



SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

AGENDA

MONDAY, AUGUST 9, 2021

CITY COUNCIL CHAMBERS, 2nd Floor,
455 E. CALAVERAS BLVD., MILPITAS, CA
6:00 PM

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3232

CITY OF MILPITAS - NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Milpitas City Council will be held at 6:00 p.m. on Monday, August 9, 2021 held in the City Council Chamber at City Hall, 455 E. Calaveras Blvd., Milpitas and via teleconference/Zoom webinar. You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.ci.milpitas.ca.gov/youtube>

Web Streaming: <https://www.ci.milpitas.ca.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may be provided live during the City Council meeting in-person or by registering for the zoom meeting in advance by providing email address (not disclosed) and a name. To minimize technical difficulties, please make sure that you have the latest version of Zoom Meetings. Here is the link to register for this meeting only:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_ewxZi7xzQuW-Dhzo0rDEFQ

A link will be sent to you to join the City Council meeting in order to give your comments. All registered meeting attendees who wish to speak must click on the "raise hand" icon when the Mayor calls for public comments. If participating by calling in on your phone, dial *9 to use the "raise hand" feature, and when you are called upon, hit *6 to unmute your phone. Your phone number will be displayed in the live meeting. The Mayor or staff will call the speakers to begin.

All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (6:00 PM)

PLEDGE OF ALLEGIANCE (6:05 PM)

PUBLIC FORUM

Those in the audience and via Zoom are invited to address City Council on any subject not on tonight's agenda. In-person speakers wishing to address the Council are requested, but not required to complete a Speaker Card and submit it to the Mayor. In-person speakers will then be asked to come up to the podium and state their name for the record. Those interested in speaking via Zoom may do so by following the instructions on page one (1) of the agenda. Comments may be limited to three (3) minutes or less at the Mayor's discretion. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. The City Council may instruct the City Manager to place the item on a future meeting agenda.

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@ci.milpitas.ca.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

ANNOUNCEMENTS (6:10 PM)

Members of the City Council or City Manager may make brief announcements at this time. Members of the City Council may also suggest future agenda items at this time. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a "yes" or "no" as to whether to direct the City Manager to place the item on a future meeting agenda. If a majority of the City Council agrees to place an item on a future meeting agenda, the City Manager shall place the item on a future agenda for City Council discussion.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

AGENDA ITEMS (6:20 PM)

- 1.** Receive an Update on the American Rescue Plan Act, Provide Input to Staff on the Draft ARPA Investment Plan and Delegate Authority to the City Manager to Proceed with Approved Programs, Once Compliance with ARPA Guidance is Confirmed (Staff Contact: Ashwini Kantak, Assistant City Manager, 408-586-3053; Walter C. Rossmann, Deputy City Manager, 408-586-3012; and Lauren Lai, Director of Finance, 408-586-3111)

Recommendations: (1) Receive an Update on the American Rescue Plan Act (ARPA), including compliance and reporting requirements; (2) Provide direction to staff on the draft ARPA Investment Plan and proposed programs; and (3) Delegate authority to the City Manager including appropriation

and contract approval authority up to the approved amount for each program approved by Council, once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

2. Review List of Agenda Item Requests from Individual Councilmembers and Provide Direction to Staff on each of the items in Groups 1 and 2 (Staff Contacts: Ashwini Katak, Assistant City Manager, 408-586-3053; and Walter Rossmann, Deputy City Manager, 408-586-3012)

Recommendations: (1) Review list of agenda item requests from individual Councilmembers and provide direction to staff, by majority voice vote, on which Group 1 and Group 2 items should be advanced; and (2) Provide requested clarification and direction to staff on Group 1 items that receive majority vote to advance.

ADJOURNMENT (10:00 PM)

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's Office at 408-586-3001 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to CityClerk@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive and Update on the American Rescue Plan Act, Provide Input to Staff on the Draft ARPA Investment Plan and Delegate Authority to the City Manager to Proceed with Approved Programs, Once Compliance with ARPA Guidance is Confirmed
Category:	Leadership and Support Services
Meeting Date:	8/9/2021
Staff Contact:	Ashwini Kantak, Assistant City Manager, 408-586-3053 Walter C. Rossmann, Deputy City Manager, 408-586-3012 Lauren Lai, Director of Finance, 408-586-3111
Recommendations:	1. Receive an Update on the American Rescue Plan Act (ARPA), including compliance and reporting requirements. 2. Provide direction to staff on the draft ARPA Investment Plan and proposed programs. 3. Delegate authority to the City Manager including appropriation and contract approval authority up to the approved amount for each program approved by Council, once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

Executive Summary

The American Rescue Plan Act (ARPA), signed by President Biden in March 2021, provides \$1.9 trillion in funding to counteract the economic impacts of the pandemic caused by the Coronavirus. A portion of this money, known as the Coronavirus State and Local Fiscal Recovery Funding (CSFRF and CLFRF respectively), is being distributed directly to states and cities with populations of over 50,000. The direct ARPA allocation to the City of Milpitas is \$16,736,815, 50% of which was disbursed in June 2021 and the remaining 50% will be disbursed by June 2022. The funds will be managed by the U.S. Treasury Department (Treasury), which has issued an Interim Rule but detailed guidance for CLFRF and the Final Rule is still pending.

Council has discussed and provided input on potential programs for ARPA funding starting in March and at Council meetings in May and June. On June 21, Council adopted the ARPA Investment Framework including Fiscal Guiding Principles and five Investment Areas namely Community Services, Economic Vitality, Infrastructure, Public Safety, and Technology. Council also provided direction on a preliminary Investment Plan. Of the 24 items included in the Investment Plan, Council reached consensus on 11 items and staff was to bring back additional information on the remaining items. Since \$1,485,000 was still unassigned at the June 21 meeting, staff has added four additional items for Council consideration, bringing the total to 28 discrete items.

This staff report provides additional information for 14 items with information on three items still forthcoming. Since detailed guidance from Treasury is still pending, staff is seeking Council approval on the proposed approach and funding for 25 of the 28 programs in the preliminary ARPA Investment Plan and asking for delegation of authority to the City Manager to proceed with appropriation actions and contract approvals, up to the approved amount for each program approved by Council, once compliance with ARPA procurement, contracting, and reporting requirements are confirmed. This will allow the funding to go to residents and businesses significantly impacted by the pandemic, in an efficient and expeditious manner. In addition to the

required ARPA reporting, periodic program reports will be presented to Council to ensure transparency and accountability to the Council and community. Revenues and expenditures for all the ARPA items approved by the City Manager will be detailed in the FY 21-22 quarterly financial status reports with the first quarterly report scheduled to be brought to Council in fall 2021.

Background:

In March 2020, due to the rampant spread of the Coronavirus (Pandemic), a state of emergency was declared at the local, state, and federal levels and stay-at-home orders issued, which had an enormous impact on the local, State and national economy as well as the City's finances.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), a \$1.9 trillion stimulus package, to counteract the economic impacts of the pandemic. On May 11, staff presented preliminary information on ARPA's Coronavirus State and Local Fiscal Recovery Funding and the Interim Final Rule (IFR) issued by the U.S. Treasury Department on May 10. Staff also provided information on other funding through ARPA that could benefit the Milpitas community since the Coronavirus Local Fiscal Recovery Funding (CLFRF) is only a portion of the total ARPA funding. The CLFRF includes four categories: COVID-19 response, revenue replacement, water, sewer, and broadband infrastructure, and premium pay for essential workers.

The City's ARPA allocation of \$16,736,815 is available in two tranches; the first half was received on June 1, and the second half will be provided in June 2022. Funds need to be either expended or encumbered by December 31, 2024, with all funds to be expended by December 31, 2026.

At the May 11 meeting and thereafter, staff received Council feedback regarding ARPA Plan spending priorities. There were 39 requests received at the Council meeting and 24 requests received subsequently, thus resulting in a total of 63 requests. A majority of the requests were related to financial assistance and social services to those impacted by the pandemic, economic vitality, infrastructure, public safety, and technology.

On June 8, staff presented information ([June 8 Council Meeting agenda report](#)) about the ARPA State and Local Fiscal Recovery Funds and proposed an ARPA Investment Framework including ARPA fiscal guidelines and Five Investment Areas for Council consideration.

On June 21 ([link to the agenda report](#)), Council approved the ARPA Investment Framework including the Fiscal Guidelines and Five Investment Areas. Fiscal Guidelines include the following:

1. Identify and promote **other ARPA or State funding sources** to the extent possible before dedicating local ARPA funds.
2. Use one-time ARPA funds for **one-time expenditures** such as investment in infrastructure or technology with minimum ongoing operating costs.
3. **Avoid ongoing General Fund commitments** with additional programs and positions.
4. **Avoid creating a structural budget deficit** if restoring any reduced services.
5. Leverage **regional agencies, non-profit partners, and existing programs** to maximize efficiency in delivering programs and services.

The Five Investment areas are Community Services, Economic Vitality, Infrastructure, Public Safety, and Technology.

On June 21, staff also presented an updated Preliminary Investment Plan. Council adopted the ARPA Investment Framework including Fiscal Guidelines and Investment Areas. Council also provided input to staff on the Proposed Preliminary ARPA Investment Plan and provided direction to bring back a draft ARPA Investment Plan for Council consideration in August 2021.

The changes to the Proposed Preliminary ARPA Investment Plan are described below grouped by the five investment areas.

Community Services (\$2,285,000; net increase of \$85,000)

Low income assistance was increased from \$300,000 to \$400,000 and the pilot curbside trash pick-up program was reduced from \$100,000 to \$85,000.

Economic Vitality (\$4,730,000; net increase of \$630,000)

Funding for small business assistance was increased from \$1,200,000 to \$1,500,000. Funding for Main Street Revitalization was increased from \$400,000 to \$500,000, funding for hotels was increased from \$100,000 to \$200,000 and funding for the Milpitas Chamber of Commerce was increased from \$100,000 to \$200,000. Funding for workforce development was increased from \$270,000 to \$300,000.

Infrastructure (\$4,086,815)

No changes were made to this Investment Area, however there was some discussion about the potential to allocate any remaining ARPA funds to infrastructure, given the magnitude of the City's infrastructure needs.

Public Safety (\$2,250,000)

No changes were made to this Investment Area.

Technology (\$1,900,000; net decrease of \$1,200,000)

Funding for the HRIS system was reduced from \$2,000,000 to \$1,100,000; this amount includes \$100,000 in FY 21-22 for the initial business process mapping and needs evaluation. \$100,000 in funding was added to evaluate the City's current financial management system in order to determine future needs. Funding for technology improvements was reduced from \$800,000 to \$400,000.

Unassigned (\$1,485,000)

Funding in the amount of \$1,485,000 is currently unallocated. Staff is recommending setting aside \$350,000 for administration costs related to ARPA funding. Based on discussion at the June 21 Council meeting and subsequent communication from individual Councilmembers, Council may want to allocate the remaining funding of \$1,135,000 for parks infrastructure, weed abatement, fire vehicles, or other City services.

Analysis:

On June 21, City Council reached consensus on 11 items and no further Council direction is needed on these items. This staff report provides additional information and seeks Council direction on an additional 14 items. If Council concurs with proposed program and funding recommendations for these 14 items, these items will not be brought forward again for further Council direction unless significant changes are required based on final ARPA guidance from the Treasury department.

To enable an efficient and timely rollout of the programs, if there is Council direction to proceed with these 25 items, staff is recommending that there be a delegation of authority to the City Manager, including appropriation and contract approval authority up to the approved amount for each program approved by Council once compliance with ARPA procurement, contracting and reporting requirements is confirmed. The appropriation actions for these items will be detailed in the FY 21-22 quarterly financial status reports with the first quarterly report scheduled to be brought to Council in fall 2021.

Staff will bring back additional information on three items for Council consideration and action, recommendations for appropriation will be addressed at that time. Regular updates on all ARPA items will be brought forward to Council.

In addition to consideration of programs and eligible use of funds, Treasury also defines award "recipient", "subrecipient" and "beneficiary", and the respective obligations of the City. In this context, the ARPA award "recipient" is the City. "Subrecipients" are entities that receive a subaward from a recipient [City] to carry out a program or project on behalf of the recipient [City]; with the recipient's [City's] Federal award funding. Whereas, "beneficiary" is a recipient who would perform or continue their entity's work but could not do so due to

insufficient funding. With “subrecipients”, the City is required to monitor and oversee the subrecipient’s use of ARPA funds and ensure subrecipient complies with the statutory and regulatory requirements and terms and conditions of the award, including procurement in accordance with Federal Standard (as defined by “2CFR 200”). The City is required to report the subrecipients’ use of ARPA funds for the duration of the award. Importantly, the City, as the recipient, is responsible for funds distributed to all, whether as subrecipients or beneficiaries.

Community Services (\$2,285,000)

1. Rental and mortgage assistance to low and moderate income residents.

Council provided direction to keep proposed funding for this program at \$1,200,000. Staff is researching and designing a program that will expand eligibility for the Milpitas Rent Relief Program and add a mortgage relief program. Staff will consider non-profits, including Silicon Valley Independent Living Center (SVILC), as the fiscal agent/administrator of the program. However, we are still awaiting Treasury guidance about the selection process for sub-recipients. Additional information on the proposed program, including program parameters, guidelines, procedures and required staffing resources will be brought forward to Council in September.

2. Social services

Council provided direction to maintain the proposed funding in the amount of \$500,000 allocated over three years for Senior Nutrition Program enhancements and mental health services with a focus on providers that address domestic violence, LGBTQ+, and At-Risk Youth issues. As part of approval of the FY 2020-21 Adopted Budget, FY 2020-21 Mid-Year Adjustments and FY 2021-22 Adopted Budget, permanent and temporary staffing as well as non-personnel expenditures in the Recreation and Community Services Department were significantly reduced. Therefore, to support these new programs, funding for temporary staff, supplies and marketing are required.

	Year 1 (FY21-22)	Year 2 (FY22-23)	Year 3 (FY23-24)
<u>Senior Nutrition</u>			
Senior Low-Income Meals	\$25,000	\$25,000	\$25,000
<u>Mental Health Services</u>			
Domestic Violence	\$30,000	\$30,000	\$30,000
LGBTQ+	\$30,000	\$30,000	\$30,000
At-risk Youth	\$30,000	\$30,000	\$30,000
Mental Health (other)	\$10,000	\$10,000	\$10,000
Subtotal	\$100,000	\$100,000	\$100,000
<u>Administrative Costs</u>			
Supplies, Marketing, Mailers	\$12,000	\$11,500	\$11,500
Part-Time Staff	\$30,000	\$30,000	\$30,000
Subtotal	\$42,000	\$41,500	\$41,500
Total	\$167,000	\$166,500	\$166,500

Based on the current interpretation of the Treasury Department guidance, staff will be required to seek contracts for mental health services through a competitive process. As part of this process, staff will reach out to non-profits such as the Bill Wilson Center, Avenidas, Fresh Lifelines for Youth (FLY), Next Door Solutions to Domestic Violence, YWCA, and the Asian Americans for Community Involvement (AACI) to submit a proposal.

Supplemental funding in the amount of \$25,000 per year for the senior nutrition program is also recommended in this area. Prior to Covid-19, the senior nutrition program served an average of 80 seniors per day, 250 days per year. Since March 2020 the average number of meals served per day has increased to approximately 125 per day, an increase of 45 meals per day. Additionally, the nutrition program has almost 200 new members. Thus, additional funding is needed to supplement the current budget for this program.

The funding allocated in the FY 2021-22 Adopted Budget provides for 77 meals per day. With the supplemental funding of \$25,000 an additional 18 meals per day could be served bringing the total to 95 meals a day, which is 30 meals a day short of number of meals provided during the pandemic. If demand continues to be high in the future, staff will seek additional funding opportunities.

Staff requests input from Council regarding the ARPA allocation for mental health services and the senior nutrition program. If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

3. Financial Assistance to Low and Moderate Income Residents

Currently, the Milpitas Assistance Program (MAP) provides financial assistance for utility payments, certain building permits (e.g.: HVAC, water heater) and City run programs such as, but not limited to After the Bell, Senior Center Membership and Swim Lessons to very low and low income residents as defined by the federal government as well as for temporary hardship cases. Council also discussed providing childcare assistance to families and expanding eligibility for financial assistance to moderate income residents.

Council provided direction to increase funding by \$100,000 from \$300,000 to \$400,000. Staff recommends using the funds over three years as shown in the table below with \$60,000 dedicated to utility bill subsidies and \$54,000 to childcare subsidies with two thirds of each subsidy set aside for very low and low income households and one third to middle income households. These funds will be annually available on a first come/first serve basis.

	Year 1 (FY21-22)	Year 2 (FY22-23)	Year 3 (FY23-24)
<u>Utility Bill Subsidy</u>			
Very Low and Low Income	\$40,000	\$40,000	\$40,000
Moderate Income	\$20,000	\$20,000	\$20,000
Subtotal	\$60,000	\$60,000	\$60,000
<u>Childcare Subsidy</u>			
Very Low and Low Income	\$36,000	\$35,333	\$35,333
Moderate Income	\$18,000	\$17,667	\$17,667
Administration	\$20,000	\$20,000	\$20,000
Subtotal	\$74,000	\$73,000	\$73,000
Total	\$134,000	\$133,000	\$133,000

Currently, the City doesn't provide childcare subsidies to programs and services outside of Recreation and Community Services offerings. Therefore, staff needs to develop a program in compliance with U.S. Treasury Guidelines, which will require annual funding of \$20,000 for administration of the program. Staff requests input from Council regarding subsidies and income levels.

If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

4. Beautify Milpitas Program

Based on Council direction at the June 1 meeting, the City will provide staffing support and materials for one clean-up day every month and a National Clean-Up day once a year. Annual funding in the amount of \$25,000 for four years totaling \$100,000 will provide for staffing to program the clean-up days and purchase materials for the Beautify Milpitas Litter Kits and Graffiti Kits to be handed out at the clean-up days. The kits are for volunteers to keep and hopefully continue to beautify in and around their individual neighborhoods. Since specific Council direction was already provided on June 1, no additional Council discussion is needed for this item. This program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

5. Pilot Curbside Trash Pick-Up Program

Council provided direction to staff to move forward with a 3-month pilot at a cost of \$85,000. An appropriation will be included in the budget amendment being brought to Council in Fall. Under the pilot program, residents would be able to set out up to three (3) large/bulky items for collection. The pilot program would utilize the existing bulky item pickup routes and pickups would remain on an appointment basis. The pilot program would allow staff to collect data to assess the needs of residents and determine an appropriate service level for large/bulky items for each scheduled pick up. Staff will need to perform outreach to announce start and end dates of the pilot program, evaluate the program through an online survey and return to Council with the results of the pilot to get direction on any changes to the current bulky item/on-call clean-up program. If the current pilot were to be permanently implemented, the ongoing cost for this enhanced service level is approximately \$340,000 which equates to a 1.6% rate increase or about \$5 per year for a single family household. However, this cost may be lower or higher based on the outcome of the pilot. This program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

Economic Vitality (\$4,730,000)

6. Small Business Assistance Program

Council provided direction to increase proposed allocation from \$1,200,000 to \$1,500,000. Similar to the 2020 Microenterprise Grant Program where the City provided \$5,000 grants to 38 microenterprises (1-5 employees). Staff is researching this program and non-profits, including Enterprise Foundation, as the fiscal agent/administrator of the program. H, however, we are still awaiting Treasury guidance about the selection process for sub-recipients.

2020 Microenterprise Grant Program

182 grant program applications were received initially. After the first round of compliance checks, the list was reduced to 80 applications. A lottery was held on August 31, 2020 resulting in 38 applicants receiving conditional grants and those ranked 39-80 being placed on a waiting list.

The conditionally selected lottery winners and those waitlisted were contacted by Enterprise Foundation as part of their “discovery session.” The discovery session included sharing information about free technical assistance provided by the Silicon Valley Small Business Development Center (SV SBDC). The free technical assistance offered to all 80 applicants by SBDC included additional access to capital, marketing strategies, guidance on employee-related issues, and overall business management to reduce costs and improve efficiencies.

Enterprise Foundation contacted all 80 applicants regardless of ranking. Of the 80, 38 were approved, 13 were over the CDBG LMI requirement, 3 were disqualified, 23 were non-responsive, and 3 withdrew their applications. By mid-October 2020, 38 grantees that fully qualified were granted \$5,000 each.

To better understand the grant program’s effectiveness, the Office of Economic Development collaborated with Stanford University to evaluate the grant program. A Stanford undergraduate student cohort from the Urban Studies Department evaluated the grant program, which consisted of a survey to all grantees and follow-up interviews. In addition, a spatial analysis illustrating microenterprise grant recipient locations; key demographic and income characteristics of grantee business districts; and

legacy information on how the business districts have evolved between the 2008 Great Recession and the present economic crisis is included. The student cohort presented their findings to the Economic Development and Trade Commission on November 9, 2020.

The use of CDBG funds for the Microenterprise Grant Program required recipients to qualify as (Low and Moderate Income (LMI). It was challenging for many businesses to qualify because the requirement took into consideration household income and not just the business income.

Proposed Small Business Grant Program

Based on lessons learned and feedback from some Councilmembers about the eligibility requirements, staff is proposing to simplify the eligibility requirements. Simplified eligibility criteria could include reducing the number of years that a business has operated, omitting the net adjusted income for businesses, and allowing home-based businesses such as daycare centers to participate which may result in more businesses being eligible to receive grants.

Staff is proposing the following modifications for potential consideration by the Council:

No.	Microenterprise Grant Program	Proposed Small Business Grant Program
1.	Operated in Milpitas prior to March 16, 2017	All businesses with current business licenses that meet all the other requirements
2.	Classified as a retail, restaurant, service sector or “mom and pop” business	Not applicable, all eligible businesses with 1-25 employees can apply
3.	Operated out of a physical commercial storefront within the city limits of Milpitas	Operated out of a physical commercial storefront within the city limits of Milpitas
4.	Not exceeded \$2 million in net adjusted income for calendar years 2018 and 2019	Not applicable
5.	Employs 1-5 employees	Employs 1-25 employees
6.	Met the Community Block Development Grant Low and Moderate Income requirement	Not applicable
7.	Demonstrated good standing with the City of Milpitas (i.e., active business license/no code enforcement issues) and California Labor Commissioner’s Office	Demonstrated good standing with the City of Milpitas (i.e., active business license/no code enforcement issues) and California Labor Commissioner’s Office

Grants can be used for rent/mortgage, payroll, and operating expenses for products or services in Milpitas. Grant recipients will receive free technical assistance to leverage resources from the SV SBDC for alternative financing, marketing, developing business plans, guidance on employee-related issues, and overall business management to reduce costs and improve efficiencies. Microenterprise Grant recipients will not be considered for the proposed grant program.

Enterprise Foundation will charge the City a fiscal agent/administration 5% fee from the overall \$1.5M grant program, which equals \$75,000. If the City Council approves staff recommendation as outlined above, 285 small businesses will receive \$5,000 grants each, totaling \$1.5M.

Similar to the initial Microenterprise Grant Program, this Small Business Grant Program with ARPA funding will include outreach and marketing materials that ensure the business community is highly aware of the business assistance opportunity. Outreach and marketing will include a Press Release,

Program Flyer, Constant Contact Business Messages, Social Media, Paid Advertisement, and Digital Billboard messages.

Since the requirements for the selection process of the fiscal agent/program administrator are still forthcoming, staff is seeking feedback on the proposed program and eligibility criteria.

If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

7. Assistance to Local Hotels

The 20 hotels in Milpitas are a significant source of revenue to the City. The pre-pandemic revenue from the Transient Occupancy Tax or hotel tax was \$14.5 million in Fiscal Year 2018-2019 and made up 12% of the City's General Fund revenue. Through the pandemic, due to almost no business travel, the primary source of guests for Milpitas hotels, all the hotels have suffered a tremendous loss in revenue and workforce. The lodging and hospitality sectors are experiencing significant challenges in hiring staff, which is negatively affecting their ability to meet demand and they are incurring additional costs to make COVID-19 safe improvements. Since the June 21 City Council meeting, staff has been contacted by at least half a dozen Milpitas hotel representatives expressing serious concerns with the current labor shortage.

The Department of Treasury has specifically communicated that ARPA funds be used to aid impacted industries such as tourism, travel, and hospitality. Milpitas hotels experienced a 60% reduction in RevPAR, which is Revenue Per Available Room and is an important metric that assesses a hotel's ability to fill its available rooms at an average rate. If a hotel's RevPAR increases, that means the average room rate or occupancy rate is also increasing. However, the opposite has occurred with decreasing RevPAR during the pandemic. This is important for the City as a 60% reduction in RevPAR means that the City has lost the equivalent of 60% in Transient Occupancy Tax revenues during COVID-19. By helping the 20 hotels located in Milpitas, the City will see a return on investment that other business sectors may not be able to achieve.

The City will act as the Fiscal Agent and the Finance Department will be responsible for deploying funds directly to the 20 hotels. The Office of Economic Development will assist on the Department of Treasury's reporting requirements.

Since guidance regarding the process to select and provide funding to beneficiaries is still pending, staff recommends that the City Council only provide direction to staff on the proposed program at this time.

If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

8. Accessory Dwelling Units (ADU) Program

Council provided direction to maintain proposed funding in the amount of \$1,500,000. Staff is evaluating a program that could be a combination of fee waivers as well as prototype designs in order to simplify and incentivize the building of ADUs and encourage the legalization of unpermitted ADUs in the City. ADUs can provide affordable housing options, foster economic growth through increased construction activity, and result in increased property values.

With an average of \$5,000 in plan review and permit fees per ADU, this funding will allow permit fees for 100 ADUs per year for three years, or 300 ADUs, which is 2.4% of ADUs that could be potentially built in the City. The proposed ARPA funds will reimburse the General Fund for any fees waived. Staff is already working on a similar program for Safe ADU Legalization and could expand it to incorporate permit fee waivers for all previously unpermitted and new ADUs. Based on Council discussion on June 21, staff can initiate part of the program in summer 2021 and bring back information on other potential

tools shortly thereafter. Since the proposed amount is based on usage estimates, staff will report back to Council on an annual basis and Council could choose to adjust the funding level, if desired.

9. Main Street Revitalization

On May 11, during the budget study session, the City Council directed staff to move forward with several activities and programs to revitalize and activate Main Street ([Link to May 11 Agenda Report](#)). On June 21, Council directed staff to increase the proposed allocation from \$400,000 to \$500,000. This funding will be used for street front improvements and staffing to support this effort. Staff will return with additional details in late summer/early fall, along with an update on preparations for the community events in December 2021.

10. Community Events

Based on Council discussion on June 21, staff is recommending investing \$200,000 in community events over the next three years to organize a variety of additional events including enhancements to the July 4th 2022 celebrations with the addition of a Ferris Wheel and a parade, four pop-up events related to agriculture, art walks, and camping in the park, cultural events reflective of our community such as Holi, Hoi An (Vietnamese Lantern Festival), and Día de los Muertos (Day of the Dead). Due to lack of staff capacity, the pop-up event proposed to be scheduled in September as well as the three cultural events can only be offered once the Event Program Coordinator position is filled (see discussion below).

These additional events and the expansion of the July 4th celebrations are in addition to the 16 different events funded in the FY 2021-22 Adopted Budget starting with the 4th of July celebrations, Summer Concert Series, Movies in the Park Series, Game Night, Pumpkins in the Park, Veterans and Holiday events, Lunar New Year, Brunch with the Bunny, Commissioner Recognition Event, and Memorial Day event. In addition, the existing staff supports flag raisings, Milpitas Community Concert Band, and theatre productions through the year, and will also be launching a new docent and field trip program at the Alviso Adobe Park upon the completion of the building interior (anticipated in late spring '22).

It is important to note that as part of approval of the FY 2020-21 Adopted Budget, FY 2020-21 Mid-Year Adjustments and FY 2021-22 Adopted Budget, permanent and temporary staffing as well as non-personnel expenditures in the Recreation and Community Services Department were significantly reduced including the defunding of 1.0 Event Program Coordinator position. In order to support these additional events, the funding for the Event Program Coordinator position effective January 1, 2021 is proposed. As part of the development of the FY 2022-23 budget, staff intends to bring forward a recommendation to fund the position ongoing as it is assumed that the Council will support, and the community expect continuation of these additional events beyond FY 2023-24.

	Year 1 (FY 2021-22)	Year 2 (FY 2022-23)	Year 3 (FY 2023-24)	Season/ Month
<u>4th of July Enhancements</u>				
Ferris Wheel	\$10,000	\$10,000	\$10,000	July
Parade	\$45,000	N/A	N/A	July
Subtotal	\$55,000	\$10,000	\$10,000	
<u>Small Event Popups (4 events)</u>				
Earth Day/Agriculture	\$1,500	\$3,000	\$3,000	April
Art Walk/Project Event		\$2,500	\$2,500	September
Camping in the Park	\$3,500	\$3,500	\$3,500	June
Subtotal	\$5,000	\$9,000	\$9,000	
<u>Cultural Events (3 events)</u>				
Holi Event		\$3,000	\$3,000	March
Lantern Festival - Hoi An (Full Moon)		\$4,000	\$4,000	August

Day of the Dead		\$3,000	\$3,000	November
Subtotal		\$10,000	\$10,000	
<u>Administration</u>				
1.0 Event Program Coordinator position (defunded as part of FY 2020-21 Mid-Year budget actions)	\$70,000	NA	NA	
Marketing & Outreach	\$2,000	\$5,000	\$5,000	
Subtotal	\$72,000	\$5,000	\$5,000	
Total	\$132,000	\$34,000	\$34,000	

Staff requests input from Council regarding the proposed community events. If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

11. Financial Assistance to the Chamber of Commerce

The Milpitas Chamber of Commerce (Chamber) supports Milpitas businesses through advocacy and services to increase economic vitality. The Chamber has experienced hardship during the pandemic and has lost members as businesses have temporarily or permanently closed. At the June 21 Council meeting, the City Council provided direction to increase the proposed allocation of one-time funding to the Chamber from \$100,000 to \$200,000 to support the business community through initiatives such as community events, business workshops and job fair(s). The proposed \$200,000 will be split between two years. Staff has been in conversations with Chamber representatives. Based on City Council interest and the Chamber's available resources, the following represents how the recommended \$200,000 may be utilized in the next two years.

- Crab Feed – March 2022.
- Art and Wine Festival – May 2022. The Chamber is currently doing its due diligence by speaking with event planners that may be able to assist in planning and implementing the Art and Wine Festival on Main Street.
- Business Workshops – Business Workshops will be held quarterly and may consist of the following themes: How to Start a Business, Developing Business Plans, Marketing and Promotions, Enhancing Online Presence for Businesses, Financing, etc. Businesses will obtain "face-to-face guidance from industry representatives such as Facebook, Google, LinkedIn, and Twitter and provide customers 24/7 assistance."
- Job Fair – September 2021. The Chamber will host one job fair event and depending on the response, they may host two additional job fairs in the future.

The event consultant will provide estimated costs for the Crab Feed, Art and Wine Festival, Business Workshops and job fair(s), develop plans and implementation schedules for each activity. In addition, the event consultant will develop performance metrics in concert with the Chamber. The Chamber will develop a plan to raise funds thereafter, as the ARPA funding is a one-time opportunity.

Since guidance regarding the process to select and provide funding to beneficiaries is still pending, staff recommends that the City Council only provide direction to staff on the Chamber proposal at this time. If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

12. Workforce Development

Council provided direction to increase the proposed allocation from \$270,000 to \$300,000 and specifically asked for a program for low income youth to be included. The City partners with NovaWorks, NextFlex, Evergreen Valley College, and Milpitas Unified School District on several Workforce Development initiatives. Workforce Development is an integral part of the City's adopted

Economic Development Strategy and funding for various programs will decrease the unemployment rate due to COVID-19 impacts, help businesses rehire staff and prepare residents for future jobs. Staff will bring back program details along with appropriation actions for Council consideration.

13. Limited term Economic Development Specialist position

On June 21 Council provided direction to maintain proposed allocation for a two year limited term position or contract staff in the amount of \$330,000. Appropriation for this item will be included in the FY 21-22 Budget Amendment to be brought forward to Council in fall 2021.

Infrastructure (\$4,086,815)

14. Parks Rehabilitation

During the June 15 City Council meeting, the Council reviewed and provided direction to staff regarding the draft Parks and Recreation Master Plan (Plan). During the presentation, staff discussed the condition of the City's park system that is identified in fair condition overall with 24 parks noted in good to fair condition, however, four parks are in critical condition and eight parks are in poor condition (see attached map of the 12 parks).

Staff recommended proceeding with immediate health and safety improvements at 20 of the City's 36 parks and discussed the need to complete the construction phase for the rehabilitation of Sandalwood Park that was defunded in FY 20/21, and for the completion of short-term improvements at 12 City parks determined to be in critical and poor condition.

Following the presentation, the Council requested staff provide additional details on the 12 parks in critical and poor condition, including when they were programmed in the CIP and if they had been funded and the last time each park had been improved. Staff was also requested to return with the criteria used to determine which parks are improved.

As requested by Council, the attached spreadsheet includes the requested historical information for each of the 12 parks identified as in critical and poor condition. Planned renovation of these parks had been programmed in the Capital Improvement Program (CIP) starting in Fiscal Years 15/16 and 17/18, with the exception of Oliver Jones Memorial, Parc Metro West, and Sunnyhills Albert Augustine Jr. Parks which have not yet been programmed. Even though these parks had been programmed into the CIP, they were not funded due to a lack of funding, with the exception of Sandalwood Park which was funded and the design phase was completed before the \$2.2 million construction phase was defunded as part of the approval of the FY 2020/21 Adopted Budget and 2021-2025 Capital Improvement Program.

Also attached is the points-based matrix system to be used for the evaluation and improvement of the 12 parks in critical and poor condition. The eight criteria evaluated include user groups served; park capacity; condition; accessibility; community wide asset; community priority, last improvement completed; and timeframe for new repair. Parks with the highest point total raise to the top of the priority list for improvement. Based upon the matrix evaluation, the recommended priority order for improvement of the four parks in critical condition are Sandalwood, Sinnott, Strickroth, and Starlight Park. The recommended improvement priority for the eight parks in poor condition are Murphy, Sunnyhills Albert Augustine, Robert E. Browne, Foothill, Ben Rodgers, Parc Metro West, Hidden Lake, and Oliver W. Jones.

Recommended Improvements:

To address immediate health and safety concerns in the 20 parks, the draft Plan identified a funding need of \$2.1 million (see attachment). Therefore, staff recommends allocating ARPA funds in the amount of \$2.1 million for immediate health and safety repairs including replacement of swing sets at Calle Oriente and Sinnott Parks, play equipment and surface repairs at Sunnyhills, Albert Augustine Jr., Cerano, John McDermott, Peter Gill, O'Tool Elms, and Starlight Parks, and removal of tree hazards at the Sports Center Complex and Dixon Landing, Starlight, and Strickroth Parks.

The cost for short-term repairs and improvements for the parks in critical condition is estimated at \$1.06 million and for parks in poor condition at \$1.56 million, respectively. The estimated short-term and long-term cost to repair and improve all 36 City parks including the Sports Center facility is \$7.96 million for short-term repairs to be completed over the next 5 years, and \$81.1 million for longer term improvements that are recommended to be completed over the next 20 years.

With the remaining \$1.56 million of the preliminary allocation for parks infrastructure as well as an allocation of \$0.93 million of unassigned ARPA funds, and based on the priority matrix to prioritize park improvements, staff recommends funding short-term improvements at Sandalwood, Sinnott, Starlight, and Strickroth Park which are identified to be in critical condition. Staff also recommends funding improvements to six of the eight parks identified to be in poor condition which are Murphy, Sunnyside, Albert Augustine Jr., Robert E. Browne, Foothill Park, Ben Rodgers and Parc Metro West. The remaining funding required to complete short-term improvements for the remaining two poor condition parks amounts to \$350,000. Staff requests input from Council regarding the ARPA allocation for the identified parks projects.

If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

15. Public Safety Facilities' Improvements

The City's five year Capital Improvement Program includes planned and only partially funded capital projects to rehabilitate Fire Stations 1 and 3. One of the Fire Department's rehabilitation projects is the retrofitting of the majority of apparatuses' vehicle exhaust filtration systems. Updating these systems will improve firefighter health and wellness by removing carcinogen causing particulates from the exhaust. It will also negate the need to install a vehicle exhaust system in the new fire station and eliminate the need to continue to use and maintain the current systems in the other three fire stations. Staff is recommending investing \$250,000 for these needed capital improvements. Since these costs would typically be covered by the General Fund, this allocation translates to future General Fund savings. Based on Council discussion on June 21, no further Council direction is needed. This program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

16. Mobile Emergency Operations Center (in lieu of COVID Safe City Facilities' Improvements)

On June 15, 2021, based on staff recommendation, the Council established CP 3495 titled "COVID-19 Safe Facility Improvements" and approved a budget amendment in the Amount of \$375,000 to fund the Project with American Rescue Plan Act Funds. The Project was established to provide for contractual services to assess and balance the HVAC systems in all City buildings for optimization of air flow and ventilation ahead of staff returning to the workplace and reopening the buildings to the public. In addition to the HVAC work, additional measures to improve COVID-19 facility safety include HVAC filter upgrades, procurement of cleaning and disinfecting supplies for facilities, and the procurement of hand sanitizer stations, acrylic shields, and signage. Taken together, these measures are intended to help prevent and reduce transmission of the COVID-19 virus and maintain healthy business operations and work environments as staff returns to the workplace and City facilities will reopen to the public.

On June 15, City Council also approved a delegation of authority to the City Manager, or his designee, to approve and execute project related documents, including contract documents, and urgent administrative items during the City Council summer recess from the last City Council meeting held in June through August 5, 2021. This delegation of authority was granted in order to ensure that critical services and projects continue and are completed on time, especially related to the COVID-19 pandemic.

To expedite the HVAC work, staff utilized a City Council approved contract with Engie Services U.S., Inc. (Engie) for the implementation of energy and water conservation measures. As the ARPA funding guidelines have been still evolving, it recently became apparent that a competitive procurement will be

necessary for the HVAC work to be eligible for ARPA funds. Due to the scheduled return of staff to City facilities starting August 2nd, 2021, there was insufficient time to undergo a competitive procurement process which required the City Manager to exercise his delegated authority. He authorized staff to defund \$375,000 from the Mobile Emergency Operations Center (MEOC) project, which is mostly funded from the General Government CIP Fund (\$850,440) and appropriated \$375,000 to the COVID-19 Safe Facility Improvements project (CP 3495) in order to implement these safety measures.

Therefore, to fully fund the acquisition of the MEOC, staff recommends allocating \$375,000 of ARPA funds to the MEOC project.

Public Safety (\$2,250,000)

17. Funding for 6 Public Safety positions for One Year

Funding in the amount of \$1,200,000, is recommended to fund 2 Police Officers and 4 Firefighter positions that were defunded for one year in the Adopted FY 21-22 Budget. The funding may be used for FY 21-22 if a FEMA waiver for the SAFER grant to maintain a certain sworn Fire position count in Fire suppression is denied or alternatively it could be used to fund the positions in FY 22-23, resulting in future General Fund savings of \$1.2 million. If Council approves this funding, no separate Council action is needed; the funding will be incorporated into the FY 21-22 Budget amendment or the development of the FY 22-23 budget, as applicable.

Depending on FEMA granting a waiver and based on Council discussion on June 21, staff may bring forward FY 21-22 Budget Amendment to Council in fall 2021.

18. Fire Engine (Pumper)

At the June 21 ARPA spending plan discussion, the City Council inquired about the most urgent vehicle replacement needs for the Fire Department.

With Council support, the Fire Department has been able to replace an aging front-line apparatus fleet during the last four years with the replacement of 4 Engines and 1 Truck. To complement this investment and extend the useful life of the equipment, staff is recommending allocating \$800,000 to purchase a Fire Engine (Pumper). The remaining funding for the Pumper in the amount of \$200,000 is anticipated to be received from community benefit funds related to the Lyons Lot 3 development. The total funding allocation from this development is \$500,000. The Fire Department currently has three reserve fire engines (pumpers) and one reserve fire truck (aerial ladder). There is a need to replace two of the reserve fire engines (pumpers). These units were originally added to the fleet in 2003 and 2005 and have exceeded their asset life span. The replacement schedule for fire engines/trucks is 10-12 years in front-line status and then placed in reserve status for an additional 5 years. Best practice is to have at least two reliable reserve fire pumpers for unit repair / backfill, additional emergency staffing, and mutual aid deployment. The addition of this new fire pumper will substantially improve the reliability of the reserve fleet allowing the reduction of the reserve fleet from three to two reserve fire pumpers. Further, by adding a new pumper to the fleet, the most utilized pumper will be placed in the Reserve Fleet thereby extending the useful life of the existing front-line apparatus fleet. Since these costs would typically be covered, at least partially, by the General Fund, this allocation translates to future General Fund savings. If Council approves this funding, no separate Council discussion is needed, except for the purchase approval and related appropriation action for the Pumper.

The next priorities for apparatus replacement are four command/deployment vehicles and the Urban Search and Rescue (USAR) squad. The command units due for replacement are repurposed police cars that are almost 30 years old. Replacement cost for these vehicles is estimated between \$100,000 and \$110,000 per unit or approximately \$420,000. Staff is recommending funding these vehicles with an additional ARPA fund allocation of \$120,000 and the remainder from the aforementioned community benefit funds. The USAR squad is 22 years old and is a key component for the Fire Department to be able to respond and deploy on technical rescue incidents. The replacement cost for the USAR unit is approximately 1.5 million dollars.

Staff requests input from Council regarding the ARPA allocation for Fire vehicles. If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

19. Emergency Management Planning Documents

On November 17, 2020 Council accepted the Emergency Management Program Assessment and Implementation Plan (Plan), which included over 100 recommendations. As discussed in the related staff report, with funding support, staff will be able to implement the recommendations in a shorter timeframe. Since the acceptance of the Plan, staff focused on the most critical recommendations which focus on finalizing the Emergency Operations Plan (EOP). The EOP, which is the overarching emergency management document, is scheduled for Council approval in August 5, 2021.

At the June 21, 2021 Council Meeting, the Council requested information regarding the planned use of the proposed allocation of \$200,000 for the development of emergency management planning documents.

As outlined in the staff report recommending approval of the EOP, the EOP will also contain annexes, which are plans written to respond to specific hazards. Many of the revised and updated annexes are nearing completion and will be added to the EOP as they are finalized. The following table lists 19 annexes to be updated or developed and the estimated time for completion within the next two years with the allocation of the ARPA funds.

Annex Title	Estimated Completion
Access & Functional Needs	Jun-22
Casualty Management	Oct-22
Crisis Communications Plan	21-Dec
Critical Infrastructure & Utility Restoration	Dec-21
Damage/Safety Assessment	Mar-23
Debris Management	Jun-22
Donations Management	Jun-23
Emergency Action Plan Guide	Dec-22
Emergency Alert & Notification	Dec-21
EOC Operations Guide	Mar-22
Evacuation & Shelter in Place	Mar-22
Incident Specific	Dec-21
Information Collection, Analysis & Dissemination Plan	Dec-21
Mass Care & Shelter Plan	Jun-22
Post Disaster Housing	Jan-23
Private Sector Coordination	Dec-22
Recovery	Jan-23
Resource Management	Jun-23
Volunteer Management	Mar-23

Based on Council discussion, this program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

20. Virtual Reality Simulator Training Equipment

Staff is recommending allocating \$50,000 for the purchase of a virtual reality simulator to improve training in police officer decision making and tactics. Virtual reality allows for realistic and immersive training that provides a 3-dimensional, 360-degree field of view designed to put officers in real-to-life situations and believable ways to form visceral reactions to certain situations. Virtual reality training h

a variety of applications from use-of-force, de-escalation, active shooter, to person-in-crisis response. Depending on the officers' actions, the instructor can branch the scenarios to escalate or de-escalate the situation, then review their decision-making skills to ensure proper tactics are used from any angle during after-action review. These virtual environments and ambient features increase the officers' psychological immersion and focus when dealing with the situation at hand. By increasing the immersions, the officers' mental recall is heightened, thus enhancing their overall training experience. Virtual reality training will allow the Police Department to provide training in high-stakes scenarios improving decision making and improving community and officer safety. If Council approves this item, no further Council action is needed other than the appropriation of funds.

Staff identified a potential alternate funding source for the Virtual Reality Simulator. The funding source is a Federal U.S. Department of Justice grant through the Office of Community Oriented Police Services and is offered for Community Policing Development De-Escalation Training. The solicitation closed on July 22, 2021 and awards are expected to be announced prior to October 1, 2021. Staff applied for \$59,213.50 in funding; however, grant awards may not be awarded in full. If the City receives grant funds, staff will reduce the ARPA funding allocation.

Depending on the receipt of grant funds and based on Council discussion on June 21, this program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

Technology (\$1,900,000)

21. Human Resources Information System

Council provided direction to reduce funding for the HRIS system from the proposed \$2,000,000 to \$1,100,000. Of this proposed funding, \$100,000 is to be used to complete a business process mapping analysis and a functional needs assessment in FY 21-22 and issue a Request for Proposals. Staff anticipates bringing forward recommendations and appropriation actions for Council consideration in FY 21-22 or FY 22-23.

Based on Council discussion on June 21, this program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

22. Financial Management System

The City's financial management system is 24 years old (implemented in 1997) and needs to be evaluated for potential modernization, process improvement and efficiencies. Council directed staff to allocate funding in the amount of \$100,000 to complete the evaluation. Staff anticipates bringing forward recommendations, based on the evaluation, for Council consideration in FY 21-22 or FY22-23.

Based on Council discussion on June 21, this program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

23. Cybersecurity Improvements and Training

An allocation of \$300,000 was proposed for maintaining current systems to prevent cyberattacks and also to provide disaster recovery and business continuity support. A portion of this funding will also be used to provide regular employee trainings so as to protect against phishing and malwares. Appropriation for this item will be included in the budget amendment to be brought forward to Council in Fall. Since these costs would typically be covered by the General Fund, this allocation translates to future General Fund savings. Based on Council discussion on June 21, this program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

24. Technology Improvements

Council provided direction to reduce funding for this item from \$800,000 to \$400,000. This funding will be used for technology improvements to enable hybrid public meetings and a hybrid work environment. Appropriation for this item will be included in the budget amendment to be brought forward to Council in Fall. Since these costs would typically be covered by the General Fund, this allocation translates to future General Fund savings. Based on Council discussion on June 21, This program will proceed without any further Council action, if Council delegates the recommended appropriation authority to the City Manager.

Recommendations for Unassigned Allocation (\$1,485,000)

25. Administration

The administration of ARPA funds and programs is complex, comprehensive and spans the length of the spending period (i.e. possibly till 2026). Over four years, the estimated administrative cost is \$350,000 or approximately 2% of the ARPA Funding. This administrative cost includes an estimated \$50,000 for Federal procurement expert support for up to four years, \$150,000 for ARPA legislative and program management for up to four years and \$150,000 for one (1) temporary part-time staff or contractor augmentation for up to two years.

If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

26. Weed Abatement

The Public Works Department manages the weed abatement program for all City owned property, undeveloped parkland, medians, and along roadways to maintain aesthetics and make sure that excess weeds and brush do not become a fire hazard. The peak of the weed abatement season begins on April 1 and concludes in the late summer. Although the weed abatement program includes pre and post-emergent application to kill seeds and prevent weeds from growing in the right-of-way, weed growth in each season can be very unpredictable depending on the amount of rain and temperatures in a given year. Additionally, the weed abatement team is currently at 50% of budgeted staffing level due to one vacancy and two team members on long-term leave, leaving just three staff on the team to address weeds throughout the City. Further, to address the peak workload during the summer months, Public Works has funding for four temporary positions. However, despite extensive recruitment efforts, the department has only been able to fill one temporary position so far.

To address the staff shortage, Public Works has been scheduling staff on overtime to supplement the staffing on weed abatement and is exploring temporarily moving staff from other areas within the department to keep up with weed abatement needs; however, temporarily moving staff from other areas would result in reduced service levels on maintenance of potholes, sidewalks, parks, etc.

In addition to these measures, staff is recommending allocating \$90,000 for contract services to assist with the abatement of weeds and brush. It is important to note that once Council approves using ARPA funds for weed abatement contractual services, staff needs to bring forward an appropriation action for Council consideration and proceed with a competitive procurement process in compliance with federal regulations. Due to staff shortages in the Purchasing section, the contracting for these services may be delayed. In the meantime, existing staff will continue with removing weeds from City owned property, undeveloped parkland, medians, and along roadways

As part of the development of the 2023-2027 Capital Improvement Program, staff is exploring the conversion of select parkways and center medians in the City into low water, low maintenance landscapes. These landscape conversions would provide the City with water savings and would also reduce the number of staff hours spent on the ongoing maintenance of these parkways and medians. The staff hours would be allocated to weed abatement of weeds in other areas in the City, which would increase the level of services for the City.

If there is Council support for proposed approach and funding level, this program will proceed once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

27. Parks Rehabilitation – Additional Funding

The additional funding allocation is discussed under Item #14, titled Parks Rehabilitation.

28. Fire Vehicles – Additional Funding

The additional funding allocation is discussed under Item #18, titled Fire Vehicles.

TABLE 1: SUMMARY OF PROPOSED ARPA INVESTMENT PLAN

No.	Program/Activity	Proposed Funding	FY 21-22 Funding	Estimated Time
Community Services				
1.	Rent relief and mortgage assistance to low and moderate income residents – related to pandemic	\$1,200,000	\$600,000	2 years
2.	Social services – mental health services, services for domestic violence and abuse victims and LGBTQ plus community, senior nutrition program	\$500,000	\$125,000	3 years
3.	Financial assistance to low and moderate income residents for utility payments, recreation classes, and digital access	\$400,000	\$100,000	3 years
4.	Beautify Milpitas program	\$100,000	\$25,000	4 years
5.	Pilot curbside trash pickup program	\$85,000	\$85,000	3 months
	Subtotal	\$2,285,000	\$935,000	
Economic Vitality				
6.	Small business assistance – related to pandemic	\$1,500,000	\$750,000	2 years
7.	Assistance to hotels	\$200,000	\$200,000	1 year
8.	Accessory Dwelling Unit program	\$1,500,000	\$500,000	3 years
9.	Main Street Revitalization	\$500,000	\$250,000	2 years
10.	Community events	\$200,000	\$100,000	2 years
11.	Financial assistance to the Chamber of Commerce	\$200,000	\$100,000	2 years
12.	Workforce development	\$300,000	\$100,000	3 years
13.	Limited term Economic Development Specialist position	\$330,000	\$165,000	2 years
	Subtotal	\$4,730,000	\$2,165,000	
Infrastructure				
14.	Parks Rehabilitation	\$3,461,815	\$2,000,000	4 years
15.	Public Safety Facilities' Rehabilitation	\$250,000	-	1 year (FY 22-23)
16.	Mobile Emergency Operations Center (in lieu of COVID Safe Facilities Improvements)	\$375,000	\$375,000	1 year
	Subtotal	\$4,086,815	\$2,375,000	
Public Safety				
17.	Public Safety staffing (funding for 2 Police and 4 Fire positions for one year)	\$1,200,000	\$800,000	2 years
18.	Fire Vehicles	\$800,000	\$800,000	1 year
19.	Implementation of High Priority Emergency Management Program Assessment Study	\$200,000	\$100,000	2 years
20.	Virtual Reality Simulator Training Equipment	\$50,000	\$50,000	1 year
	Subtotal	\$2,250,000	\$1,750,000	
Technology				
21.	Human Resources Information System	\$1,100,000	\$100,000	TBD
22.	Financial Management System	\$100,000	\$100,000	1 year
23.	Cybersecurity programs and training	\$300,000	\$100,000	4 years
24.	Technology infrastructure	\$400,000	\$200,000	4 years
	Subtotal	\$1,900,000	\$500,000	
Recommendations for Unassigned Allocation				
25.	ARPA Funds Administration	\$350,000	\$100,000	4 years
26.	Weed Abatement	\$90,000	\$90,000	
27.	Parks Rehabilitation – Additional Funding	\$925,000		4 years
28.	Fire Vehicles – Additional Funding	\$120,000	\$120,000	1 year
	Subtotal	\$1,485,000	\$310,000	
	Grand Total	\$16,736,815	\$8,035,000	

*Changes from June 21 Investment Plan noted in red text.

Reporting Requirements

The first expenditure report for any City expenditures between June 1 and July 31 is due on August 31 and the first quarterly report is due on October 31. It is important to note that the Treasury Department does not require agencies to submit a final investment/funding plan and is allowing agencies to adjust funding as needed, as long as funds are expended by the required deadlines.

Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. Recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual recovery plan performance reports (for communities with population over 250,000) regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds. All entities receiving CSFRF and LSFRF funding will be required to submit an interim report of their expenditures from date of award through July 31 by August 31, 2021 with the first quarterly report due by October 31, 2021. Additional detailed guidance and instructions on the reporting requirements will be issued at a later date.

Reporting requirements for each funding category are different. As stated earlier, the guidance to date appears to provide the most flexibility and streamlined reporting process for the Revenue Replacement funding category. Thus, staff is recommending aligning the investment areas with this funding category for reporting purposes.

Key Compliance Considerations

Procurement and Contract Requirements will be governed by the “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” in accordance with the Code of Federal Regulation [2 CFR Part 200](#). This regulation will also stipulate the financial reporting and audit requires for the federal awards. These comprehensive and strict requirements will need Staff resources to ensure compliance for each ARPA program/activity. Moreover, while the comment period on the Interim Final Rule closes on July 16, there is no deadline for the Federal government to issue the Final Rule. To that end, eligible use(s) are subject to change.

The City is planning to categorize its use of ARPA funds as “revenue loss,” providing maximum flexibility in usage in that this category covers how funds have been used to provide government services due to the COVID-19 public health emergency. At this time, this category is not explicitly addressed in how it relates to 2 CFR Part 200 compliance. Also, the extent to which subrecipient monitoring is required is unknown at this time. The City intends to awards funds to subrecipients for such categories as: mortgage and rent relief, social services to provide mental health, domestic violence, LGBTQ plus and senior nutrition services.

The risks of not meeting the full requirements of 2 CFR Part 200 can be significant and potentially, have ramifications such as adverse audit findings and future de-obligation of funds. Staff recommends taking steps to comply to the fullest extent practicable, however, this is challenging, given that the level of due diligence required for each of these categories has not yet been released by Treasury.

Questions about the level of compliance, and associated risks of non-compliance, are also important in terms of how work is awarded to subrecipients. Procurement deficiencies are consistently the number one reason for de-obligations of funds following federal audits conducted by the Office of Inspector General.

Based on this risk and the extent of unknowns at this time, the City is planning to establish its procedures in a manner so as to minimize the risk of adverse findings at such time an audit may be conducted. An adverse finding would be not receiving or not keeping full Federal Funding for associated costs if the City failed to comply with the mandatory general procurement under grant standards. Thus, adverse finding may result in forfeiting the Federal Funding and requiring the City’s General Fund to cover the associated costs. A non-state entity must document its rationale for the method of which of the five (5) procurement processes it used for each contract (i.e., micro-purchase procedures, small purchase procedures, the sealed bidding method, the competitive proposal method or the noncompetitive proposal method). Regardless of the size of the purchase, these 5 characteristics must still be met:

1. The purchase must comply with the non-Federal entity’s documented procurement procedures.

2. The purchase must be necessary to carry out the Federal award.
3. The purchase must be made with open competition to the extent required.
4. The organization follows their conflict-of-interest policy.
5. The purchase documentation contains a sufficient and proper history of the purchase.

To provide perspective, a formal competitive procurement process requires a draft statement of work (SOW), published solicitation (held open for 30 days), review, selection and contract administration. Altogether, this process generally exceeds 60 calendar days to complete.

If utilizing the noncompetitive proposal method, the non-state entity must justify (in detail and with specifics) why this method was necessary.

Considerations Regarding Compliance for Claiming Administrative/Indirect Costs

Per 2 CFR 200 Appendix VII, Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

Per 2 CFR Part 200.414, Non-Federal entities (the City of Milpitas) may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10% de minimis indirect cost rate.

Over four years, the estimated cost for administrative, compliance, procurement, and reporting, is \$350,000, which is approximately 2% of the total ARPA fund (\$16.7 million). This would include development of new Federal procurement, monitoring and reporting. It would also include experts in the areas of Federal procurement and program legislation. and one temporary part-time position staff augmentation for two-years. Documentation would be kept for proper compliance and reporting of these administrative costs.

Next Steps

Based on Council direction staff will bring back additional information on the pending four items and any other items requested by Council. In order to roll-out programs that will help the community and City in an expeditious and efficient manner, staff will initiate each program approved by Council once compliance with ARPA procurement, contracting and reporting requirements is confirmed. Since the proposed FY 2021-22 budget does not include the use of any ARPA funds, once Council has approved a plan for ARPA funds, a budget amendment will be brought forward for Council approval. Staff will also bring back periodic reports to Council on the status of all programs and projects funded by ARPA.

Policy Alternative:

Alternative 1: Provide direction to staff to move forward with providing funding to small businesses and residents that have been impacted by the pandemic and have urgent needs that need to be addressed, in advance of final guidance from Treasury

Pros: Will provide immediate relief to those in the community that have been impacted by the pandemic.

Cons: Without final guidance from the Treasury on the use of the funding, there may be a de-obligation of funds required in the future with the General Fund having to pay for these programs. This may result in negative audit findings, which may impact the City's credit rating and ability to receive future Federal Grants.

Reason for not Recommending: Although there is a need for the funding in the community, it is prudent for the City to wait for the Final Rule and guidance from the Treasury before awarding funds to external entities. This will ensure that staff moves forward in a manner that complies with the funding requirements and the City is able to cover all of the costs with ARPA funding without putting the General Fund at risk or potentially negatively impacting the City's credit rating and ability to receive future Federal Grants.

Alternative 2: Do not delegate authority to the City Manager to approve appropriations and contracts for programs and funding levels already approved by Council

Pros: Bringing all 28 items back to Council for appropriation actions and contracts will provide a greater level of transparency.

Cons: The pandemic has adversely impacted many Milpitas residents and businesses and bringing each approved item back for additional approvals will delay the disbursement of funds and not allow the City to do so in an expeditious and efficient manner. Furthermore, more staff time would be incurred on administration such as drafting agenda reports when such staff time can be applied towards the programs which directly help residents and businesses.

Reason for not Recommending: The pandemic has adversely impacted many Milpitas residents and businesses. The preliminary Investment Plan has been discussed at several Council meetings, thus offering the public many opportunities to provide input. Once Council approves the proposed programs and funding levels staff will work within those parameters to expend the funds. Awaiting final guidance from Treasury has already slowed the disbursement of funds and procurement and contracting requirements by the Treasury will likely further delay the disbursement of funds to those in urgent need. Adding an additional step to bring each item back to Council for appropriation action and contract approval will add to the timeline and negatively impact those in need.

Fiscal Impact:

The ARPA allocation to the City is in the amount of \$16,736,815. \$8,368,407.50 has been received on June 1, 2021 and \$8,368,407.50 is scheduled to be received in June FY 21-22. As the Federal Final Ruling on the ARPA Coronavirus State and Local Fiscal Recovery Funding is pending, staff does not recommend full appropriation of ARPA funding. If Council approves the recommended delegation of authority to the City Manager, which includes budget appropriation and contract approval authority up to the approved amount for each program approved by Council, the appropriation actions for these programs will be detailed in the FY 21-22 quarterly financial status reports with the first quarterly report scheduled to be brought to Council in fall 2021.

California Environmental Quality Act:

This item is not a Project under CEQA in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) as it can be seen with certainty that a general discussion of funding priorities by the City Council will not have a significant effect on the environment. Further, the item is also not a Project pursuant to CEQA Guidelines Section 15378(b)(4) as it is a government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Although the use of funding will be discussed for various potential projects, any project scope and potential environmental analysis would be speculative to analyze at this time and future environmental analysis will be conducted for the various potential projects prior to the City making any commitment or approval of any project.

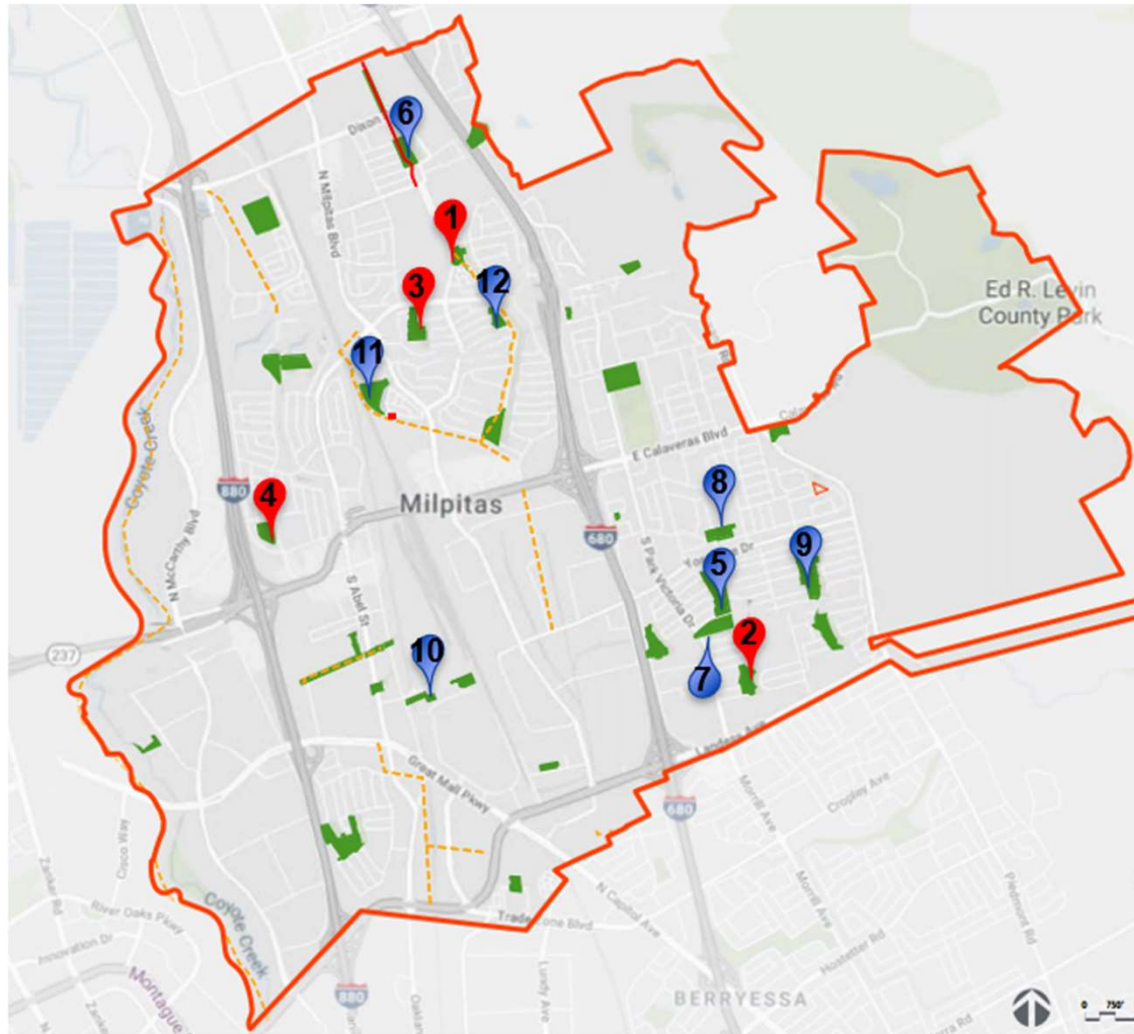
Recommendations:

1. Receive an Update on the American Rescue Plan Act (ARPA), including compliance and reporting requirements.
2. Provide direction to staff on the draft ARPA Investment Plan and proposed programs.
3. Delegate authority to the City Manager including appropriation and contract approval authority up to the approved amount for each program approved by Council once compliance with ARPA procurement, contracting and reporting requirements is confirmed.

Attachment:

1. Parks Prioritization Information

Parks in Poor-Critical Condition



1. Sandalwood Park

2. Sinnott Park

3. Strickroth Park

4. Starlight Park

5. Murphy Park

6. Sunnyhills Albert Augustine

7. Robert E. Browne Park

8. Foothill Park

9. Ben Rodgers Park

10. Parc Metro West

11. Hidden Lake Park

12. Oliver W. Jones

Parks in **blue are in poor condition; parks in **red** are in critical condition*

Prioritization Matrix – a point based analysis:

- **User Groups Served (0-4 pts):** Serve various user groups receive more points
- **Capacity (1-3pts):** Parks with greater capacity receive more points
- **Condition (0-10pts):** Parks in poor to critical condition receive more points
- **Accessibility (0-6pts):** Non-compliant w/ ADA requirements receive more points
- **Community Wide Asset (0-1pt):** Community asset Parks receive 1 point
- **Community Priority (1-4pts) :** Greater community feedback receive more points
- **Latest Improvement (0-4pts):** Parks with recent improvement receive less points
- **Improvement Timeframe (1-4pts):** Requiring renovation receive more points

Priority Matrix for Park Improvement

For Parks in Critical and Poor Condition

Park	Priority Point	User Group Served	Capacity	Condition	Access	Community Asset	Community Priority	Latest Imp.	Imp. timeframe
Sandalwood	31	3	2	10	6	0	2	4	4
Sinnott	31	4	2	10	5	0	4	2	4
Strickroth	31	4	2	10	5	0	4	2	4
Starlight Park	30	4	2	10	6	0	2	2	4
Murphy Park	25	4	2	6	3	1	4	1	4
Augustine Jr.	25	4	2	6	4	0	4	1	4
Robert E Browne	24	3	2	6	3	1	4	1	4
Foothill	24	3	2	6	4	0	4	1	4
Ben Rogers	24	3	2	6	4	0	4	1	4
Parc Metro West	22	4	2	6	4	0	2	0	4
Hidden Lake	22	3	2	6	3	1	2	1	4
Oliver Jones	22	4	1	6	4	0	2	1	4

Parks in **blue are in poor condition; parks in **red** are in critical condition*

CRITICAL Condition Park Repairs

Park (Year Const.)	Year added to CIP	Funding Status	Last Improvement	Health & Safety (\$760K Total)	Short-Term Improvement (1.06M Total)
Sandalwood (1978)	FY15-16	\$2.2M Construction phase not funded	• Expanded 1988		• Replace site amenities & furnishings • Tree removal & maintenance • \$100,000
Sinnott (1967)	FY15-16	Not Funded (\$3.5M)	• Expanded 1970 • Playground and surface 1991 • Play structure deck replacement 2021	• Replace fitness station • Repair swing • \$110,000	• Replace site amenities & furnishings • Refurbish restroom • Tree maintenance • \$410,000
Starlight (1967)	FY15-16	Not Funded (\$3.9M)	• Playground and surface 1991	• Play equipment surface replacement • Hazardous tree removal • \$500,000	• Replace site amenities & furnishings • Refurbish restroom • \$450,000
Strickroth (1967)	FY15-16	Not Funded (\$4.2M)	• Playground and surface 1992 • Converted to recycled irrigation 2009	• Hill/tunnel repair • Hazardous tree removal • \$150,000	• Replace site amenities & furnishings • Repair fencing • \$100,000

POOR Condition Park Repairs

Park (Year Const.)	Year added to CIP	Funding Status	Last Improvement	Health & Safety (\$70K Total)	Short-Term Improvement (830K Total)
Ben Rogers (1970)	FY17-18	Not Funded (\$4.4M)	• Park expanded 1989 • Playground and surface 2020	• Sidewalk repair • \$10,000	• Replace site amenities & furnishings • \$90,000
Foothill (1967)	FY17-18	Not Funded (\$3.5M)	• Playground and surface FY20/21 • Pathways repairs 2020		• Replace site amenities & furnishings • Refurbish Restroom • \$200,000
Murphy (1969)	FY15-16	Not Funded (\$4.5M)	• Playground and surface 1990 • ADA access imp. 2018	• Fitness station replacement • \$60,000	• Replace site amenities & furnishings • Refurbish Restroom • \$240,000
Hidden Lake (1987)	FY17-18	Not Funded (\$3.0M)	• Slope protection/grading, fencing, walkway repairs, landscaping 1987 • Parking lot repair 1995 • Pathway and parking lot repairs 2021		• Replace site amenities & furnishings • Repair boat deck & metal fence • Replace concrete stair • Tree & landscape maintenance • \$300,000

POOR Condition Park Repairs

Park (Year Const.)	Year added to CIP	Funding Status	Last Improvement	Health & Safety (\$420K Total)	Short-Term Improvement (730K Total)
Robert E. Browne (1965)	FY17-18	Not Funded (\$4.5M)	• Tennis Courts installed 1979 • Ball wall replacement 2015 • Court resurfacing 2005 & 2019	• Fitness station replacement • Pathway repairs • \$80,000	• Replace site amenities & furnishings • Repair tennis court fencing • \$120,000
Oliver Jones Memorial (1973)	New Project Not in CIP	Not Funded (\$2.0M)	• Converted to recycled water irrigation 2009 • Playground and surface 2020		• Replace site amenities & furnishings • \$50,000
Parc Metro West (2009)	New Project Not in CIP	Not Funded (\$1.1M)		• Play equipment repair • \$50,000	• Replace site amenities & furnishings • Repaint mental fence • Repair drainage issues • \$200,000
Sunnyhills Albert Augustine Jr. (1963)	New Project Not in CIP	Not Funded (\$6.2M)	• Pathway repairs 2011 • Installed pathways 2017 • Converted to recycled water irrigation 2017 • Public Art repairs 2020	• Playground and surface repairs • \$290,000	• Replace site amenities & furnishings • Refurbish restroom • Repair playground fence • \$360,000



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Review list of agenda item requests from individual Councilmembers and provide direction to staff on each of the items in Groups 1 and 2.
Category:	Leadership and Support Services
Meeting Date:	8/9/2021
Staff Contact:	Ashwini Kantak, Assistant City Manager, 408-586-3053 Walter C. Rossmann, Deputy City Manager, 408-586-3012
<u>Recommendation:</u>	1. Review list of agenda item requests from individual Councilmembers and provide direction to staff, by majority voice vote, on which Group 1 and Group 2 items should be advanced. 2. Provide requested clarification and direction to staff on Group 1 items that receive majority vote to advance.

Background:

At City Council meetings, under the Announcements section, individual Councilmembers request items they would like the full Council to consider. These items are placed on a list for a future Council discussion and action. On January 19, 2021, at the City Council special meeting, in order to streamline the process, Council provided direction to staff to bring forward individual Council agenda item requests to Council on a quarterly basis. On February 2, Council reviewed over 70 Council agenda item requests and directed staff to bring back information on nine items for additional discussion. On March 16, staff presented information on estimated costs, resources, and any relevant considerations for these nine items and received Council direction. Detailed information is available through the links below:

[March 16, 2021 Council Meeting Agenda](#)

[March 16, 2021 Council Meeting Minutes](#)

Staff is now bringing forward the next quarterly prioritization of items that were requested by Council since March 2021.

Analysis:

Similar to the prior prioritization process, the agenda item requests have been listed with the following information: name of Councilmember making the request, date of request, lead and supporting departments, Council priority area(s) and item status. Since many of these requests have not yet been discussed in detail, staff has made an attempt to note alignment with Council priority areas to the extent possible but recognize that these will need to be updated based on input from the Councilmembers making the specific requests.

A total of 60 items, some of which were discussed during the prior prioritization discussion, have been grouped into four categories differentiated by level of effort and status of the agenda request as outlined below:

Group 1 – Items that have not been initiated; will require more than four hours of staff time; and may require additional funding or resources (17 items).

Group 2 – Items that have not been initiated but will require less than 4 hours of staff work (3 items).

Group 3 – Items that are currently underway and/or already included in workplan (10 items).

Group 4 – Items that have been completed, postponed indefinitely, or withdrawn (30 items).

Staff has included additional information about Group 1 items as part of this staff report, however, some items may still need additional clarification from the requesting Councilmembers. It is important to note that the

Adopted FY 21-22 budget eliminated or defunded 23.75 positions, thus reducing the workforce by approximately 5%. Furthermore, with the new projects and programs that are anticipated to be funded by the \$16.7 million of American Rescue Plan Act funding, as well as additional work items associated with the COVID-19 pandemic, staff capacity to take on new work items is limited. Taking this into consideration, Council may choose to defer some of the Group 1 items or have staff propose re-prioritization of other items to accommodate these new work plan items.

Similar to the meeting on March 16, staff has included detailed information for Group 1 items for discussion with the Council. When these items are discussed staff will seek a majority voice vote from the Council on which Group 1 items Council would like staff to move forward or bring back, if needed, with additional information on estimated costs and resource needs. Any items that do not receive a majority vote to be advanced will be removed from the list.

There is a total of 23 items since March 16, 2021. Of these 21 items, 17 items are in Group 1, three items are in Group 2, three items are in Group 3. Staff has prepared information for each of the Group 1 items such as lead and supporting departments, estimated resources and funding to complete the work, any additional staffing or funding needed, description of work effort, any actions taken to date, clarification or direction sought from Council, and other additional considerations including impacts on other workplan items.

The table below summarizes the most pertinent factors to advance the Group 1 items including the impact on other workplan items and funding needs for the current or next fiscal year. Of the 17 items, based on staff's recommendation, five do not require additional resources and the work can be absorbed by existing staff given staff's current understanding of the scope of work. For seven items, additional funding and/or resource needs still need to be determined, based on Council direction. The remaining five items have budgetary implications such as one-time or ongoing funding for the items or potential revenue loss. For FY 21-22, staff anticipates that the one-time cost for these five items amounts to \$141,700 and the ongoing cost amounts to \$250,000. Based on Council direction, staff will bring back additional cost and resource information for the items that receive direction to move forward.

As noted in the last column of the table below, staff seeks input on the workplan items to confirm or clarify the scope. Council's direction to proceed with any of the items is crucial to prioritize staff work and set expectations for completion of major staff work items across the organization.

No.	Item	Additional Resources and/or Funding Needed	Impact on other Workplan Items	Council Direction Needed
1.	ADU workshop in September/October	\$10,000 for 80+ hours of staff time	None, if proposed timeline of Winter 2021 is approved	Confirmation of proposed timeline of Winter 2021, target audience
2.	Clean-up on Earth Day	TBD, based on Council direction	TBD, based on Council direction	Confirmation that this event will be designated as the April Beautify Milpitas event
3.	Create a mural for the Veterans	\$12,500 (could be eligible for Public Art funding)	None, if proposed timeline of November 2022 is approved	Direction on location and themes, timeline and incorporation of the proposed Mural Program
4.	Discuss a policy that makes human trafficking training mandatory in the hospitality industry	TBD	TBD	Scope of policy based on information provided on hospitality industry

5.	Discussion to recognize Juneteenth as a City holiday for City employees	TBD based on Council direction	Some impact to other work being done by Human Resources Director	Direction needed as to whether Council would like to add a holiday or swap it with a floating holiday.
6.	Explore opportunity housing and prohibit single family zoning	None for opportunity housing if scope of work funded by \$300,000 LEAP grant is acceptable to Council; funding for single family zoning is TBD, based on Council direction and legislation	None for opportunity housing if proposed scope is acceptable; TBD for single family zoning, based on Council direction and legislation	Confirm scope of opportunity housing item; provide additional direction on single family zoning citywide or in specific areas
7.	Increase the City's rebate program to match Valley Water's two dollars rebate increase and look into expanding the "Lawn Buster" program to more residents based on income	\$100,000 (from CIP #7126); up to \$250,000 annually from the Water Fund to continue programs beyond the pilot	None	None
8.	Increase the number of local businesses doing business with the City	TBD	TBD	Direction on program, based on legal considerations noted
9.	Job fair with 20 local businesses held soon and an additional one in the fall with the Chamber taking a larger role and the City providing some support	None, if proposed \$200,000 in American Rescue Plan Funding to the Chamber is approved	Minimal impact, assuming the Chamber will lead work on the event	None
10.	Memorialize those that have passed due to COVID-19 in Milpitas	TBD based on Council direction	TBD based on Council direction	Specific direction about type and timing of event
11.	Mini-libraries in the low-income areas of the City.	TBD based on Council direction	TBD based on Council direction	Clarify City role and funding. Should City partner with Library or other non-profits?
12.	Partner with the Chamber of Commerce to promote the City with a City event like an Art and Wine Festival, Rancho Days, Little Cornfield's day, or Frontier day	None, if proposed \$200,000 in American Rescue Plan Funding to the Chamber is approved	Minimal impact, assuming the Chamber will work with an event organizer and lead work on the event	None

13.	Pilot neighborhood association program	No additional resources needed with a very limited pilot program; however, Recreation staffing has been significantly reduced. Combined with ARPA funded programs, the Mural program, and other programs such as this pilot, restoring of permanent staffing is necessary.	With a very limited pilot program, no impact is expected.	Staff seeks Council clarification to confirm that the intent of the referral is appropriately captured.
14.	Reduce the City's Senior Center rental deposit for the Auditorium / Community Room	None	Minimal Impact. Reducing the deposit fees for Senior Center rentals will require an amendment to the FY 2021-2022 Master Fee Schedule, changes to rental paperwork and marketing, and messaging to prospective members of the public.	The current rental deposit fee at the Senior Center for the Auditorium/ Community room is set at \$750 to recuperate potential damage to City equipment including the full-size catering kitchen. The fee is in line with other rental facility deposit fees for similar facilities in the region. Staff requests that the Council clarify whether the deposit should be reduced, and if so, align any reductions to the existing priority levels or to address other circumstances.
15.	Rose garden with a children's memorial site	Funding source and cost is unknown, but estimated \$100K+, even for a modest-sized garden and dedication monument on already-irrigated City property.	With the current staffing complement dedicated to funded and potential ARPA projects, if the Council advances this project, there will be sufficient staff capacity to start the project in FY 2023-24 or with a sooner start date funded projects will have to be delayed.	Based on staff recommendations and considerations, it is requested that Council provide clarification on the vision for a memorial site, including desired location, landscaping, and expectation of a public art piece or simply a plaque, and whether it would be generic in nature or if there would be names of specific children.

16.	Signs in key areas of the City to welcome people to Milpitas	TBD	TBD	Confirm Council is ok with staff bringing forward recommendations for location and content
17.	Sliding scale permitting program for seniors and low-income residence for necessary safety renovations (FY 21-22 discussion)	\$19,200 for set up and staff work, amount for permit subsidy is TBD and will be determined upon further study	None	Seeking Council direction on whether to evaluate modifying the Milpitas Assistance Program or establish a new program

Next Steps

Based on Council direction, staff will bring back any needed additional information on Group 1 items. The next quarterly prioritization will be scheduled in November/December 2021.

Policy Alternative:

Not applicable

Fiscal Impact:

Of the 17 Group 1 items, staff is estimating one-time costs of \$141,700 and an ongoing cost of \$250,000 for five of the items. Five items are not anticipated to require additional funding or resources, based on staff's understanding of the items, and seven items need additional clarification and direction from Council.

California Environmental Quality Act:

This item is not a Project under CEQA in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) as it can be seen with certainty that a general discussion of funding priorities by the City Council will not have a significant effect on the environment. Further, the item is also not a Project pursuant to CEQA Guidelines Section 15378(b)(4) as it is a government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Although the use of funding will be discussed for various potential projects, any project scope and potential environmental analysis would be speculative to analyze at this time and future environmental analysis will be conducted for the various potential projects prior to the City making any commitment or approval of any project.

Recommendation:

1. Review list of agenda item requests from individual Councilmembers and provide direction to staff, by majority voice vote, on which Group 1 and Group 2 items should be advanced.
2. Provide requested clarification and direction to staff on Group 1 items that receive a majority vote to advance.

Attachments:

1. List of Councilmember Agenda Item Requests
2. Information on Group 1 items

COUNCIL PRIORITY AREAS

	Community Wellness and Open Space	Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.
	Economic Development and Job Growth	Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.
	Environment	Promote a sustainable community and protect the natural environment.
	Governance and Administration Environment	Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.
	Neighborhoods and Housing	Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.
	Public Safety	Continue to invest in police and fire protection, in partnership with our community.
	Transportation and Transit	Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
Group 1 – Items that have not been initiated; will require more than four hours of staff time; and may require additional funding or resources.							
1	ADU workshop in September/October	Chua	6/15/2021	Yes	Planning, Building Safety & Housing	 	To be discussed at 8/5/2021 Council meeting
2	Clean-up on Earth Day	Montano	4/20/2021	Yes	PW	 	To be discussed at 8/5/2021 Council meeting
3	Create a mural for the Veterans	Montano	6/1/2021	Yes	Recreation		Could be discussed as part of the mural program item that will be brought forward to Council in August 2021
4	Discuss a policy that makes human trafficking training mandatory in the hospitality industry	Dominguez	4/20/2021	Yes	CMO, CAO		To be discussed at 8/5/2021 Council meeting
5	Discussion to recognize Juneteenth as a City holiday for City employees	Phan	6/21/2021	No	HR		To be discussed at 8/5/2021 Council meeting
6	Explore opportunity housing and prohibit single family zoning	Phan	2/16/2021	Yes	CMO, CAO, BSH, Planning		To be discussed at 8/5/2021 Council meeting
7	Increase the City's rebate program to match Valley Water's two dollars rebate increase and look into expanding the "Lawn Buster" program to more residents based on income	Chua	6/15/2021	Yes	PW		To be discussed at 8/5/2021 Council meeting
8	Increase the number of local businesses doing business with the City	Chua	4/6/2021	Yes	CMO, ED, Finance		To be discussed at 8/5/2021 Council meeting
9	Job fair with 20 local businesses held soon and an additional one in the fall with the Chamber taking a larger role and the City providing some support	Chua	6/1/2021	Yes	ED		To be discussed at 8/5/2021 Council meeting
10	Memorialize those that have passed due to COVID-19 in Milpitas	Dominguez	3/2/2021	Yes	CMO, Recreation		To be discussed at 8/5/2021 Council meeting
11	Mini-libraries in the low-income areas of the City	Montano	4/20/2021	Yes	Planning		To be discussed at 8/5/2021 Council meeting

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
12	Partner with the Chamber of Commerce to promote the City with a City event like an Art and Wine Festival, Rancho Days, Little Cornfield's day, or Frontier day	Montano	6/1/2021	Yes	ED, Recreation		To be discussed at 8/5/2021 Council meeting
13	Pilot neighborhood association program	Dominguez	4/6/2021	Yes	Recreation, CMO, CAO		To be discussed at 8/5/2021 Council meeting
14	Reduce the City's Senior Center facilities deposit for the Auditorium/Community Room	Montano	5/4/2021	Yes	Recreation, Finance		To be discussed at 8/5/2021 Council meeting
15	Rose garden with a children's memorial site	Montano	4/6/2021	Yes	Recreation, Engineering		To be discussed at 8/5/2021 Council meeting
16	Signs in key areas of the City to welcome people to Milpitas	Montano	4/6/2021	Yes	CMO, Planning, Engineering		To be discussed at 8/5/2021 Council meeting
17	Sliding scale permitting program for seniors and low-income residence for necessary safety renovations (FY 21-22 discussion)	Tran	5/4/2021	Yes	Building/Housing, Recreation		To be discussed at 8/5/2021 Council meeting
Group 2 – items that have not been initiated but will require less than 4 hours of staff time							
18	Presentation to Council on how Milpitas is addressing street racing	Dominguez	6/21/2021	No	PD		Info Memo to be sent to Council
19	Proclaim August 21 as yard sale day in the City of Milpitas	Dominguez	6/8/2021	No	CMO		To be discussed at 8/5/2021 Council meeting
20	Provide information on a landmark policy for the City of Milpitas	Tran	3/16/2021	No	CMO, CAO, Planning, Recreation		Info Memo to be sent to Council

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
Group 3 – items that are currently underway and/or already included in workplan							
21	Amend Accessory Dwelling Units (ADU) ordinance to address unpermitted ADUs	Chua	1/5/2021	Yes	Building/Housing, Planning		Work is underway to create Safe ADU Legalization Program per Council majority vote on 3/16/2021. No Ordinance amendment is necessary
22	Amend ordinance to remove affordable housing in-lieu fee	Chua	12/15/2020	Yes	Building/Housing, CAO		Agendized on 1/5/21, Info Memo sent on 1/5/2021; CC direction to agendize for further meeting
23	Consider "Old Town" Main St. revitalization, funding, economic dev., improve area	Montano	12/15/2020	Yes	CMO, Planning, Engineering, Finance	  	Council provided direction to move forward with revitalization efforts on May 11, 2021. Staff is working on various items related to revitalization.
24	Consider change in term limits for Mayor + Councilmembers	Montano	6/16/2020	Yes	CMO, CAO		To be brought forward in Fall 2021
25	Discuss impacts fees for Midtown	Montano	1/5/2021	Yes	CMO, Planning, Engineering, Finance	 	Work on Specific Plan to start Summer 2021
26	Emergency power resources during COVID-19	Phan	1/19/2021	N/A	Recreation, Fire		Email sent to Council on 5/31/2021
27	Explore a mural program and provide information on the framework or best practices	Montano	3/16/2021	N/A	Recreation		Draft Mural Program scheduled for Council consideration at the August 5, 2021 Council meeting
28	Presentation to Council on the Fire Vehicle Replacement Plan.	Chua	6/21/2021	No	Fire		Information will be provided with the August 5, 2021 ARPA funding staff report
29	Require implicit bias training for City Council, Commissioners & staff	Dominguez	6/16/2020	N/A	HR		Approved 8/18/2020, target date Fall 2021

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
30	Staff to provide information to place a measure on the ballot to change the directly elected Mayor to a rotational at-large position	Tran	3/16/2021	Yes	CMO, CAO		Staff to return in Fall 2021 with additional information
Group 4 – items that have been completed or withdrawn							
31	Amend ordinance to remove affordable housing in-lieu fee	Chua	12/15/2020	Yes	Building/Housing, CAO	 	Received Council majority vote on 2/2/2021 and 3/16/2021; staff will bring forward in Winter 2021
32	BMR Homes sub-lease option during COVID-19	Chua	1/19/2021	No	CAO, Building and Housing		Info Memo sent on 4/26/2021
33	Bring back update report & discuss status of playing fields for girls' softball in Milpitas	Dominguez	10/20/2020	N/A	CMO, Recreation	 	Discussed on 02/11/2021, amended JUA for Russell approved on 6/15/2021
34	Community Workforce Agreement (PLA)	Phan	2/18/2020	Yes	CMO, CAO, Engineering		Council voted to remove this item from the list on 2/02/2021 per CM Phan's request
35	Consider Community Museum and Park on Main St.	Phan	8/20/2019	N/A	CMO	 	To be considered as part of Specific Plan process
36	Consider naming "Milpitas Hills"	Dominguez	10/20/2020	Yes	Econ. Dev.	 	Deferred indefinitely on 2/02/2021; did not receive a majority vote from 2/02/2021 council meeting
37	Consider satellite consular offices (post Covid)	Montano	6/2/2020	Yes	CMO		Deferred indefinitely per VM Montano's request on 2/02/2021 council meeting
38	Discuss a "safety first" or other event in lieu of National Night Out (per CAC)	Phan	10/20/2020	Yes	Building/Housing, Police		Remove from the list per CM Phan's request on 2/02/2021 council meeting

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
39	Discussion of Minute Man as City's image, when City branding comes back	Phan	8/18/2020	N/A	CMO	 	Staff and consultant presented the item on 5/4/2021, due to the late hour it was deferred to a future meeting. However, Council provided input that the Minute Man discussion will not be pursued further.
40	Discussion/staff report on Beautify Milpitas, graffiti abatement, resources	Montano	6/30/2020	Yes	CMO, PW	 	City Council approved the Beautify Milpitas program on June 1, 2021
41	Economic Development Corporation (EDC)	Montano	12/15/2020, 01/05/2021, 01/19/2021, 01/26/2021	Yes	CMO, Econ. Dev.		Deferred on 4/20/2021
42	Establish "ADU Mondays"	Chua	1/5/2021	No	Building/Housing, Planning	 	Launched in March 2021
43	Establish a Day Worker Program	Montano	6/16/2020	Yes	CMO	 	Mayor & Vice Mayor to brainstorm in future; Council voted to remove this item from the list on 2/02/2021 per VM Montano's request
44	Form "Beautify Milpitas" subcommittee - for a future Task Force or Commission	Chua	12/15/2020	Yes	CMO, PW	 	Council approved the Beautify Milpitas program on June 1, 2021. No subcommittee to be formed.
45	No on possible ban on vaping, yes on restricting smoking in multi-unit bldgs	Montano	1/7/2020	Yes	Planning, Rec. & Comm. Services, CAO	 	Ordinance for multi-unit buildings adopted on 6/15/2021
46	Ordinance to ban vaping in the City	Montano	12/15/2020	Yes	Planning, Rec. & Comm. Services, CAO		Ordinance regarding a ban on use in certain areas adopted by Council on 6/15/2021. Policy related to access to products will be brought forward in Fall/Winter 2021.

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
47	Performance Evaluation (Contract) of City Attorney	Tran	1/5/2021	N/A	Council, CAO		Multiple Council closed session discussions held. Council voted to move to a full time in-house City Attorney on 6/21, additional direction on next steps to be provided to staff in August.
48	PG&E power outage plan presentation to Council	Tran	1/19/2021	No	CMO		Presented to Council on 3/16/2021
49	Plan to put utility fines into a fund to help small businesses in the City	Montano	12/15/2020	N/A	Finance		Directed staff on 2/02/2021 to approve policy recommendations temporarily suspending penalties for delinquent fire permit fees, and delay or waive business lic. tax collections but no direction to create a separate fund. On 2/16/2021 Council approved waiving business license penalty between Jan 1 - May 31, 2021. Also, the utility late fee and water shut off have been suspended consistent with State Emergency Order (through Sept 31, 2021). Also, Council is appropriating ARPA funds to assist small businesses.
50	Pollination protection	Dominguez	1/5/2021	Yes	CMO	  	Deferred on 2/02/2021; did not receive a majority vote on 2/02/2021 council meeting
51	Postponement (not waiver) of penalties related to City business fees	Tran	1/5/2021	N/A	Finance		On 2/16/2021 Council approved waiving penalties until May 31. The suspension of penalties is now no longer in effect.

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
52	Propose building height limits in area east of Milpitas Blvd.	Tran	12/15/2020	Yes	Planning		Deferred for one year from 2/02/2021 Council meeting
53	Request for Dumpster Days	Tran	1/7/2020	N/A	PW	 	Program initiated in Spring 2021
54	Responsible Construction Ordinance	Phan	2/4/2020	N/A	CAO, Building and Housing	 	Ordinance adopted on 02/02/2021
55	Review City policy on speed bumps	Tran	12/15/2020	Yes	Engineering	  	Presented to Transportation Subcommittee on 02/12/2021; voted on 3/16/2021 to revisit this item in the
56	Revise Community Garden Strategy	Dominguez	1/5/2021	Yes	Rec. & Comm. Services	  	Deferred on 2/02/2021; did not receive a majority vote on 2/02/2021
57	Schedule and host a "Milpitas Business Expo" in late 2021	Chua	12/15/2020	Yes	Econ. Dev.		Did not receive a majority vote from 2/02/2021 council meeting
58	Update on planning grant for ADU marketing.	Chua	1/5/2021	No	Planning		Presented to Council on 4/06/2021
59	Update on trash problems in homeless camps	Chua	1/19/2021	No	PW	 	Info Memo sent 1/24/2021
60	Vaccine distribution plan - add testing locations and expedite mass vaccine distribution	Phan	1/19/2021	Yes	CMO, Fire	 	COVID-19 mobile testing transition to vaccine distribution info memo was sent on 1/22/2021; SCC and MFD launched mobile vaccination on 4/5/2021, in-home vaccination program started on 4/15/2021

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
Group 1 – Items that have not been initiated; will require more than four hours of staff time; and may require additional funding or resources.							
1	ADU workshop in September/October	Chua	6/15/2021	Yes	Planning, Building Safety & Housing	 	To be discussed at 8/5/2021 Council meeting
2	Clean-up on Earth Day	Montano	4/20/2021	Yes	PW	 	To be discussed at 8/5/2021 Council meeting
3	Create a mural for the Veterans	Montano	6/1/2021	Yes	Recreation		Could be discussed as part of the mural program item that will be brought forward to Council in August 2021
4	Discuss a policy that makes human trafficking training mandatory in the hospitality industry	Dominguez	4/20/2021	Yes	CMO, CAO		To be discussed at 8/5/2021 Council meeting
5	Discussion to recognize Juneteenth as a City holiday for City employees	Phan	6/21/2021	No	HR		To be discussed at 8/5/2021 Council meeting
6	Explore opportunity housing and prohibit single family zoning	Phan	2/16/2021	Yes	CMO, CAO, BSH, Planning		To be discussed at 8/5/2021 Council meeting
7	Increase the City's rebate program to match Valley Water's two dollars rebate increase and look into expanding the "Lawn Buster" program to more residents based on income	Chua	6/15/2021	Yes	PW		To be discussed at 8/5/2021 Council meeting
8	Increase the number of local businesses doing business with the City	Chua	4/6/2021	Yes	CMO, ED, Finance		To be discussed at 8/5/2021 Council meeting
9	Job fair with 20 local businesses held soon and an additional one in the fall with the Chamber taking a larger role and the City providing some support	Chua	6/1/2021	Yes	ED		To be discussed at 8/5/2021 Council meeting
10	Memorialize those that have passed due to COVID-19 in Milpitas	Dominguez	3/2/2021	Yes	CMO, Recreation		To be discussed at 8/5/2021 Council meeting
11	Mini-libraries in the low-income areas of the City	Montano	4/20/2021	Yes	Planning		To be discussed at 8/5/2021 Council meeting

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS
August 5, 2021**

No.	Topic	Requested By	Date Requested	Requires more than 4 hours of additional staff time	Department/ Office	Council Priority Area(s)	Status
12	Partner with the Chamber of Commerce to promote the City with a City event like an Art and Wine Festival, Rancho Days, Little Cornfield's day, or Frontier day	Montano	6/1/2021	Yes	ED, Recreation		To be discussed at 8/5/2021 Council meeting
13	Pilot neighborhood association program	Dominguez	4/6/2021	Yes	Recreation, CMO, CAO		To be discussed at 8/5/2021 Council meeting
14	Reduce the City's Senior Center facilities deposit for the Auditorium/Community Room	Montano	5/4/2021	Yes	Recreation, Finance		To be discussed at 8/5/2021 Council meeting
15	Rose garden with a children's memorial site	Montano	4/6/2021	Yes	Recreation, Engineering		To be discussed at 8/5/2021 Council meeting
16	Signs in key areas of the City to welcome people to Milpitas	Montano	4/6/2021	Yes	CMO, Planning, Engineering		To be discussed at 8/5/2021 Council meeting
17	Sliding scale permitting program for seniors and low-income residence for necessary safety renovations (FY 21-22 discussion)	Tran	5/4/2021	Yes	Building/Housing, Recreation		To be discussed at 8/5/2021 Council meeting

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
ADU Workshop in September / October		Councilmember Chua
Lead Department/Office		Supporting Department(s)/Office(s)
Planning		Building Safety and Housing
Council Priority Areas	Estimated Completion Date	Funding Needed
 	Winter 2021	Approximately \$10,000
Description of Required Work Effort		
This referral will be a coordination between the Departments of Planning and Building Safety and Housing to plan, organize, facilitate, and promote a public workshop. Total estimated work hours required by all staff are 80+ hours, or approximately \$10,000.		
Status Update as of July 2021		
A variety of ADU resources are now available on the 'ADU Corner' area of the City's website (https://www.ci.milpitas.ca.gov/adu/). Staff is currently developing a more concise ADU toolkit that will be available on the City's website in the fall. The workshop would provide an overview of these resources. In addition, the Building Safety and Housing Department will provide an overview of the Safe ADU Legalization Program to legalize and improve safety of existing ADUs constructed without permits.		
Council Clarification/Further Direction Requested		
Staff seeks Council clarification that the target audience for the ADU Workshop is Milpitas residents, architects, engineers, contractors, and real estate professionals to help the community become familiar with the new features and functionality of the City's ADU programs.		
Other Considerations		
Given the many other ADU related work efforts staff would like to propose hosting this event in winter 2021 instead of the requested timeline of September/October. ADU workshop will be held to educate the community about the ADU toolkit and the Safe ADU Legalization Program.		

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Clean-Up on Earth Day		Vice Mayor Montano	
Lead Department/Office		Supporting Department(s)/Office(s)	
Public Works		Recreation and Community Services	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	April 2022	TBD depending on scale of event	
Description of Required Work Effort			
Earth Day, April 22, is an internationally recognized day dedicated to raising awareness and activism in protecting the environment. Consistent with pre-pandemic Earth Day celebrations, for the 2022 Earth Day, staff are planning to host an in-person resource fair and continue with social media public education. Staff are also planning on hosting a community tree planting event as part of the 2022 Earth Day event, since Arbor Day is celebrated on April 29 of each year. Creek Litter Cleanups are typically held in May and September of each year, to align with statewide cleanup events. National River Cleanup Day is usually held on the third Saturday in May and Coastal Cleanup Day is usually held on the third Saturday in September. At the June 1, 2021 City Council meeting, the City Council approved the expansion of the Beautify Milpitas program from six to twelve events. Through the “Beautify Milpitas” Program, staff organizes ongoing volunteer litter and graffiti abatement events with a focus on parks and creeks, providing necessary supplies to volunteers and offering opportunities for youth to earn required community service hours. Council also approved that the September event would be a citywide event aligned with the National Clean-Up Day. The incremental cost of \$25,000 per year for the next four years is funded as an allocation from American Rescue Plan Act funds. To respond to this Council referral, Staff recommends incorporating the Beautify Milpitas event scheduled for April 2022 into Earth Day activities. If the City Council seeks to expand the Beautify Milpitas event into a community litter cleanup event, additional funding may be needed including temporary staff to plan, coordinate, and promote the event as well as additional litter pick up kits, promotional expenses, and staff time.			
Status Update as of July 2021			
N/A			

City Council Referral
(requires more than 4 hours of staff time)

Council Clarification/Further Direction Requested
1. Should staff organize a clean-up event on one site consistent with the Beautify Milpitas program or expand the event into a community litter cleanup event, which would be the second community-wide litter cleanup event 2. Should staff organize the Earth Day clean-up event for April 22 each year, the official day of celebration, or keep the clean-up event on the third Saturday of the month consistent with the Beautify Milpitas program. For 2022, April 22 falls on a Friday and the clean-up event would be organized on April 16, kicking off the Earth Day celebrations.
Other Considerations
N/A

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Create a Mural for Veterans		Vice Mayor Montano	
Lead Department/Office		Supporting Department(s)/Office(s)	
Recreation & Community Services			
Council Priority Areas	Estimated Completion Date	Funding Needed	
	November 2022 (near Veterans Day)	\$12,500 (eligible Public Art Fund expense)	
Description of Required Work Effort			
At the August 5th City Council meeting, Council is scheduled to consider a draft Mural Program, which outlines a process for site selection, artist selection, Arts Commission and Council approval. In addition, staff recommends review of designs by the Veterans Commission for this referral project. The draft program recommends four murals per year at an estimated cost of \$50,000. If the program is approved by Council, staff recommends that the veterans' mural is one the four murals for the first year of the program.			
Status Update as of July 2021			
Not started			
Council Clarification/Further Direction Requested			
Staff requests any Council direction regarding location or themes it wishes to see incorporated. Depending on the location of the mural, the cost may be in excess of \$12,500.			
Other Considerations			

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Policy on Human Trafficking Training as Mandatory (in the Hospitality Industry)		Councilmember Dominguez	
Lead Department/Office		Supporting Department(s)/Office(s)	
City Manager's Office, City Attorney		Police	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	TBD	TBD	
Description of Required Work Effort			
TBD based on Council direction regarding scope of policy			
Status Update as of July 2021			
Based on the request, and after consulting with the City Attorney's Office, there may be a preemption issue preventing the City from imposing a requirement that the hospitality industry train its workers in human trafficking as there are currently two laws that apply in this area. The first, SB 970, which added Section 12950.3 to the Government Code, requires hotels and motels to provide at least 20 minutes of classroom or other effective interactive training and education regarding human-trafficking awareness to each employee who is likely to interact or come into contact with victims of human trafficking. Employees required to receive training are those who have recurring interactions with the public, including those working in the reception area, performing housekeeping duties, helping customers move their belongings, and driving customers. This training must be completed by January 1, 2020 for workers employed as of July 1, 2019, and within six months of hire for workers employed after July 1, 2019. After January 1, 2020, employers must provide training to existing employees every two years and within six months of hire for new employees. This training must include: 1. the definition of human trafficking and commercial exploitation of children 2. guidance on how to identify victims or those at risk 3. an explanation of the difference between labor and sex trafficking, or the difference between the use of force, fraud, or coercion to compel a person into labor and commercial sex acts against his or her will, specific to the hotel sector 4. guidance on the role of hospitality employees in reporting and responding to human trafficking and 5. the contact information of appropriate agencies.			

City Council Referral
(requires more than 4 hours of staff time)

Businesses that fail to comply with this section may face an order requiring compliance from the Department of Fair Employment and Housing.

California also enacted AB 2034, which amended Section 52.6 of the Civil Code to require certain businesses, including hotels, motels, bed and breakfast inns, and several other types of business establishments, to post compliant notices in a conspicuous place, either near a public entrance or at a place in clear view of both employees and the public where other similar notices are posted. The bill identifies the specific language that must be included in the posted notice.

Based on the above, the Councilmember was open to continuing to explore ways in which the City can address human trafficking with one option for the City to train its own employees that may come into contact with human trafficking situations. This may include departments such as the Police Department, Fire Department, Building Safety and Housing, Public Works, and Engineering.

Council Clarification/Further Direction Requested

Staff is seeking direction from the City Council on if it wants to explore ways in which the City can address human trafficking with one option for the City to train its own employees that may come into contact with human trafficking situations.

Other Considerations

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
Discussion to recognize Juneteenth as a City holiday for City employees		Councilmember Phan
Lead Department/Office		Supporting Department(s)/Office(s)
Human Resources		Finance
Council Priority Areas	Estimated Completion Date	Funding Needed
	TBD	Impact in terms of productivity is approximately \$380,000 and additional pay for holiday in-lieu is \$80,000, if this is established as an additional holiday
Description of Required Work Effort		
Review/Analysis of labor agreements to determine impacts of adding additional holiday. Draft proposed language and negotiate with the City's five labor groups, discussions with the Unrepresented employee group.		
Status Update as of July 2021		
Not initiated at this time		
Council Clarification/Further Direction Requested		
Since this is an item related to labor negotiations, direction needed as to whether Council would like to discuss the matter further in Closed Session at which time options can be discussed and further direction provided.		
Other Considerations		
If directed to proceed, other considerations will be discussed in Closed Session.		

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
Explore Opportunity Housing and Prohibit Single Family Zoning		Councilmember Phan
Lead Department/Office		Supporting Department(s)/Office(s)
Planning		Building Safety and Housing, City Attorney
Council Priority Areas	Estimated Completion Date	Funding Needed
	Ongoing	\$300K LEAP grant received, no additional funding needed for opportunity housing if Council is ok with proposed scope; additional funding needs TBD for single family zoning
Description of Required Work Effort		
Continue to monitor related legislation (SB9, SB10) at the state level. Prepare policy and amend Zoning Ordinance to create Housing Opportunity Zone (HOZ) Overlay District to streamline and incentivize the production of housing. Extensive community engagement will be needed to explore prohibiting single family zoning.		
Status Update as of July 2021		
The City received \$300K in non-competitive grant funding under the Local Early Action Planning Grants Program (LEAP) to streamline zoning regulations and accelerate housing production in areas of the City prioritized for housing by the General Plan Update. Specifically, the City will create a new Housing Opportunity Zone (HOZ) overlay district within the Zoning Ordinance and establish objective design standards and streamline and incentivize housing production within defined geographic areas. Will be aligned with Metro and Gateway Specific Plans and could be developed concurrently with the Housing Element. Staff will continue to monitor the status of SB9 and SB10 at the state level.		
Council Clarification/Further Direction Requested		
Staff is seeking additional clarification from Council. Does current work on HOZ's funded by LEAP meet the Council's direction on this topic? HOZ's are a practical local response to much broader policy efforts at the State level. Is the prohibition of single family zoning to be implemented citywide or in certain areas of the City?		
Other Considerations		
State legislation such as SB9, if approved, would likely require the City to amend the City's ADU regulations.		

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Expansion of Water Conservation Rebates and Lawn Buster Program		Councilmember Chua	
Lead Department/Office		Supporting Department(s)/Office(s)	
Public Works			
Council Priority Areas	Estimated Completion Date	Funding Needed	
	September 2021 to complete agreements with Valley Water and Our City Forest	\$100,000 (from CIP #7126) Up to \$250,000 annually from the Water Fund to continue programs beyond the pilot	
Description of Required Work Effort			
During the Council's discussions related to the Proposed American Rescue Plan Act Investment Framework, several council members expressed interest in providing additional incentives and funding to assist homeowners in converting their landscaping and reducing outdoor water use in response to impending drought conditions and potential restrictions. Specifically, there was interest in further matching Valley Water's recently increased rebate for landscape conversions and in providing a key-turnkey lawn conversion program for Milpitas residents. The Water Conservation Program, Capital Improvement Program (CIP) #7126, was approved by the City Council on June 16, 2015. The program provides funding for the City's water conservation program, which has included public outreach and education, water-efficient and sustainable landscape classes and workshops, installation of water refill stations, a water use customer portal, and increasing rebate amounts for Milpitas residents participating in Valley Water's landscape and rainwater harvest programs. Valley Water has been offering a robust portfolio of water conservation programs for decades and has offered local water retailers and cities the opportunity to increase the incentives for their residents through "cost-sharing." This approach is operationally efficient in that it gives local agencies the flexibility to offer additional financial incentives for residents without having the burden of administering programs in their Cities. The City has participated in a cost sharing agreement with Valley Water since September 2019. In response to water supply shortages due to the drought, Valley Water's Board of Directors approved increasing the landscape conversion rate from \$1 to \$2 per square foot effective. Milpitas residents would be eligible for \$3 per square foot when combined with Milpitas' local cost share (i.e. \$1 per square foot from Milpitas and \$2 per square foot from Valley Water). Through this program, participants must submit a project application for pre-approval from Valley Water, complete and pay for their project, and submit documentation for the rebate amount. This rebate typically takes about 6 weeks to process.			

City Council Referral
(requires more than 4 hours of staff time)

The cost-sharing agreement between the City and Valley Water which began in September 2019, incentivizes proactive drought planning by offering Milpitas residents the following additional landscape conversion and rainwater harvesting rebates:

Program	Valley Water Rebate	Milpitas Match	Total Rebate for Milpitas Participant
Landscape Conversion Rebate	\$2 per sq ft, as of July 1, 2021 <i>(previously \$1 per sq ft)</i>	+ \$1 per sq ft	\$3 per sq ft
Rain Barrel	\$35 per rain barrel	+ \$15 per rain barrel	\$50 per rain barrel
Rainwater Cistern	\$0.50 per gallon cistern capacity	+ \$0.50 per gallon cistern capacity	\$1 per gallon cistern capacity
Rain Garden (design roof to drain to rain garden to maximize infiltration)	\$1 per sq ft roof area diverted	+ \$1 per sq ft roof area diverted	\$2 per sq ft roof area diverted

Additionally, Valley Water has partnered with Our City Forest to offer the “Lawn Busters” program, which provides qualifying homeowners with a full-service lawn conversion program. Through this program, which is fully funded by Valley Water, Our City Forest provides landscape design services, removal of existing lawns and irrigation systems, and installation of drought-tolerant garden for approved participants. This service is currently limited to homeowners meeting established criteria which includes low income residents, veterans, and seniors.

During the Council’s discussions related to the Proposed American Rescue Plan Act Investment Framework, several council members expressed interest in the City increasing its cost-share to match Valley Water’s \$2 per square foot, which would bring the total rebate for lawn conversions to \$4 per square foot for Milpitas residents. The matching of the lawn conversion rebate program would require amending the City’s existing cost-sharing agreement with Valley Water to formally match the rebate amounts approved for Valley Water’s Board. This would encompass 8-16 hours of staff to process the amendment, update promotion materials, and perform outreach with a potential increased rebate cost of \$20,000 for the program.

There was also Council interest in expanding the Lawn Busters program to all Milpitas homeowners, regardless of income, age, and veteran status. Expanding the “Lawn Busters” program would require additional staff time of up to 80 hours to develop the program. Staff would need to work with Our City Forest to have them administer a program specifically for a limited Milpitas homeowners. Staff estimates the cost for this program would be \$120,000 or \$6 per square foot of replaced lawn. The average lawn is approximately 800-1000 square feet and this funding could complete approximately 20-25 lawn conversions.

City Council Referral
(requires more than 4 hours of staff time)

Status Update as of July 2021
Preliminary discussions with Valley Water and Our City Forest to explore potential program options. If directed by Council, staff could devote additional time to refine the program parameters, define scope of work, and execute contracts for implementation. This could require up to 80 or more staff hours. Staff could return with program description and contracts in September 2021.
Council Clarification/Further Direction Requested
None
Other Considerations
The City's Water Conservation Program, Capital Improvement Program (CIP) #7126, was approved by the City Council on June 16, 2015. The program provides funding for the City's water conservation program, which has included public outreach and education, water-efficient and sustainable landscape classes and workshops, installation of water refill stations, water use customer portal, and cost-sharing in Valley Water landscape and rainwater harvest programs that increase the eligible rebate amount for Milpitas participants. Staff are planning to upgrade the water use customer portal to provide more accurate and timely views of water use in conjunction with the smart meter conversion program and add functionality that will provide leak alerts to customers. Staff also plan to become a member of the California Water Efficiency Partnership which will provide access to water conservation training, technology development, and water efficiency resources and educational materials.

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Increase the Number of Local Businesses Doing Business with the City		Councilmember Chua	
Lead Department/Office		Supporting Department(s)/Office(s)	
City Attorney, City Manager's Office		Economic Development, Finance	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	TBD	TBD	
Description of Required Work Effort			
Work effort will be evaluated based on Council direction.			
Status Update as of July 2021			
The Milpitas Municipal Code (I-2-3.15) describes the City's local preference requirements for the purchase of supplies, materials, and equipment in excess of \$10,000 and subject to formal and informal bidding. If a local provider submits a responsive and responsible bid within 10% of the lowest responsible bidder (who is not a local provider), an opportunity must be provided to the local provider to reduce its bid to the amount of the lowest responsible bidder. The local preference also does not apply to the following: Professional services, public works contracts, emergency purchases, public agency purchases, sole source purchases, purchases or contracts where legal constraints, such as federal or state grant requirements, preclude the application of a local purchasing preference.			
Council Clarification/Further Direction Requested			
Staff is seeking additional clarification on specific policy modifications to the current City policy or a new policy that Council would like to explore.			
Other Considerations			
Public entities generally have considerable freedom to tailor purchasing policies and regulations to meet their local needs. (<i>Davis v. City of Santa Ana</i> (1952) 108 Cal.App.2d 669, 677.) However, local vendor preferences are limited by state law procurement requirements and subject to potential constitutional challenge, especially on the basis of unconstitutional discrimination under the Equal Protection Clause. Accordingly, the City can provide a local preference for procurements not subject to statutory strict competitive bidding rules, but that preference needs to be carefully tailored with a strong rational basis in order to survive any potential legal challenge. However, for procurements performed pursuant to a statutory strict competitive bidding process (i.e., state mandated obligation to award to the lowest			

City Council Referral

(requires more than 4 hours of staff time)

responsible bidder submitting a responsive bid), the low bid requirement creates a bar to any local preference.

Pursuant to the Uniform Public Construction Cost Accounting Act, the statutory competitive bidding procedure for public works projects the City voluntarily adopted, the City is required to competitively bid and award contracts above a specified monetary threshold (presently \$60,000) to the “lowest responsible bidder.” Courts have held the “lowest responsible bidder” requirement is not sufficiently flexible to embody other legitimate municipal concerns such as the remedying of past discrimination or preference to local businesses. (*Associated General Contractors of California v. City and County of San Francisco* (9th Cir., 1987) 813 Fed.2d 922.) Accordingly, it would not be appropriate for the City to have a local preference requirement for any contract being procured under a statutory competitive sealed bidding process since a local preference may lead to the “lowest responsible bidder” not being selected, which could in turn lead to a legal challenge that would be difficult to defend.

In the event the procurement is not subject to statutory strict competitive bidding requirements, the basis of award is generally subject to City control. In these instances where the City has discretion to choose factors affecting award, the City has the flexibility to include a local preference as part of the process. Despite such flexibility, a local preference requirement will be subject to scrutiny and should be carefully tailored to ensure it is defensible.

The likely basis of such a challenge will come under the Equal Protection Clause. Generally, a denial of equal protection exists where the law is applied differently to different persons under the same or similar circumstances. (U.S. Const., 14th Amend.) Various levels of judicial scrutiny are applied depending on whether the law or regulation affects a protected class of persons or involves a fundamental right. Where the law or regulation under review does not involve a protected class or fundamental right, courts will apply rational basis scrutiny. Here, the classification of local versus non-local vendors involves neither a protected class nor any fundamental rights. Therefore, pursuant to the test under rational basis review, granting a preference to a local vendor is valid if the classification is rationally related to a legitimate governmental purpose.

One example of a local preference being upheld is a 5% local purchasing preference put in place by the City and County of San Francisco based on the justifications that: (1) local businesses which seek to enter into contracts with the City and County of San Francisco are at a competitive disadvantage with businesses from other areas because of the higher administrative costs of doing business in the Bay Area (e.g., higher taxes, higher rents, higher wages and benefits for labor, higher insurance rates, etc.) and (2) the public interest would be best served by encouraging businesses to locate and remain in San Francisco through the provision of a minimal “good faith” preference to local businesses in the awarding of San Francisco’s contracts. (See *Associated General Contractors of California v. City and County of San Francisco* (9th Cir., 1987) 813 Fed.2d 922.)

City Council Referral

(requires more than 4 hours of staff time)

Another example of a local preference receiving positive legal treatment stems from a California Attorney General opinion approving the “governmental purpose of economic development” in allowing a county to adopt a procedure which provided a 5% local vendor preference. (72 Ops.Cal.Atty.Gen 86 (1989).) In support of its conclusion, the Attorney General opined “that that there is no fundamental right to government employment for purposes of the Equal Protection Clause.” (*Ibid.* citing *Massachusetts Bd. of Ret. v. Murgia* (1976) 427 U.S. 307, 313.) While this opinion has not been upheld by the courts, it does support the argument that a public agency could take into account and consider the governmental purpose of economic development when adopting a local vendor preference.

It is important to note these are only two examples, and the use of any justifications for a local preference will be evaluated on a case-by-case basis. Notwithstanding, the foregoing local purchasing preferences do show narrowly crafted preferences can be justified under the appropriate circumstances.

In summary, if challenged, the use of a local preference will face significant judicial scrutiny. The risk of a challenge is likely highest with contracts procured using a statutory strict competitive bidding process where award is made pursuant to the “lowest responsible bidder submitting a responsive bid” criteria solely without consideration of any other factors. For this reason, incorporating a local preference requirement for any contract procured through a statutory strict competitive bidding process is not recommended. As for implementing a local preference for contracts not subject to statutory strict competitive bidding, any use of a local preference should be carefully tailored with an appropriate justification (i.e., higher cost of doing business in the area, promoting businesses located in Milpitas and perhaps Santa Clara County, retaining local taxes, etc.). In our experience, most public agencies tie their local preference programs to the local sales tax imposed by that public agency over and above state sales tax. This is a relatively common practice amongst many cities, and the City could consider following suit to avoid standing out – i.e., safety in numbers.

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
Job Fair with 20 Local Businesses to be held soon and Additional One Fair in the Fall with the Chamber of Commerce taking a larger role and the City providing some support		Councilmember Chua
Lead Department/Office		Supporting Department(s)/Office(s)
Economic Development		
Council Priority Areas	Estimated Completion Date	Funding Needed
	September 30, 2021	\$5,000 (American Rescue Plan Act funding)
Description of Required Work Effort		
The Milpitas Chamber of Commerce will take the lead on the job fair and will work with employers, the City of Milpitas, Milpitas Unified School District, and workforce development programs to conduct a job fair by September 30, 2021. The City will support the Chamber by providing funding in the amount of \$5,000 and assist the Chamber with marketing, promotions, outreach and engagement efforts. The funding amount does not include staff time associated with providing support. The purpose of the job fair is to provide residents the opportunity to meet with Milpitas employers, establish professional relationships, and to land new job and career opportunities that improve the quality of life.		
Status Update as of July 2021		
Funding for a job fair is proposed in the Preliminary ARPA Investment Plan. Staff will discuss the Plan with Council on August 5; however, the funding may be allocated in late August/early September, pending guidance from the Treasury Department. On June 8, 2021, the Chamber of Commerce released a Survey to its membership to determine interest in hosting a job fair by June 30, 2021 and whether job seekers were interested in attending an event. Results included approximately 20 businesses being interested in participating in a job fair. However, the majority of businesses currently do not have the human resources available to participate in a job fair. In addition, several businesses reported that they pay to use online job recruiting services such as Indeed, Monster, and Simply Hired. The Chamber of Commerce is currently evaluating hosting a table at the Great Mall with employment opportunities and employer information. Notwithstanding, the Chamber of Commerce plans to host a formal job fair with various employers, career opportunities and career counseling by the end of September 2021.		

City Council Referral
(requires more than 4 hours of staff time)

Council Clarification/Further Direction Requested
None
Other Considerations
The Chamber of Commerce is in the process of planning a formal job fair. It is anticipated that the Chamber of Commerce will formally request to utilize the Senior Center conference room as the location for a job fair. That may include a request to waive the community facility fee, as well as the necessary tables and chairs to accommodate participants and custodial costs. The Chamber of Commerce will choose a job fair date, time and venue well in advance. They will build a compelling landing webpage to drive registrations, register interested businesses and organizations, promote the event, and provide job seekers a roadmap for the job fair. The Office of Economic Development will continue to support the Chamber of Commerce in developing and hosting a successful job fair.

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
COVID-19 Memorial		Councilmember Dominguez
Lead Department/Office		Supporting Department(s)/Office(s)
Recreation and Community Services		
Council Priority Areas	Estimated Completion Date	Funding Needed
	TBD	Will require more than 4 hours of staff time for planning and hosting the event
Description of Required Work Effort		
Absent Council direction, the work effort cannot be determined at this time for a one time memorial event for lives lost to COVID-19 in 2020 and 2021.		
Status Update as of July 2021		
Not started		
Council Clarification/Further Direction Requested		
Staff is seeking input on event type and timing.		
Other Considerations		
As part of approval of the FY 2020-21 Adopted Budget, FY 2020-21 Mid-Year Adjustments and FY 2021-22 Adopted Budget, permanent and temporary staffing as well as non-personnel expenditures in the Recreation and Community Services Department were significantly reduced including the defunding of 1.0 Event Program Coordinator position. Therefore, staffing resources in the Recreation and Community Services Department to take on an additional event are very limited. However, if Council approves staff's recommendation to use ARPA funding for community events including the restoration of the Event Program Coordinator position effective January 1, 2022 and subsequent restoration of funding as part of the development of the FY 2022-23 budget, staff would have sufficient capacity to organize the event starting in the last quarter of the current fiscal year.		

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Mini-Libraries in the Low-Income Areas of the City		Vice Mayor Montano	
Lead Department/Office		Supporting Department(s)/Office(s)	
Planning		Recreation Services	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	Ongoing	TBD, based on scope	
Description of Required Work Effort			
Coordination among departments will be needed to identify available funding, potential community partnerships, the actual number and locations of mini-libraries needed/desired, etc. Explore possible partnerships with MUSD, SC County Library, and/or potential community sponsors (e.g., Sunnyhills Neighborhood Association). Develop a program and strategy for ongoing management and maintenance of the mini-libraries.			
Status Update as of July 2021			
Staff added Guidelines for Little Free Libraries to the City's website in May 2021. See https://www.ci.milpitas.ca.gov/initiatives_policies_ordinance/#1622563522951-78fcb4aa-c671 The Guidelines include a link to a national organization involved in this type of work: https://littlefreelibrary.org/ The website identifies five existing mini-libraries in the City.			
Council Clarification/Further Direction Requested			
What are the parameters for this request, and what is an appropriate role for the City in addressing this issue? Given limited staff resources, is ongoing coordination and management of this program something the City wants to take on, or would this program be better an extension of the SC County Library with City financial support? Who would manage and maintain the mini-libraries?			
Other Considerations			
In most cases in other communities, mini-libraries are set up and managed through local libraries, non-profit organizations, or private individuals. The City would need to identify staff resources to maintain and manage the mini-libraries on an on-going basis.			

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Partner with the Chamber of Commerce to Promote the City with a City Event like an Art and Wine Festival, Rancho Days, Little Cornfield's Day, or Frontier Day		Vice Mayor Montano	
Lead Department/Office		Supporting Department(s)/Office(s)	
Economic Development		Recreation & Community Services	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	Likely 2022-2023	Recreation portion - TBD	
Description of Required Work Effort			
An event partnership with the Chamber of Commerce would require City staff time to meet with Chamber leadership to discuss potential events and clarify each party's role and responsibilities. Depending on the scope of the event, planning a large, new, collaborative special event is expected to take one year. Until the parameters of the event are determined, it is difficult to estimate the City staff time and other City resources that might be required. It is anticipated that American Rescue Plan Act funds may be utilized if the City Council appropriates Chamber funding for various events and activities in the near future. An event consultant may assist with estimated costs, roles and implementation schedule for an Art and Wine Festival in May 2022.			
Status Update as of July 2021			
Not started.			
Council Clarification/Further Direction Requested			
Staff would like clarification on the level of involvement and support City Council envisions for this event.			
Other Considerations			
Recreation and Community Services is resuming most of its pre-pandemic special events during this fiscal year, and it has taken on the added responsibility of producing the new, two-week Holiday Magic on Main Street event. As part of cost-savings, Recreation and Community Services froze the vacant Event Coordinator position and permanently eliminated the supervisor overseeing special events. Thus, event planning and implementation responsibilities are currently being split among the full-time staff, all of whom have other programming responsibilities as their primary job duties. If City Council's intent is for the City			

City Council Referral

(requires more than 4 hours of staff time)

to be an equal partner in logistics and programming for this event, it may require additional staff. If the intent is simply to help promote the event and provide City space for the event, it will not require additional staff. Also, this event could be subject to the special event permit fee collected by the Planning Department.

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Pilot Neighborhood Association Program		Councilmember Dominguez	
Lead Department/Office		Supporting Department(s)/Office(s)	
Recreation and Community Services		City Attorney's Office; Police Dept.; Fire Dept.	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	TBD	TBD	
Description of Required Work Effort			
The City has about 75 Neighborhood Watch groups. Map existing neighborhood groups within the City to identify potential residential areas to establish a neighborhood association; organize a City-sponsored meeting led by Mayor Tran and/or Members of the Council and supported by staff to promote the benefits of a neighborhood group; direct existing resources such as neighborhood safety and emergency presentations for future neighborhood group meeting topics.			
Status Update as of July 2021			
Not started.			
Council Clarification/Further Direction Requested			
Staff seeks Council clarification to confirm that the intent of the referral is appropriately captured.			
Other Considerations			
Recreation staffing has been significantly reduced. Combined with ARPA funded programs, the Mural program, and other programs such as this pilot, restoring of permanent staffing is necessary.			

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:																
Reduce the City's Senior Center rental deposit for the Auditorium/Community Room		Vice Mayor Montano																
Lead Department/Office		Supporting Department(s)/Office(s)																
Recreation & Community Services		Finance																
Council Priority Areas	Estimated Completion Date	Funding Needed																
	December 31, 2021	None																
Description of Required Work Effort																		
Members of the public can rent various facilities at the Senior Center such as the Auditorium/community room and classrooms. Per the Council approved FY 2021-2022 Master Fee Schedule, deposit fees are \$750 for renting the Auditorium/community room, and range between \$0 and \$240 depending on the rental priority level for the other facilities as shown below. For the full description of the priority levels, please see the attached excerpt from the Council approved Facility Manual - Indoor and Outdoor Facilities (June 21, 2016 City Council meeting). The Milpitas Community Center Auditorium deposit fee is \$500. This is an older facility and comes with a simple warming kitchen. The Senior Center Auditorium/community room is a newer facility with a full catering kitchen. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="padding: 5px;">Priority Level</th> <th style="padding: 5px;">Priority Level Description</th> <th style="padding: 5px;">Class Rooms Rental Deposit</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Priority II</td> <td style="padding: 5px;">Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more), public schools located in Milpitas, the Milpitas Chamber of Commerce and governmental agencies</td> <td style="padding: 5px;">No Fee</td> </tr> <tr> <td style="padding: 5px;">Priority III</td> <td style="padding: 5px;">Non-profit groups that are organized for recreational, social, cultural, religious or civic purposes and whose membership is principally composed of local residents (51% or more)</td> <td style="padding: 5px;">\$75</td> </tr> <tr> <td style="padding: 5px;">Priority IV</td> <td style="padding: 5px;">Any other group, business, private school or individual resident of the City of Milpitas.</td> <td style="padding: 5px;">\$150</td> </tr> <tr> <td style="padding: 5px;">Priority V</td> <td style="padding: 5px;">Any non-resident group, business or individual</td> <td style="padding: 5px;">\$240</td> </tr> </tbody> </table> Reducing the deposit fees for Senior Center Auditorium/community room rentals will require an amendment to the FY 2021-2022 Master Fee Schedule, changes to rental paperwork and marketing, and messaging to prospective members of the public. Depending on the date it is				Priority Level	Priority Level Description	Class Rooms Rental Deposit	Priority II	Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more), public schools located in Milpitas, the Milpitas Chamber of Commerce and governmental agencies	No Fee	Priority III	Non-profit groups that are organized for recreational, social, cultural, religious or civic purposes and whose membership is principally composed of local residents (51% or more)	\$75	Priority IV	Any other group, business, private school or individual resident of the City of Milpitas.	\$150	Priority V	Any non-resident group, business or individual	\$240
Priority Level	Priority Level Description	Class Rooms Rental Deposit																
Priority II	Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more), public schools located in Milpitas, the Milpitas Chamber of Commerce and governmental agencies	No Fee																
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Priority V	Any non-resident group, business or individual	\$240																

City Council Referral
(requires more than 4 hours of staff time)

to become effective, it could require processing deposit refunds to customers who have booked events in advance.

Status Update as of July 2021

Not started.

Council Clarification/Further Direction Requested

The current rental deposit fee at the Senior Center for the Auditorium/ Community room is set at \$750 to recuperate potential damage to City equipment including the full-size catering kitchen ensure that renters vacate the premise as agreed (see a more detailed discussion below). The fee is in line with other rental facility deposit fees for similar facilities in the region. Staff requests that the Council clarify whether the deposit should be reduced, and if so, align any reductions to the existing priority levels or to address other circumstances.

Other Considerations

Deposit fees serve as collateral to ensure renters do not damage City property, or in the instance when renters damage City property, and that they vacate the premises promptly at the agreed upon end time. Most customers abide by the rules and receive their deposit returned in full. However, if there is damage, unusual cleaning required, or if the renter stays beyond the agreed upon time requiring staff overtime, the extra costs incurred by the City are subtracted from the deposit. If deposit fees are reduced and the amount being withheld is not sufficient to cover damage, cleaning costs and staff overtime, it may require additional staff time for “collections” to recoup what is owed the City. In staff’s experience, renters who disregard the rental rules are unlikely to cooperate with requests for additional payment. If staff is unable to collect from renters who damage the facilities, leave garbage or overstay, then the City’s General Fund will have to absorb these expenses. The cost of replacement or repair for fixtures in the Senior Center facilities are more expensive than its older counterpart facilities. Under City Council’s recently approved Cost Recovery plan for Recreation, rentals were considered a Category A service, full cost recovery.

I. PRIORITIES

Priorities are designed to determine fee and reservation status.

1. To provide for public activities in the best interest of the Community, City facilities will be reserved in accordance with the following group priorities:

Priority I. City administered programs.

1. No deposit
2. No rental fee
3. No staff fee
4. No application fee

Priority II. Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more), public schools located in Milpitas, the Milpitas Chamber of Commerce and governmental agencies (excluding staff trainings, poll worker trainings, staff retirement parties, staff / volunteer recognition events).

1. No deposit
2. Rental fee according to Fee Schedule / Joint Use Agreement
3. Staff fee according to Fee Schedule / Joint Use Agreement
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

Priority III. Non-profit groups that are organized for recreational, social, cultural, religious or civic purposes and whose membership is principally composed of local residents (51% or more) or who is based in Milpitas and renting no more than 3 rental dates per quarter.

1. Facility deposit according to the Fee and Deposit Schedule
2. Rental fee according to Fee Schedule
3. Staff fee according to Fee Schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

Priority IV. Any other group, business, private school or individual resident of the City of Milpitas.

1. Facility deposit according to the Fee and Deposit Schedule
2. Rental fee according to Fee Schedule
3. Staff fee according to Fee Schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

Priority V. Any non-resident group, business or individual.

1. Facility deposit according to the Fee and Deposit Schedule
2. Rental fee according to Fee Schedule
3. Staff fee according to Fee Schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
Rose Garden with Children's Memorial Site		Vice Mayor Montano
Lead Department/Office		Supporting Department(s)/Office(s)
Recreation & Community Services		Engineering
Council Priority Areas	Estimated Completion Date	Funding Needed
	2023-2024 or later	Unknown, but estimated \$100K+, even for a modest-sized garden and dedication monument on already-irrigated City property.
Description of Required Work Effort		
A garden and memorial site would be a Capital Improvement Project requiring a funding source, project design, and construction phases including a suitable location. It is understood that a rose garden and memorial at Tom Evatt Park is desired, however this park is located over the San Francisco Hetch Hetchy pipeline right of way and is heavily regulated. If the memorial includes a public art piece, it would also require all the normal public art procedures, including coordination with the Arts Commission, artist selection, design selection, contracting and fabrication/installation. Regardless of whether art is included, it may entail an opening ceremony. If a garden is installed, it may be desirable to partner with or develop a club to assist with the intensive labor and expertise required for ongoing maintenance.		
Status Update as of July 2021		
N/A		
Council Clarification/Further Direction Requested		
Based on staff recommendations and considerations, it is requested that Council provide clarification on the vision for a memorial site, including desired location, landscaping, and expectation of a public art piece or simply a plaque, and whether it would be generic in nature or if there would be names of specific children.		
Other Considerations		
1. <u>Drought tolerant landscaping</u>: It is understood that a rose garden is desired, however the City Council passed a drought tolerant landscape ordinance and roses are not considered drought tolerant plantings requiring a high degree of maintenance. The City Council may wish to consider a more drought-tolerant option, such as a wildflower pollinator garden.		

City Council Referral

(requires more than 4 hours of staff time)

2. Location: Tom Evatt Park is located over right of way owned and operated by the City of San Francisco for the Hetch Hetchy water pipeline. Construction and excavation within their right of way is heavily regulated prohibiting excavation, installation of structures, including placement of pesticides etc. At times their crews drive through park landscaping to access their pipeline facilities and they are not required to restore damage. It is recommended that a more compatible park site be determined.
3. Funding Source: A funding source for construction and ongoing maintenance of this project will be required prior to starting. Currently, funding for park projects and maintenance is not available, and the funding need per the draft Parks Masterplan exceeds \$80 million over the next 20 years and \$4.5 million for short-term (next five years) rehabilitations and repairs.
4. Staff Capacity: with the current staffing complement dedicated to funded and potential ARPA projects, if the Council advances this project, there will be sufficient staff capacity to start the project in FY 2023-24 or with a sooner start date funded projects will have to be delayed.

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:	
Signs in Key Areas of the City welcoming people to Milpitas		Vice Mayor Montano	
Lead Department/Office		Supporting Department(s)/Office(s)	
City Manager's Office		Planning, Economic Development	
Council Priority Areas	Estimated Completion Date	Funding Needed	
	2024	TBD	
Description of Required Work Effort			
Complete the Community Identification and Brand Study and select a new City logo; Identify specific locations for "Welcome" signs; hire designer to create sign prototypes and cost estimates; develop budget and add funds to CIP; Determine who will own and maintain signs; obtain property or ROWs Pre-fabricate and install signs.			
Status Update as of July 2021			
The bases for two signs have been constructed or will be constructed as part of private development projects (Rotten Robbie on Montague and AM/PM on Park Victoria/Landess Avenue). Ready to fabricate and install as soon as new logo is selected; will need to determine maintenance responsibilities and costs.			
Council Clarification/Further Direction Requested			
Staff is seeking Council input on whether Council would like to identify specific locations and text for signs or should staff bring forward recommendations for sign content and locations?			
Other Considerations			
If this project is a priority, other projects will need to be re-prioritized due to limited staff resources. City will need to identify funding sources for ROW and/or property to place signs.			

City Council Referral
(requires more than 4 hours of staff time)

Topic:		Requested by:
Sliding Scale Permitting Program for Seniors and Low-Income Residents for Necessary Safety Renovations (FY 21-22 Discussion)		Mayor Tran
Lead Department/Office		Supporting Department(s)/Office(s)
Building Safety and Housing		Recreation and Community Services
Council Priority Areas	Estimated Completion Date	Funding Needed
	FY 21-22	Staff time for program initiation and operation for one year: Approximately \$19,200 Permit subsidy: TBD after further study
Description of Required Work Effort		
Staff suggestion is to review the existing Milpitas Assistance Program (MAP) and provide input on how this program could be modified to add an additional eligibility category of senior and incorporate additional assistance to Tier 1 very low-income and Tier 2 low-income residents that are also seniors. Staff proposes senior eligibility to be age 50 or older, consistent with the Milpitas Senior Center criteria. For Tier 1-qualified customers, current MAP provides 100% discount on the program's identified residential building permits. For Tier 2-qualified customers, current discount is 75%. For Tier 2-qualified customers that are also seniors, staff proposal is to provide an additional 15% discount on the program's identified residential building permits, bringing the total discount from 75% to 90%. Currently identified residential building permits in MAP (for both Tier 1 and 2) are for replacement of water heaters, air conditioners, and furnaces, and can be considered as necessary safety renovations. In addition, staff recommends to add electrical service panel change-outs of 200 amps or less as this could also be considered as a necessary safety renovation. In summary, with the staff proposal: For Tier 1-qualified very low-income customers that also qualify as seniors, the program will provide 100% discount on residential building permits for replacement of water heaters, air conditioners, and furnaces, and electrical panel change-outs of 200 amps or less. For Tier 2-qualified low-income customers that also qualify as seniors, the program will provide 90% discount on residential building permits for replacement of water heaters, air conditioners, and furnaces, and electrical panel change-outs of 200 amps or less.		

City Council Referral
(requires more than 4 hours of staff time)

Status Update as of July 2021

Staff has conducted preliminary research on the possible proposed modifications to the MAP. If Council provides direction, in summer-fall 2021, Building Safety and Housing staff will need to further coordinate with Recreation and Community Services staff and move forward with further development of this process, including a survey of current MAP recipients to gauge their needs, a fiscal impact study, and an estimate of staff time to complete the modifications to the program and associated permit schedules, process, and configuration in the permit system, and community outreach of the program. As staff is fully committed to current services and work programs, staff estimates to return to Council in the fall with an update on the above studies and seek further direction from Council.

At this time, staff estimates this referral to require approximately 100 hours of staff time, or \$12,000, to study, initiate, and implement program. To operate the program for a year, staff estimates approximately 60 hours of staff time, or \$7,200. As noted above, after conducting a survey and a fiscal impact study, staff will return to Council in the fall with potential subsidy of permit fees.

Council Clarification/Further Direction Requested

Staff seeks Council direction on whether to proceed with the suggested studies toward modifying the existing MAP or to redirect efforts to establish a new program specific to low-income seniors for necessary safety renovations.

Other Considerations

The Residential Building Incentive Program (RBIP) was approved by the City Council at the same time as the MAP in August 2019. The RBIP was created to promote health, safety, and welfare of the community by encouraging property maintenance and safe, energy-efficient installations. The program provides 50% discounts to all residential customers seeking building permits to replace water heaters, air conditioners, and furnaces, and install solar photovoltaic or thermal systems. These incentives are provided to assist all homeowners on essential maintenance activities to maintain habitability of dwelling units. The RBIP participation has been robust.

Staff reviewed the possibility of modifying the existing RBIP in conjunction with the proposed changes to the MAP. Since there is no income eligibility criteria under the RBIP, nor is it the intent of the program, staff does not recommend adding the sole eligibility category of senior, as this may not result in assistance to the targeted low-income seniors in the community.