



CITY COUNCIL REGULAR MEETING AGENDA

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

MAYOR

Marie Blankley

COUNCIL MEMBERS

Rebeca Armendariz

Dion Bracco

Tom Cline

Zach Hilton

Carol Marques

Fred Tovar

MONDAY, APRIL 8, 2024 | 6:00 PM

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

PUBLIC COMMENTS ON AGENDA ITEMS ARE TAKEN BEFORE THE CITY COUNCIL TAKES ACTION. [Please keep your comments to 3 minutes](#). Time restrictions may vary based on the Mayor's discretion.

Send written comments on any agenda item to publiccomments@cityofgilroy.org or City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by 1 p.m. on the meeting day will be distributed to the City Council before the meeting. Comments are also available at 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 dispute any planning or land use decision from this meeting in court, you may only raise issues you or someone else presented at this meeting's public hearing or in written letters to the City Council before the hearing. Be aware that the time to seek a judicial review of any final decision made at this meeting is defined by Section 1094.6 of the California Code of Civil Procedure.

During this meeting, a Closed Session may be called under Government Code Section 54956.9 (d)(2). This will happen if, in the City's legislative body's opinion (based on current facts, circumstances, and legal advice), there's a significant risk of a lawsuit against the City.

Additional materials submitted after agenda distribution are available on www.cityofgilroy.org as soon as possible.

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 translation assistance, contact the City Clerk 72 hours before the meeting at 408-846-0204 or 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.



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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.

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The agenda for this meeting is outlined 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**
 - 2.1. A Proclamation Recognizing April 2024 as Fair Housing Month**
- 3. COUNCIL CORRESPONDENCE (Informational Only)**
- 4. PRESENTATIONS TO THE COUNCIL**
 - 4.1. Annual City Historian Presentation to the Council**

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

This part of the meeting allows public address on non-agenda topics within the Council's jurisdiction. To speak, complete a Speaker's Card from the entrances and give it to the City Clerk. Speaking time ranges from 1-3 minutes based on the Mayor's discretion. Extended discussions or actions on non-agenda items are restricted by law. For Council action, the topic may be listed on a future agenda.

Email written comments on non-agenda topics to publiccomments@cityofgilroy.org or mail them to City Hall, 7351 Rosanna Street, Gilroy, CA 95020, by 1:00 p.m. on the meeting day. These comments, available at City Hall, will be shared with the Council and included in the meeting record. Late submissions will be shared as soon as possible. A 10-page limit applies to hard-copy materials, but electronic submissions are unlimited.

5. REPORTS OF COUNCIL MEMBERS

Council Member Bracco – Downtown Committee, Santa Clara County Library Joint Powers Authority, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Armendariz – Downtown Committee, 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*)

Council Member Marques – ABAG, Downtown Committee, 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, VTA Policy Advisory Committee

Council Member Cline – Gilroy Economic Development Partnership (*alternate*), Gilroy Gardens Board of Directors (*alternate*), 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, VTA Mobility Partnership Committee

Council Member Tovar – Downtown Committee, Gilroy Youth Task Force (*alternate*), Santa Clara County Expressway Plan 2040 Advisory Board, Santa Clara Valley Water Commission, SCRWA, South County Youth Task Force Policy Team

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

6. CONSENT CALENDAR

Items under the Consent Calendar are deemed routine and approved with one motion. If a Council member or a member of the public wishes for a separate discussion on an item, it must be requested for removal before the Council's approval vote. If removed, the item will be discussed in its original order.

6.1. Approval of the Action Minutes of the March 18, 2024 City Council Regular Meeting.

6.2. Adopt a Resolution Recognizing April 2024 as Arts, Culture and Creativity Month

7. BIDS AND PROPOSALS

8. PUBLIC HEARINGS

9. UNFINISHED BUSINESS

10. INTRODUCTION OF NEW BUSINESS

10.1. Consent to City Contribution Towards Candidate Statement Costs and Adjustment of the Voluntary Campaign Expenditure Ceiling for the 2024 General Municipal Election

1. Staff Report: Beth Minor, Interim City Clerk
2. Public Comment
3. Possible Action:

The City Council is recommended to maintain the existing practice of the City of Gilroy, paying half of the candidate statement costs for the 2024 General Municipal Election. Additionally, the Council is recommended to adopt a resolution adjusting the voluntary campaign expenditure ceiling from \$59,250 to \$60,078.

10.2. Evaluation and Consideration of Adjusting Future Mayor and City Council Member Salaries in Accordance with Recent Legislative Changes under SB 329

1. Staff Report: Jimmy Forbis, City Administrator
2. Public Comment
3. Possible Action:

Council provide direction concerning updating City Council Member and Mayor compensation.

10.3. Receive Report and Provide Direction on CDBG Program Year 2024-25 Funding Allocations

1. Staff Report: Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:

Receive report and provide direction on the Community Development Block Grant (CDBG) funding allocations for Program Year 2024-25.

10.4. Consideration of a Potential Public Safety Sales Tax Ballot Measure for the November 5, 2024 Election Ballot

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

Council direction to proceed with the process to develop a public safety sales tax ballot measure and return to the City Council with the proposed ballot measure for consideration.

11. FUTURE COUNCIL INITIATED AGENDA ITEMS

12. CITY ADMINISTRATOR'S REPORTS

13. CITY ATTORNEY'S REPORTS

14. CLOSED SESSION

- 14.1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to GC Sec. 54956.8 and GCC Sec.17A.8 (a) (2)**
Property: City-Owned 536 Acres at Hecker Pass (Including Gilroy Gardens Theme Park), 3050 Hecker Pass Highway, Gilroy, CA (APN's: 810-17-024, 810-17-026, 810-17-029, 810-17-030, 810-17-031, 810-18-002, 810-18-013, 810-19-005, 810-19-007, 810-19-010, 810-19-011, 810-19-014)
Negotiators: Jimmy Forbis, City Administrator; Victoria Valencia, Economic Development Manager
Other Parties to Negotiations: Paul Nakamoto, Bay.Org (DBA Aquarium of the Bay/Bay Ecotarium)
Under Negotiations: Price and terms of payment for sale or lease

- 14.2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION.**
Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) and Paragraph (3) of Subdivision (e) of Government Code Section 54956.9 and Gilroy City Code Section 17A.11 (3) (b), based upon receipt of a written communication from International Association of Fire Fighters. One (1) Case as Defendant

15. ADJOURN TO OPEN SESSION

Report of any action taken in Closed Session and vote or abstention of each Council Member if required by Government Code Section 54957.1 and GCC Section 17A.13 (a); Public Report of the vote to continue in closed session if required under GCC Section 17A.11 (e).

16. ADJOURNMENT

FUTURE MEETING DATES

April 2024

15 Regular Meeting - 6:00 p.m

May 2024

6 Regular Meeting - 6:00 p.m

20 Regular Meeting - 6:00 p.m

June 2024

3 Regular Meeting - 6:00 p.m

17 Regular Meeting - 6:00 p.m

Meetings are live streamed on the City of Gilroy's website at gilroy.city/meetings and on YouTube

Access the 2024 City Council Meeting Calendar at <https://bit.ly/3LLzY1n>.



City of Gilroy Proclamation





LET IT BE KNOWN TO ALL PERSONS, the City of Gilroy joins the United States Department of Housing and Urban Development (HUD), the California Department of Fair Employment and Housing (DFEH), and other housing agencies in the celebration of the 56th anniversary of the passage of the Fair Housing Act of 1968, which enunciates a national policy of fair housing for all who live in the United States; and

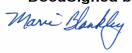
WHEREAS, the ACT, including the Fair Housing Amendments Act of 1968, prohibits discrimination based on race, color, religion, sex, handicap, familial status, and national origin; and

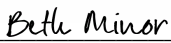
WHEREAS, the State of California additionally prohibits discrimination because of sexual orientation, marital status, ancestry, source of income, disability, medical condition, and age; and

WHEREAS, the City of Gilroy supports fair housing efforts to eliminate discrimination in housing and recognizes the benefits of Project Sentinel, to educate home seekers, apartment managers, and apartment owners on federal and state housing laws, and to investigate complaints of illegal housing discrimination in Gilroy; and

WHEREAS, the City of Gilroy pledges its commitment to improve housing options and celebrates the value of harmonious and diverse communities by promoting Fair Housing Law.

NOW, THEREFORE, I MARIE BLANKLEY, Mayor of the City of Gilroy, along with my fellow Council Members do hereby proclaim the month of April 2024 as "FAIR HOUSING MONTH," and do encourage all residents and community organizations to celebrate the value of harmonious and diverse communities of neighbors and to support the goal of equal housing opportunity for all.

DocuSigned by:

 9EE7CEC2F0D8427...
 Marie Blankley, Mayor

Attested to by:
 DocuSigned by:

 D42445A57BF7426
 Beth Minor, Interim City Clerk



**City of Gilroy
City Council Regular Meeting Minutes
Monday March 18, 2024 | 6:00 PM**

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 Quirke led the Invocation.

1.4. City Clerk's Report on Posting the Agenda

Interim City Clerk Minor reported on the posting of the agenda.

1.5. Roll Call

Attendance	Attendee Name
Present	Rebeca Armendariz, Council Member Dion Bracco, Council Member Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Mayor Pro Tempore Fred Tovar, Council Member Marie Blankley, Mayor
Absent	None

1.6. Orders of the Day

There were none.

1.7. Employee Introductions

Police Chief Espinoza introduced Police Officer Zachary Tolentino and Police Detention Services Officer David Carter; Finance Director Sangha introduces Network Administrator Sal Ramirez; Assistant to the City Manager Adkins introduced Management Assistant Kylie Katsuyoshi; Community Development Manager Goei introduced Housing and Community Services Manager Christie Thomas.

2. CEREMONIAL ITEMS - Proclamations and Awards

There were none.

3. COUNCIL CORRESPONDENCE (Informational Only)

3.1. Letter from California Consulting Regarding the City's Competitiveness for a FEMA SAFER Grant.

City Administrator, Jimmy Forbis provided a brief overview of the letter.

4. PRESENTATIONS TO THE COUNCIL

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

Beatrice Sorchor spoke about the Water Waste Credit.

Ron Kirkish spoke regarding the Plan Bay Area 2050 report.

5. REPORTS OF COUNCIL MEMBERS

Council Member Bracco No report.

Council Member Armendariz No report.

Council Member Marques No report.

Council Member Hilton Reported on attending the Civic Well Conference held in Yosemite. They discussed transportation, clean energy, housing, etc. The City of Gilroy will receive \$350,000 as part of the Appropriations Act of 2024 which will benefit senior housing downtown.

Council Member Cline Reported on the opening of the Gilroy Bowl bowling alley.

Council Member Tovar Thanked everyone who met with him regarding public safety concerns, and all those who supported Downtown businesses this past weekend.

Mayor Blankley Reported on the last VTA Board meeting where they approved the Light Rail extension to Eastridge Mall, and reported on the status of High Speed Rail. She congratulated Maddie Scaria who is the 2024 Woman of the Year from Assembly District 28.

6. CONSENT CALENDAR

6.1. **Approval of the Action Minutes of the February 26, 2024 and March 4, 2024 City Council Regular Meetings.**

6.2. **Acceptance of the City Fiscal Year 2022-23 Federal Single Audit.**

6.3. **Claim of Rachel Gonzalez-Orosco (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim).**

Blankley

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

MOTION: Approve Consent Calendar Numbers 6.1 through 6.3.

RESULTS:	PASS 7-0
MOVER:	Fred Tovar, Council Member
SECONDER:	Rebeca Armendariz, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

7. BIDS AND PROPOSALS

7.1. Award a Three-Year Agreement for City-wide Microsoft Licenses and Services to Dell in the Amount of \$440,790, With a 10% Contingency, for a Total Not-to-Exceed Amount of \$484,869, Utilizing the County of Riverside Cooperative Agreement.

Blankley

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

MOTION: Award the three-year agreement for Microsoft Licenses and Services to

Technologies for the amount of \$440,790, and a contingency of 10%, for a total not exceed amount of \$484,869, utilizing the County of Riverside cooperative and authorize the City Administrator to execute the purchase contract documents.

RESULTS:	PASS: 7-0
MOVER:	Dion Bracco, Council Member
SECONDER:	Tom Cline, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

7.2. Award a Contract to Trincherro Construction, Inc. for the Gourmet Alley Improvement Project No. 24-PW- 287 in the Amount of \$2,975,648, Approve a Project Contingency of \$502,767, and Approve a Total Project Expenditure of \$3,478,415 for Construction.

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

MOTION: Award a Contract to Trincherro Construction, Inc. in the amount of \$2,975,648, approve a project contingency of \$502,767, approve a total expenditure of \$3,478,415 for construction of the

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Gourmet Alley Improvement Project No. 24- PW-287, and authorize the City Administrator to execute the Contract and associated documents.

RESULTS:	PASS: 7-0
MOVER:	Tom Cline, Council Member
SECONDER:	Dion Bracco, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

8. **PUBLIC HEARINGS** There were none.

9. **UNFINISHED BUSINESS** There was none.

10. **INTRODUCTION OF NEW BUSINESS**

10.1. Approve a School Resource Officer Memorandum of Understanding for Fiscal Year 2024-2025.

Mayor Blankley opened Public Comment.

Jason Pratico spoke regarding the incident at Luigi Aprea School and the lack of School Resource Officers.

Jason Locsin spoke regarding the lack of security at the schools, and the need or more School Resource Officers.

Ron Kirkish spoke regarding Assembly Bill 3038 which is regarding school safety.

Mayor Blankley closed Public Comment.

MOTION: Adopt a resolution of the City Council of the City of Gilroy authorizing the City Administrator to enter into an agreement between the City of Gilroy and Gilroy Unified School District for two school resource officers, including cost sharing, for Fiscal Year 2024-2025 (FY25).

RESULTS:	PASS: 7-0 Roll Call Vote
MOVER:	Marie Blankley, Mayor
SECONDER:	Carol Marques, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

Enactment No.: Resolution No. 2024-17

10.2. 2023 General Plan and Housing Element Annual Progress Report.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley

closed Public Comment.

MOTION: Accept the report and direct staff to submit the 2023 Annual Progress Report to the California Department of Housing and Community Development and the Governor's Office of Planning and Research, no later than April 1, 2024.

RESULTS:	PASS: 7-0
MOVER:	Rebeca Armendariz, Council Member
SECONDER:	Carol Marques, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

10.3. Approve the First Amendment to Funding Agreement between the City and VTA for the US 101/SR 152/10th Street Interchange Improvement Project and Adopt a Resolution to Amend the City Budget to Reallocate \$600,000 from FY 2025 to FY 2024 in Traffic Impact Fund (425) and Appropriate Proposed Expenditure Amendment to Meet the Current City Funding Obligation of the PA&ED Phase of the Project.

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

MOTION:

- a) Approve the First Amendment to the Funding Agreement between the City of Gilroy and the Valley Transportation Authority (VTA) for the US 101/SR 152/10th Street Interchange Improvement Project (PW Project # 800770) and approve payment to VTA in the amount of \$600,000 as the City's lump sum financial share towards the Project Approval & Environmental Document (PA&ED) phase; and
- b) Adopt a Resolution of the City Council of the City of Gilroy to increase the Fiscal Year 2024 Budget and decrease the Fiscal Year 2025 Budget by \$600,000 in the Traffic Impact Fund (425).

RESULTS:	PASS: 7-0 Roll Call Vote
MOVER:	Tom Cline, Council Member
SECONDER:	Fred Tovar, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

10.4. Consideration of the Arts and Culture Commission's Public Art Campaign "For the Love of Gilroy" Streetlight Banner Art.

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

MOTION: To approve the Arts and Culture Commission's public art campaign; that eligible artists must live or work in Gilroy, to include unincorporated Gilroy; and to reach out to all schools within Gilroy. In the event there are insufficient submissions, the Commission is to return to Council for further guidance.

RESULTS:	PASS: 7-0
MOVER:	Marie Blankley, Mayor
SECONDER:	Fred Tovar, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

10.5. Accept the Donation of Inclusive Play Equipment from Gilroy Rotary Clubs for the Donald "Elvis" Prieto Downtown Pop-up Park.

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

MOTION: To accept the donation.

RESULTS:	PASS: 7-0
MOVER:	Tom Cline, Council Member
SECONDER:	Fred Tovar, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

11. FUTURE COUNCIL INITIATED AGENDA ITEMS

11.1. Request for a Future Agenda Item to Adopt a Resolution Proclaiming April 2024 as Arts, Culture and Creativity Month.

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

MOTION: To agendize this item on the April 8, 2024 Council meeting under Consent Calendar.

RESULTS:	PASS: 7-0
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MOVER:	Rebeca Armendariz, Council Member
SECONDER:	Zach Hilton, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

12. CITY ADMINISTRATOR'S REPORTS

- 12.1. Fire Department Presentation on Automated External Defibrillators and Mechanical Chest Compression Device.

13. CITY ATTORNEY'S REPORTS

Andy Faber, City Attorney spoke regarding 2 recent Supreme Court cases that dealt with social media and public employees.

14. CLOSED SESSION

14.1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to GC Sec. 54956.8 and GCC Sec.17A.8

Property: Gilroy Gardens Theme Park, 3050 Hecker Pass Highway, Gilroy, CA (APN's: 810-17-024, 810-17-026, 810-17-029, 810-17-030, 810-17-031, 810-18-002, 810-18-013, 810-19-005, 810-19-007, 810-19-010, 810-19-011, 810-19-014)

Negotiators: Jimmy Forbis, City Administrator; Victoria Valencia, Economic Development Manager

Other Party to Negotiations: Gilroy Gardens Family Theme Park, LLC Under Negotiations: Price and terms of payment for sale or lease.

14.2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to GC Sec. 54956.8 and GCC Sec.17A.8 (a) (2)

Property: City-Owned 536 Acres at Hecker Pass (Including Gilroy Gardens Theme Park), 3050 Hecker Pass Highway, Gilroy, CA (APN's: 810-17-024, 810-17-026, 810-17-029, 810-17-030, 810-17-031, 810-18-002, 810-18-013, 810-19-005, 810-19-007, 810-19-010, 810-19-011, 810-19-014)

Negotiators: Jimmy Forbis, City Administrator; Victoria Valencia, Economic Development Manager

Other Parties to Negotiations: Chris Sutton, Select Contracts Under Negotiations: Price and terms of payment for sale or lease.

14.3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to GC

Sec. 54956.8 and GCC Sec. 17A.8

Properties: 10th Street Bridge: APNs 808-19-007, 799-30-006, 799-30-007, 808-19-020, 808-50-999, Thomas Luchessa Bridge: APNs 808-21-025, 808-

21-023, 808-21-021, 808-21-018, New Fire Station: APNs 808-18-003, 808-19- 029

Negotiators: Jimmy Forbis, City Administrator

Other Party to Negotiations: John M. Filice Jr., Glen Loma Corporation Under Negotiation: Price and terms of payment

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

MOTION: To stay in closed session.

RESULTS:	PASS: 7-0
MOVER:	Marie Blankley, Council Member
SECONDER:	Carol Marques, Council Member
AYES:	BRACCO, ARMENDARIZ, MARQUES, HILTON, CLINE, TOVAR, BLANKLEY
NOES:	
ABSENT:	
ABSTAIN:	

15. ADJOURN TO OPEN SESSION

Report of any action taken in Closed Session and vote or abstention of each Council Member if required by Government Code Section 54957.1 and GCC Section 17A.13 (a); Public Report of the vote to continue in closed session if required under GCC Section 17A.11 (e).

Mayor Blankley reported no reportable action.

16. ADJOURNMENT

The meeting was adjourned at 9:11 P.M.

FUTURE MEETING

DATES

April 2024

8 Regular Meeting - 6:00 p.m

15 Regular Meeting - 6:00 p.m

May 2024

6 Regular Meeting - 6:00 p.m

20 Regular Meeting - 6:00 p.m

June 2024

3 Regular Meeting - 6:00 p.m

17 Regular Meeting - 6:00 p.m

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City of Gilroy

STAFF REPORT

Agenda Item Title: Adopt a Resolution Recognizing April 2024 as Arts, Culture and Creativity Month

Meeting Date: April 8, 2024

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council adopt the resolution.

BACKGROUND

The City had previously adopted a resolution in 2023 recognizing April to be Arts, Culture, and Creativity Month. This item was placed on the agenda as a result of a City Council Future Agenda Item Request, at the March 18, 2024 City Council Meeting, to adopt a resolution for 2024.

ANALYSIS

The resolution is based off the resolution that was adopted in 2023 by the City Council. The resolution does not create operational or financial obligations.

ALTERNATIVES

Council may modify or reject the resolution.

FISCAL IMPACT/FUNDING SOURCE

None.

PUBLIC OUTREACH

The item was brought to Council as a future Council-initiated item on March 18, 2024, and was included on the publicly posted agenda for this meeting.

Attachments:

1. Resolution recognizing April 2024 as Arts, Culture and Creativity Month.

RESOLUTION 2024-XX
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
PROCLAIMING APRIL 2024 AS ARTS, CULTURE, AND CREATIVITY MONTH

WHEREAS, the City of Gilroy celebrates and highlights the power of the arts and creativity to change our lives for the better; and

WHEREAS, the Gilroy Arts & Culture Commission and SV Creates work in partnership support the arts and creativity in Gilroy as an essential part of our thriving community; and

WHEREAS, the Gilroy Arts & Culture Commission, SV Creates and the Gilroy Arts Roundtable work together to promote the value of the arts and to elevate Santa Clara County's creative culture; and

WHEREAS, Arts, Culture, and Creativity Month of April is the 6th annual statewide awareness and advocacy event that recognizes the crucial role of arts, culture, and creativity in the lives of everyone in California; and

WHEREAS, the City of Gilroy appreciates our relationship with SV Creates and recognizes that the arts and creativity support student success and life -long learning, provide key job skills, and bring joy to our community.

NOW, THEREFORE, I MARIE BLANKLEY, Mayor of the City of Gilroy, along with my fellow Council Members do hereby proclaim the month of April 2024 as Arts, Culture, and Creativity Month, and encourage everyone to celebrate the power of the arts in our community.

PASSED AND ADOPTED this 8th day of April 2024 by roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

 Marie Blankley, Mayor

ATTEST:

 Beth Minor, Interim City Clerk

CERTIFICATE OF THE CLERK

I, **BETH MINOR**, Interim City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2024-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting of said held on Council held **Monday, April 8, 2024**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Date**.

Beth Minor
Interim City Clerk of the City of Gilroy





City of Gilroy

STAFF REPORT

Agenda Item Title: Consent to City Contribution Towards Candidate Statement Costs and Adjustment of the Voluntary Campaign Expenditure Ceiling for the 2024 General Municipal Election

Meeting Date: April 8, 2024
 From: Jimmy Forbis, City Administrator
 Department: City Clerk
 Submitted By: Beth Minor, Interim City Clerk
 Prepared By: Beth Minor, Interim City Clerk

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

The City Council is recommended to maintain the existing practice of the City of Gilroy, paying half of the candidate statement costs for the 2024 General Municipal Election. Additionally, the Council is recommended to adopt a resolution adjusting the voluntary campaign expenditure ceiling from \$59,250 to \$60,078.

EXECUTIVE SUMMARY

In accordance with the ongoing practice and Chapter 8B.4 of the Gilroy City Code, this proposal seeks to maintain the City's contribution to candidate statement costs and update the campaign expenditure ceiling to \$60,078, in line with the latest population figures.

BACKGROUND

Consistent with its longstanding practice, the City of Gilroy has been contributing to half of the candidate statement costs. This report reaffirms this commitment for the 2024 General Municipal Election. The Santa Clara County Registrar of Voters has advised us their estimated deposit per candidate statement is \$4,650. Additionally, the proposal

includes adjusting the campaign expenditure ceiling, reflecting the City's latest population count of 60,078 as per the State of California Department of Finance.

ANALYSIS

Maintaining the City's contribution to candidate statements shows the City's continued support for equitable electoral participation. The revised expenditure ceiling aligns with the City's demographic evolution and adheres to local election guidelines.

ALTERNATIVES

The City Council may opt to retain the current campaign expenditure ceiling of \$59,250.00 or consider other alternatives. However, any changes to the City's contribution level to candidate statements than what the City Code directs would require an amendment to the Gilroy City Code via an ordinance. This is in accordance with Chapter 8B.4 of the Gilroy City Code, which outlines the procedures and limits for campaign expenditures and contributions. Any modifications comply with these established regulations.

FISCAL IMPACT/FUNDING SOURCE

The proposed adjustment in campaign expenditure limits aligns with demographic changes with minimal fiscal impact. The contribution towards candidate statement costs will be paid from the budgeted election cost expenditure in fiscal year 2024-25.

NEXT STEPS

If approved, the policies will be effective immediately, with the resolution for calling the election maintaining the same language regarding the City's contribution to candidate statement costs.

Attachments:

1. Voluntary Campaign Expenditure Ceiling Resolution

RESOLUTION NO. 2024-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY ESTABLISHING THE VOLUNTARY CAMPAIGN EXPENDITURE CEILING PER CHAPTER 8B.4 OF THE GILROY CITY CODE**

WHEREAS, Chapter 8B.4 of the Gilroy City Code provides for a voluntary campaign expenditure ceiling for candidates for municipal office and their controlled committees, not to exceed one dollar (\$1.00) per resident for each municipal election; and

WHEREAS, the State of California Department of Finance issued a Demographic Report on May 1, 2023, indicating the population of the City of Gilroy; and

WHEREAS, based on the said Demographic Report, the population of the City of Gilroy is 60,078; and

NOW, THEREFORE, BE IT RESOLVED THAT hereby establishes a voluntary campaign expenditure ceiling of \$60,078 for the upcoming 2024 General Municipal Election, in accordance with Chapter 8B.4 of the Gilroy City Code, which represents the aggregate amount not to exceed one dollar (\$1.00) per resident as per the latest population count.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a meeting duly held on the 8th day of April 2024 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Beth Minor, Interim City Clerk

CERTIFICATE OF THE CLERK

I, **BETH MINOR**, Interim City Clerk of the City of Gilroy, do hereby certify that the attached **Resolution No. 2024-XX** is an original resolution, or true and correct copy of a City Resolution, duly adopted by the Council of the City of Gilroy at a Regular Meeting of said held on Council held **Monday, April 8, 2024**, with a quorum present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Gilroy this **Date**.

Beth Minor
Interim City Clerk of the City of Gilroy



Chapter 8B ELECTIONS CAMPAIGN FINANCE

Sections:

- 8B.1 Short title.**
- 8B.2 Purpose—Policy declaration.**
- 8B.3 Definitions.**
- 8B.4 Voluntary campaign expenditure ceiling and campaign contribution limits.**
- 8B.5 Campaign contribution prohibitions.**
- 8B.6 Campaign filing or reporting requirements.**
- 8B.7 Enforcement.**

8B.4 Voluntary campaign expenditure ceiling and campaign contribution limits.

(a) The city council does hereby establish a voluntary campaign expenditure ceiling as follows: For a candidate for municipal office and for any and all controlled committees of such candidate, in the aggregate not to exceed one dollar (\$1.00) per resident for each municipal election. Should a candidate who has elected to comply with the voluntary campaign expenditure ceiling exceed that ceiling, he/she shall immediately notify all opponents and the city clerk by telephone and confirm the same in writing the day that such expenditure ceiling is exceeded.

(b) The city council does hereby establish the following campaign contribution limit: seven hundred fifty dollars (\$750.00) per election to a candidate for municipal office, which limit shall apply to the total of all contributions to the candidate from any person and to any controlled committee of such candidate, other than a candidate in aid of himself or herself. (Ord. No. 2015-07, §§ 2, 3, 7-1-15)

8B.5 Campaign contribution prohibitions.

(a) It shall be prohibited for any person, other than a candidate in aid of himself or herself, to make any campaign contribution to a candidate for municipal office, or to any controlled committee of such candidate, which will cause the total amount contributed by such person to a candidate and all controlled committees of such candidate, with respect to a single election in support of such candidate, to exceed seven hundred fifty dollars (\$750.00).

(b) It shall be prohibited for any candidate for municipal office, or any controlled committee of such candidate, to solicit or accept any campaign contribution which will cause the total amount contributed by any person to a candidate and all controlled committees of such candidate, other than a candidate in

support of himself or herself, with respect to a single election in support of such candidate, to exceed seven hundred fifty dollars (\$750.00).

(c) Extinguishing Expenditure Ceiling. Any candidate for elective office who has filed a statement accepting the voluntary expenditure ceiling is not bound by the ceiling if an opposing candidate who has accepted the voluntary expenditure ceiling exceeds the ceiling set forth in section [8B.4\(a\)](#).

(d) It shall be prohibited to receive contributions from any person who does not disclose their identity, and all contributions of any amount (monetary or nonmonetary) shall be fully itemized and reported on a recipient committee pre-election campaign statement. (Ord. No. 2012-05, § 1, 3-19-12; Ord. No. 2015-07, §§ 4, 5, 7-1-15)



City of Gilroy

STAFF REPORT

Agenda Item Title: **Evaluation and Consideration of Adjusting Future Mayor and City Council Member Salaries in Accordance with Recent Legislative Changes under SB 329**

Meeting Date: April 8, 2024
 From: Jimmy Forbis, City Administrator
 Department: Administration
 Submitted By: Jimmy Forbis, City Administrator
 Prepared By: Jimmy Forbis, City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council provide direction concerning updating City Council Member and Mayor compensation.

BACKGROUND

Compensation for Council Members and Mayors are determined by ordinance of the City Council. In general law cities, this amount is regulated by state law, specifically Government Code Section 36516. Recent legislation in 2023, Senate Bill 329 (SB 329), updated the maximum amounts of compensation based on the population of each city. Per the legislation, the intent is two-fold: 1) compensation for general law cities had not been updated since 1984; and 2) allowing cities to adjust their compensation for inflation since 1984, to help city councils become more diverse because increased compensation can help individuals from across different income levels receive sufficient income from their service to help ensure they can continue to serve the public and support their families.

There is an option to adopt higher amounts, so long as the amounts are within inflationary limits as outlined in SB 329. Furthermore, Mayors, pursuant to Government Code Section 36516.1, may be further compensated by an amount in addition to their

compensation as a council member. The regulations do not place a limit or formula for determining the additional mayoral compensation.

As a charter city, Gilroy does not have to abide by the limitations of SB 329, as the law was adopted without it being determined as a matter of statewide concern. However, the legislation does provide a framework that could be useful for helping to determine a compensation level for City Council members, and additional compensation for the added work that the Mayor of the City performs.

ANALYSIS

SB 329 has updated the maximum amount of compensation for Council Members for general law cities, based on the population of the City. If Gilroy were to follow SB 329 as a guiding framework for compensation, based on the California Department of Finance population estimate as of January 1, 2023 for Gilroy being 60,078, SB 329 identifies that Council Members may be compensated up to \$1,600 per month according to Section 36516(a)(2)(C).

Alternatively, the City may select to pursue an alternative compensation calculation, as identified in Section 36516(4). There are two options within this section.

- A. An amount equal to 5% for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted; or
- B. An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.

The alternative Method B is not viable at this time, as the calendar year interest change since January 1, 2024 is not known, and won't be known until the end of 2024 and the latest CPI factors are released. This may be the preferred method for future increases in later years.

Being a charter city, the City Council can determine through adoption of an ordinance, whatever compensation structure it feels is appropriate.

Staff is recommending for Council to adopt compensation consistent with the population formula amount contained in SB 329. This option would increase Council Member compensation, including the Mayor, from \$984 per month and \$1,476 per month, respectively, to \$1,600 per month.

Additionally, consistent with Government Code Section 36516.1, and best practice of cities to compensate the Mayor for the additional work demands above a Council Member role, staff is proposing that the Mayor's additional compensation above that of council members be set at \$2,850 per month in addition to the \$1,600, for a combined

monthly compensation of \$4,450 per month. For comparison purposes, the City of Morgan Hill has a total compensation rate for its Mayor of \$3,397 per month. Gilroy's population is 31% larger than that of Morgan Hill, and so staff is recommending that the total compensation for Gilroy's Mayor be set proportionately higher.

The fiscal impact for this proposal is a total of \$80,040 annually from the General Fund.

ALTERNATIVES

Council may also select to continue the CPI increases as contained in Ordinance 99-01, establish an alternative compensation structure, or select no increase in compensation at this time. Since Gilroy is a charter city, Council may adopt by ordinance any other compensation schedule it decides to use after holding a public hearing.

FISCAL IMPACT/FUNDING SOURCE

\$80,040 from the City's General Fund. Should Council determine to pursue an alternative compensation structure, staff will prepare a fiscal impact analysis when the item comes back before Council.

PUBLIC OUTREACH

This item was included in the publicly posted agenda for this meeting. Assuming a direction to proceed is issued, staff would then prepare the ordinance for an upcoming agenda and issue the noticing of its public hearing date.

NEXT STEPS

Staff will proceed to develop an ordinance if Council selects an option to adjust its compensation levels.

Attachments:

1. SB 329


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SB-329 Cities: city council members: compensation. (2023-2024)

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Date Published: 06/29/2023 09:00 PM

Senate Bill No. 329

CHAPTER 27

An act to amend Section 36516 of the Government Code, relating to local government.

[Approved by Governor June 29, 2023. Filed with Secretary of State June 29, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 329, Dodd. Cities: city council members: compensation.

Existing law authorizes a city council to enact an ordinance to provide each member of the city council a salary based upon the population of the city, as specified. Existing law authorizes that amount to be increased by the city council by an amount that does not exceed 5% for each calendar year from the operative date of the last adjustment of the salary that is in effect when the increase is enacted. Existing law provides for the procedures by which a city may enact ordinances.

This bill would increase the maximum amount of salary, based upon the population of the city, that may be approved by an ordinance passed by the city council, as specified. The bill would authorize the salary of council members to be increased beyond the specified maximums to an amount not exceeding the greater of either 5% for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted, or an amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10% for each calendar year. The bill would require the city council to consider the adoption of an ordinance to increase council member compensation in open session during at least 2 regular meetings of the city council.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) The compensation schedule for general law cities has not been adjusted since 1984, meaning that city council compensation has not kept pace with inflation.

(b) Allowing cities to adjust their compensation for inflation since 1984 may help city councils become more diverse because increased compensation can help individuals from across different income levels receive sufficient income from their service to help ensure that they can continue to serve the public and support their families.

SEC. 2. Section 36516 of the Government Code is amended to read:

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36516. (a) (1) A city council may enact an ordinance providing that each member of the city council shall receive a salary based on the population of the city as set forth in paragraph (2).

(2) The salaries approved by ordinance under paragraph (1) shall be as follows:

(A) In cities up to and including 35,000 in population, up to and including nine hundred fifty dollars (\$950) per month.

(B) In cities over 35,000 up to and including 50,000 in population, up to and including one thousand two hundred seventy-five dollars (\$1,275) per month.

(C) In cities over 50,000 up to and including 75,000 in population, up to and including one thousand six hundred dollars (\$1,600) per month.

(D) In cities over 75,000 up to and including 150,000 in population, up to and including one thousand nine hundred dollars (\$1,900) per month.

(E) In cities over 150,000 up to and including 250,000 in population, up to and including two thousand five hundred fifty dollars (\$2,550) per month.

(F) In cities over 250,000 population, up to and including three thousand two hundred dollars (\$3,200) per month.

(3) For the purposes of this subdivision, the population of a city shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.

(4) The salary of council members may be increased beyond the amount provided in this subdivision by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed the greater of either of the following:

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.

(5) No ordinance shall be enacted or amended to provide automatic future increases in salary.

(b) Notwithstanding subdivision (a), at any municipal election, the question of whether city council members shall receive a salary for services, and the amount of that salary, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the salary specified in the election call. The salary of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

(c) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) and (b). For the purposes of this section, compensation includes payment for service by a city council member on a commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

(d) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the city for its employees.

(e) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to Section 36514.5 shall not be included for purposes of determining salary pursuant to this section.

(f) A city council member may waive any or all of the compensation permitted by this section.

(g) (1) For the purposes of this section, a city council shall consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council.

(2) At the first meeting, the city council shall present the proposed ordinance, which shall include findings demonstrating the need for the increased compensation. The ordinance shall not be adopted at the first

meeting.

(3) At least seven days after the first meeting, the city council shall hold a second meeting to consider whether to adopt the ordinance.



City of Gilroy

STAFF REPORT

Agenda Item Title: Receive Report and Provide Direction on CDBG Program Year 2024-25 Funding Allocations

Meeting Date: April 8, 2024

From: Jimmy Forbis, City Administrator

Department: Community Development

Submitted By: Sharon Goei, Community Development Director

Prepared By: Sharon Goei, Community Development Director

STRATEGIC PLAN GOALS

Promote Safe Affordable Housing for All

RECOMMENDATION

Receive report and provide direction on the Community Development Block Grant (CDBG) funding allocations for Program Year 2024-25.

EXECUTIVE SUMMARY

For CDBG Program Year (PY) 2024-25 (July 1, 2024 – June 30, 2025), the City anticipates receiving an estimated \$400,000 in CDBG entitlement funding from the U.S. Department of Housing and Urban Development (HUD). Based on the approximate allocation of \$400,000, the funding for public services is \$60,000 (capped at 15%) and the funding for program administration is \$80,000 (capped at 20%), resulting in \$260,000 for non-public services. In addition to the annual allocation, staff has identified \$106,645 of unused CDBG prior years' resources that will also be included in the draft PY 2024-25 Annual Action Plan (AAP) and allocated to qualified activities, which must be non-public services. PY 2024-25 will be a one-year funding cycle for the proposed activities and represents the fifth and final year of the City's 2020-2025 Consolidated Plan. Due to the limited funding available and the significantly higher applicant funding requests, staff is presenting the City Council with three funding approaches/options to seek input and direction on the final activities to be included in the draft AAP. Staff recommends that Council receive the staff report and direct staff to proceed with the preferred option provided in this report, or an alternative option proposed by the City Council.

BACKGROUND

HUD provides annual grants through the CDBG program to local entitlement community grantees, such as the City of Gilroy. The CDBG program provides funding to carry out a wide range of community development activities to revitalize neighborhoods and provide improved community facilities and services. The program's primary objective is to develop viable communities by providing decent housing and a suitable living environment, principally for persons of low- and moderate-income. "Persons of low- and moderate-income" are defined as families, households, and individuals whose incomes do not exceed 80% of the County area median income, adjusted for family or household size. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended.

In compliance with federal regulations, entitlement communities develop their own programs and funding priorities meeting one of the following national objectives:

1. Grantees must give maximum feasible priority to activities that benefit low- and moderate-income persons.
2. Grantees may also carry out activities to prevent or eliminate slums or blight.
3. Grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

Eligible Activities

The CDBG program is flexible in the types of activities that are eligible for funding, provided that each activity meets a national objective, as outlined above.

The CDBG program allows, but is not limited to, the following activities:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as streets and neighborhood centers
- Public services

Generally, the following types of activities are ineligible:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Political activities

ANALYSIS

Program Year (PY) 2024-25 will be a one-year funding cycle for the proposed activities and represents the fifth and final year of the City's 2020-2025 Consolidated Plan. The

Consolidated Plan identifies the community development and housing needs for the City's residents. CDBG funds must be used to implement priority needs and goals in the Consolidated Plan.

Available Funds

For CDBG PY 2024-25 (July 1, 2024 – June 30, 2025), the City anticipates receiving an estimated \$400,000 in CDBG entitlement funding from HUD. Based on the approximate allocation of \$400,000, the funding for public services is \$60,000 (capped at 15%) and the funding for program administration is \$80,000 (capped at 20%), resulting in \$260,000 for non-public services.

In addition to the annual allocation, staff has identified \$106,645 of unused CDBG prior years' resources that will also be included in the draft PY 2024-25 Annual Action Plan and allocated to qualified activities. Same as last year, staff has been spending significant efforts assessing CDBG activities and requiring funded entities to complete their projects from prior years. Through these efforts, staff has identified unused CDBG prior years' resources where projects came in under budget. Note that prior years' resources may not be allocated to PY 2024-25 public services as the expenditure "cap" limits the amount available for these activities. Therefore, the unexpended prior years' resources can only be committed toward non-public service activities.

The following table summarizes the available funding and eligible uses for PY 2024-25.

Funding	Amount	Eligible Uses		
		Public Service (15% Cap)	Non-Public Service	Program Administration (20% Cap)
2024-25 Formula Funds (Estimate)	\$400,000	\$60,000	\$260,000	\$80,000
Prior Years' Resources	\$106,645	--	\$106,645	--
PY 2024-25 Total	\$506,645	\$60,000	\$366,645	\$80,000

CDBG Applications

The City receives a direct allocation of CDBG funds from HUD each year and is responsible for developing a process to disperse these funds to the community. To facilitate this process, the City conducts public outreach and releases a Notice of Funding Availability (NOFA) for each funding cycle that allows interested parties to directly apply for these funds.

The NOFA for PY 2024-25, including application materials, eligibility criteria, and submittal requirements, was published and released on December 8, 2023, to local organizations, nonprofits, and City departments that may be interested in applying for CDBG funds for the upcoming program year from July 1, 2024, to June 30, 2025.

Staff held a public hearing on December 14, 2023, to review the NOFA and application process and answer applicants' questions. As described in the application, application instructions, and throughout the public hearing presentation, first-time applicants or applicants with new projects/programs were required to meet with City staff to discuss if their proposed project/program meets CDBG eligibility requirements prior to application submittal. Throughout the process, eligibility criteria also emphasized that applications must meet the national objective of benefitting low- and moderate-income persons; applications must meet Consolidated Plan priority needs; applicants must be nonprofit organizations; and applicants must have audit/financial statements.

Applications were due January 16, 2024. The City received 15 applications, with funding requests totaling \$1,138,678.69. A summary of each application's proposed activity and requested funding is provided in the attachment to this staff report.

Over the past few months, staff has reviewed applications, conducted HUD research, and analyzed a variety of approaches and options to best proceed in getting these funds into the community. While CDBG funds may be used for a wide variety of activities, the City is limited to only utilizing 15% of the total annual allocation on activities that fall under the "public service" grant category, the most requested application category received each year. To facilitate analysis, staff identifies applications as either "public service" or "non-public service" due to the funding restriction.

Non-Public Service Applications

In total, four (4) applications were received that would fall outside of the public service category. Referring to the attachment, Public Works, Rebuilding Together Silicon Valley, The Miller Red Barn, and WeeCare, Inc. requested a total of \$790,000 in funding, vs. an estimated \$366,645 of funding available for non-public services.

Upon review and in consultation with the City's HUD representative, staff determined that the WeeCare, Inc. and The Miller Red Barn projects would not be eligible for funding for the following reasons:

- WeeCare, Inc – While micro-enterprise activities are eligible under the CDBG funding, such activities were not identified in the City's Consolidated Plan Priorities and Goals, which guide staff on what type of activities will be funded over the five-year Consolidated Plan period. Micro-enterprise activities do not meet any of the priority needs sought in the application packet or presented during the NOFA public hearing. The applicant did not meet the City requirement of being a nonprofit organization, did not schedule the required new applicant meeting with City staff, nor did they schedule the required appointment to discuss why they lacked an audit or financial statements (which is a requirement of any agency receiving CDBG funds). These application entry criteria were highlighted multiple times through the application material and the NOFA public hearing presentation. In addition, WeeCare submitted, with their application, an authorization to request funds and authorization to approve/submit financial

reports to the City of San Jose, instead of Gilroy. For these reasons, this application was deemed ineligible and staff is not recommending this proposal.

- The Miller Red Barn – This application was deemed ineligible after reviewing the project scope with the City's HUD representative who confirmed that the tenant of the property/building, The Miller Red Barn, cannot apply for funding on this project. Staff is unaware of any agreement that is in place between the owner (City) and the tenant, giving the tenant legal authority to request funds on the City's behalf to perform construction activities.

Consequently, the Public Works Department and Rebuilding Together Silicon Valley would be the only applicants eligible for funding. There is an estimated \$260,000 available from the PY 2024-25 entitlement funds for non-public services, which is derived from an estimated \$400,000 funding less \$60,000 for public services and \$80,000 for program administration. In addition to \$260,000, staff recommends allocating prior years' resources of \$106,645 to these projects. As both applications are eligible and have received funding from the City in the past, staff recommends allocating the combined \$366,645 funds in the following manner – \$183,323 for Public Works and \$183,322 for Rebuilding Together Silicon Valley.

Public Service Applications

Staff received a total of 11 public service applications for CDBG funding, with funding request totaling \$348,678.69. These applications are competing for the estimated \$60,000 public service funding pool.

Staff conducted a complete review of the applications and supporting documents submitted, as well as eligibility based on the description given in the application narrative. During this review, staff determined that St. Joseph's Family Center's Gilroy Street Team project was ineligible to receive funding as it provides stipends to members. In general, CDBG funds may not be used for income payments. Thus, this application was deemed ineligible and removed from consideration.

The approaches and options listed below account for a total of 10 public service applications as they were all deemed eligible for funding.

- *Equal Distribution Option – Fund all public service applications equitably with funds available*

Result: Fund the remaining 10 eligible public service applications at \$6,000 per application (City's grant minimum is \$7,500 per application)

Based on this option, the total amount available would be evenly distributed amongst the 10 remaining applications. Based on an estimate of \$60,000 available, this would only allow for \$6,000 per application. Unfortunately, this low of a dollar amount would not meet the City's minimum requirement, which is \$7,500 per application. This minimum grant amount was established to consider the

administration costs associated with these federal funds and the amount available to provide actual services. Therefore, while it is an option that was considered, it would not be recommended, and no further analysis was conducted.

- *Non-Duplication Option – Fund fair housing through program administration; remove duplicative public service applications and those applications that did not meet requirements of the NOFA*

Result: Fund fair housing through program administration, remove duplicative public service applications, and fund seven (7) public service applications equally at \$8,751.43 per application

➤ This option is staff's recommendation as the preferred option for allocation.

HUD allows for fair housing activities to either be funded under the public service category or under the program administration category, with both categories having their own "caps." To maximize available public service funds to be utilized in the community, staff believes the program administration funds are better suited to fund fair housing activities. It should be noted that funding fair housing under program administration will reduce the amount of grant funds available to pay for City staff and consultant time administering the CDBG program – thus General Fund dollars would be impacted by that same amount.

Two of the applications requested funding for fair housing activities – Project Sentinel and Community Agency for Resources, Advocacy and Services (CARAS). Project Sentinel has been administering the City's fair housing services. In Santa Clara County, Project Sentinel provides fair housing services for Cupertino, Gilroy, Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale. Staff believes Project Sentinel is the most qualified applicant to implement this program on the City's behalf to affirmatively further fair housing in the community. Under this scenario, the CARAS fair housing proposal would then be removed from the eligible list as it is a duplicative service. Additionally, CARAS did not meet with staff prior to application submittal as required for new programs, and their application lacked supporting documents that were required to be submitted with a new application.

With the estimated \$80,000 for program administration, after funding Project Sentinel's fair housing services at \$22,061, an amount of \$57,939 would be available to help fund City staff and consultant time in administering the CDBG program.

The other two applications that proposed duplicative services were homeless prevention services that focus on providing one-time rental assistance to low-income households who are behind in rent and at risk of losing their homes. St. Joseph's Family Center and CARAS both proposed programs for these services. St. Joseph's Family Center has been providing rental assistance to Gilroy residents. Staff

believes it would be more efficient to fund only one of these programs so that they don't offer a duplicative service. Also, it would remove the risk of funding an applicant twice should they apply to both agencies for assistance and possibly creating a duplication of benefits, which goes against HUD regulations. As with the fair housing application, CARAS did not meet with staff prior to application submittal as required for new programs, and their application for a new activity lacked the required supporting documents that the NOFA requests. Thus, staff would recommend removing this application from the funding pool.

Based on the analysis above, this option would in essence remove three (3) additional applications from the public service funding pool, leaving a total of seven (7) applications. If the estimated \$60,000 funds were then distributed equally amongst those seven (7) remaining applications, each would receive \$8,571.43. While this is a small allocation, it does meet the minimum \$7,500 allocation requirement set by the City.

For a summary of the applications and proposed allocations under this Non-Duplication Option, please refer to the attachment.

This option provides funds to meet a variety of priority needs in the community. Therefore, it is staff's recommendation as the preferred option for allocation.

- *Evaluation Based Option – Keep the parameters set by the Non-Duplication Option, but only fund the public service applications with the highest evaluations*

Result: Fund fair housing through program administration, and fund two (2) public service applications – \$40,000 for the South County Compassion Center and \$20,000 for The Health Trust

Under this scenario, staff would still recommend the items listed in the Non-Duplication Option, where only seven (7) public service applications are to be evaluated. The evaluation method, used in prior years, would utilize the evaluation criteria that were provided in the application and focus the limited dollars available on those applications that rated the highest based on the evaluation criteria. The evaluation focuses on the following categories:

- Meeting Consolidated Plan priority needs
- Proposed beneficiaries with the lowest targeted income levels
- Experience of the agency providing proposed/similar service
- Leveraged funds / percentage of proposed revenue from other funding sources
- Partnerships and collaboration with other agencies
- Measurable outcomes and measurement system
- Program performance / meeting goals in past City funded programs

Based on the evaluation criteria above – which was provided to the applicants in the NOFA, staff reviewed each application and gave an assessment. The assessment focused on quantitative criteria rather than qualitative efforts. For example, under the

“proposed beneficiaries with the lowest targeted income levels,” a value was given based on who the applicant stated they would primarily be serving with these funds, with the lowest income group receiving the highest evaluation. Another example would be under the “leveraged funds” category, which rewarded applicants who demonstrated that 25% or higher of the total proposed project revenues were budgeted from other sources. Those applicants with higher leveraged resources received higher evaluation.

Based on the evaluation method, the evaluation rating is listed below from high to low:

1. South County Compassion Center – Outreach for the Unhoused
2. The Health Trust – Meals on Wheels
3. St. Joseph’s Family Center – Homeless Prevention Services
4. Live Oak Adult Day Services – Adult Day Care
5. Sourcewise – Transit Service
6. Project Sentinel – Tenant/Landlord Counseling and Dispute Resolution
7. Community Agency for Resources, Advocacy and Services (CARAS) – RYSE UP II

All assessments were extremely close, and staff acknowledges how important all these services are for the community and how deserving all applications are for these funds. Based on this option and methodology, staff would recommend funding the top two applications. This option prioritizes the applications with the highest evaluation and provides them with the most financial assistance in hopes of allowing their programs to operate to the greatest extent possible to ensure the greatest community impact. In this case, the two applications would receive the exact amount requested, which coincidentally equals the estimated public service funding available – \$40,000 for the South County Compassion Center and \$20,000 for The Health Trust.

For a summary of the applications and proposed allocations under this Evaluation Based Option, please refer to the attachment.

Summary

Due to the limited funding available and the significantly higher applicant funding requests, staff has presented the City Council with three funding approaches/options to seek input and direction on the final activities to be included in the draft Annual Action Plan. In the attachment to this staff report, staff has provided a summary of each application’s proposed activity, requested funding, and the proposed allocation under each option.

Staff recommends that Council receive the staff report and direct staff to proceed with the Non-Duplication Option, or an alternative option proposed by the City Council. Upon direction by the City Council, staff will update the draft Annual Action Plan with the funding recommendation.

When the actual amount of PY 2024-25 formula funds is released by HUD, staff will adjust the proposed allocation for each application proportionally to align with the Council direction. Staff will also incorporate such adjustments in the Annual Action Plan.

Staff will return to the City Council on May 6, 2024, for Council to consider approval and adoption of the Annual Action Plan prior to staff submitting it to HUD.

ALTERNATIVES

The City Council may elect not to utilize any of the three funding options stated in this report and allocate the funds as it deems appropriate while staying within the maximum percentages (caps) that HUD allows.

FISCAL IMPACT/FUNDING SOURCE

CDBG funds are allocated by HUD on an annual basis and will be added to the City's line of credit once the Annual Action Plan is approved by HUD. The PY will begin on July 1, 2024, and end on June 30, 2025.

The CDBG resources are budgeted and expended from the City's CDBG Fund (Fund 245). The resources and funding recommendations will be included in the City's budget update.

PUBLIC OUTREACH

A public comment period from April 5 – May 5, 2024, is being held for the PY 2024-25 draft Annual Action Plan to seek community input, as well as a public hearing that will take place on May 6, 2024.

NEXT STEPS

Upon direction by the City Council, staff will update the draft Annual Action Plan with the funding recommendation, and return to the City Council on May 6, 2024, for Council to consider approval and adoption of the Annual Action Plan prior to staff submitting it to HUD.

Attachments:

CDBG Program Year 2024-25 Application Funding Allocation

CDBG Program Year 2024-25 Application Funding Allocation

Category	Applicant	Activity	Description	Applicant Request	PY 2024-25 Allocation		Equal Distribution Option ⁱ	Non-Duplication Option ⁱⁱ	Evaluation Based Option ⁱⁱⁱ	PY 2023-24 Allocation	
					Estimated Formula Funds	Prior Years' Resources				Formula Funds	Prior Years' Resources
					\$ 400,000.00	\$ 106,645.00				\$ 368,433.00	\$ 280,466.00
Public Service	Community Agency for Resources, Advocacy and Services (CARAS)	RYSE UP II (Reaching our Young people to Succeed and Empower with Unlimited Potential)	Provide support to at-risk youth through crime prevention, gang intervention, youth empowerment, and recreational activities. Conduct outreach and intake, curriculum sessions, and case management to prevent delinquent behavior.	\$ 25,000.00	Public services funded with formula only funds regardless of option recommended		\$ 6,000.00	\$ 8,571.43	\$ -	\$ 8,248.15	
	Community Agency for Resources, Advocacy and Services (CARAS)	Homeward Bound II	Provide one-time rental and deposit assistance, through a partner agency, and soft case management, to extremely low, low, and moderate income Gilroy seniors and individuals, and families with disabilities to prevent housing evictions.	\$ 20,000.00			\$ 6,000.00	\$ -	\$ -		
	Community Agency for Resources, Advocacy and Services (CARAS)	Fair Housing Rights Project	Provide assistance with illegal evictions, code enforcement violations, rent increases, tenant-landlord disputes, referrals for legal assistance and homelessness prevention rent and deposit support.	\$ 20,000.00			\$ 6,000.00	\$ -	\$ -		
	Live Oak Adult Day Services	Adult Day Care	Provide specialized adult day care to dependent low-income seniors, including meals, socialization, and structured recreation, to allow them to age in place and avoid or delay institutionalization.	\$ 10,000.00			\$ 6,000.00	\$ 8,571.43	\$ -	\$ 9,704.19	
	Project Sentinel	Tenant-Landlord Counseling and Dispute Resolution	Provide assistance to tenants and landlords on their respective rights and responsibilities regarding terminations, evictions, habitability, deposits, rent increases, resolution of housing problems, and conduct mediation and conciliation.	\$ 36,926.00			\$ 6,000.00	\$ 8,571.43	\$ -		
	Project Sentinel	Fair Housing	Address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and seeking redress for victims of such discrimination.	\$ 22,061.00			\$ 6,000.00	Funded with Program Admin	Funded with Program Admin		
	Sourcewise	Transit Service	Provide free transit rides to seniors and/or disabled adults to local medical appointments, pharmacies, grocery stores, and to socialize at the Senior Center.	\$ 11,691.69			\$ 6,000.00	\$ 8,571.43	\$ -		
	South County Compassion Center	Outreach for the Unhoused	Provide Gilroy residents experiencing homelessness comprehensive outreach services to meet their basic needs and to connect them with services and resources to help them attain permanent housing.	\$ 40,000.00			\$ 6,000.00	\$ 8,571.43	\$ 40,000.00		
	St. Joseph's Family Center	Homeless Prevention Services	Provide safety net and homeless prevention services such as short-term financial assistance, case management, linkages to resources, and other support services.	\$ 83,000.00			\$ 6,000.00	\$ 8,571.43	\$ -		
	The Health Trust	Meals on Wheels	Deliver meals and wellness checks to Gilroy seniors who are living at or below the poverty level and at risk of food insecurity. The most food-insecure clients may also receive monthly grocery deliveries.	\$ 20,000.00			\$ 6,000.00	\$ 8,571.42	\$ 20,000.00		
	St. Joseph's Family Center	Gilroy Street Team	Provide job readiness and soft skills training to prepare at-risk, or individuals experiencing homelessness, for employment, health stabilization, and housing. Participants will earn stipends for their work, providing community clean-up and beautification.	\$ 60,000.00	Deemed ineligible		\$ -	\$ -	\$ -		
Subtotal			Total Requested Applications	\$ 348,678.69			\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 55,264.95 *	

CDBG Program Year 2024-25 Application Funding Allocation (Cont'd)

Non-Public Service	City of Gilroy Public Works	Sidewalk/Curb Ramp	Provide sidewalk and curb ramp improvements to meet accessibility compliance and create safe pedestrian pathways in low- and moderate-income neighborhoods.	\$ 320,000.00	\$ 130,000.00	\$ 53,323.00	\$ 183,323.00	\$ 183,323.00	\$ 183,323.00	\$ 99,481.45 + \$ 162,466.00 = \$ 261,947.45	
	Rebuilding Together Silicon Valley	Repair and Accessibility Modification Program for Low-Income Homeowners	Provide home safety repairs for low-income homeowners to address urgent needs, as well as minor repairs, accessibility modifications, and limited rehabilitation.	\$ 268,000.00	\$ 130,000.00	\$ 53,322.00	\$ 183,322.00	\$ 183,322.00	\$ 183,322.00	\$ 140,000.00 + \$ 118,000.00 = \$ 258,000.00	
	The Miller Red Barn	Miller Red Barn Sprinkler System	Install a fire alarm and fire sprinkler system to change occupancy classification of the structure and increase occupancy limit, to provide historical agricultural education workshops and community events.	\$ 50,000.00	Deemed ineligible	Deemed ineligible	\$ -	\$ -	\$ -		
	WeeCare, Inc (DBA - Upwards)	BOOST (Business Operation & Optimization Support Tools)	Provide business support and technical assistance to low-to moderate-income microenterprise owners operating in-home family daycares, with fewer than 5 employees.	\$ 152,000.00	Deemed ineligible	Deemed ineligible	\$ -	\$ -	\$ -		
	Subtotal		<i>Total Requested Applications</i>	\$ 790,000.00	\$ 260,000.00	\$ 106,645.00	\$ 366,645.00	\$ 366,645.00	\$ 366,645.00	\$ 239,481.45	\$ 280,466.00
Program Administration	Project Sentinel	Fair Housing	Address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and seeking redress for victims of such discrimination.	\$ -	Program admin funded with formula only funds regardless of option recommended		\$ -	\$ 22,061.00	\$ 22,061.00		
	City of Gilroy	Program Administration	Staff time and consultant time for administration and management of the CDBG program	\$ -			\$ 80,000.00	\$ 57,939.00	\$ 57,939.00	\$ 73,686.60	
	Subtotal						\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 73,686.60	
Total				\$ 1,138,678.69			\$ 506,645.00	\$ 506,645.00	\$ 506,645.00	\$ 368,433.00	\$ 280,466.00

i. Equal Distribution Option – Fund all public service applications equitably with funds available

ii. Non-Duplication Option – Fund fair housing through program administration; remove duplicative public service applications and those applications that did not meet requirements of the NOFA

iii. Evaluation Based Option – Fund fair housing through program administration, and fund only public service applications with the highest evaluations

* For PY 2023-24, \$37,312.61 was also allocated to the Summer Day Camp Program.

Funding	Amount	Eligible Uses		
		Public Service (15% Cap)	Non-Public Service	Program Administration (20% Cap)
2024-25 Formula Funds (Estimate)	\$ 400,000.00	\$ 60,000.00	\$ 260,000.00	\$ 80,000.00
Prior Years' Resources	\$ 106,645.00	--	\$ 106,645.00	--
PY 2024-25 Total	\$ 506,645.00	\$ 60,000.00	\$ 366,645.00	\$ 80,000.00



City of Gilroy

STAFF REPORT

Agenda Item Title: **Consideration of a Potential Public Safety Sales Tax Ballot Measure for the November 5, 2024 Election Ballot**

Meeting Date: April 8, 2024

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization
Ensure Neighborhood Equity from City Services
Maintain and Improve City Infrastructure

RECOMMENDATION

Council direction to develop a public safety sales tax ballot measure and return the proposed ballot measure to the City Council for consideration and final approval for the 2024 General Election.

BACKGROUND

Since the 2009 recession, the City's staffing levels have not returned to pre-recession levels, and to compound the issue, additional positions had to be eliminated during the COVID-19 closure and financial impact. After the recession but before the pandemic, City staff conducted several comprehensive studies, some regarding staffing specifically in the Police Department and our standards of coverage plan for our Fire Department, which included staffing as part of its recommendations. Both efforts revealed a need for additional public safety staffing and infrastructure.

Public Safety (Police and Fire services combined) is not just one of the largest expenditures for cities, including the City of Gilroy, but also a crucial pillar of our community. The City's public safety services are expenditures in the City's General Fund, which receives its funds primarily from taxes, and fees to a lesser amount. The General Fund is discretionary in nature, meaning the City can use these funds for any

City purpose, unlike special revenues or other funding sources that have restrictions. Because of this discretionary nature, it is the fund that has the largest demands placed upon it, and often needs of multiple departments and programs compete for the same General Fund dollars. This scarcity of resources compared to needs often impacts public safety as the largest service category of the City and are also the services that require the greatest amount of discretionary resources to provide.

ANALYSIS

Current and Historical Public Safety Funding

Public Safety concerns are an overarching priority for most community members in our City. Sustaining the City's public safety services has historically required the most significant amount of the General Fund each year. Public safety accounts for approximately 64% (or \$46.86 million) of the \$72.76 million adopted budget for the upcoming Fiscal Year 2025 (FY25). This share has decreased slightly compared to 10 years ago when, in FY15, public safety represented 66% (\$28.45 million out of \$43.04 million) of the General Fund budgeted expenditures that fiscal year. Even though the relative share decreased slightly, the total General Funds spent on public safety increased by 65% over the ten years.

Despite the escalating costs associated with public safety services, there exists a parallel rise in expectations, compelling our public safety departments to strive for an enhanced service delivery standard to meet our residents' evolving needs. While it's possible to reallocate funds from other programs or departments to bolster public safety resources, there's a point where diminishing returns set in. When different departments face budget reductions, it inevitably impacts service levels, and severe reductions can even lead to eliminating entire programs and departments, ultimately diminishing the overall services provided to city residents.

Current and Future Public Safety Needs

Each of the City's public safety departments conducted consultant-led comprehensive staffing studies indicating the need for additional staffing to continue providing the enhanced level of service our community has grown accustomed to. Below are tables that identify the types of positions needed for each department, along with a description of the need. The totals show the number of positions for each type recommended by the study, adjusted based on a per capita rate and increased based on the 2023 California Department of Finance population estimate for 2023. It then identifies the authorized number of positions within that type and the number needed to meet the recommended staffing levels.

Police

Position Type	Recommended Staffing Level ¹	FY25 Authorized Staffing Level ²	Additional Positions Needed
Corporal	9	8	1
Police Officer	51	46	5
CSO	5	4	1
Public Safety Communicators	20	14	6
Records	9	7	2

Overall, the Police Department still needs six sworn positions, one field support position, and eight specialized support positions, based on the study recommendations. While adjusted for population, further positions may become necessary to meet the service demands imposed by state legislation, current analysis, and anticipated future demands that will be required to align with future local and state needs.

Fire

The Fire Department has recently been subject to significant overtime due to long-term leaves and coverage needs. Additional positions are needed to help provide enough staffing capacity to fill shifts, including for the Santa Teresa Fire District (STR District). Additional resources are required to operate the fourth fire station in the STR District. The Standards of Coverage plan also identifies that Gilroy is at a stage where it should be planning, if not implementing, the operation of a fifth fire company. To fully staff the STR District and the three existing stations, 45 deployable firefighters/paramedics (FFPs) are needed. Below is a table that shows the current authorized staffing positions, the positions required to staff two additional fire companies listed beside them, and the number of additional positions needed to facilitate the deployment.

Position	Currently Authorized	Five Fire Company Deployment Staffing Required	Required Relief for Five Fire Companies	Total Positions Needed	Additional Positions Needed
Fire Captain	10	15	0	15	5
Engineer	9	15	0	15	6
Firefighter/Paramedic	21	15	12	27	6

¹ Recommended staffing levels were derived by formulating a per capita position ratio using the California Department of Finance population estimates for the year the study was completed (53,325 for patrol and 54,849 for all other unit studies, then multiplying by the estimate for 2023, 60,078).

² Recommended to authorized staffing level comparisons are categories of positions for communications and records, due to studies having defined role recommendations (i.e. training, quality assurance) whereas the authorized positions do not have those specific designations.

Position	Currently Authorized	Five Fire Company Deployment Staffing Required	Required Relief for Five Fire Companies	Total Positions Needed	Additional Positions Needed
Total Positions	40	45	12	57	17

To deploy the STR District station company and the future fifth fire station company, the Fire Department would need an additional 17 personnel, consisting of two entire fire companies. Additionally, the Fire Department will need infrastructure costs to construct the stations and funding for seismic retrofits to the existing Chestnut and Las Animas stations to better withstand earthquakes.

Vehicles and Equipment – Police and Fire

In addition to personnel, individual and corporate equipment will be required. This ranges from the personal equipment issued to each police officer and firefighter, as well as other equipment used that is shared, such as vehicles, apparatus, computers, and communications equipment, as well as specialized departmental equipment used in carrying out the duties of each. These will also require additional ongoing costs for repairs and replacement in addition to the initial purchase cost.

Potential Dedicated Funding Solution – Public Safety Sales Tax

The challenge with the competition for General Fund appropriations to meet the needs identified above is that increasing positions and ongoing costs are complex and require either other departments not receiving their needed funding for maintaining services or facing potential cuts to provide more essential services.

A separate funding source dedicated to public safety would help meet the currently identified financial needs and prevent the requirement of capping or reducing appropriations for other departments, such as parks, streets, and recreation, among others. Based on the revenue streams available to the City and their impact on Gilroy residents, a dedicated sales tax is recommended. Sales tax revenues are the largest revenue stream for the City and can generate more revenue for public safety than other funding sources.

Additionally, because our sales tax revenue has high capture, meaning that we receive a significant portion of it paid by non-residents when they spend money at our retailers, the financial impact is born, in a significant part, by those who do not live here. This is less impactful than a property-based fee, where the full revenue-generating burden would be placed fully and wholly on residents. By pursuing a sales tax, it lessens the burden.

State law limits the rate of sales tax that can be collected in addition to the State sales tax rate, which the limit is 2% above the state rate. This limit applies to all collections within a County. At this time, the local rate is 9.125%, meaning there is already 1.875% in addition to the 7.25% of the state rate being collected by other agencies that apply to the Gilroy limit but were not imposed and are not to the direct benefit of the City of Gilroy. Of the 1.875% local rate already in place, 0.125% has a special legislative

exemption and, thus, is not counted towards the 2.0% limit. This means the potential sales tax measure would be limited to 0.25% to stay within the limit.

Amount Potentially Generated by a 0.25% Public Safety Sales Tax

Based on the current estimates, the additional 0.25% tax rate would generate between \$4.1 million and \$4.7 million in annual sales tax revenue. Staff utilizes a \$4.5 million estimate for this report, the allocation, and the ballot measure.

Proposed Uses and Conditions of a Public Safety Sales Tax

Staff is proposing some structure to the sales tax measure. These include the below considerations.

Oversight Committee

The proposal would include a Citizen's Oversight Committee to review the collection and use of the dedicated sales tax revenues and ensure that the funding is used in accordance with the restrictions proposed on the ballot measure. The Oversight Committee may also recommend changes to the split in funding allocation to the City Council, as described immediately below.

Allocation of Funding

The proposal would establish a threefold allocation of funding to be received, with an initial allocation split as identified below:

- 25% Infrastructure (estimated \$1.1 million per year) - This would fund future fire and police stations, such as the Santa Teresa Fire District station or the Fifth Fire Station, as well as seismic and other retrofits for existing facilities, such as the Chestnut and Las Animas fire stations.
- 40% Police (estimated \$1.8 million per year) - this would be an allocation specific to the Police Department and would fund needs across all functions of the Department. It is important to note that the allocation does not necessarily allow for the increase in School Resource Officers (SROs), as such positions, roles, and authorities are governed by the California Education Code and must be requested by the associated school district of the school(s) being served by such a position before the City can take it up. However, all other known positions are eligible to be filled by utilizing these funds.
- 35% Fire (estimated \$1.6 million per year) would include positions, services, and supplies, similar to the Police description above.

Alternatively, there is the option to allocate the funding more in alignment with the General Fund split of public safety funding and reducing the infrastructure share.

- 20% Infrastructure (estimated \$0.9 million per year).
- 55% Police (estimated \$2.5 million per year)
- 25% Fire (estimated \$1.1 million per year).

Bonding Against Infrastructure Portion to Start Construction Projects

For the infrastructure allocation, the annual amount would require significant time to build the funds needed for the large-scale infrastructure. We have researched with the City's financial advisor, NHA, who has reported that we can bond against the special sales tax revenue for infrastructure. This would allow for the rapid availability of funding for construction instead of having to wait ten or more years to accumulate and then implement a significant construction project with these funds. Personal equipment, general and departmental equipment, and apparatus/vehicles would come from the department amounts, not from the infrastructure allocation.

Public Safety General Fund Baseline

The proposed public safety sales tax is to augment General Fund allocations toward staff, supplies, and services relating to public safety. To effectuate this intent, it is proposed that a baseline amount of the General Fund's contribution to public safety be established as part of this measure. This preserves the core of public safety funding while adding the revenue from the dedicated sales tax to enhance public safety service to the community. As the process moves towards a recommendation to place the sales tax measure on the ballot, staff will recommend that the Council consider the amount of the baseline.

Timeline

Below is a potential timeline, assuming approval of the ballot measure, and also adoption by the voters in Gilroy on November 5, 2023.

Ballot Measure Step/Process	Potential Timeline
Outreach commences on the potential ballot measure	Tuesday, April 9, 2024
Community Meeting	Monday, June 10, 2024
Recommendation for approval to place a public safety dedicated sales tax to the November 5, 2024 ballot	Monday, July 29, 2024
Backup date for approval to place the proposed sales tax on the ballot	Monday, August 5, 2024
Deadline to Submit Resolution to Registrar of Voters for Ballot Measure Argument	Friday, August 9, 2024
Primary Arguments Due	Tuesday, August 13, 2024
Last Day to Amend the Measure	Wednesday, August 14, 2024
Deadline for Rebuttal Arguments and Impartial Analyses	Tuesday, August 20, 2024
Election Day	Tuesday, November 5, 2024
Certification of Election Results	Thursday, December 5, 2024
Finalize and execute two agreements with the California Department of Tax and Fee Administration (CDTFA): one for	Commences upon certification, and proceeds at the pace of discussions between City and CDTFA

Ballot Measure Step/Process	Potential Timeline
preparation to administer and operate the tax and the other for ongoing state administration of the tax	
Earliest operative date for the Public Safety Sales Tax	April 1, 2025 (first day of first quarter after 110 days have passed since adoption)

ALTERNATIVES

The Council may direct staff to refrain from proceeding with the proposed public safety sales tax measure or modify the proposed measure's nature. Staff does not recommend ceasing the work on the measure, as it is the best potential source of funding for augmenting current police and fire services and making it possible to expand to meet future public safety service needs. Although finer details may be modified as the process of forming the tax measure proceeds, staff is recommending the essential nature of the measure as provided above be maintained for this effort.

FISCAL IMPACT/FUNDING SOURCE

The cost of a sales tax ballot measure, depending on its success, is approximately \$100,000 to \$300,000 from General Fund reserves.

City staff estimates that the proposed public safety sales tax measure will cost approximately \$100,000 to place on the November 5, 2024 ballot. This estimate is derived from the costs incurred for placing the previous charter amendment measure on the ballot. Final amounts will vary depending upon the number of other measures placed on the ballot for the November election.

Additionally, the CDTFA will have preparatory (one-time) and administrative (ongoing) costs associated with the local sales and transactions and use tax. The preparatory costs include one-time staffing and processing costs associated with notifying taxpayers in the geographical area. By law, the maximum preparatory cost is capped at \$175,000. The ongoing administrative cost is estimated to be about 1.75% of the revenue and will be deducted from the revenue received quarterly.

Staff anticipates additional, smaller costs, such as attorney fees, public postings, and other administrative costs associated with the measure, but detailed estimates are not currently available.

If approved to return with the proposed ballot measure for consideration, a more refined estimate will be provided in July.

PUBLIC OUTREACH

Previous discussions with Council regarding a potential ballot measure have been

discussed associated with fire staffing coverage and considering ways to add firefighter positions. This item was included on the publicly posted agenda for this meeting. Additional outreach will be conducted if direction is received to pursue the development of a public safety sales tax ballot measure.

NEXT STEPS

If the Council directs staff to continue developing the potential ballot measure, staff will return to the July 29, 2024, regular meeting to seek Council approval.