate. Prior to receiving a request to negotiate, the local agency may change its mind by issuing a Notice of Withdrawal.

The local agency may not refuse to negotiate disposition for housing even if housing is not an allowed use of the land under the applicable general plan and zoning. However, a local agency that controls land use is not required to rezone the land or change its land use designation to accommodate housing. For sites where housing is allowed, the local agency cannot negotiate a lower density than would otherwise be allowed or require compliance with design standards that would not otherwise apply.

After the conclusion of the negotiation period the local agency must submit information to HCD of its compliance with the SLA. HCD has 30 days to review the information submitted by the local agency. If HCD finds a violation of the SLA, then it should provide notice of that violation by the end of the 30-day review period. The local agency should then cure the violation within 60 days unless it believes no violation occurred, in which case it is required to provide a written explanation of its position to HCD. Once this process is completed, the local agency may dispose of the land if a deal was reached during the 90-day period. If no deal was reached, then the local agency may proceed to dispose of the land to any party and by any means allowed by law. However, if the land will be sold for housing purposes, then the local agency is required to impose affordability restrictions on the land, as specified in the SLA.

If HCD notices a violation by the local agency of the SLA, as described above, and if the local agency neither cures the violation nor satisfies HCD that no violation occurred, then HCD may report the violation to the Attorney General. The Attorney General or a beneficially interested private party may bring an action to enforce the SLA, and if the court determines that a violation of the SLA occurred that was not cured prior to the disposition of the land, then the court must order the local agency to deposit 30% of the proceeds of the disposition into an affordable housing fund. If the local agency is ever found to dispose of land in violation of the SLA in the future, it will be required to deposit 50% of the proceeds of such disposition into an affordable housing fund.

Property Information

The Property is one lot but has multiple addresses. Attached to this report is a printout from the City's GIS system. The Assessor's Parcel Number for the Property is 799-09-059. The addresses for the Property include 7255, 7257, 7259, and 7261 Monterey Road.

The subject site does not qualify as exempt from the SLA under the three circumstances described above. Therefore, in order to consider disposing of the property the City must first declare the property “surplus”. Disposal of the property includes either the sale or long-term lease (generally considered anything longer than five years).

Upon adoption of the resolution declaring the property as surplus, staff anticipates the following steps.

1. Submit a Notice of Availability (NOA) to agencies and requesting entities as required by HCD.
2. Wait 60 days from the date the NOA was sent. During that time, entities interested in negotiating the purchase of the property should submit requests to negotiate to the City.
3. If no requests are received by the end of the 60-day response period, the City may proceed to dispose of the property by other means, but prior to disposition, the City must report on its compliance with the Act to HCD.
4. If any requests are received, then the City is required to negotiate with the respondent(s) for at least 90-days. This is a total 90-day period, not a separate period for each respondent. If no agreement is reached with a respondent by the end of the 90-day negotiation period, then the City may dispose of the property by other means, subject to certain terms and conditions set forth in the SLA if the land will be used for housing. Whether the City chooses to dispose of the property with any respondent or if the City will not dispose of the property to a respondent, the City is required to report on its compliance with the SLA to HCD.
5. HCD has 30 days to respond to the City’s report with a Notice of Violation. If no Notice of Violation is received within 30 days of HCD’s receipt the City’s report, then the City is deemed to have complied with the SLA.

It should be noted that the SLA restricts the City from negotiating with prospective buyers or lessees prior to going through the SLA process.

ALTERNATIVES

The City Council may choose not to declare the Property as surplus. The City would continue to retain the Property but not be able to sell or lease the Property for other uses. The City cannot consider any sale or long-term lease of the Property unless the SLA process is followed.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact with this action. Any property sale, whether to an entity responding to the NOA or otherwise would be brought to the City Council for consideration and action. The fiscal impacts of that action would be discussed in detail at that time.

PUBLIC OUTREACH

This item was included on the publicly posted agenda for this Council meeting. Any future actions pertaining to the disposition of the Property would come back before Council at a public meeting.

NEXT STEPS

Once Council adopts the resolution and declares the Property as surplus, staff will begin the steps as outlined above, beginning with submitting a Notice of Availability (NOA) to agencies and requesting entities as required by HCD.

Attachments:

1. Draft Resolution – Declaring the Cherry Blossom Apartments as Surplus

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 THAT REAL PROPERTY OWNED BY THE CITY AT 7255, 7257, 7259, AND 7261 MONTEREY ROAD IS "SURPLUS LAND" WITHIN THE MEANING OF THE SURPLUS LAND ACT, FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING RELATED ACTIONS

WHEREAS, the City of Gilroy is the owner in fee simple of that certain real property commonly known as the Cherry Blossom Apartments, which comprises approximately 9,164 square feet, more or less, and which is located at 7255, 7257, 7259, and 7261 Monterey Road, Assessor's Parcel No. 799-09-059 (the "Property"); and

WHEREAS, the Property is a mixed-use building featuring 3 units of ground-floor commercial space, and 7 residential dwelling units; and

WHEREAS, the Property is not exempt surplus land in the that none of the circumstances stated in Government Code Section 54221(f) applies; and

WHEREAS, the Property is currently in use by the City for commercial and affordable residential mixed-use rental which is not a City use, and wishes to advertise for offers from interested parties to purchase the building to continue offering commercial and affordable residential dwelling unit rentals; and

WHEREAS, the Property is designated as a mixed-use lot in the City's General Plan, so that first priority in negotiations pursuant to Government Code Section 54277 shall be given to a public agency that agrees to purchase the Property for affordable housing purposes, with the retaining of the ground floor commercial purposes in a mixed-use format consistent with the General Plan and the Downtown Specific Plan; and

WHEREAS, the City Council's action in adopting this resolution is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that declaring the Property surplus and directing staff to issue a written Notice of Availability will not have a foreseeable significant effect on the physical environment in that the City has not committed the Property to any particular use at this time, predicting the impacts of any future use of the Property following its disposition by the City would be wholly speculative, and none of the circumstances in CEQA Guidelines Section 15300.2 applies;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gilroy as follows:

1. That the City Council finds that the foregoing recitals are true and correct.

2. That the City Council hereby declares that the Property is surplus and not necessary for the City's use.

3. That the City Clerk is hereby directed to send a Notice of Availability to the entities designated in Government Code Section 54222. The Notice of Availability shall be sent in a manner set forth in Section 201 of HCD's Surplus Land Act Guidelines.

4. That the officers and staff of the City are authorized hereby to do all things necessary or proper to effectuate the purposes of this Resolution, and that any such actions previously taken are hereby ratified and confirmed.

PASSED AND ADOPTED this 23rd day of January 2023, by the following roll call vote:

AYES: **COUNCIL MEMBERS:**

NOES: **COUNCIL MEMBERS:**

ABSTAIN: **COUNCIL MEMBERS:**

ABSENT: **COUNCIL MEMBERS:**

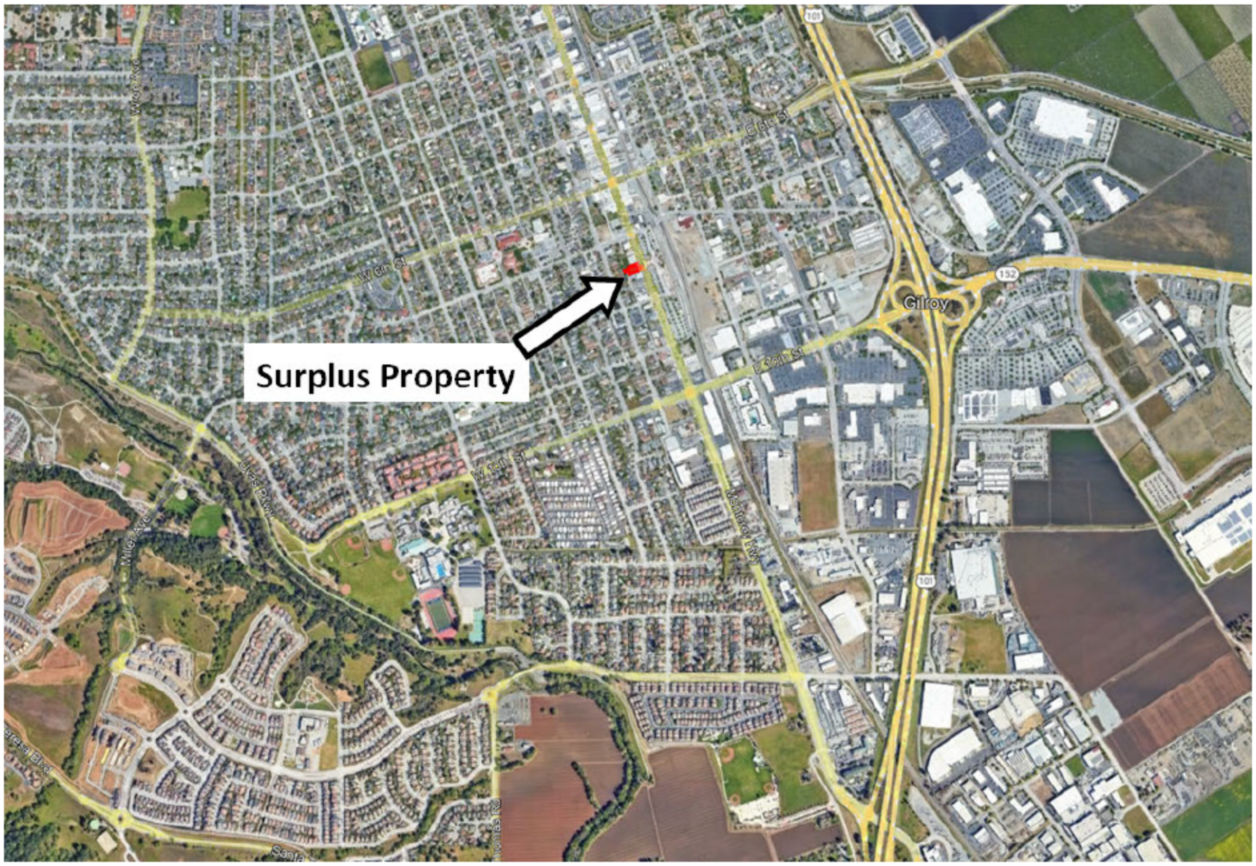
APPROVED:

____
Marie Blankley, Mayor

ATTEST:

____
Thai Nam Pham, City Clerk

EXHIBIT A
DEPICTION OF THE PROPERTY


Surplus Property
Gilroy

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Jumpstart Downtown – Approve both the Downtown Building and Planning Fee Reduction Policy and the Downtown Façade Improvement and Blight Removal Program, and Amend the Fiscal Year 2023 Operation Budget by $100,000 in the General Fund**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Administration
Submitted By:	Jimmy Forbis, City Administrator
Prepared By:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS	Promote Economic Development Activities

RECOMMENDATION

1. Adopt a resolution approving the Downtown Building and Planning Fee Reduction Policy;
2. Approve the Downtown Facade Improvement and Blight Removal Program; and
3. Adopt a resolution amending the Fiscal Year 2023 operation budget by $100,000 in the General Fund.

EXECUTIVE SUMMARY

The ad hoc Downtown Committee ("Committee") was formed in November 2021 and concluded in October 2022. The Committee developed nine recommendations adopted by the City Council, constituting the Jumpstart Downtown initiative. A kickoff meeting was held on October 27, 2022, announcing the recommendations. This agenda item seeks Council approval to initiate two of the recommendations: the Façade/Painting and Blight Removal Program and the Downtown Building/Planning Fee Reduction Program. To support the Downtown Façade Improvement and Blight Removal Program, staff is also recommending a budget amendment of up to $100,000 to fund qualifying and approved reimbursements. These two programs will be administered in the Administration

Department with internal staff, and will transition to the Economic Development Manager when the position is filled.

BACKGROUND

Development of the downtown area has been a longstanding objective of the City Council for years. The most recent efforts to advance the revitalization of the downtown area was the creation of the ad hoc Downtown Committee[1], created on November 1, 2021 and running through October 17, 2022. As a result of the work of the Committee and the City Council, nine recommendations were adopted to further enhance the downtown. Attached to this staff report is the listing of the recommendations adopted.

The first recommendation completed was the kickoff meeting (Recommendation No. 9), held on October 27, 2022, which introduced to downtown business and property owners the Jumpstart Downtown initiative and the list of recommendations. Two of these recommendations included the Downtown Façade Improvement and Blight Removal Program and the Downtown Building and Planning Fee Reduction Policy. These two programs are not entirely new, but are being implemented with some changes from the programs implemented in the past five to six years.

ANALYSIS

Downtown Building and Planning Fee Reduction Policy

Downtown Recommendation No. 6 was to initiate a fee reduction policy. The reductions would come as a reimbursement of a combined maximum amount of $5,000 for building and planning fees if certain conditions are met. The key requirements are that the business is located in the downtown area on Monterey Road between First and Tenth Streets, and that the improvements are completed with the permit finalized without the permit expiring or having to be extended.

Attached to this staff report is a resolution that would implement this policy. Staff projects, based upon the permit fees charged over the past year, that approximately $50,000 in rebates may be likely per year. This would present a loss to the General Fund revenue for Community Development. However, the intent is that the investment in the buildings, attracting new businesses or expanding existing businesses, and the potential for higher total sale transactions will produce a return on the investment in the long term.

The recommendation from the Downtown Committee was that such a program should last two years. The policy resolution would make the rebate discount available to permits issued from February 1, 2023, through January 31, 2025, a full two years. Some exceptions are placed into the proposed policy, specifically State imposed fees and appeals, as identified in the attached resolution.

---

[1] The ad hoc Downtown Committee was comprised of Council Members Fred Tova (Chair), Carol Marques (Vice Chair), and Rebecca Armendariz.

Downtown Façade Improvement and Blight Removal Program

Recommendation No. 5 was to implement a façade/painting improvements or plywood/blight removal program. The proposed program seeks to combine these into a single program to issue grants to businesses and property owners in the downtown area to enhance their buildings, make tenant improvements, attract new businesses, and remove blighted conditions that may be present and detract from the vitality of the entire area around such blighted buildings.

The aim of the Downtown Façade Improvement and Blight Removal Program is to provide a mutually beneficial service to all economic stakeholders in the City of Gilroy's downtown. For one year, from February 1, 2023, to January 31, 2024, the City will provide a dollar-for-dollar matching grant of up to $5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. For projects that include blight removal from vacant buildings, the applicant business may be eligible for the cap to extend to $10,000 on the same dollar-for-dollar terms.

This program would be most applicable to businesses doing minor improvements with a total project cost under $15,000. These improvements include a new coat of paint, signs, awnings, windows and other minor detail improvements that can help add value the exterior of a building. This is described more fully in the attached program policies and procedures.

Changing out windows and doors, and/or remodeling a façade, may likely trigger an Architectural and Site Review, as well as Historical Review and California Environmental Quality Act Review. The costs associated with hiring a consultant would be borne by the applicant. California law also stipulates that a recipient of a grant would be required to pay prevailing wage. The document outlines components of the program, including application and close-out procedures to request the reimbursement of funds. Applicants will be evaluated on a first come first serve basis, with funds awarded to those who best meet the preferred program criteria.

Upon application, applicants would have to agree to terms that protect the City from risk and harm, as well as protect the program from any bad intentions that does not correspond with the objective of this program. Such protections include an indemnity clause, an operating covenant requiring the applicant to continue operating their business in the location receiving these improvements for a specified period of time, and a maintenance covenant requiring the business to maintain their property in good condition. Participants in the program would be responsible for ensuring that the improvements are in compliance with the Prevailing Wage Law.

ALTERNATIVES

Council may accept, reject or modify all or only some of the recommendations. Should any changes be requested, staff will then request approval of the programs with any changes made. Staff is not recommending the alternatives as the proposed programs, as written, are consistent with the direction received, and are broadly consistent with the previous programs implemented by the City in previous years.

FISCAL IMPACT/FUNDING SOURCE

A budget appropriation of $100,000 is requested from the General Fund Reserve to fund the Downtown Façade Improvement and Blight Removal Program. The full amount may not be used, depending upon the number of applicants and the amount of matching funds requested and approved in each application.

The cost of the rebate for the Downtown Building and Planning Fee Reduction Policy is not fully known at the time. It is estimated, based on previous permit activity, that there would be approximately a $50,000 loss of General Fund revenue each fiscal year. However, this amount may vary depending upon the final number and type of improvements applied for in each given fiscal year. The aim for the program is that this reduction will stimulate more activity in the downtown, and over the long term would see a return on the investment for the City.

PUBLIC OUTREACH

The programs proposed this evening are similar to programs adopted previously. The programs were first introduced on October 17, 2022 with the closing report and final recommendations of the Committee. The programs and recommendations were again discussed publicly on October 27, 2022 at the Jumpstart Downtown kickoff meeting. Finally, this agenda item was noticed through the meeting agenda that was published for this Council meeting.

NEXT STEPS

If adopted, staff will distribute through social media, direct e-mails, postal mailers, and other contact means to announce the programs and commence implementation. Reports at the end of the programs will be brought back before the City Council.

Attachments:

1. Draft Resolution – Building and Planning Fee Reduction
2. 2023 Façade Improvement and Blight Removal Program
3. Draft Resolution – $100,000 General Fund Budget Amendment

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY ESTABLISHING A DISCOUNT ON USER FEES FOR PROPERTIES ALONG MONTEREY ROAD FROM FIRST TO TENTH STREETS

WHEREAS, State law allows cities to charge fees or charges for the filing, accepting, reviewing, approving or issuing of an application, permit or entitlement, so long as the amount of those fees and charges do not exceed the estimated cost required to provide the service for which the fees or charges are levied; and

WHEREAS, the revitalization of Gilroy's downtown will benefit the public by providing much needed economic development; and

WHEREAS, discounting and reimbursing certain processing fees for a temporary period of time will help to reduce barriers to new businesses and to revitalize existing businesses; and

WHEREAS, the program would reimburse up to 50% of the permit fees paid to the City for proposed downtown projects, after project completion and finalization of the building permits. To qualify for reimbursement, the project must remain active without requiring a permit extension. This is to encourage developers, property owners, and business owners to complete their improvements and be open for business in a short amount of time. Should the permits require an extension, then the fees are no longer eligible for reimbursement; and

WHEREAS, these discounted processing fees include certain fees contained in the City of Gilroy Comprehensive Fee Schedule, as identified in Attachment "A"; and

WHEREAS, the Eligible Downtown Area is described as those properties that abut to Monterey Street beginning at the intersection of First Street and ending at the intersection of Tenth Street, as depicted in Attachment "B"; and

WHEREAS, this Resolution is exempt from environmental review pursuant to Section 15273 of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Gilroy does hereby adopt the discounted processing fees set forth in Attachment A, attached hereto as Attachment "A" incorporated by this reference, for those properties within the Downtown Eligible Area, set forth in Attachment B, attached hereto as Attachment "B" incorporated by this reference.

THEREFORE, BE IT FURTHER RESOLVED that the discounts shall take effect for building permit applications dated February 1, 2023 and through January 31, 2025.

PASSED AND ADOPTED this 23rd day of January, 2023 by the following roll call vote:

AYES: **COUNCIL MEMBERS:**

NOES: **COUNCIL MEMBERS:**

ABSTAIN: **COUNCIL MEMBERS:**

ABSENT: **COUNCIL MEMBERS:**

APPROVED:

____
Marie Blankley, Mayor

ATTEST:

____
Thai Nam Pham, City Clerk

ATTACHMENT A

Discounted Fees

All fees contained in the adopted 2022 User Fee Schedule, as may be amended from time-to-time, under the following headings shall be discounted and reimbursed by 50%, up to a maximum of $5,000 of combined discount, for projects in the Eligible Downtown Area that remain active and have their permits completed and finalized without requiring any permit extension.

- Community Development – Building and Misc.
- Community Development – Planning
- Fire – BLES/Fire Prevention
- Fire – BLES/Hazardous Materials
- Fire – Hazardous Material Storage Ordinance Permit Fees
- Fire – Corrosive, Toxic, & Highly Toxic Gas Fees including liquified and sub atmospheric materials
- Fire – Hazardous Waste Generator Fees
- Fire – Tiered Permit Fees
- Fire – Underground Tank

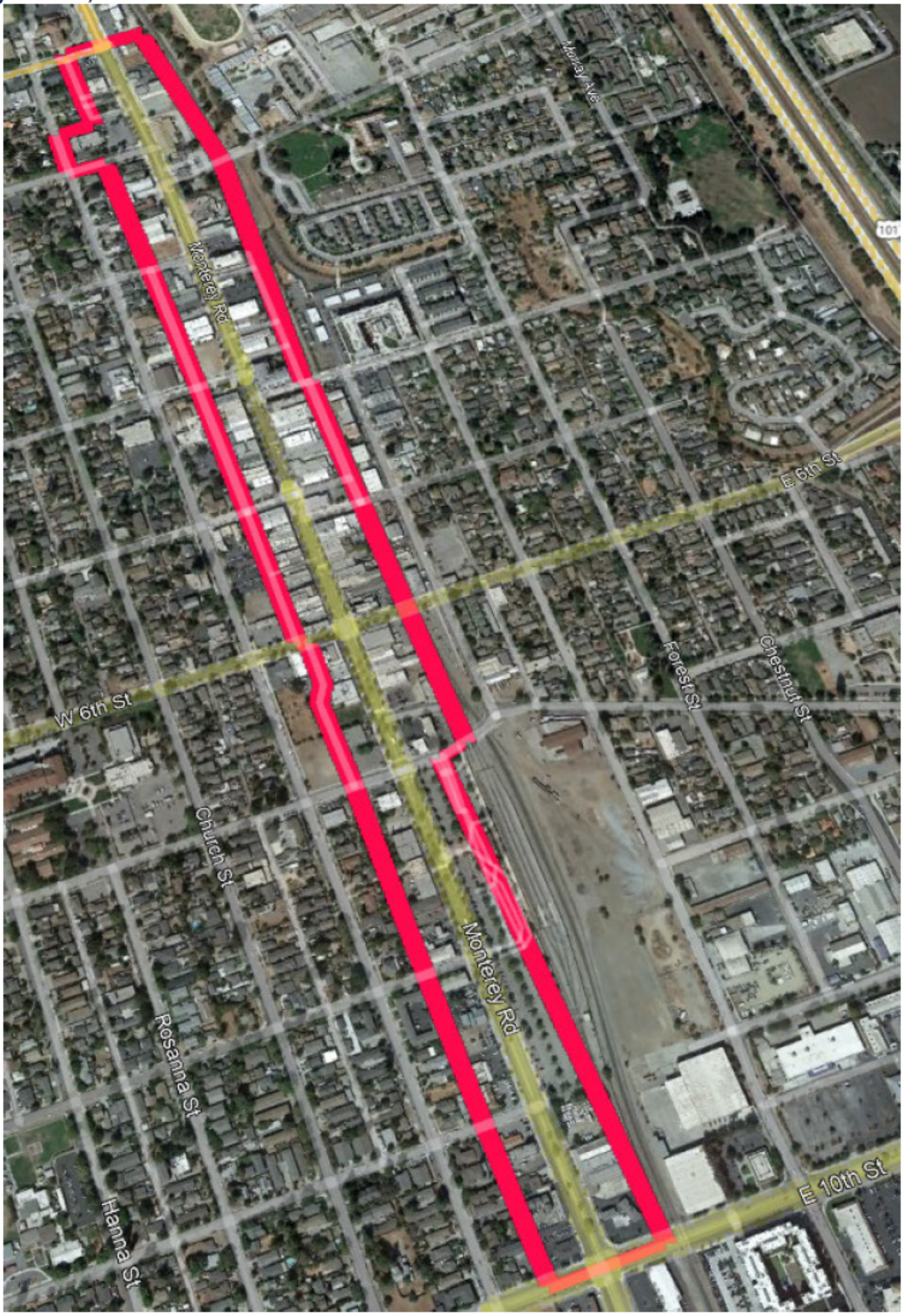
Exemptions

Below are exemptions to the fee discount.

Fee Name	Fee Number	Reason
Appeals	Planning #3 and #4; Building #29 and #36	Appeals of decisions or current codes with the City are not directly associated with improvements.
Building and Miscellaneous Fees		
State of California Fees	#14 through and including #22; #29; #36	These fees are imposed by the State with established amounts, and therefore exempted.

ATTACHMENT B
ELIGIBLE DOWNTOWN AREA

Below is a map of the Eligible Downtown Area, which includes businesses located on Monterey Road, between First Street and Tenth Street.



2023 Downtown Façade Improvement and Blight Removal Program

Policies and Procedures

City of Gilroy

January 16, 2023

Table of Contents

Executive Summary

Generally, façade improvement programs provide property and business owners with financial assistance to construct mutually beneficial improvements. For property and business owners, the program provides financial incentives to make improvements to their building exterior, which in theory could increase their customer traffic. For local governments, the potential benefits include more appealing commercial districts which may lead to an increase in municipal revenue.

The aim of the Downtown Façade Improvement and Blight Removal Program ("Program") is to provide a mutually beneficial service to all economic stakeholders in the City of Gilroy. For the 2023 year, the City is resuming and expanding on the façade improvement programs conducted previously to provide 50%/50% matching grants of up to $5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building.

The Program is being expanded to include blight removal. Some of the vacant properties in the downtown area have broken windows boarded up, graffiti being painted on the building, and other blight that negatively impacts customer behavior and shopping in the area, being a detriment to surrounding businesses, the downtown area, and the City as a whole. The maximum grant award amount may be increased to $10,000 if the project includes approved blight removal activities, solely in the determination of the City.

The following policies and procedures provide the details about the program, the requirements to apply, and the application process. Please read this document thoroughly and when you are ready, fill and submit an application, which is attached to the end of this document, along with the required supplemental material.

We hope to see you apply and we look forward to working with you to improve your property, our downtown, and our City.

Downtown Façade Improvement and Blight Removal Program

Section I: Program Components

Subject to the availability of program funds, commercial property owners and tenants located in a portion of Downtown within the City of Gilroy may qualify for funding through the Program. Funds are offered on a 50%/50% matching basis with those contributed by the property owner or tenant for a given project, with the City funding 50% of the cost up to $5,000 for façade improvements, and up to $10,000 for blight removal, and the grantee funding the remaining 50%. Should the cost of improvements exceed the grant amount plus the grantee's share, the grantee shall be responsible for any excess costs. Grant funding must be used for eligible activities as outlined in Section II(D) below. Grant funds will be disbursed upon successful completion of the project in keeping with the approved design included in an awarded project application.

Section II: Eligibility

A. Eligible Properties

Eligible properties are those that abut to that portion of Monterey Street beginning at the intersection of First Street and ending at the intersection of Tenth Street.

B. Eligible Applicants

(1) Commercial Property Owners: Applications may be submitted by the property owner.

(2) Lessees: With the written approval of the property owner, an authorized representative of a lessee may apply for funding under the Program. Written consent may be either in the form of a lease indicating the lessee's responsibility for façade improvements or documentation of the property owner's agreement to the proposed improvements.

(3) No member of the governing body, review committee, or any other official, employee, or agent of the City who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this Program.

(4) Applicants shall not be disqualified based on age, race, religion, color, handicap, sex, physical condition, development disability, sexual orientation or national origin.

C. Ineligible Businesses

The following businesses are ineligible to participate in the Program: liquor stores, adult entertainment enterprises, massage establishments, pawn shops, cigarette stores, gambling establishments, and tattoo parlors.

D. Eligible Activities

The Program is designed to improve and enhance the design and quality of small business facades that are highly visible along the City's Downtown Monterey Street. To achieve this goal, Program grants shall be available for the following activities:

(1) Grant proceeds may be used for qualifying façade improvements. These include:

a. Signage
b. Awnings
c. Exterior Paint
d. Windows

e. Anti-graffiti film coating on windows
f. Front Entrance Doors
g. Exterior lighting
h. Planter boxes
i. Approximate barriers to define a dining space

(2) Grant proceeds may also be used for qualifying blight removal activities in vacant properties. These include:
a. Plywood removal/replace windows
b. Refuse and weed removal
c. Attractive window treatments
d. Install trees, turf grass, and irrigation systems in vacant lots until further infill development can occur
e. Plant overgrowth trimming
f. Adding chain link fencing slats

(3) Grant proceeds may be used to fund or offset the cost of architecture and design fees, as well as any building, review or permitting fees required by the City of Gilroy as part of the approved project.
(4) Activities must be in compliance with the City of Gilroy's Design Guidelines.
(5) Work must be in accordance with the City of Gilroy Zoning Ordinance, Downtown Specific Plan, City of Gilroy Architecture and Design Guidelines, and Uniform Building, Plumbing, Electrical and Mechanical Codes as applicable. All required permits must be obtained.

E. Ineligible Activities/Properties

Program grants shall not be available for the following:
(1) Property acquisition
(2) Working capital, advertising, training, start-up costs, cash for operating expenses, etc.
(3) Work in progress or performed prior to project's approval
(4) Tax-delinquent properties or businesses
(5) Special-assessment-delinquent properties
(6) Property subject to litigation
(7) Property in condemnation or receivership
(8) Property owned by nonprofit groups
(9) Exclusively residential buildings
(10) Property not in compliance with the City's Unreinforced Masonry Building (URM) Ordinance (Gilroy City Code Chapter 6, Article VI)

Section III: Application Procedures

A. Timeline

The Program will launch on February 1, 2023 pending approval by the Gilroy City Council. The Program will continue through December 31, 2023 or until funds allotted to the program are depleted; whichever occurs first. This Program is operating only for this year and future continuance of the program, if any, would depend on Council approval to continue the Program.

B. Application Materials

Application materials will be maintained and available in hard copy at 7351 Rosanna Street or on the City's website at www.cityofgilroy.org.

C. Pre-Application Conference
Prior to submitting an application, the applicant may meet with staff to discuss the Program features and terms.

D. Application Submittal
Prospective Program participants must submit a complete application (Attachment A). As a limited amount of funding is available, applications are accepted on a competitive basis. Applications may be submitted at any time during the effectiveness of the Program. Applications will be reviewed for completeness and to verify that the proposed project meets the minimum requirements for eligibility. If the application is not complete, the applicant will be informed of the deficiencies. All financial information will be kept in a secured place with limited access by authorized personnel only.

The application must include the following information.

(1) Project Description. A full scope of work for each of the project components. This shall include details of the project aesthetic, including renderings and/or drawings, in color, as well as material specifications for review/approval.
(2) Project Budget. A preliminary budget is required at the time of the initial application.
(3) Financial Capacity. Evidence of applicant's ability to make progress payments as required by the project budget and construction contract.
(4) Site Control. Evidence of property ownership or leasehold interest of 2 years or greater.
(5) Existing Conditions. Photographs illustrating current conditions of building(s) and property. Photos of adjoining properties shall be included.
(6) Additional Information. Additional information as may be requested.

Note: False or misleading information shall be considered a default of the grant agreement, and may cause the City to seek remedies as stated in the Grant Agreement.

Section IV: Project Approval Procedures

A. Grant Committee Review and Approval
Applications will be evaluated by a Grant Committee composed of representatives of the City Administrator's Office and Community Development Department. Based on input from the Grant Committee, the City Administrator or designee will have the authority to execute the agreement.

The committee shall meet monthly as needed to review and act on grant applications. If the Committee deems that additional information is required before acting on an application, it may postpone action until all necessary information is available to the committee.

The applicant will be notified in writing of all Committee and City Administrator or designee determinations.

B. Evaluation Criteria

As limited funding is available, grants are offered on a competitive basis. The following criteria will be used to evaluate rank and select project applications for Program grants. Priority will be given to those projects which best meet the following evaluation criteria.

(1) Small Business Concerns. Is the business a small, locally-owned, entrepreneurial business?
(2) Strategic Location. Would a façade improvement or removal of blight conditions for this business enhance the shopping center or area in which it is located?
(3) Tax Base Expansion. Does/will the business contribute to the expansion of the City's tax base and the synergy of the surrounding commercial area?
(4) Downtown Specific Plan. Do the proposed improvements align with the Downtown Specific Plan?

Section V: Grant Terms

A. Type of Grant

The Program provides grant funding on a matching basis with funds contributed by the property owner or tenant. The maximum grant amount for each individual business is $5,000, or $10,000 for applications with blight removal as determined solely by the City.

B. Indemnity

The recipient shall commit to defend, indemnify and hold the City, including its elected officials, officers, employees and agents, free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure of the grant recipient or its contractors or consultants to comply with applicable laws.

C. Payment of Prevailing Wages

Work funded through the Program may be considered a "Public Work" and may be subject to the payment of prevailing wages (California Labor Code Sections 1720 et seq and 1770 et seq, as well as California Code of Regulations, Title 8, Section 16000 et seq). The recipient must ensure that all bids solicited and all contracts for work funded through a grant made by the City comply fully with Prevailing Wage Laws.

D. Covenants

Within the agreement, the applicant must agree to the following covenants.

(1) Operating Covenant. The business shall be required to continue operating in the same location for a specified period of time after having received grant funding. The time period may vary for different projects and shall be mutually agreed upon between the City and the business owner or tenant.
(2) Maintenance Covenant. Included in the Operating Covenant shall be a Maintenance Agreement which will provide for ongoing maintenance of the property and program improvement, including, but not limited to, keeping the property free from litter, graffiti, peeling paint, unkempt landscape, and other unsightly features as determined by the City of Gilroy. Business owners are required to ensure that the business is legal and compliant with the requirements of the zone applicable to the property. Tenants should be aware that property owners will be required to acknowledge the terms of the Maintenance Agreement.
(3) Nondiscrimination Covenants. The Participant shall not discriminate against person or group of persons on account of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Participant or any person

claiming under or through it or them establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site.

E. Construction Schedule
Recipients shall initiate the improvement project within 30 days following the award of the grant and complete the project within 90 days following the award. The City Administrator or designee is authorized to extend these time limits by up to 60 days. Failure to comply with the project schedule will constitute a condition of default.

F. Other Obligations of the Recipient
In addition to the preceding terms and conditions of the grant, all recipients shall acknowledge and comply with the following:

(1) Grant proceeds shall be used only to pay for the cost of approved improvements and according to the approved budget.
(2) All improvements must be in accordance with the City of Gilroy Zoning Ordinance and all required permits must be obtained.
(3) The recipient shall be responsible for payment of all costs in excess of the approved budget.
(4) Recipient shall attend meetings with staff and decision makers as requested during the course of application review and approval.
(5) All improvements to be done on the project shall be the sole responsibility of the property owner or tenant. The City of Gilroy administers the grant program and is not responsible for any work undertaken under the program.
(6) The recipient must obtain lien releases from the contractor upon project completion. Copies shall be provided to the City with the request for reimbursement.
(7) Photographs of the completed project must be provided to the City upon completion of the project and included in the request for reimbursement.

Section VI: Awarding of the Grant

A. Award Schedule and Conditions
If the grant application is approved by the City Administrator or designee, a date for awarding the grant will be set by the City. Prior to releasing funds, the following documentation must be in the project file:

(1) Notice of Award issued by the City.
(2) Executed Downtown Façade Improvement Program Agreement.
(3) Casualty Insurance binder.
(4) Evidence of Permits, Licenses, and any other required registrations.
(5) Design drawings and material specifications.
(6) Approved project budget.
(7) A current Internal Revenue Service W-9 form for the Grantee's business.

Section VII: Post-Award Procedures

A. Grant Servicing
A grant servicing file shall be established and maintained for each grant recipient that includes all written correspondence; a record of important telephone conversations; a list of

applicable grant covenants; certificates of insurance for builders risk, property-casualty, and life, as applicable. The recipient will regularly deliver to the City those materials deemed necessary to monitor compliance with the grant terms and conditions, and advise to City promptly of any changes in terms and coverage.

Grant servicing files will be maintained in a secure place with access limited to authorized personnel. The City's legal counsel shall be consulted in regard to compliance with state and municipal open records laws.

B. Distribution of Grant Proceeds

The recipient is responsible for viewing and approving contractor requests for payment. The recipient is further responsible to make timely payments for approved work. The City will reimburse recipient according to the terms of the grant.

When submitting a request for disbursement of grant proceeds, recipient shall provide evidence of program expenditures consistent with the approved project budget. Documentation shall include bills and invoices of receipts for materials, final bills of sale, canceled checks and lien waivers. All documentation shall be reviewed and approved by City staff prior to disbursement of grant proceeds.

The request for reimbursement shall (1) identify each item of reimbursable project costs by line item category in the project budget separately, (2) aggregate all costs by line item category as set forth in the Project budget, and (3) include a report setting forth the total amount, by line item category from the project budget, of all reimbursable project costs set forth in the request for reimbursement.

C. Default

Any default in any term or condition of a Program Grant or a Maintenance Agreement shall be a default entitling the City to issue a Notice of Default to the grant recipient which shall specify the following:

(a) The specific nature of the default.
(b) The action required to cure the default.
(c) A date, not less than thirty (30) days from the date of notice, by which the default must be cured to avoid action by the City to recover the grant funds invested in the project.
(d) Any penalties incurred as a result of the default.

In the event the default is not cured by the date specified in the Notice of Default, the City may take action to recover the funds granted to the business through the program, plus any penalties. The City Administrator or designee may, in his sole discretion, offer to negotiate a repayment schedule with the grant recipient, pursuant to which monthly grant payments will be calculated to amortize the unforgiven remainder of the original grant amount.

D. Program Report

A separate accounting record for each grant shall be kept to account for all funds granted. The Program shall be reviewed following the end of the program on December 31, 2023.

Attachment A - The Downtown Façade Improvement and Blight Removal Program Application and Agreement

City of Gilroy Downtown Façade Improvement and Blight Removal Program Application and Agreement

Applicant Information			
Last	First	M.I.	Date
Street		Apartment/Unit	
City	State	ZIP	
Phon	E-mail Address		
Owner Information (if different from applicant)			
Last	First	M.I.	Date
Street		Apartment/Unit	
City	State	ZIP	
Phon	E-mail Address		
Subject Property Information			
Property			
City	State	ZIP	
Name of Business	Type of Business		
Is your business privately owned and operated? ☐ Yes ☐ No	Is your business a chain or franchise? ☐ Yes ☐ No		
How many people does the business employ?	Full-time employees:	Part-time employees:	
Is this a new business, or a business expanding to a second location, that will fill an existing vacant storefront? ☐ Yes ☐ No			
If not, how long has the business been in operation in Gilroy?			

Property Improvements	
What is the proposed project budget? $	What amount are you requesting in grant funding? (A business may receive up to 50% of the project costs, to a maximum of $5,000, or $10,000 if approved for blight removal component.) $

Do you currently have a licensed contractor engaged to complete this project? ☐ Yes ☐ No	Are you aware of prevailing wage laws related to receiving a grant under this program? ☐ Yes ☐ No
Will the proposed improvements include more than one commercial business or storefront? ☐ Yes ☐ No	
If yes, please explain:	
What is the proposed timeline for this project?	
Please provide a brief description of the proposed improvements.	
Supporting Documents	
Please enclose the following supporting documents to complete the application packet:	
☐ Project Description. A full scope of work for each of the project components. ☐ Draft contract with project architect ☐ Project Budget. A preliminary budget is required at the time of the initial application. ☐ Financial capacity. Evidence of ability to make progress payments as required by the project budget and construction contract ☐ A copy of your up-to-date business plan	

☐ Site control: Evidence of property ownership or leasehold interest of two years or greater

☐ A signed copy of the Property Owner Authorization form

☐ Photographs illustrating the existing façade/s (front and rear) and property conditions (please include adjoining properties)

Applicant/Owner Acknowledges and Agrees as Follows

I certify that I have received and reviewed the City of Gilroy's Downtown Façade Improvement and Blight Removal Program Policies and Procedures. I agree to comply with all of the policies and regulations described therein in order to be eligible to receive grant funding through this program.

I understand that grant funding is offered on a competitive basis and that the submission of this application in no way guarantees that I will receive funding through this program.

If selected, the final inspection of the work shall be done prior to the Owner paying the contractor. The Property Owner is responsible for paying the contractor in full for all the work provided. The City will reimburse the owner for completed and accepted work for fifty percent of the approved scope of work, up to a $5,000 award, or $10,000 if approved for blight removal.

Three bids are required from appropriately licensed contractors with active Department of Industrial Relations registration and an active City of Gilroy business license. The qualified bidder with the lowest or best bid price, and whose business and financial capabilities, past performance, and reputation meet the required standards shall be used to provide the work.

I also certify that all information contained in this application is accurate and complete; the above noted scope of work shall be the complete scope of work included in the project and constructed per the most recent City standards and specifications. City standard details and specifications are available on the City's website.

Signature	Date

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE BUDGET FOR THE CITY OF GILROY FOR FISCAL YEAR 2022-23 IN THE GENERAL FUND AND APROPRIATING PROPOSED EXPENDITURE AMENDMENTS

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2021-22 and 2022-2023, and the City Council carefully examined, considered, and adopted the same on June 7, 2021; and

WHEREAS, City Staff has prepared and submitted to the City Council a proposed amendment to said budget for Fiscal Year 2022-23 for the City of Gilroy in the staff report dated October 17, 202,2 for the Downtown Ad Hoc Committee Final Report, specifically the Downtown Façade Improvements and Blight Removal Program; and

WHEREAS, the City Council has carefully examined and considered the same and is satisfied with said budget amendments.

NOW, THEREFORE, BE IT RESOLVED that appropriations for Fiscal Year 2022-2023 are hereby increased in the General Fund, Fund 100, by $100,000.

PASSED AND ADOPTED this 23rd day of January 2023, by the following vote:

AYES: **COUNCIL MEMBERS:**

NOES: **COUNCIL MEMBERS:**

ABSTAIN: **COUNCIL MEMBERS:**

ABSENT: **COUNCIL MEMBERS:**

APPROVED:

____
Marie Blankley, Mayor

ATTEST:

____
Thai Nam Pham, City Clerk

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Proposed Modifications to Chapter 19B, Smoking Pollution Control, Relating to Banning Smoking from Multi-Family Developments and Public Events**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Administration
Submitted By:	Jimmy Forbis, City Administrator
Prepared By:	Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS	Not Applicable

RECOMMENDATION

Council provide direction on the parameters of the multi-family and public event smoking ban.

BACKGROUND

At the October 3, 2022 regular City Council meeting, the City Council directed staff to bring back an item to consider the prohibition of smoking in multi-family housing (MFH) developments and at public events. The description of the MFH smoking prohibition was described as both the inside and outside on those properties.

ANALYSIS

Staff is finalizing a draft ordinance for Council consideration of the proposed prohibitions. In completing the draft ordinance, there are a few components that staff wishes to obtain more clarification to ensure that the proposed ordinance largely meets Council's intent.

A. Reasonable Distance

Reasonable Distance will be defined in the proposed ordinance as the distance around the designated non-smoking areas to provide a buffer zone so that secondhand smoke is least likely to float and enter the prohibited area. For example, at the edge of a MFH development, if someone was smoking on the sidewalk adjacent to the property, there might be the chance for the smoke to drift towards one of the dwelling units. A reasonable space around such prohibited areas may help reduce the likelihood of secondhand smoke infiltrating dwelling units. Staff is recommending twenty-five (25) feet as the Reasonable Distance to be established. However, different cities have different distances. Below is a table showing the Reasonable Distances that other cities are using:

Reasonable Distance	Cities/County Using This Distance
20 feet (1 city)	Campbell
25 feet (6 cities)	Los Altos, Milpitas, Morgan Hill, Mountain View, Palo Alto (not declared, but used throughout their ordinance), Sunnyvale
30 feet (3 cities; 1 County)	Cupertino, Los Gatos, Santa Clara, Santa Clara County (not declared, but used throughout their ordinance)
None Defined	Saratoga

B. Multi-Family Housing

1. Designated Smoking Areas
   In reviewing ordinances of other governments that prohibit smoking in multi-family residential developments, the nine agencies[1] that prohibit smoking in MFH developments (eight cities and the County) allow, but don't mandate, the establishment of smoking areas on MFH properties, with certain conditions. These conditions commonly include the location being in an unenclosed area, a distance from areas used by Children or for activities (swimming pools, tennis courts, etc.), distances from enclosed areas and service areas, have a defined perimeter marked with signage, and a means to dispose of smoking waste.

   Staff is recommending to allow such a designated smoking area to be allowed within MFH developments, should the property owner determine to do so, with similar requirements. This was not included in the discussion of the smoking prohibition on October 3, 2022, so staff is seeking to clarify/confirm with Council if this is a provision that is desired to be within the proposed ordinance, or if the ordinance should not include this allowance.

2. Other Tenants as Third-Party Beneficiaries to Sue Others for Compliance
   Similarly, in seven of the nine agencies prohibiting smoking in MFH developments, the ordinances require that the terms of the ordinance on MFH developments be incorporated into the lease terms, and identify that other tenants of MFH development are third party beneficiaries of the smoking provisions of the lease or other rental agreements, and identify that other tenants can sue a violating tenant of the smoking prohibition to enforce the provisions. Example language from one of the ordinances is contained below.

[1] These include the cities of Cupertino, Los Gatos, Milpitas, Monte Sereno, Mountain View, Palo Alto, Santa Clara, Sunnyvale, and Santa Clara County

A clause expressly conveying third-party beneficiary status to all occupants of the Multi-unit Residence as to the Smoking provisions of the lease or other rental agreement. Such a clause shall provide that any tenant of the Multi-unit Residence may sue another tenant/owner to enforce the Smoking provisions of the agreement but that no tenant shall have the right to evict another tenant for a breach of the Smoking provisions of the agreement.

This inclusion would provide a means for tenants to ensure that other tenants comply with provisions and enforce the smoking prohibitions instead of the City or the property owner. However, not all organizations who regulate smoking on MFH developments include this provision. Santa Clara County and Monte Sereno do not have this provision in their ordinances' lease requirements. Otherwise, they contain the other provisions requiring the inclusion of the cities' prohibition codes within the lease terms. Staff recommends including such a clause to provide an additional option to help enforce the smoking ban.

C. Public Events
Designated Smoking Section

In reviewing other cities' ordinances relating to smoking prohibitions for public events, Morgan Hill allows for a designated smoking section to be identified for public events. Saratoga requires special event permits to prohibit smoking, but allows an event organizer, if the event is for adults and does not promote the event to children under 18, to certify these conditions which then the city may permit without requiring the ban on smoking. Staff does not recommend this; however, staff seeks confirmation from Council.

Direction/Clarification Being Sought
In summary, staff is seeking Council direction regarding the following:

1. If twenty-five feet is the preferred reasonable distance to place around smoking prohibited areas;
2. If a designated smoking area should be included in the ordinance for multi-family housing
3. If including a clause required in multi-family housing leases identifying all other tenants as third party beneficiaries for enforcement should be included; and,
4. If designated smoking sections should be allowable in public event permits with similar requirements as designated smoking area provisions in multi-family housing developments.

ALTERNATIVES

None. This item is seeking clarification and direction from Council before bringing the ordinance before Council for introduction.

FISCAL IMPACT/FUNDING SOURCE

There are no fiscal impacts to this item. When the ordinance comes before Council, there will be a minor publication cost for the advertisement in the newspaper. Such cost will be borne within the already adopted operating budget.

PUBLIC OUTREACH

This item was included in the publicly posted agenda for tonight's Council meeting.

NEXT STEPS

Staff will return to Council to introduce the ordinance banning smoking in multi-family housing and at public events on February 6, 2023.

From:	Vanessa Marvin
To:	City Clerk; All Council Members
Cc:	CarolIne Baker
Subject:	EXTERNAL - January 23 Public Comment for Agenda Item #11.5 (Proposed Modifications to Chapter 19B, Smoking Pollution Control, Banning Smoking From Multi-Family Developments and Public Events)
Date:	Tuesday, January 17, 2023 10:20:06 PM
Attachments:	Tobacco Free Coalition Letter Gilroy January 2023.pdf

Dear Mayor Blankley and Members of the Gilroy City Council,

Attached is a letter from the Tobacco-Free Coalition of Santa Clara County to support you moving forward to protect Gilroy residents from drifting secondhand smoke during your January 23rd city council meeting. (Agenda Item #11.5-Proposed Modifications to Chapter 19B, Smoking Pollution Control, Banning Smoking From Multi-Family Developments and Public Events)

We appreciate your focus on this important topic.

Sincerely,

Vanessa Marvin & Carol Baker

Tobacco-Free Coalition, Co-Chairs

TOBACCO-FREE COALITION
of Santa Clara County

1775 Story Road, Suite 120
San Jose, CA 95122

Gilroy City Council
City Hall
73151 Rosanna Street
Gilroy, CA 95020

January 17, 2023

Dear Mayor and Council Members,

The Tobacco-Free Coalition of Santa Clara County, which consists of organizations and individuals interested in promoting the health of our citizens, is excited to hear that you are discussing secondhand smoke issues at your January 23 meeting (*Agenda Item #11.5-Proposed Modifications to Chapter 19B, Smoking Pollution Control, Banning Smoking From Multi-Family Developments and Public Events*).

As you know, secondhand smoke exposure is harmful and potentially deadly. The U.S. Surgeon General has stated that there is no risk-free level of exposure to secondhand smoke. It can contribute to health problems such as asthma, heart disease, lung cancer and stroke. Children, the elderly and the disabled — our most vulnerable citizens — are also the most vulnerable to secondhand smoke.

We appreciate the fact that Gilroy has already taken the step to protect residents from secondhand smoke in parks.

There are other strong policy options that would further protect residents of Gilroy from secondhand smoke. Many of these have passed in other cities across Santa Clara County already. These include:

- Public Events
- Multi-Unit Housing Common Areas
- Multi-Unit Housing Units

The home is a prominent source of secondhand smoke exposure for both young and old multi-unit housing residents. Across Santa Clara County more than 1 in 2 residents living in multi-unit housing are exposed to secondhand smoke in their home. Higher exposure rates are also correlated with different racial groups, lower income levels and educational attainment.

It brings us hope to hear that Gilroy is considering how to join other Santa Clara County jurisdictions in expanding secondhand smoke protections.

Our coalition strongly encourages you to consider these policies at your meeting on January 23 to protect the health of Gilroy residents. We look forward to working with you to support this effort.

Sincerely,

Vanessa Marvin, Co-Chair	Carol Baker, Co-Chair
vmarvin@me.com	carol@carolandcharliebaker.com

Planned Parenthood®
Mar Monte

PPMARMONTE.ORG

January 18, 2023

Gilroy Mayor and City Council Members
Gilroy City Hall
7351 Rosanna Street
Gilroy, CA 95020

RE: Agenda Item #11.5- Proposed Modifications to Chapter 19B

Dear Mayor and Gilroy City Council Members:

As a local health care provider, Planned Parenthood Mar Monte supports decreasing exposure to secondhand smoke. Creating comprehensive policies and programs that strengthen the Gilroy City Code Chapter 19B Smoking Pollution Control is an important step in achieving that goal. Smoking and exposure to secondhand smoke increase the risk for respiratory infections, weakens the immune system and is a major cause of several chronic health conditions, including obstructive pulmonary disease, heart disease and diabetes to name a few. Children, the elderly, and people with disabilities are especially vulnerable to exposure of secondhand smoke and are often the least able to avoid it. Smoke travels through doorways, cracks in walls, electrical outlets, ventilation systems, and plumbing, regularly exposing non-smokers to secondhand smoke.

The County of Santa Clara Public Health Department Tobacco prevention unit is able to provide support for the development of an outreach and stakeholder plan, reports, ordinance language, and other technical assistance to help create programs that decrease exposure to secondhand smoke.

We look forward to supporting policies and programs that reduce harming the health of our most vulnerable community members and strengthen the Gilroy City Code Chapter 19B Smoking Pollution Control policy.

Sincerely,

Dianna Zamora-Marroquin

Dianna Zamora-Marroquin
Director of Public Affairs
Planned Parenthood Mar Monte

City of Gilroy

STAFF REPORT

Agenda Item Title:	**Report on Quality of Life Officer Activity**
Meeting Date:	January 23, 2023
From:	Jimmy Forbis, City Administrator
Department:	Police
Submitted By:	Pedro Espinoza, Police Chief
Prepared By:	Patricia Vigil, Management Analyst

STRATEGIC PLAN GOALS Not Applicable

RECOMMENDATION

Receive report.

EXECUTIVE SUMMARY

On November 1, 2021, City Council authorized the implementation of the Quality of Life (QOL) Police Officer Pilot Program. The goal of this program is to proactively address quality of life crimes and concerns. This report will discuss the efforts made by the QOL officer team.

BACKGROUND

The approach to addressing quality of life and unhoused issues and concerns has been multi-faceted to include partnering with community, faith-based and government organizations to address the service demand. The two-officer team is the Department's primary point of contact with efforts relating to coordination, resources, referrals, and criminal acts enforcement surrounding the unhoused community.

ANALYSIS

The two Quality of Life (QOL) Officers began their assignment on March 08, 2022 and are typically deployed Tuesday through Friday 7:00 A.M. to 5:00 P.M. with adjustments as needed for specific projects or assignments. Two officers volunteered to be considered for this two-year pilot program and were selected because of their ability to balance enforcing of local and state crime statutes with displaying compassion and engaging in forward-thinking contemporary approaches towards a diverse group of circumstances.

The QOL Officers are both trained in crisis intervention and de-escalation tactics and have received training in Principled Policing – Procedural Justice and Implicit Bias, focused on policing practices that emphasize respect, listening, neutrality and trust. One officer is an instructor on this subject matter and has provided training to all Gilroy PD personnel while another QOL officer has also completed Restorative Justice Training.

The QOL Officers daily duties include, but are not limited to, responding to calls for service related to unhoused individuals and/or encampments, following up on new or on-going complaints, working with property owners to resolve QOL related problems, building relationships with community and faith-based organizations who work with the unhoused community, and community outreach and education on the issues and challenges affecting our community. The QOL officers act as a liaison with Patrol personnel to help answer questions, provide community service updates, offer follow-up assistance and provide case law updates.

During the initial team development phase, the QOL Team met with other police departments with similar teams to charter a best practice approach. They learned that a collaborative approach and partnerships with local unhoused service providers was paramount in delivering a service model to address unhoused issues and concerns. With California's unhoused population increasing by over 22,000 in the last three years, along with pandemic, policy, and legislative challenges, the QOL Team has been strategic with their enforcement efforts. The QOL Officers always attempt to connect the unhoused community with service providers during their contacts. This approach has had success, as the QOL Team has been able to establish relationships with local service providers, to include Home First, the South County Compassion Center, Goodwill – S.T.R.I.V.E, Carry the Vision, ABODE Services, Santa Clara County Behavioral Health Services – Mobile Crisis, St. Joseph's Family Center, and the Salvation Army. The QOL Team have also established relationships with many members of the unhoused community. Many know the QOL Officers by their first name.

The QOL Officers have made it a routine to offer services to each unhoused individual they encounter. The services offered depends on the specific needs of the individual, while keeping in mind what their service provider partners can provide. The QOL Officers were able to connect over 60 people with service providers, which resulted in at least 10 individuals receiving some form of housing. In cases where the individual hasn't contacted the service providers, officers can coordinate site visits with the service providers at the individual's encampment.

Although a function of the QOL team is to enforce local and state crime statutes associated with quality-of-life crimes, the goal is to not have enforcement action as the QOL Officers' first objective when contacting an unhoused individual; particularly when the complaint is related to their unhoused status (i.e. sleeping in the park or illegal camping in the water canal). If a call for service is related to an unhoused individual's criminal activity or actively committing a crime, enforcement is the objective. Since March 2022, the two-officer team has responded to 400 calls for service, issued 60 verbal warnings, written 47 police reports, towed 3 vehicles and have made 19 arrests.

The shelter at the Gilroy Armory is often filled, with many of the people from outside of the City of Gilroy. The QOL Team worked with Home First to secure multiple beds at the shelter specifically reserved for members of the Gilroy unhoused community. While at the shelter, services are offered, and the individual is allowed to occupy the bed space until they can be placed at a long-term location.

An example of the QOL Officers' work within the community was the efforts made in the canal area on I.O.O.F. Avenue next to Gilroy Prep School and South Valley Middle School. In early 2022 there was a small fire in the canal area associated to a large encampment next to Gilroy Prep. There was also an incident where an unhoused individual was near the fence of the school while children were playing in the yard. This caused concern from the staff and parents from the school. The QOL Team worked with the Gilroy Unified School District (GUSD) and identified the property in question as being a GUSD property. The QOL Officers then assisted GUSD with posting proper signage and warning the individuals occupying the encampments on the property. With the help of service providers, the QOL Officers were able to get all the unhoused individuals to relocate from the property without arrests or issuing citations. This allowed GUSD to properly clean the area and post no trespassing signs.

The QOL team assisted the Santa Clara Valley Water District with six cleanups since March 2022. While providing security for the cleanup efforts, the QOL Team utilized the outreach opportunity to offer provider services to those that were contacted during the cleanup.

The QOL team coordinated two City-led encampment cleanups. The first cleanup was under the I.O.O.F bridge just east of Monterey Street. The QOL Team discovered unhoused individuals occupying the encampment under the bridge had dug into the foundation of the bridge to make space for their tents and structures. The team contacted the Public Works Department who inspected the bridge and determined the occupants of the encampment had to immediately vacate the location to prevent further damage to the bridge. The QOL Officers worked, along with service providers, to get all the unhoused individuals in the encampment to relocate.

The second cleanup included the water canal from Monterey Street and Howson Street to Church Street. The cleanup was coordinated by the City, provided security during the cleanup and along with community service providers and advocates, conducted outreach to the unhoused individuals occupying the encampments regarding resources available to them.

The QOL Team also educated several private property owners with the cleanup process of their property, their rights as owner, creating proper signage for the property to prevent future trespassing and conducting enforcement on private property at the owner's request. The officers seek to gain voluntary compliance from the individual to relocate from a private property before making an arrest for violation of laws.

In the continuing efforts to proactively provide enforcement and referral services to the unhoused community, the QOL Officers will continue to identify locations within the City that require encampment cleanups. If the location is on City property, the Police Department will make recommendations to the City Administrator's Office and coordinate with Public Works and other City departments to accomplish the task. If the cleanup is needed on private property, the QOL Team will continue to work with property owners on steps they can take to conduct the cleanup.

Despite best efforts, there are a substantial number of individuals who do not want to participate in the services offered and do not want to follow the structured environment the services require.