JOINT SPECIAL MEETING OF THE MILPITAS CITY COUNCIL, HOUSING AUTHORITY, AND PUBLIC FINANCING AUTHORITY

AGENDA

TUESDAY, AUGUST 11, 2026
CITY COUNCIL CHAMBER, 455 E. CALAVERAS BLVD, MILPITAS, CA
4:00 PM (CLOSED SESSION & PUBLIC BUSINESS)

For assistance in the following languages, you may call:
Đối với Việt Nam, gọi 408-586-2400
Para sa Tagalog, tumawag sa 408-586-3051
Para español, llame 408-586-3072

** To access written translation during the meeting, scan the QR Code.*

The City Council meeting is 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.milpitas.gov/youtube
Web Streaming: https://www.milpitas.gov/webstreaming

PUBLIC COMMENT INSTRUCTIONS

Members of the public may provide oral public comment in person during the City Council meeting or remotely via Zoom. Individual speakers are generally limited to three (3) minutes or less, as determined by the Mayor. Members of the public may provide one comment per agenda item and one comment during General Public Comment. Written comments may be submitted by email to CityClerk@milpitas.gov. To participate via Zoom, please register at:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_sj6Cqv3eQ5S1HSV0AGSCpA

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@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

For complete information about attending meetings, providing public comment, remote participation, language access services, accessibility accommodations, and viewing options, visit: https://www.milpitas.gov/1443/Participating-in-City-Council-Meetings

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.
- Use electronic devices appropriately 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 (4:00 PM)

ADJOURN TO CLOSED SESSION

(a) CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6
Agency's Designated Representative(s): Rick Bolanos, Liebert Cassidy Whitmore
Employee Organization(s): Professional and Technical Employees, Mid-Management and Confidential Employees, Milpitas Employees Association, Milpitas Police Officers Association, International Association of Firefighters, Unrepresented Employees

CLOSED SESSION ANNOUNCEMENT:

Report on action taken in Closed Session, if required per Government Code Section 54957.1, including the vote or abstention of each member present.

PLEDGE OF ALLEGIANCE

INVOCATION (Councilmember Lien)

PRESENTATIONS

PUBLIC FORUM

Members of the public are invited to speak on any item that does not appear on today's agenda. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record. As an item not listed on the agenda, no action can be taken, however the City Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

CONSENT CALENDAR

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a City Councilmember, member of the audience or staff requests the Council to remove an item from (or be added to) the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar.

C1. Receive City Council Calendar of Meetings (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive City Council Calendar of Meetings for August 2026.

C2. Approve City Council Meeting Minutes (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Approve City Council Meeting minutes of June 16, 2026.

C3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive the list of anticipated agenda items for the next regular City Council meeting.

C4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

C5. Adopt a Housing Authority Resolution Appointing a Chair and Vice Chair and Establishing the Administrative Positions of the City of Milpitas Housing Authority (Staff Contact: Christian Curtis, City Attorney, 408-586-3041; and Luz Cofresí-Howe, Finance Director, 408-586-3111)

Recommendation: Adopt a Housing Authority Resolution (1) Appointing the Mayor and Vice Mayor as Chair and Vice Chair of the Authority; (2) Establishing and designating the administrative positions of the Authority - Executive Director, Assistant Executive Director, Treasurer, Assistant Treasurer, Secretary, and Authority Counsel - to corresponding City of Milpitas positions, assigning specified record-keeping, custodial, and attestation duties to the Secretary, and confirming the individuals currently serving in those City positions; (3) Authorizing the Executive Director, or designee, to execute contracts and other instruments on behalf of the Authority as delegated by the Commissioners; and (4) Adopting, by reference, the personnel rules and regulations, conflict of interest code, and fiscal policies of the City of Milpitas as the personnel rules and regulations of the Authority required by Health and Safety Code section 34278.

C6. Appointment of Voting Delegates for the Annual California League of Cities Conference (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Appoint Mayor Montano as the City's voting delegate and Councilmembers Lam and Lien as the alternate voting delegates for the League of California Cities Annual Conference and Expo General Assembly.

C7. Authorize and Approve Travel Request for Mayor Montano, Councilmember Lien, and Councilmember Lam to Anaheim, CA for the League of California Cities' 2026 Annual Conference and Expo (Staff Contact: Julie Minot, Senior City Manager Analyst, 408-586-3054)

Recommendation: Authorize and approve the travel for Mayor Montano, Councilmember Lien, and Councilmember Lam to Anaheim, CA for the League of California Cities' 2026 Annual Conference and Expo to be held on Sept 23-25, 2026, for an estimated combined total amount of $7,600, budgeted under the Individual Elected Official allocation for Conferences/Meetings/Trainings.

C8. Approve and Authorize the City Manager, or Designee, to Execute a Memorandum of Understanding with Milpitas Unified School District for the MUSD Alliance and Alumni Partners for Future-Ready Learners Program (Staff Contact: Madison Nguyen, Interim Director of Economic Development, 408-586-3046; and Renée Lorentzen, Director of Recreation and Community Services, 408-586-3409)

Recommendation: Approve and authorize the City Manager, or designee, to execute a Memorandum of Understanding between the City of Milpitas and the Milpitas Unified School District for the MUSD Alliance and Alumni Partners for Future-Ready Learners Program.

C9. Adopt Resolutions Approving the Continued Investment of Monies in the Local Agency Investment Fund and Designating Officers Authorized to Sign on the Respective Accounts (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

Recommendation: (1) Adopt a resolution of the Milpitas City Council approving the continued investment of monies in the Local Agency Investment Fund and designating officers authorized to sign on the respective accounts; and (2) Adopt a resolution of the Board of Directors of the Milpitas Public

Financing Authority approving the continued investment of monies in the Local Agency Investment Fund and designating officers authorized to sign on the respective accounts.

C10. Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with Medallion Landscape Management, LLC for Parks and Landscaping Maintenance Services (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)

Recommendation: Authorize the City Manager, or designee, to negotiate and execute a Maintenance Services Agreement with Medallion Landscape Management, LLC for Parks and Landscaping Maintenance Services with a maximum compensation of $1,654,540 for an initial 13-month term of September 1, 2026 through September 30, 2027; negotiate and execute amendments and change orders to add, delete, modify services as required; and exercise up to six one-year options to extend the term of the Agreement through September 30, 2033, subject to the appropriation of funds.

C11. Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with Dustin Kudela, dba Unimax Construction, for Fire Station No. 1 Kitchen Renovation (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)

Recommendation: Authorize the City Manager, or designee, to negotiate and execute a Construction Agreement with Dustin Kudela, dba Unimax Construction, for Fire Station No. 1 Kitchen Renovation for $118,000 with a 10% contingency of $11,800, for a total not-to-exceed amount of $129,800, subject to an executed change order.

C12. Adopt a Resolution Authorizing Acceptance of the FY2026-27 California Highway Patrol Cannabis Tax Fund Grant Program Award, Approve Purchase of Specialty Patrol Vehicle, and Approve Related Budget Appropriation (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)

Recommendation: (1) Adopt a resolution authorizing the City Manager, or designee, to accept the FY2026-27 California Highway Patrol Cannabis Tax Fund Grant Program Award in the amount of $130,482 and execute the resulting grant agreement and related ancillary documents; (2) authorize the City Manager, or designee, to execute a purchase order with Duval Ford for one specialty patrol vehicle, including outfitting and decals, in an amount not to exceed $98,660; and (3) approve a related budget appropriation in the amount of $130,482 in the State Grants Police Fund (Fund 268).

PUBLIC HEARINGS

Members of the public may be allotted up to three (3) minutes or less at the Mayor's discretion, to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of ten (10) minutes for opening statements and up to a total of five (5) minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.

13. Consider Introducing an Ordinance to Amend Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 Relating to the Regulation of Tobacco Retailers (Staff Contact: Jay Lee, Planning Department, 408-586-3077)

Recommendation: (1) Determine that the ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15183 (Projects Consistent with General Plan, and as a separate and independent basis, exempt pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption); and (2) introduce an Ordinance amending Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 relating to the regulation of tobacco retailers (P-ZA26-0001).

LEADERSHIP AND SUPPORT SERVICES

14. Receive a Presentation on Municipal Bonds 101 (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

Recommendation: Receive a presentation from the City's municipal advisor and bond counsel on municipal bond financing, including the types of debt available to the City, the financing process and financing team roles, the City Council's disclosure and approval responsibilities, and an overview of the City's outstanding long-term debt obligations.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

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. 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 whether to move the item forward. If a majority of the City Council agrees to move the item forward, the City Manager shall place the item on a future agenda.

ADJOURNMENT

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: cao@milpitas.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.milpitas.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.milpitas.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.milpitas.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 408-586-3005 or send an e-mail to CityClerk@milpitas.gov prior to the meeting. Larger font agendas are available upon request.

July 2026						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
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Milpitas City Council Calendar
August 2026

September 2026						
S	M	T	W	T	F	S
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
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27	28	29	30			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	**3** **5:30 PM-**Special City Council **7:00 PM-**Parks, Recreation & Cultural Resources Commission (EC)	**4**	**5** **2:00 PM**-Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara)l **5:30 PM**-Veterans Commission (GB) **7:00 PM**-Community Housing Commission (EC)	**6** **5:30 PM**-Milpitas Chamber of Commerce Board (GB) **5:30 PM**-Santa Clara VTA Board of Directors (CM)	**7**	**8**
9	**10** **4:30 PM**-Economic Development and Trade Commission (WL)	**11** **5:30 PM**-Special City Council	**12** **7:00 PM**-Silicon Valley Clean Energy Board of Directors (GB) (Sunnyvale) **7:00 PM**-Planning Commission	**13** **4:00 PM**-Treatment Plant Advisory Committee (CM) (San Jose) **4:00 PM**-Santa Clara VTA Policy Advisory Committee (EC) **6:00 PM**-Youth Advisory Commission (HL) **7:00 PM**-Cities Assoc of SCC (CM)	**14**	**15**
16	**17** **7:00 PM**-Technology Commission (WL)	**18** **5:00 PM**-Closed Session **7:00 PM**-City Council	**19** **4:00 PM**-City Council Finance Subcommittee (CM/EC) **6:00 PM**-Energy and Environmental Sustainability Commission (EC)	**20**	**21**	**22**
23	**24**	**25** **1:30 PM**-Senior Advisory Commission (HL)	**26** **5:30 PM**-Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM) **7:00 PM**-Planning Commission	**27**	**28**	**29**
30	**31**					

REGULAR MEETING OF THE MILPITAS CITY COUNCIL

MINUTES

TUESDAY, JUNE 16, 2026

The City Council of the City of Milpitas convened in a Regular Meeting of the Milpitas City Council on June 16, 2026, in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

Mayor Montano called the Regular City Council meeting to order at 7:00 PM. Roll Call was taken by City Clerk Guzzetta.

PRESENT:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
ABSENT:	Vice Mayor Barbadillo

PLEDGE OF ALLEGIANCE

The City Council recited the Pledge of Allegiance.

INVOCATION

Councilmember Lam provided the invocation.

PRESENTATIONS

Mayor Montano, joined by the Milpitas City Council, presented a proclamation in recognition of Parks and Recreation Month, and a commendation to Kulwant Singh on his National Hall of Fame Recognition.

PUBLIC FORUM

There were the following public speakers:
1. Stephen Balsbaugh
2. Yolie Garcia
3. Stacy Brobst
4. Frank Bush
5. Karen Friedman
6. Rob Means
7, Hilary Davidson
8. Samyuktha Nair

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Curtis asked the Mayor and City Councilmembers if they had any personal conflicts of interest. By roll call, there were no conflicts of interest. City Attorney Curtis asked the Mayor and City Councilmembers if they had any reportable campaign contributions. By roll call, there were no reportable campaign contributions.

READING OF THE CITY COUNCIL CODE OF CONDUCT

Mayor Montano read the City Council Code of Conduct.

APPROVAL OF AGENDA

After discussion, motion: to approve the agenda

Motion/Second: Councilmember Chua / Councilmember Lien
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

CONSENT CALENDAR

After discussion, motion: to pull Items C7, C8, C10, C13, C18 and C20, and approve the consent calendar.

There were the following public speakers:
1. Yolie Garcia

Motion/Second: Councilmember Chua / Councilmember Lien
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

1. Receive City Council Calendar of Meetings (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received City Council Calendar of Meetings for June, July and August 2026.

2. Approve City Council Meeting Minutes (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Approved City Council Meeting minutes of June 2 and 9, 2026.

3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of anticipated agenda items for the next regular City Council meeting.

4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

5. Consider Recommendations from Mayor Montano for Appointments to City Commissions (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3005)

Received Mayor Montano's recommendations and approved and confirmed the following appointments to City Commissions:

Community Housing Commission:
1. Appoint Yue Liu as Alternate No. 2 with an unexpired term ending December 2026 *

Economic Development and Trade Commission:

1. Reappoint Michael Nguyen as Alternate No. 1 with a term ending March 2029 *
2. Appoint Anna Salonga as Alternate No. 2 with a term ending March 2027 *

Energy and Environmental Sustainability Commission:
1. Appoint Raghu Reddy to an unexpired term ending September 2028 *

Library and Education Advisory Commission:
1. Reappoint Hellie Mateo to a term ending June 2029
2. Reappoint Ann Anderson to a term ending June 2029
3. Appoint Jiayi Yin as a Non-Voting Student Member with a term ending June 2029

Parks, Recreation and Cultural Resources Commission:
1. Appoint Derek Brown to a term ending June 2029
2. Appoint Bhupendra Kumar to a term ending June 2029
3. Appoint Esther Wang to an Alternate Seat with a term ending June 2029
4. Reappoint Emilee Chai as a Non-Voting Student member with a term ending June 2029

Public Safety and Emergency Preparedness Commission:
1. Reappoint Jeffrey Hogg to a term ending June 2029
2. Reappoint Arti Bajaj as an Alternate Member with a term ending June 2029

Senior Advisory Commission:
1. Promote Hui Chen to a Full Voting Seat with an unexpired term ending December 2028
2. Appoint Reena Choudhury as an Alternate Member with a term ending December 2027

Youth Advisory Commission:
1. Appoint Kellyn Hu to a full voting seat with an unexpired term ending September 2028.
2. Appoint Olivia Xia as Alternate No. 2 with an unexpired term ending September 2028.

6. Waive the Second Reading and Adopt Ordinance No. 262.9 Repealing and Replacing Title I, Chapter 310 of the Milpitas Municipal Code Regarding Open Government (Staff Contact: Christian Curtis, City Attorney, 408-586-3040)

Waived the second reading and adopted **Ordinance No. 262.9** repealing and replacing Title I, Chapter 310 of the Milpitas Municipal Code regarding open government.

7. Authorize the City Manager, or Designee, to Negotiate and Execute a Professional Services Agreement with WeHOPE for Homeless Outreach, Assessment, and Mobile Hygiene Services (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Sarah Balcha, Senior Administrative Analyst, 408-586-3268)

Item pulled from Consent Calendar.

8. Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement for Crossing Guard Services with All City Management Services, Inc. (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Jared Hernandez, Chief of Police, 408-586-2406)

Item pulled from Consent Calendar.

9. Authorize the City Manager, or Designee, to Negotiate and Execute a Purchase Order with JWC Environmental, Inc. for the Purchase and Installation of Two Channel Monster Grinders (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)

Authorized the City Manager, or designee, to negotiate and execute a purchase order with JWC Environmental, Inc. for the purchase and installation of two Channel Monster Grinders for a not-to-exceed amount of $275,722.

10. Adopt Ordinance No. 38.862 Approving a Development Agreement between the City of Milpitas and Milpitas – District 2 Associates, LLC and Fields CH Owner, LLC (Staff Contact: Jay Lee, Planning Director, 408-586-3077)

Item pulled from Consent Calendar.

11. Authorize the City Manager, or Designee, to Accept the 2025 Bulletproof Vest Partnership Grant (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)

(1) Authorized the City Manager, or designee, to accept the 2025 Bulletproof Vest Partnership Grant in the amount of $7,040.28; and (2) Approved an appropriation of $7,040.28 in BVP grant revenue and a corresponding $7,040.28 in expenditure authority within the Police Department's FY 2026-27 General Fund operating budget.

12. Approve an Amendment to the Agreement with Bennett Engineering for Street Resurfacing Project 2027, CIP No. 4307 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Approved and authorized the City Manager, or designee, to execute Amendment No. 1 to the Design Services Agreement with Bennett Engineering in an amount not-to-exceed $366,458 for the Street Resurfacing Project 2027, CIP No. 4307.

13. Adopt a Resolution to Approve Project Plans and Specifications, Award Construction Contract to Joseph J. Albanese, Inc., Approve Agreements with H.T. Harvey & Associates, and Baseline Environmental Consulting, and Approve Amendment to the Agreement with Artik Art & Architecture for the S. Milpitas Boulevard Road Extension, CIP No. 2016 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Item pulled from Consent Calendar.

14. Approve the Improvement Agreement with Shapell Norcal Rental Properties, LLC for a Commercial Building at 145 North Milpitas Boulevard (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Approved and authorized the City Manager, or designee, to execute the Improvement Agreement between the City of Milpitas and Shapell Norcal Rental Properties, LLC with a value of $318,000 for a new commercial building at 145 North Milpitas Boulevard.

15. Authorize the City Manager, or Designee, to Negotiate and Execute Purchase Orders and Sales-Related Documents to Effectuate the Purchase of Three 2026 Chevrolet Silverado EV Trucks and Two 2025 Dump Trucks (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)

Authorized the City Manager, or designee, to negotiate and execute purchase orders and sales-related documentation with (1) National Auto Fleet Group for the purchase of three 2026 Chevrolet Silverado EV trucks for an amount not to exceed $183,714, inclusive of sales tax and fees; and (2) Golden Gate Truck Center for the purchase of two 2025 dump trucks for an amount not to exceed $314,608, inclusive of sales tax and fees.

16. Approve a Design Services Agreement with TJKM Transportation Consultants for HSIP Traffic Safety Improvements, CIP No. 4314 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Approved and authorized the City Manager, or designee, to execute a Design Services Agreement with TJKM Transportation Consultants in an amount not-to-exceed $327,732 for the HSIP Traffic Safety Improvements, CIP No. 4314.

17. Consider Fee Waiver Request from Samuel Ayer High School Alumni Association for the Samuel Ayer High School Annual Alumni Picnic (Staff Contact: Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)

Approved Fee Waivers for Samuel Ayer High School Alumni Association in the amount of $1,500 for the Samuel Ayer High School Annual Alumni Picnic at Murphy Park on September 19, 2026.

18. Approve a Limited Waiver of Maximum Rent Limits Under the Milpitas Affordable Housing Ordinance for a 100% Affordable Housing Project Located at 1397 California Circle (Staff Contact: Hanson Hom, Senior Special Projects Associate, 408-586- 3222)

Item pulled from Consent Calendar.

19. Authorize and Approve Travel Request for Councilmember Hon Lien to Los Angeles, CA for the AAPI Summit (Staff Contact: Willie Hopkins, City Manager, 408-586-3000)

Authorized and approved the travel for Councilmember Hon Lien to Los Angeles, CA for the AAPI Summit to be held on July 17-19, 2026, for an estimated total amount of $1,800, budgeted under the Individual Elected Official allocation for Conferences/ Meetings/Trainings.

20. Authorize the City Manager, or Designee, to Execute an Agreement Between the County of Santa Clara and the City of Milpitas for Emergency Medical Dispatch Services (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)

Item pulled from Consent Calendar.

PUBLIC HEARINGS

21. Adopt the 2026-2027 Annual Action Plan and Approve the Community Development Block Grant Allocations for 2026-2027 (Staff Contact: Michelle Silva, Administrative Analyst II, 408-586-3244)

City Manager Hopkins introduced the item. Housing Administrative Analyst Silva presented the report.

Mayor Montano opened the public hearing. There were the following public speakers:
1. Marina Sanchez
2. Jonathan Darr
3. Angelica Holguin
4. Carole Conn
5. Cathy Weselby
6. Deanne Everton
7. Georgia Bacil
8. Rob Means

Mayor Montano closed the public hearing.

Councilmember Lien asked if CDBG funds could be used to support the Milpitas Food Pantry. Administrative Analyst Silva noted that it was complicated due to the difficulty of obtaining income documentation from unhoused clients as required by HUD. Staff committed to exploring eligibility with the pantry and HUD for the next program year. Councilmember Lam asked about the overlap between Next Door Solutions and YWCA's domestic violence services; both organizations clarified that while their services are complementary and collaborative, they serve distinct populations and program areas including human trafficking and police-partnered advocacy. Councilmember Chua commended staff and all subrecipients, noting this was the first year she had no changes to the staff recommendation.

After discussion, motion: to (1) Adopt the 2026-2027 Annual Action Plan with recommended allocation amounts; (2) Authorize the City Manager, or designee, to make any necessary changes to the 2026-2027 Annual Action Plan as needed to comply with CDBG submission guidelines and execute necessary forms and certifications for submission; and (3) Authorize the City Manager, or designee, to execute CDBG agreements with the approved subrecipients, and amend the CDBG agreements as needed to comply with CDBG guidelines.

Motion/Second: Councilmember Chua / Mayor Montano
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

22. Adopt a Resolution Approving a Site Development Permit, Vesting Tentative Map, Density Bonus Permit, and Environmental Assessment for 134 Townhome Condominiums and one Clubhouse Amenity Building at 600 Valley Way (Staff Contact: Jay Lee, Planning Director, 408-586-3077)

City Manager Hopkins introduced the item. Planning Director Lee and Senior Planner Phung presented the report.

Mayor Montano opened the public hearing.

Caroline Layden from the Sobrato Organization made a presentation.

There were the following public speakers:
1. Harshad Patel
2. Sumit Sheth
3. Valentina

The City Council closed the public hearing.

After Council discussion, Mayor Montano expressed concerns with unresolved aspects of the project.

After discussion, motion: to (1) Consider the Project to be categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15162 (Subsequent EIRs and Negative Declarations) and 15182 (Residential Projects Pursuant to a Specific Plan); and (2) Adopt **Resolution No. 9531** approving Site Development Permit No. SD24-0005, Vesting Tentative Map No. MT24-0002, Density Bonus Permit No. DB24-0001, and Environmental Assessment No. EA24-0003, subject to the Conditions of Approval..

Motion/Second: Councilmember Chua / Councilmember Lien
Motion carried by the following:

AYES:	Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	Mayor Montano
ABSENT:	Vice Mayor Barbadillo

COMMUNITY DEVELOPMENT

23. Review and Approve the Proposed Storefront Crime Prevention Program (Staff Contact: Madison Nguyen, Interim Economic Development Director, 408-586-3046)

There were no public speakers.

Interim Economic Development Director Madison Nguyen provided background information and Economic Development Specialist Kal Zubair presented the report. Police Captain Jamison joined them in responding to questions from City Council.

Councilmember Chua suggested adding a priority tier for businesses with fewer than 10 employees before extending eligibility to those up to 25. Councilmember Lam supported this recommendation. Police Chief Hernandez cautioned against overly narrow criteria that could exclude frequently targeted businesses and recommended that the Economic Development team retain discretion in prioritization informed by police data. Councilmember Lam also suggested offering cameras as an alternative to window film; Councilmember Chua recommended that idea be raised separately during a future discussion on surplus fund allocation. Staff agreed to return to Council after one year of implementation with performance data.

After discussion, motion: to approve the proposed Storefront Crime Prevention Program strategy giving priority to businesses with 10 or fewer employees.

Motion/Second: Councilmember Chua / Mayor Montano
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lien
NOES:	Councilmember Lam
ABSENT:	Vice Mayor Barbadillo

ITEMS PULLED FROM CONSENT CALENDAR

7. Authorize the City Manager, or Designee, to Negotiate and Execute a Professional Services Agreement with WeHOPE for Homeless Outreach, Assessment, and Mobile Hygiene Services (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Sarah Balcha, Senior Administrative Analyst, 408-586-3268)

Senior Administrative Analyst Sarah Balcha presented the item and acknowledged the public's request for enhanced data metrics in the contract. Staff committed to working with WeHOPE to incorporate outcome tracking, including chronic versus short-term homelessness status and housing transition destinations, and to provide quarterly reports to the Council.

After discussion, motion: to (1) Authorize the City Manager, or designee, to negotiate and execute a Professional Services Agreement with WeHOPE for Homeless Outreach, Assessment, and Mobile Hygiene Services for a five-year term and a maximum compensation not to exceed $849,208, subject to the appropriation of funds; and (2) Approve an increase of $159,952 in the Affordable Housing Grant Fund in FY 2026-27.

Motion/Second: Councilmember Lien / Councilmember Chua
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

8. Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement for Crossing Guard Services with All City Management Services, Inc. (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Jared Hernandez, Chief of Police, 408-586-2406)

Councilmember Lien asked Finance Director Cofresí-Howe to confirm that the contract value was accounted for in the FY 2026-27 budget adopted on June 9th.

After discussion, motion: to Authorize the City Manager, or designee, to negotiate and execute a Professional Services Agreement for Crossing Guard Services with All City Management Services, Inc. for an initial three-year term of August 1, 2026 through July 31, 2029 with a maximum compensation of $2,920,549 plus one additional option, to be exercised at the City's sole discretion, to extend the agreement for an additional three-year term through July 31, 2032 with a maximum compensation of $3,190,055 for a combined contract not-to-exceed amount of $6,110,604 for the full six years, subject to the appropriation of funds.

Motion/Second: Councilmember Lien / Councilmember Chua
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

10. Adopt Ordinance No. 38.862 Approving a Development Agreement between the City of Milpitas and Milpitas – District 2 Associates, LLC and Fields CH Owner, LLC (Staff Contact: Jay Lee, Planning Director, 408-586-3077)

Mayor Montano provided clarification on why the item was pulled.

After discussion, motion: to Waive the second reading and adopt **Ordinance No. 38.862** approving a Development Agreement between the City of Milpitas and Milpitas – District 2 Associates, LLC and Fields CH Owner, LLC to provide certainty as to the applicable development standards for the development of 109 townhomes and 10 ADUs at 1320 McCandless Drive (APNs 086-33-112, -113, and -114)..

Motion/Second: Mayor Montano / Councilmember Chua
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

13. Adopt a Resolution to Approve Project Plans and Specifications, Award Construction Contract to Joseph J. Albanese, Inc., Approve Agreements with H.T. Harvey & Associates, and Baseline Environmental Consulting, and Approve Amendment to the Agreement with Artik Art & Architecture for the S. Milpitas Boulevard Road Extension, CIP No. 2016 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Councilmember Lien asked about the difference in cost between the bid table and the recommendation amount. Public Works Director Di Renzo clarified that the base bid includes an additional amount as an alternate for off-site tree mitigation with a separate contingency for construction incidentals.

After discussion, motion: to Adopt a **Resolution No. 9532** to: (1) Approve the project plans and specifications; (2) Accept the bid withdrawal request from A&B Construction Inc.; (3) Award the construction contract to Joseph J. Albanese, Inc., the lowest responsible bidder submitting a responsive bid, in the amount of $5,730,000; (4) Authorize the City Manager, or designee, to execute the construction contract with Joseph J. Albanese, Inc.; (5) Establish a construction contingency of $1,146,000 and authorize the Public Works Director to negotiate and execute contract change order(s) in an amount not-to-exceed $1,146,000; (6) Approve and authorize the City Manager, or designee, to execute a Professional Services Agreement with H.T. Harvey & Associates in an amount not-to-exceed $111,498; (7) Approve and authorize the City Manager, or designee, to execute a Professional Services Agreement with Baseline Environmental Consulting in an amount not-to-exceed $197,617; and (8) Approve and authorize the City Manager, or designee, to execute Amendment No. 1 to the Design Services Agreement with Artik Art & Architecture in an amount not-to-exceed $72,400 for S. Milpitas Boulevard Road Extension, CIP No. 2016.

Motion/Second: Councilmember Lien / Councilmember Chua
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

18. Approve a Limited Waiver of Maximum Rent Limits Under the Milpitas Affordable Housing Ordinance for a 100% Affordable Housing Project Located at 1397 California Circle (Staff Contact: Hanson Hom, Senior Special Projects Associate, 408-586- 3222)

Mayor Montano explained that pulled the item to get clarity on the project using the California Tax Credit Allocation Committee rent standards rather than those set by HCD under the City's Affordable Housing Ordinance.

After discussion, <u>motion:</u> to Approve a limited waiver of the maximum rent limits set by the Milpitas Affordable Housing Ordinance to allow affordable units in a previously approved affordable housing development located at 1397 California Circle in Milpitas, California to be rented at an affordable housing cost not to exceed the annual rent limits set by the California Tax Credit Allocation Committee, inclusive of a reasonable utility allowance. .

Motion/Second: Mayor Montano / Councilmember Lien
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

20. Authorize the City Manager, or Designee, to Execute an Agreement Between the County of Santa Clara and the City of Milpitas for Emergency Medical Dispatch Services (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)

Councilmember Lam asked Police Chief Hernandez to confirm that billing is usage-based. The Council also discussed future alternatives to the county contract. Chief Hernandez indicated the City is exploring multiple options including multi-city partnerships, alternative RFPs, and other creative approaches to meet the requirement cost-effectively.

After discussion, <u>motion:</u> to Authorize the City Manager, or designee, to execute a one-year agreement between the County of Santa Clara and the City of Milpitas for Emergency Medical Dispatch Services in an amount not to exceed $180,062.

Motion/Second: Councilmember Lam / Councilmember Chua
Motion carried by the following:

AYES:	Mayor Montano, Councilmember Chua, Councilmember Lam, Councilmember Lien
NOES:	None
ABSENT:	Vice Mayor Barbadillo

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Councilmember Chua invited the public to three events on Saturday: the Juneteenth celebration, the Filipino American Independence Day celebration, and Taste of Milpitas.

Councilmember Lien announced a free ADU workshop at the Community Center on June 27th from 12:00 PM to 2:00 PM.

ADJOURNMENT

At 10:37 PM, Mayor Montano adjourned the meeting in memory of George Loughborough, owner and president of Huntford Printing and Graphics, who served the Milpitas community for nearly 60 years through civic involvement with the Police Activities League, Milpitas Executive Lions Club, Milpitas Toastmasters Club, and numerous local organizations.

Draft meeting minutes submitted by City Clerk, Suzanne Guzzetta

TENTATIVE CITY COUNCIL AGENDA ITEM LIST

as of 08/07/2026

August 18, 2026 – Regular Meeting (7:00 PM)

CLOSED SESSION

INVOCATION (Councilmember Lien)

PRESENTATION
- Women's Equality Day (Proclamation)

CONSENT CALENDAR
1. Receive City Council Calendar for August and September 2026 (City Clerk)
2. Approve City Council Meeting minutes of August 3 and 11, 2026 (City Clerk)
3. Preview list of items for September 1, 2026 (City Clerk)
4. Councilmember Request List (City Clerk)
5. Summer Emergency Authority Report Out (City Manager)
6. Approve Classification Specifications for Finance and Public Works (Human Resources)
7. Public Safety Computer-Aided Dispatch System Maintenance Renewal (Information Technology)
8. Resolution approving addendum to Metro Specific Plan SEIR for Tango Park, CIP 2023 (Public Works / Engineering)
9. Approve Stormwater O&M Agreement for 1 Technology Drive - KLA Building 1W (Public Works / Engineering)
10. Ordinance 2nd Reading for Update to Milpitas Municipal Code Chapter 3 - Cross Connection Control (Public Works / Engineering)
11. Ordinance 2nd Reading for Water Shortage Contingency Plan Turf Ban (Public Works)
12. Amendment to Vestis Services Agreement for Citywide Uniform, Mat & Linen Services (Public Works / Finance)
13. Surplus City Vehicles and Equipment (Public Works)

LEADERSHIP AND SUPPORT SERVICES

14. Refinancing Bonds (Finance)

MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS

OPEN ITEMS				
Request No.	**Topic**	**Submitted by:**	**Date Requested**	**STATUS and/or DATE scheduled on City Council meeting agenda:**
1	Return to the City Council with a recommendation regarding transitioning thefood pantry lease to a market rate model through the Housing Authority	Montano	5/5/2026	An update on this item will be included in the next quarterly prioritization update.
2	Consider prioritization of a formal, third-party staffing analysis for te Fire Department similar to the 2019 study	Barbadillo	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
3	Prepare an information report on the current Fire Department deployment model and alternative shift schedule options	Barbadillo	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
4	Review the permitting process, including the site development permit process, to determine whether updates were needed to address technology advancements such as the proliferation of small cell towers.	Barbadillo	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
5	Explore youth programs and intervention initiatives in the wake of the passing of Milpitas high school student Jared Kavan on March 31st, including possible partnerships with MUSD on counseling, sports, or after-school programming.	Montano	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
6	Return with a revision to the Council Policy allowing the school district a limited number of additional fee waivers.	Montano	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
7	Agendize a review by the Facility Naming Subcommittee of facilities with "Cesar Chavez" in the name and make recommendations to the full Council on new names, including proposed changes to the Municipal Code, any standing resolutions, and the City holiday observed on March 31st.	Montano	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
8	Conduct a review of commission names to better reflect their focus	Montano	11/18/2025	On 4/7/2024 this was removed from the list and the focus will be on changing the name of the Science and Technology Commission only
9	Review the Council prioritization process	Chua	11/18/2025	An update on this item will be included in the next quarterly prioritization update.
10	Research how public funds could be used to advertise local restaurants during the upcoming Super Bowl	Montano	11/18/2025	An update on this item will be included in the next quarterly prioritization update.
11	Have a community forum on the Crown Castle Small Cell towers.	Montano	11/18/2025	Completed
12	Install debrillators on city properties	Barbadillo	10/28/2025	Completed
13	Place a billboard at the Sport Center to inform the community about events and activities	Montano	10/21/2025	Not prioritzed on 4/7/2026, will be removed from future lists.
14	Explore the creation of small parks in neighborhoods without them	Montano	10/21/2025	Not prioritzed on 4/7/2026, will be removed from future lists.

ACTIVE ITEMS				
Request No.	**Topic**	**Submitted by:**	**Date Requested**	**STATUS and/or DATE scheduled on City Council meeting agenda:**
15	Overtime reporting requirements be modified to include all overtime rather than only amounts	Lam	3/17/2026	An update on this item will be included in the next quarterly prioritization update.
16	Consider shortening the name from Library and Education Advisory Commission to Library Commission	Montano	3/3/2026	Not prioritzed on 4/7/2026, will be removed from future lists.
17	Request a name change for Science, Technology and Innovation Commission to the Technology	Lam	3/3/2026	An update on this item will be included in the next quarterly prioritization update.

NOTE: Deferred and Completed Items are not listed

MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS

ACTIVE ITEMS				
Request No.	**Topic**	**Submitted by:**	**Date Requested**	**STATUS and/or DATE scheduled on City Council meeting agenda:**
18	Alcohol and Massage Parlor Permits come before the City Council.	Montano	2/3/2026	An update on this item will be included in the next quarterly prioritization update.
19	Providing city-branded jackets, hat, and t-shirts to Councilmembers	Lam	2/3/2026	An update on this item will be included in the next quarterly prioritization update.
20	Look into the process of establishing a Friendship City relationship	Montano	11/18/2025	An update on this item will be included in the next quarterly prioritization update.
21	Increase the amount of funding for the ADU Permit Subsidy	Council	4/1/2025	This was funded and will be removed from future lists.
22	Council Special Events Fund to provide funding for City Councilmembers to attend local, non-political,	Montano/Chua	4/1/2025	This was funded and will be removed from future lists.
23	Add to the existing Strategic Land Acquisition Revenue Reserve	Council		This was funded and will be removed from future lists.
24	Storefront and Crime Prevention Initiative by making funding available for businesses to focus	Montano		An update on this item will be included in the next quarterly prioritization update.
25	Revisit the mural selection committee process to make it more inclusive by involving all	Montano	8/19/2025	An update on this item will be included in the next quarterly prioritization update.
26	Exapnd the Milpitas SMART program to include service to the San Jose Airport	Lam	8/12/2025	An update on this item will be included in the next quarterly prioritization update.
27	Staff explore a program similar to San Leandro's, which provides Ring doorbell cameras to residents	Chua	8/12/2025	An update on this item will be included in the next quarterly prioritization update.
28	Develop a project management informational memo.	Barbadillo	4/1/2025	An update on this item will be included in the next quarterly prioritization update.
29	Look into adding an entertainment zone to Main Street.	Montano	3/4/2025	An update on this item will be included in the next quarterly prioritization update.
30	Staff provide a detailed analysis of overtime expenditures by department.	Barbadillo	3/4/2025	An update on this item will be included in the next quarterly prioritization update.
31	Look into a policy to require a Super Majority vote by Council for any deductions to budget reserves.	Chua	2/18/2025	An update on this item will be included in the next quarterly prioritization update.
32	Bring back a discussion regarding fentanyl-related issues	Barbadillo	2/18/2025	An update on this item will be included in the next quarterly prioritization update.
33	Feasibility study regarding a police satellite office.	Montano	2/18/2025	An update on this item will be included in the next quarterly prioritization update.
34	Staff organize a job fair for City job openings	Chua	11/19/2024	An update on this item will be included in the next quarterly prioritization update.
35	Bring back a study or analysis of the permit process	Chua	11/19/2024	An update on this item will be included in the next quarterly prioritization update.
36	Explore updating the city's business tax rate schedule	Chua	10/1/2024	An update on this item will be included in the next quarterly prioritization update.
37	Explore funding options for new signage following the decision to rename the Milpitas Library to the Milpitas Jose Esteves Library	Barbadillo	9/3/2024	An update on this item will be included in the next quarterly prioritization update.
38	Look into adopting an ordinance similar to San Jose allowing ADUs (Accessory Dwelling Units) to have a separate title and be sold separately.	Chua	8/13/2024	An update on this item will be included in the next quarterly prioritization update.
39	Conduct a traffic study on Escuela Parkway to address circulation concerns	Montano	5/7/2024	An update on this item will be included in the next quarterly prioritization update.
40	Explore the possibility of augmenting the Planning Commission stipend	Barbadillo	4/16/2024	An update on this item will be included in the next quarterly prioritization update.
41	Consideration of the 20% Low Income Below Market Rate Housing	Montano	12/5/2023	An update on this item will be included in the next quarterly prioritization update.
42	Referral for utility infrastructure cost on Main Street from Carlo to Corning Streets	Montano	10/17/2023	An update on this item will be included in the next quarterly prioritization update.
43	Main Street International Festival	Lien	10/3/2023	An update on this item will be included in the next quarterly prioritization update.

NOTE: Deferred and Completed Items are not listed

MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS

ACTIVE ITEMS				
Request No.	**Topic**	**Submitted by:**	**Date Requested**	**STATUS and/or DATE scheduled on City Council meeting agenda:**
44	Pickleball Pilot Project	Chua	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
45	Main Street Infrastructure Projects	Montano	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
46	Main Street Flooding at Library	Chua	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
47	Have the City look into the possibility of a Citywide Senior Discount	Barbadillo	2/7/2023	An update on this item will be included in the next quarterly prioritization update.
48	Quarterly or Monthly crime statistics on Homekey Project	Chua	6/7/2022	An update on this item will be included in the next quarterly prioritization update.
49	Evaluate reopening the childcare center with a non-profit organization running the center	Montano	2/1/2022	An update on this item will be included in the next quarterly prioritization update.
50	Staff to look into mural Art on Great Mall Parkway on the VTA owned Light rail pillars	Montano	11/16/2021	An update on this item will be included in the next quarterly prioritization update.
51	Consider Community Museum and Park on Main St.	Phan	8/20/2019	Discussions with the property owner of this site are ongoing and staff is tracking returning to council by June 2025 with an update.

NOTE: Deferred and Completed Items are not listed

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt a Housing Authority Resolution Appointing a Chair and Vice Chair and Establishing the Administrative Positions of the City of Milpitas Housing Authority (Staff Contact: Christian Curtis, City Attorney, 408-586-3041; and Luz Cofresí-Howe, Finance Director, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	8/11/2026
Recommendation:	Adopt a Housing Authority Resolution: (1) Appointing the Mayor and Vice Mayor as Chair and Vice Chair of the Authority; (2) Establishing and designating the administrative positions of the Authority – Executive Director, Assistant Executive Director, Treasurer, Assistant Treasurer, Secretary, and Authority Counsel – to corresponding City of Milpitas positions, assigning specified record-keeping, custodial, and attestation duties to the Secretary, and confirming the individuals currently serving in those City positions; (3) Authorizing the Executive Director, or designee, to execute contracts and other instruments on behalf of the Authority as delegated by the Commissioners; and (4) Adopting, by reference, the personnel rules and regulations, conflict of interest code, and fiscal policies of the City of Milpitas as the personnel rules and regulations of the Authority required by Health and Safety Code section 34278.

BACKGROUND:

Under the Housing Authorities Law (Health & Saf. Code, § 34200 et seq.) (HAL), a housing authority exists in every California city as a matter of state law. Health and Safety Code section 34240 provides that in each county and city there is a public body corporate and politic known as the housing authority of the county or city, and that the authority may not transact business or exercise its powers unless the governing body declares by resolution that there is need for an authority to function in it.

On February 15, 2011, by Resolution No. 8062, the City Council made that declaration for the City of Milpitas Housing Authority (Authority), finding in substantially the terms of Health and Safety Code section 34242 that insanitary or unsafe inhabited dwelling accommodations exist in the City and that there is a shortage of safe or sanitary dwelling accommodations available to persons of low income at rentals they can afford. In the same Resolution, and as permitted by Health and Safety Code section 34290, the City Council provided that the City Council would serve as the Commissioners of the Authority and designated the Mayor as the first Chair.

Since 2011, the Authority has not selected a successor Chair, has not selected a Vice Chair, and has not established any administrative position. No action of the Authority establishes or designates an Executive Director, a Treasurer, or legal counsel. Joint Resolution No. HA3/8151/RA428, adopted January 4, 2012, was attested by a Housing Authority Secretary and approved as to form by Housing Authority Counsel, and refers to “the officers and staff of the Housing Authority,” but no Authority action establishes those positions or identifies the individuals who hold them. The Authority therefore has no operative record of who is authorized to act on its behalf, to execute documents in its name, or to receive and disburse its funds.

The Authority holds real property, including former redevelopment agency housing assets transferred to it by Joint Resolution No. HA3/8151/RA428 pursuant to Health and Safety Code section 34176, and administers program transactions that require executed instruments. Financial institutions, escrow and title companies, auditors, and other third parties require documentary evidence of the Authority's officers and signature authority to transact business with it. This Agenda Report brings forward a resolution to close that gap.

ANALYSIS:

Statutory Framework
Health and Safety Code section 34275 provides that the power of each authority is vested in the commissioners in office from time to time, and section 34276 provides that action may be taken upon a vote of a majority of the commissioners empowered to vote. Because the City Council serves as the Commissioners under section 34290, the Commissioners hold all powers the HAL vests in an authority's commissioners and may act by resolution.

Health and Safety Code section 34278, subdivision (a), authorizes an authority to select a vice chairman from among its commissioners and to employ a secretary, who shall be executive director, technical experts, and any other officers, agents, and employees that it requires, and to determine their qualifications, duties, terms of employment, and compensation. Section 34279 authorizes an authority to call upon the chief law officer of the city for the legal services it requires. Section 34280 authorizes an authority to delegate to one or more of its agents or employees the powers or duties it deems proper. Together these sections supply the authority for the recommended action; bylaws are not a prerequisite.

Chair and Vice Chair
Health and Safety Code section 34277 provides that the mayor designates the first chairman from among the commissioners and that the authority shall select the successor from among its commissioners. Resolution No. 8062 made the first designation. No successor has been selected since. Health and Safety Code section 34278, subdivision (a), further provides that an authority shall select a vice chairman from among its commissioners; no Vice Chair has been selected.

The proposed Resolution selects a Chair and a Vice Chair from among the Commissioners. Because both positions must be held by Commissioners, they are filled by selection at the meeting rather than designated to a City staff position.

Administrative Positions
The proposed Resolution establishes the administrative positions of the Authority and designates each to a corresponding City of Milpitas position, and separately confirms the individual currently serving in each City position:

Authority Position	Designated City Position	Individual Currently Serving
Executive Director	City Manager	Willie Hopkins
Assistant Executive Director	Assistant City Manager	Scott Transou
Treasurer	Finance Director	Luz Cofresí-Howe
Assistant Treasurer	Budget Manager	Alice Vurich
Secretary	City Clerk	Suzanne Guzzetta
Authority Counsel	City Attorney	Christian Curtis

The Resolution establishes the Executive Director and the Secretary as separate positions. Health and Safety Code section 34278, subdivision (a), provides that an authority may employ "a secretary, who shall be executive director," and separately authorizes an authority to employ "any other officers, agents, and employees that it requires" and to determine their qualifications and duties. The City Clerk has served as Housing Authority Secretary in practice since at least 2012, and the proposed Resolution conforms to that practice by designating the City Manager as Executive Director and the City Clerk as Secretary.

Designating each position to a City position rather than to a named individual allows the role to transfer automatically upon a change in City personnel, including to a person serving on an acting or interim basis, so that the Authority is never without a validly designated officer between a personnel change and the next meeting of the Commissioners. Naming the current incumbents in the same Resolution gives third parties the specific identification they require without tying continuity of operations to future action.

The Assistant Executive Director and Assistant Treasurer perform the duties of the Executive Director and Treasurer, respectively, only during an absence, unavailability, or vacancy in the primary position. Neither creates independent authority to act when the primary designee is available.
Health and Safety Code section 34274 provides that a commissioner shall not be regularly employed by the authority during his or her tenure of office. Accordingly, no position established by the proposed Resolution is designated to a Commissioner.

Secretary
The record-keeping, custodial, and attestation duties of the Secretary are performed in practice by the City Clerk's Office, which prepares the minutes, provides notice of meetings, and maintains the official records for meetings of the Authority held concurrently with meetings of the City Council.

Health and Safety Code section 34280 provides that an authority may delegate to one or more of its agents or employees the powers or duties it deems proper. The proposed Resolution designates the City Clerk as Secretary of the Authority and assigns to that position the duties of attending meetings, recording votes, preparing and maintaining the minutes and the record of proceedings, keeping the official records, maintaining custody of the seal, attesting to documents executed on behalf of the Authority, and providing notice of meetings as required by law. The Secretary is separate from the office of Executive Director, and the Executive Director does not hold the office of Secretary.

Aligning the designation with existing practice means the Authority's minutes, notices, and official records are prepared and retained by the office that already performs those functions for the City Council, and that documents of the Authority are attested by the same officer who attests documents of the City.

The Secretary role is limited to clerk functions. The proposed Resolution provides expressly that the Secretary has no authority to execute any contract, deed, agreement, escrow instruction, or other instrument on behalf of the Authority, no authority to bind the Authority, and no authority to receive, hold, or disburse Authority funds. Attesting to a document and affixing the seal are ministerial acts evidencing that the document was executed by an officer the Commissioners authorized, and are not execution of the document.

Authority to execute instruments on behalf of the Authority remains vested solely in the Executive Director, or designee, and in the Assistant Executive Director during an absence, unavailability, or vacancy in that position. Authority to sign orders and checks for the payment of Authority funds remains with the Treasurer and Assistant Treasurer.

Staff Services and Compensation
Each individual designated is an employee or officer of the City and will receive only the compensation established for the City position. Health and Safety Code section 34278, subdivision (b), authorizes an authority to contract with any city for the furnishing of any necessary staff services associated with or required by the authority and which could be performed by the staff of the authority. The proposed Resolution authorizes the Executive Director, or designee, to enter into a staff services agreement with the City on that basis.

Personnel Rules
Health and Safety Code section 34278, subdivision (a), requires that an authority adopt personnel rules and regulations applying to all employees, containing procedures affecting conflicts of interest, use of funds, and personnel procedures on hiring and firing, including removal of personnel for inefficiency, neglect of duties, or misconduct in office, and provides that those rules shall be of public record. The Authority has not adopted such rules.

Nothing in section 34278 requires that an authority's personnel rules be original to the authority, and adoption by reference satisfies the requirement. Because the Authority has no employees of its own and its functions are performed by City staff, the proposed Resolution adopts the City of Milpitas personnel rules and regulations, conflict of interest code, and fiscal policies by reference rather than directing staff to prepare a separate set of rules. This closes a mandatory requirement at this meeting and avoids a future agenda item.

The statute identifies three required content areas, and no single City document covers all three. The proposed Resolution therefore adopts a package: the City's personnel rules and regulations for hiring, firing, and discipline; the City's conflict of interest code for conflicts of interest; and the City's purchasing and fiscal policies for use of funds. The Resolution also includes a bridging provision providing that references in those documents to the City are read to mean the Authority where the context requires, and that the Executive Director is the appointing authority for any personnel employed directly by the Authority.

The rules so adopted are of public record, as section 34278 requires, because each adopted document is already a public record of the City.

Matters Not Addressed by This Action
This action does not adopt bylaws. Health and Safety Code section 34311, subdivision (e), permits an authority to make, amend, and repeal bylaws not inconsistent with the chapter, and staff intends to return with proposed bylaws as a separate item. The proposed Resolution provides that its designations remain in effect until superseded by bylaws or by a subsequent resolution.

This action does not appoint tenant commissioners. Health and Safety Code section 34290, subdivision (b), requires a governing body serving as the commissioners to appoint two tenants of the authority as commissioners if the authority has tenants, or within one year after the authority first does have tenants, with one such commissioner over 62 years of age if the authority has tenants over that age. Section 34290, subdivision (c), provides an alternative under which those appointments may be made to a housing commission created by ordinance under section 34291. Staff will return with a separate report addressing whether the requirement is triggered and, if so, the recommended method of compliance.

The designation of the City Clerk as Secretary of the Authority does not affect the duties the Housing Authorities Law assigns to the clerk of the city, which section 34207 defines as the City Clerk. Those duties, which the City Clerk performs in her City capacity, include receiving certificates of appointment of commissioners under section 34273, maintaining the record of any removal proceedings under section 34282, and certifying copies of City Council resolutions, including the certified copy of Resolution No. 8062 that establishes the Authority's capacity to contract under section 34244.

This action does not appoint any Authority employee, create any new City position, or change the duties of any existing City position.

POLICY ALTERNATIVE(S):
Alternative 1: Take no action and defer establishment of the Authority's administrative positions until bylaws are prepared and adopted.

Pros: Would allow officers, administrative positions, meeting procedures, and amendment procedures to be considered together in a single governing document.

Cons: Leaves the Authority with no Chair or Vice Chair of record, no documented signature authority, no designated custodian of Authority funds, and no designated legal counsel. Any Authority transaction, banking relationship, escrow, or audit confirmation arising before bylaws are adopted would have no supporting authorization of record.

Reason for Not Recommending: The recommended action is administrative, carries no fiscal impact, and may be superseded in whole or in part by bylaws when adopted. Deferring leaves an identified governance gap open with no corresponding benefit.

Alternative 2: Adopt bylaws at this meeting in place of the proposed Resolution.

Pros: Would establish the Authority's complete governance framework in a single document.

Cons: Bylaws warrant resolution of policy questions not presented by this item, including the tenant commissioner requirement under Health and Safety Code section 34290, subdivision (b), and whether to create a housing commission by ordinance under section 34291. That analysis is not complete.

Reason for Not Recommending: Bylaws remain the appropriate long-term instrument and staff intends to return with them. Adopting bylaws without the underlying analysis would either delay this item further or commit the Commissioners to positions they have not had the opportunity to consider.

PROJECT SCHEDULE/KEY MILESTONES

The following milestones apply to the recommended action:

Milestone	Target Date
Housing Authority consideration of the Resolution	September 1, 2026
Resolution executed, attested, and filed with the Authority's records	September 2026
Evidence of signature authority provided to financial institutions, escrow and title companies, and the City's external auditors	September – October 2026
Return to the Commissioners with proposed bylaws and with a report on tenant commissioner requirements	To be determined

FISCAL IMPACT:

There is no fiscal impact associated with adoption of the Resolution. Each administrative position established by the Resolution is designated to a corresponding City of Milpitas position, and the Resolution provides that the individuals serving in those positions receive only the compensation established for their City positions and receive no additional compensation from the Authority. The Resolution creates no new position, authorizes no expenditure, and requires no appropriation.

The Resolution does not authorize any payment of Authority funds. It identifies who is authorized to sign orders and checks for the payment of Authority funds once such payments are otherwise authorized by the Commissioners or by an Authority budget approved by the Commissioners.

Any staff services agreement entered into under Health and Safety Code section 34278, subdivision (b), will be returned to the Commissioners for approval if it requires the payment of Authority funds to the City.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

(a) Housing Authority Resolution Appointment a Chair and Vice Chair and Establishing the Administrative Positions of the City of Milpitas Housing Authority

RESOLUTION NO. XXXX

A RESOLUTION OF THE CITY OF MILPITAS HOUSING AUTHORITY SELECTING A CHAIR AND VICE CHAIR AND ESTABLISHING THE ADMINISTRATIVE POSITIONS OF THE AUTHORITY

WHEREAS, pursuant to Health and Safety Code section 34240, in each city there is a public body corporate and politic known as the housing authority of the city, which shall not transact any business or exercise its powers unless, by resolution, the governing body of the city declares that there is need for an authority to function in it; and

WHEREAS, on February 15, 2011, by Resolution No. 8062, the City Council of the City of Milpitas ("City") declared that there is need for the City of Milpitas Housing Authority ("Authority") to function in the City, and found in substantially the terms of Health and Safety Code section 34242 that insanitary or unsafe inhabited dwelling accommodations exist in the City and that there is a shortage of safe or sanitary dwelling accommodations available to persons of low income at rentals they can afford; and

WHEREAS, by Resolution No. 8062 the City Council provided that the City Council shall serve as the commissioners of the Authority, and the Commissioners hereby confirm and ratify that the City Council has declared itself to be the commissioners of the Authority as permitted by Health and Safety Code section 34290, subdivision (a), with the effect that all rights, powers, duties, privileges, and immunities vested by the Housing Authorities Law in the commissioners of an authority are vested in the City Council; and

WHEREAS, the Commissioners find it appropriate to designate each administrative position of the Authority to a corresponding position of the City so that each designation transfers with the City position and the Authority is not left without a validly designated officer upon a change in City personnel; and

WHEREAS, the Commissioners intend that the designations made by this Resolution remain in effect until superseded by bylaws duly adopted pursuant to Health and Safety Code section 34311, subdivision (e), or by a subsequent resolution.

NOW, THEREFORE, the Commissioners of the City of Milpitas Housing Authority hereby find, determine, declare, and resolve as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated herein by this reference.

2. Chair. Pursuant to Health and Safety Code section 34277, the Commissioners select Mayor Montano as Chair of the Authority, to serve until a successor is selected.

3. Vice Chair. Pursuant to Health and Safety Code section 34278, subdivision (a), the Commissioners select Vice Mayor Barbadillo as Vice Chair of the Authority, to serve until a successor is selected. The Vice Chair shall perform the duties of the Chair during any absence, unavailability, or vacancy in the office of Chair.

4. Executive Director. Pursuant to Health and Safety Code section 34278, subdivision (a), the City Manager of the City of Milpitas shall serve *ex officio* as the Executive Director of the Authority.. The Commissioners confirm that Willie A. Hopkins, Jr., City Manager, currently serves in that City position. The Executive Director shall have general supervision over the administration of the business and affairs of the Authority, subject to the policies and direction of the Commissioners; shall execute contracts and other instruments on behalf of the Authority as delegated by the Commissioners; shall have custody of the business records of the Authority other than the records kept by the Secretary under Section 9 of this Resolution; shall supervise the personnel of the Authority; shall authorize and certify payrolls, requisitions, and other documents relating to the financial affairs of the Authority; and shall perform such other duties as the Commissioners may from time to time prescribe.

5. Assistant Executive Director. The Assistant City Manager of the City of Milpitas shall serve *ex officio* as Assistant Executive Director of the Authority. The Commissioners confirm that Scott Transou, Assistant City Manager, currently serves in that City position. The Assistant Executive Director shall perform the duties and exercise the authority of the Executive Director during any absence, unavailability, or vacancy in that position, and shall perform such other duties as the Executive Director or the Commissioners may assign.

6. Treasurer. The Finance Director of the City of Milpitas shall serve *ex officio* as Treasurer of the Authority. The Commissioners confirm that Luz Cofresí-Howe, Finance Director, currently serves in that City position. The Treasurer shall have the care and custody of all funds of the Authority; shall deposit the funds of the Authority in the name of the Authority in such financial institutions as the Commissioners may approve; may sign orders and checks for the payment of money and shall pay out and disburse such monies under the direction of the Commissioners; shall keep regular books of account showing receipts and expenditures; and shall render to the Commissioners an account of transactions and of the financial condition of the Authority on at least an annual basis, or more often when requested by any Commissioner.

7. Assistant Treasurer. The Budget Manager of the City of Milpitas shall serve *ex officio* as Assistant Treasurer of the Authority. The Commissioners confirm that Alice Vurich, Budget Manager, currently serves in that City position. The Assistant Treasurer shall perform the duties and exercise the authority of the Treasurer during any absence, unavailability, or vacancy in that position, and shall perform such other duties as the Treasurer or the Commissioners may assign.

8. Authority Counsel. Pursuant to Health and Safety Code section 34279, the Authority calls upon the chief law officer of the City for the legal services it requires, and the City Attorney of the City of Milpitas shall serve *ex officio* as Authority Counsel. The Commissioners confirm that Christian M. Curtis, City Attorney, currently serves in that City position. Authority Counsel shall serve as legal counsel to the Authority and to the Commissioners, shall approve resolutions, contracts, and other documents of the Authority as to form, and shall provide such other legal services as the Commissioners may request.

9. Secretary. Pursuant to Health and Safety Code sections 34278, subdivision (a), and 34280, the position of Secretary of the Authority is established and designated to the City Clerk of the City of Milpitas, and the Commissioners assign to that position the following duties: attending the meetings of the Authority; recording all votes; preparing and maintaining a full and thorough record of the proceedings of the Authority, including the minutes and all resolutions of the Commissioners, in a journal of proceedings kept for that purpose; keeping the official records of the Authority; maintaining custody of the seal of the Authority and affixing it to documents authorized to be executed on behalf of the Authority; attesting to documents executed on behalf of the Authority; and giving notice of meetings of the Authority as required by law. The Commissioners confirm that Suzanne Guzzetta, City Clerk, currently serves in that City position. The Secretary shall have no authority to execute any contract, deed, agreement, escrow instruction, or other instrument on behalf of the Authority, no authority to bind the Authority, and no authority to receive, hold, or disburse funds of the Authority. Attesting to a document and affixing the seal of the Authority are ministerial acts evidencing that the document was executed by an officer authorized by the Commissioners, and do not constitute execution of the document. The Secretary is an administrative position of the Authority, separate from the office of Executive Director established by Section 4 of this Resolution. This designation does not affect the duties assigned by the Housing Authorities Law to the clerk of the city, as defined by Health and Safety Code section 34207, which the City Clerk performs in her City capacity.

10. Designations Run With the City Position. Each designation made by Sections 4 through 9 of this Resolution is made to the City position identified and not to the individual named. Any successor to a designated City position, including any individual appointed to serve in that City position on an acting or interim basis, shall serve in the corresponding Authority position without further action of the Commissioners. Sections 2 and 3 are personal to the Commissioners selected and do not run with any City position.

11. Signature Authority and Delegation. Pursuant to Health and Safety Code section 34280, the Commissioners delegate to the Executive Director, or designee, the authority to execute on behalf of the Authority such contracts, deeds, escrow instructions, and other instruments as the Commissioners may from time to time authorize, and to take such further action as is necessary or convenient to carry out actions authorized by the Commissioners. This Section does not authorize any transaction that has not been separately approved by the Commissioners. Authority to execute instruments on behalf of the Authority is vested solely in the Executive Director, or designee, and, during any absence, unavailability, or vacancy in that position, in the Assistant Executive Director. No other position established by this Resolution, including the Secretary, is authorized to execute instruments on behalf of the Authority, except that the Treasurer and Assistant Treasurer may sign orders and checks for the payment of Authority funds as provided in Sections 6 and 7.

12. Compensation. Each individual serving in a position established by this Resolution shall receive only the compensation established for their City of Milpitas position and shall receive no additional compensation from the Authority for service in the corresponding Authority position. No Commissioner shall be regularly employed by the Authority, consistent with Health and Safety Code section 34274.

13. Staff Services. Pursuant to Health and Safety Code section 34278, subdivision (b), the Executive Director, or designee, is authorized to negotiate and execute an agreement with the City of Milpitas for the furnishing by the City of necessary staff services associated with or required by the Authority and which could be performed by the staff of the Authority. Any such agreement requiring the payment of Authority funds to the City shall be returned to the Commissioners for approval.

14. Conflicts of Interest. Consistent with Health and Safety Code section 34281, no officer or employee of the Authority shall acquire any direct or indirect interest in any housing project of the Authority or in any property included or planned to be included in any project, nor shall any such person have any direct or indirect interest in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project. Any such interest shall immediately be disclosed in writing to the Authority and entered upon its minutes. Each individual serving in a position established by this Resolution shall additionally comply with the Political Reform Act, Government Code section 1090 et seq., and all other applicable conflict of interest laws and City policies.

15. Personnel Rules and Regulations. Pursuant to Health and Safety Code section 34278, subdivision (a), the Commissioners adopt as the personnel rules and regulations of the Authority, by reference and as they may be amended from time to time, the following documents of the City of Milpitas:

    (a) The Personnel Rules and Regulations of the City of Milpitas,;

    (b) The Conflict of Interest Code of the City of Milpitas; and

    (c) The purchasing provisions of Chapter 2 of Title I of the Milpitas Municipal Code; the Federal Emergency and Federal Grant Procurement Procedures adopted by City Council Resolution No. 8956 on April 7, 2020; and the Fiscal Policies and Budget Guidelines of the City of Milpitas, which supply the procedures affecting use of funds.

    In applying these documents to the Authority, references to the City shall be read to mean the Authority where the context requires, references to the City Manager shall be read to mean the Executive Director, and the Executive Director shall be the appointing authority for any personnel employed directly by the Authority. Nothing in this Section makes any employee of the City an employee of the Authority. Each document adopted by this Section is a public record of the City and the rules and regulations adopted by this Section are accordingly of public record as required by Health and Safety Code section 34278, subdivision (a).

16. No Fiscal Authorization. This Resolution authorizes no expenditure of Authority funds. Payments of Authority funds remain subject to authorization by the Commissioners or by an Authority budget approved by the Commissioners.

17. Effect and Duration. This Resolution shall take effect immediately. The designations and delegation made by Sections 4 through 9 shall remain in effect until superseded, in whole or in part, by bylaws duly adopted by the Commissioners or by a subsequent resolution. This Resolution does not appoint tenant commissioners under Health and Safety Code section 34290, subdivision (b), and does not supersede City Council Resolution No. 8062.

18. Implementation. The Commissioners authorize and direct the Executive Director, or designee, to take any action and to execute any documents necessary to carry out the purposes of this Resolution, including the provision of evidence of signature authority to financial institutions, escrow and title companies, auditors, and other third parties.

19. CEQA. The determination given in this Resolution does not commit the City of Milpitas Housing Authority to any action that may have a significant effect on the environment. As a result, such determination does not constitute a project subject to the requirements of the California Environmental Quality Act.

20. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Commissioners hereby declare that they would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

PASSED AND ADOPTED this _______ day of ____________, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:	APPROVED:
___________________________________	___________________________________
Suzanne Guzzetta, Secretary of the Authority	[Name], Chair

APPROVED AS TO FORM:

____
Christian M. Curtis, Authority Counsel

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Appointment of Voting Delegates for the Annual California League of Cities Conference (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	8/11/2026
Recommendation:	Appoint Mayor Montano as the City's voting delegate and Councilmembers Lam and Lien as the alternate voting delegates for the League of California Cities Annual Conference and Expo General Assembly.

BACKGROUND:
The League of California Cities holds its Annual Conference and Expo from September 23 – 25, 2026, in Anaheim, California. Mayor Montano and Councilmembers Lien and Lam are scheduled to attend, pending City Council approval.

ANALYSIS:
The League of California Cities will hold its General Assembly on September 25, 2026. This is an important opportunity where city officials can directly participate in the development of Cal Cities policy. Every city has one voting delegate at the General Assembly. Cal Cities bylaws require that a city's voting delegate and up to two alternates be designated by its City Council and submitted to the League by September 1, 2026.

Voting delegates and alternates may be either elected or appointed officials but must be registered to attend the conference. The voting card may be transferred only between the designated voting delegate and alternates; it may not be transferred to any other City official. Designation cannot be accomplished by individual action of the Mayor or City Manager.

POLICY ALTERNATIVE(S):
Not Applicable

FISCAL IMPACT:
There is no fiscal impact associated with this action.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
The action is an organizational or administrative activity of the City government that will not result in direct or indirect physical changes in the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, §15378.

ATTACHMENT(S):
(a) Letter from the League of California Cities on Designating Voting Delegates and Alternates

LEAGUE OF CALIFORNIA CITIES

Council Action Advised by September 1, 2026

DATE: Wednesday, May 13, 2026

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Sept. 23-25, 2026
Anaheim Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Friday, Sept. 25, 2026 the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Action by Council Required. Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

Following council action, please submit your city's delegates through the online submission portal by Tuesday, Sept. 1, 2026. When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Conference Registration Required. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration opens June 2.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Please view Cal Cities' event and meeting policy in advance of the conference.

Transferring Voting Card to Non-Designated Individuals Not Allowed. The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

Seating Protocol during General Assembly. At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the Anaheim Convention Center, will be open at the following times: Wednesday, Sept. 23, 8:00 a.m.-6:00 p.m. and Thursday, Sept. 24, 7:30 a.m.-4:00 p.m. On Friday, Sept. 25, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for submitting your voting delegate and alternates by Tuesday, Sept. 1. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

- General Assembly Voting Guidelines
- Information Sheet: Cal Cities Resolutions and the General Assembly

LEAGUE OF CALIFORNIA CITIES

General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.

6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

7. **Resolving Disputes**. In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

LEAGUE OF CALIFORNIA CITIES

How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure Cal Cities represents cities with one voice. These policies directly guide Cal Cities' advocacy to promote local decision-making, and lobby against statewide policies that erode local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how resolutions and the General Assembly work.

Prior to the Annual Conference and Expo

General Resolutions

Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees

The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions

The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee

The Resolutions Committee considers all resolutions. General Resolutions approved[1] by either a policy committee or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go to the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.[2]

General Assembly

During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, and policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates —one from every member city.

Seven **policy committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, and municipal department, as well as individuals appointed by the Cal Cities president.

[1] The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.
[2] Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).

For more information visit www.calcities.org/general-assembly

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Authorize and Approve Travel Request for Mayor Montano, Councilmember Lien, and Councilmember Lam to Anaheim, CA for the League of California Cities' 2026 Annual Conference and Expo (Staff Contact: Julie Minot, Senior City Manager Analyst, 408-586-3054)**
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	8/11/2026
Recommendation:	Authorize and approve the travel for Mayor Montano, Councilmember Lien, and Councilmember Lam to Anaheim, CA for the League of California Cities' 2026 Annual Conference and Expo to be held on Sept 23-25, 2026, for an estimated combined total amount of $7,600, budgeted under the Individual Elected Official allocation for Conferences/Meetings/Trainings.

BACKGROUND:
The League of California Cities' 2026 Annual Conference and Expo will be held September 23 through September 25, 2026, in Anaheim, California. The conference will feature keynote speakers, educational presentations and peer-to-peer learning opportunities for California city officials. Attendees will also have opportunities to connect with organizations that provide essential services to cities and participate in the General Assembly and Resolutions process. Included in this agenda packet is the preliminary conference agenda as Attachment A.

ANALYSIS:
The City of Milpitas Travel and Expense Policy requires the City Council to approve travel for the elected officials and City Manager. Council approval of the Anaheim travel request will allow Mayor Montano, Councilmember Lien, and Councilmember Lam to gain additional knowledge from other California policymakers and bring it back to share with their colleagues. Continued conference participation and attendance also ensure the Milpitas community is fully represented at the regional, state, and national levels.

POLICY ALTERNATIVE(S):
Not Applicable

FISCAL IMPACT:
The estimated individual expense for the Anaheim, CA League of California Cities' 2026 Annual Conference and Expo, including the registration fee, lodging, meals, mileage, and incidental reimbursements, is $2,800 (actual costs may vary).

The estimated combined total charged to FY2026-27 is $5,724.36. Each elected official has an Individual Elected Official allocation of $10,000 for Conferences/Meetings/Memberships in the FY2026-27 adopted budget, and sufficient funds are available within each allocation to cover these expenditures.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):
(a) League of California Cities' 2026 Annual Conference and Expo Agenda
(b) Council Conferences Budget Tracking

Wednesday, Sept. 23

8:00 a.m. - 6:00 p.m.	Registration open/Voting Delegates Booth open
8:30 a.m. - 1:00 p.m.	Pre-Conference Workshop: City Clerks Department Meeting and Workshop *(additional registration required, lunch is included)*
9:30 - 11:30 a.m.	Pre-Conference Trainings: AB 1234 Ethics Training and SB 827 Fiscal Training *(included in conference registration)*
11:30 a.m. - 1:15 p.m.	Regional Division Lunches, Department Meetings and Caucus Meetings**
12:45 - 1:15 p.m.	First-Time Attendee Orientation
1:30 - 3:15 p.m.	**Opening General Session***
3:30 - 5:00 p.m.	Concurrent Sessions, Department Meetings, and Caucus Meeting**
5:00 - 7:00 p.m.	Expo Hall Grand Opening*
7:30 - 9:30 p.m.	CitiPAC Event

Thursday, Sept. 24

8:00 a.m. - 4:00 p.m.	Registration open/Voting Delegates Booth open
8:30 a.m. - 4:00 p.m.	Expo Hall Open
8:00 a.m.	Grab and Go Breakfast
8:30 a.m.	Petition Resolutions Due
8:30 - 9:45 a.m.	Concurrent Sessions and Caucus Meetings**
10:00 - 11:30 a.m.	**General Session***
11:30 a.m. - 12:45 p.m.	Attendee Lunch in Expo Hall
11:30 a.m. - 12:45 p.m.	Regional Division Lunches**
1:00 - 2:30 p.m.	Resolutions Committee
1:00 - 5:30 p.m.	Concurrent Sessions, Department Meetings, Issue Group Meetings, and Caucus Meetings**
Evening	Regional Division and Caucus Events**

Friday, Sept. 25

7:30 - 11:30 a.m.	Registration open
8:00 a.m.	Grab and Go Breakfast
8:00 - 10:45 a.m.	Concurrent Sessions
8:30 - 10:30 a.m.	General Assembly
8:45 - 10:45 a.m.	AB 1661 Sexual Harassment Prevention Training
11:00 a.m. - 12:30 p.m.	**Closing General Session***

ATTACHMENT B

Mayor Montano				
	Training/Travel Event	FY26-27 Amount Expended/Estimates	Total $ 2,729.73	Remaining Balance $7,270.27
1	LoCC 2026 Annual Conference and Expo	$2,729.73	Estimates Only	

Vice Mayor Barbadillo				
	Training/Travel Event	FY26-27 Amount Expended/Estimates	Total $0.00	Remaining Balance $ 10,000.00

Councilmember Chua				
	Training/Travel Event	FY26-27 Amount Expended/Estimates	Total	Remaining Balance $10,000.00

Councilmember Lien				
	Training/Travel Event	FY26-27 Amount Expended/Estimates	Total $ 300.00	Remaining Balance $ 9,700.00
1	LoCC 2026 Annual Conference and Expo	$300.00	Estimates Only	

Councilmember Lam				
	Training/Travel Event	FY26-27 Amount Expended/Estimates	Total $2,694.63	Remaining Balance $7,305.37
1	LoCC 2026 Annual Conference and Expo	$2,694.63	Estimates Only	

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve and Authorize the City Manager, or Designee, to Execute a Memorandum of Understanding with Milpitas Unified School District for the MUSD Alliance and Alumni Partners for Future-Ready Learners Program (Staff Contact: Madison Nguyen, Interim Director of Economic Development, 408-586-3046; and Renée Lorentzen, Director of Recreation and Community Services, 408-586-3409)**
Category:	Consent Calendar-Community Development
Meeting Date:	8/11/2026
Recommendation:	Approve and authorize the City Manager, or designee, to execute a Memorandum of Understanding between the City of Milpitas and the Milpitas Unified School District for the MUSD Alliance and Alumni Partners for Future-Ready Learners Program.

BACKGROUND:
The City of Milpitas and the Milpitas Unified School District (MUSD) have a longstanding history of collaboration to support educational advancement, workforce development, and community well-being. The subject of this report is a proposed new five-year Memorandum of Understanding (MOU) between the City and MUSD establishing the Milpitas Alliance and Alumni Partners for Future-Ready Learners (MAaAP) program.

On May 18, 2021, the City Council approved an MOU with MUSD under which the City became a Founding Member Organization of the MUSD Alliance Partners for Future-Ready Learners (MAP) program, a ten-year District initiative. Founding Member Organizations were expected to commit to a five-year agreement and contribute $25,000 annually. MUSD offered the City an inaugural arrangement under which the City's contribution was satisfied through in-kind services rather than a monetary payment, and the City's commitment was limited to a two-year term. In-kind services under that agreement were valued at approximately $95,700 over the two-year term. The 2021 MOU contemplated a review at the end of the term to determine whether the City would continue its participation.

The 2021 MOU expired by its terms in 2023. No extension was executed and no successor agreement has been in place since that date. The City and MUSD have continued to collaborate on joint programming during the intervening period, including Manufacturing Day, the Milpitas Youth Force, and career fairs.

The proposed MOU is a new agreement rather than an extension of the 2021 MOU, and it differs from the prior agreement in several respects. The program is renamed to include MUSD alumni and adult learners alongside high school students and parents. The term is five years rather than two. The MUSD Innovation Campus and Workforce Development Center is designated as the central hub for program delivery. The City's in-kind contribution is valued at $166,000 over the term. The Founding Member Organization structure, the associated $25,000 annual contribution benchmark, and the membership benefits enumerated in Exhibit "B" to the 2021 MOU are not carried forward.

This report is presented to the City Council for consideration and authorization to execute the MOU.

ANALYSIS:

The recommended Memorandum of Understanding (MOU) with the Milpitas Unified School District (MUSD) establishes a coordinated approach to workforce development and educational opportunity in Milpitas. The MOU creates a five-year partnership structure that leverages the strengths of both the City and MUSD, aligning with City Council priorities and the Economic Development Element of General Plan 2040 to increase community workforce preparedness.

City Council Priority – Economic Development and Job Growth

- Continue to strengthen economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city

General Plan 2040 Economic Development Element

- ED-5a Promote and expand job training and workforce development programs that improve resident access to high-quality jobs in Milpitas
- ED-5b Pursue partnerships with new public, private, and non-profit organizations and continue collaborating with educational institutions such as MUSD to advance economic development goals
- ED-5c Support organizations that provide workforce development, talent acquisition, and education services to advance career pathways in key industries and in-demand occupations that meet local employers' needs
- ED-5e Promote the local workforce as a marketable resource for companies and target industries.

The proposed MOU introduces several enhancements over the previous agreement, including a broader program scope that now encompasses MUSD alumni and adult learners, in addition to high school students and parents. This expansion is designed to address evolving workforce needs and support economic mobility for a wider segment of the community. The MOU also establishes the MUSD Innovation Campus and Workforce Development Center as the central hub for program delivery, providing dedicated spaces for career pathways, work-based learning, employer engagement, and job fairs. This hub is intended to increase program visibility, facilitate employer participation, and support long-term sustainability of workforce initiatives.

The agreement delineates clear roles and responsibilities for each party, with the City providing strategic leadership, business engagement, and in-kind support through its Office of Economic Development and Recreation and Community Services Department. MUSD serves as the educational anchor, aligning curriculum and programming with local workforce needs and facilitating access for students, parents, adult learners, and alumni. Both parties commit to joint planning and continuous improvement processes related to job and resource fairs, business and workforce workshops and community events, as well as coordinated pursuit of grant funding to support program priorities.

Stakeholder and community engagement has been a key component of the program's evolution. The City and MUSD have conducted joint outreach through public events such as Manufacturing Day, career fairs, and the Milpitas Youth Force program, which have received positive feedback from students, employers, and community members. Since 2021, City and MUSD collaboration has produced measurable participation: 123 students placed with 101 businesses through Milpitas Youth Force, nine employers and event partners engaged through Manufacturing Day, and 1,000 job seekers and 60 employers across joint career and resource fairs. These results inform the expanded scope and five-year term proposed under the MAaAP program.

The proposed MOU also specifies that all activities are subject to the availability of funds and resources, and that no financial obligations are created unless expressly stated.

If the City Council approves the recommended action, staff will proceed with execution of the MOU and initiate the following next steps:

- Convene a joint implementation team with MUSD to develop annual work plan and performance metrics to monitor outcomes and make programming adjustments
- Launch outreach and branding efforts to garner program participation among students, alumni, and adult learners.
- Coordinate with local employers and industry groups to identify internship, apprenticeship, and job placement opportunities.
- Pursue grant funding and sponsorships to support programming.

The proposed MOU does not carry forward the Founding Member Organization designation or the membership benefits set forth in Exhibit "B" to the 2021 MOU, including naming rights and sponsorship opportunities. The District's commitments under the proposed agreement are programmatic. Staff does recommend restoring the following benefits from the 2021 MOU as conditions of the City's participation:

- Inclusion of City in all MUSD Innovation Campus literature as a MAaAP partner organization.
- Sponsorship opportunities to MUSD events aligned with MAaAP priorities.
- Participation in regionally hosted MUSD seminars on education and workforce development events.

POLICY ALTERNATIVES:

Alternative 1: Defer Action on the Proposed MOU pending additional evaluation

Pros:

- Allows for further assessment of recent program outcomes and stakeholder feedback before committing to a new five-year term.
- Provides an opportunity to review emerging best practices in workforce development and education partnerships that may have developed since the last agreement.

Cons:

- Delaying action could disrupt continuity of joint programs and services, potentially impacting students, alumni, and adult learners who rely on ongoing support.
- May result in missed opportunities for grant funding or employer partnerships that require a formalized agreement as a condition of participation.

Reason for Not Recommending: Deferring action would introduce uncertainty into established collaborative efforts and could hinder the City's ability to maintain momentum on workforce and education initiatives.

PROJECT SCHEDULE/KEY MILESTONES

The anticipated timeline for the proposed MAAP program is as follows:

- Q3 2026: MOU execution and formation of joint implementation team
- Q4 2026: Develop work plan and performance metrics.
- 2027: Launch of expanded program activities at the Innovation Campus and Workforce Development Center; employer engagement and recruitment for internships and events. Implementation of career fairs, business workshops, and workforce events; initiation of new grant applications.
- Annually (2027–2031): Ongoing program delivery, data collection, and reporting; annual review and adjustment of work plans; submission of in-kind service documentation.
- 2031: Comprehensive program evaluation and preparation for potential renewal or modification of the partnership.

This schedule is subject to adjustment based on grant cycles, employer participation, and evolving community needs.

FISCAL IMPACT:

The MOU does not require the exchange of funds between the City and the Milpitas Unified School District. Each party bears its own costs, and all activities are subject to the availability of funds, personnel, and other resources of each party.

The City's contribution is in-kind staff time and services valued at $166,000 over the five-year term, or approximately $33,200 annually, allocated as follows:

Office of Economic Development	$40,000
Recreation and Community Services	$106,000
Joint communications and branding	$20,000
Total	$166,000

In-kind values reflect estimated staff hours at fully burdened hourly rates for the program activities described in Exhibit "A" to the MOU, plus the estimated value of City facility use and communications support.

These services will be delivered by existing staff within currently authorized position allocations. Sufficient funds are available in the Office of Economic Development's and the Recreation and Community Services Department's FY2026-27 operating budgets to cover the first year of the term. Funding for subsequent fiscal years of the five-year term will be included in the Departments' base operating budget requests, subject to appropriation by the City Council through the annual budget adoption process. No new or supplemental appropriation is required at this time.

There are no anticipated one-time capital expenditures, ongoing maintenance costs, or matching fund requirements associated with this MOU. Should future program expansion or grant-funded initiatives require City resources beyond those described above, staff will return to Council with a separate appropriation request.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):

(a) Memorandum of Understanding between the City of Milpitas and the Milpitas Unified School District Regarding the Milpitas Alliance and Alumni Partners for Future-Ready Learners Program

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MILPITAS AND THE MILPITAS UNIFIED SCHOOL DISTRICT REGARDING THE MILPITAS UNIFIED SCHOOL DISTRICT ALLIANCE AND ALUMNI PARTNERS FOR FUTURE-READY LEARNERS PROGRAM

This Memorandum of Understanding ("MOU") is made and entered into as of July 1, 2026 ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and existing under the laws of the State of California ("City"), and the Milpitas Unified School District, a public school district organized and existing under the laws of the State of California ("District" or "MUSD"). City and District are sometimes individually referred to as "party" and collectively as "parties" in this MOU.

RECITALS

The parties enter into this MOU with reference to the following facts, objectives, and understandings:

A. The parties established the Milpitas Alliance Partners (MAP) for Future-Ready Learners Program in 2021 to create a working relationship to support workforce development and education to provide employment pathways for MUSD students and Milpitas residents to MAP's private sector partners.

B. The initial MOU expired by its terms in 2023. The parties desire to enter into a new mutually beneficial understanding and collaborative working relationship to strengthen the local economy, workforce readiness, civic infrastructure, and community stability through coordinated education-to-employment pathways.

C. This program is rebranded as the Milpitas Alliance and Alumni Partners for Future-Ready Learners (MAaAP) to include MUSD alumni among community members to be served.

D. The MAaAP program is established for a five-year period to increase the Milpitas employment rate for high-wage jobs beyond 25 percent, support the Milpitas business community through local talent development and strengthen civil service infrastructure, including Police, Fire, and City departments.

E. The parties further intent to improve community safety, awareness, economic mobility and align students, parents, adult learners, and alumni into a unified workforce ecosystem.

F. The Parties recognize that education, workforce development, and economic vitality are inseparable. Public schools, cities, families, employers, and public agencies must collaborate to ensure Milpitas residents are prepared for high-wage private-sector careers and essential public-sector service roles.

G. MAaAP represents a shift from isolated programs toward a coordinated, systems-level strategy, anchored in physical and programmatic hubs that connect learning, workforce preparation, and employment.

H. City, by and through its Office of Economic Development and Department of Recreation and Community Services, agrees to provide in-kind services valued at $166,000 during the term of this MOU as defined in Exhibit "A".

I. This MOU does not create a financial obligation unless expressly stated. Each party shall bear its own costs unless otherwise agreed to in writing.

J. The purpose of this MOU is to define the expectations, rights, and responsibilities of the parties with regard to the MAaAP program.

K. The parties hereby determine that the proposed in-kind services set forth in this MOU will result in public benefits to the City and its residents, MUSD high school students, parents, alumni and adult learners, including but not limited to workforce development; and creation of additional employment pathways.

L. The Parties designate the MUSD Innovation Campus and Workforce Development Center as the primary physical and operational hub for MAaAP activities to prioritize use of these MUSD hubs to maximize coordination, visibility, and long-term sustainability of MAaAP.

M. MUSD Innovation Campus and Workforce Development Center will serve as:

1. Centers for career pathways, internships, apprenticeships, and work-based learning
2. Convening spaces for employers, public agencies, students, families, and adult learners
3. Launch points for civil service pipelines (Police, Fire, City staffing)
4. Locations for job fairs, business workshops, and workforce events
5. Home bases for joint grant-funded programs and pilot initiatives

N. Through MAaAP, the parties seek to achieve:

1. A future-ready workforce with access to career pathways aligned to local industry and public service needs through expanded participation in internships, apprenticeships, and paid work-based learning

2. Economic empowerment by increased employment and wage growth for Milpitas residents and stronger local hiring and retention for Milpitas businesses

3. Civic stability and safety by sustainable pipelines into Police, Fire, and City operations through increased community awareness of public service careers

4. Sustainable collaboration by shared planning, communications, and funding strategies from improvement through data and community feedback

NOW, THEREFORE, the parties agree as follows:

1. <u>Roles and Responsibilities</u>.

a. The roles and responsibilities of City are defined in Exhibit "A" attached hereto and incorporated herein by reference.

b. The roles and responsibilities of District are defined in Exhibit "B" attached hereto and incorporated herein by reference.

c. The shared roles and responsibilities of both parties are defined in Exhibit "C" attached hereto and incorporated by reference.

2. Joint Commitment.

Collaborate on joint grant identification, development, submission, and stewardship to support MAaAP priorities and programs housed at the Innovation Campus and Workforce Development Center. The parties shall:

a. Identify and prioritize local, state, federal, and philanthropic funding opportunities
b. Co-develop grant concepts, narratives, budgets, and implementation plans
c. Provide mutual letters of support, data, fiscal documentation, and compliance materials
d. Coordinate grant timelines and roles to maximize competitiveness
e. Align awarded funds toward system-building and long-term sustainability
f. Grant efforts may support:

    1) Workforce development and registered apprenticeship programs
    2) Career technical education and adult learning
    3) Public service workforce pipelines
    4) Youth employment, internships, and paid pathways
    5) Economic mobility and community safety initiatives

3. Term.

This MOU is effective for five (5) years from the Effective Date, and may be modified at any time by the written consent of the parties. The MOU may be terminated at any time upon mutual consent of the parties, or unilaterally upon written notice from the terminating party to the other party at least thirty (30) days prior to the date of termination.

Upon delivery of a notice of unilateral termination, the parties shall meet and confer within fifteen (15) days to identify all MAaAP activities then in progress, including any events, programs, or cohorts scheduled to occur or already underway. Each party shall complete, or cooperate in the orderly wind-down of, any activity to which it has committed in-kind resources prior to the notice date, unless the parties agree in writing to discontinue it. Within sixty (60) days following the effective date of termination, City and District shall each provide a final accounting of in-kind services delivered through that date. Termination shall not relieve either party of obligations accrued prior to the effective date of termination, nor of any obligation that by its terms survives.

4. Compliance with Laws.

The parties shall comply with all applicable federal, state and local laws, rules and regulations in performing the services contemplated in this MOU.

5. Hold Harmless and Liability.

In lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties pursuant to Government Code Section 895.6, the parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but, instead, City and District agree that pursuant to Government Code Section 895.4, each party shall fully indemnify and hold the other party, its officers, governing body members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, governing body members, employees, or agents, under or in connection with or arising out of any work, authority, or jurisdiction delegated to such party under this MOU. No party, nor any governing body member, officer, employee, or agent, thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the other party hereto, its officers, governing body members, employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other party under this MOU. The obligations set forth in this Section 5 will survive termination and expiration of this MOU.

6. Insurance.

Each party to this MOU is a public agency of the State of California and, in lieu of purchasing commercial insurance, maintains a program of self-insurance. Each party represents and warrants that it maintains, and shall maintain throughout the term of this MOU, a program of self-insurance (which may include participation in a joint powers authority or risk-sharing pool) providing coverage substantially equivalent to the following:

a. General liability coverage, through its program of self-insurance, in amounts not less than the following:

General Aggregate:	$2 million
Personal Injury:	$1 million
Each Occurrence:	$1 million

b. Workers' Compensation coverage, whether through insurance or self-insurance, providing workers' compensation benefits as required by the State of California.

c. The insurance coverage requirements in this Section 6 shall be subject to review and adjustment to reflect coverage recommended by the parties' insurance advisors over the term of this MOU. Any such adjustment shall be set forth in a written amendment to the MOU signed by both parties.

7. Availability of Personnel and Resources.

This MOU does not involve the exchange of funds, nor does it represent any obligation of funds by any party. All costs that may arise from activities covered by, mentioned in, or pursuant to this MOU will be assumed by the party who incurs them, unless otherwise stipulated and decided pursuant to a future written arrangement. All activities undertaken pursuant to this MOU are subject to the availability of funds, personnel and other resources of each party.

8. Independent Contractor.

Each party's officers, employees, and agents shall at all times remain officers, employees, and agents of that party, and shall not be deemed officers, employees, contractors, or agents of the other party for any purpose. Neither party shall have any responsibility for the direction, supervision, compensation, or discipline of the other party's personnel. Nothing in this MOU is intended to create a partnership, joint venture, employment relationship, or agency relationship between the parties. Each party shall be solely responsible for the payment of wages, salaries, benefits, workers' compensation, and all applicable payroll taxes and withholdings for its own personnel.

9. In-Kind Services.

Each party shall submit documentation of in-kind services provided under this MOU no later than sixty (60) days following the close of each fiscal year. Documentation shall identify the activities performed, the staff hours or resources contributed, and the basis for the value assigned. The City's Office of Economic Development shall serve as the City's point of contact for this reporting.

10. Laws and Venue.

This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

11. Notice.

Any notice or instrument required to be given or delivered by this MOU may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

City of Milpitas
455 E. Calaveras Boulevard
Milpitas, California 95035
Attn: Willie A. Hopkins, Jr., City Manager

Milpitas Unified School District
1331 E. Calaveras Boulevard
Milpitas, CA 95035
Attn: Cheryl Jordan, Superintendent

and shall be effective upon receipt thereof.

12. Third Party Rights.

Nothing in this MOU, whether express or implied, is intended to confer any rights or remedies on any persons or entities other than the parties to this MOU.

13. Entire Agreement.

This MOU represents the entire agreement between City and District and all preliminary negotiations and agreements are deemed a part of this MOU. No verbal agreement or implied covenant shall be held to vary the provisions of this MOU. This MOU shall bind and inure to the benefit of the parties to this MOU and any subsequent successors and assigns.

14. No Assignment.

Neither party may assign any rights or obligations under this MOU without the prior written consent of the other party.

15. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this MOU shall not render the provisions unenforceable, invalid or illegal.

16. Force Majeure.

Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder on account of strikes, electrical or other shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, epidemics, war, governmental action, labor conditions, earthquakes, material shortages, or any other cause beyond the reasonable control of such party.

17. Non-Waiver.

None of the provisions of this MOU shall be considered waived by either party, unless such waiver is specifically specified in writing.

18. Counterparts.

This MOU may be signed in multiple counterparts, which, when taken together, shall constitute a single signed original, as though all parties had signed the same MOU.

19. Headings.

All headings in this MOU are for convenience of reference only and shall not affect the interpretation of this MOU.

20. Exhibits Incorporated.

All exhibits referenced in or attached to this MOU are incorporated into this MOU.

21. Incorporation of Recitals.

The Recitals preceding this MOU are true and correct and are incorporated into and made a part of this MOU.

22. Time of Essence.

Time is of the essence of each provision of this MOU, unless otherwise specified in this MOU.

23. Further Assurances.

City and District agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this MOU.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MILPITAS AND THE MILPITAS UNIFIED SCHOOL DISTRICT REGARDING THE MILPITAS UNIFIED SCHOOL DISTRICT ALLIANCE AND ALUMNI PARTNERS FOR FUTURE-READY LEARNERS PROGRAM

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first written above.

CITY OF MILPITAS

Approved by:

____
Willie A. Hopkins, Jr., City Manager
Date

____

Approved as to Form:

____
Christian M. Curtis, City Attorney

Approved:

____
Luz Cofresí-Howe
Finance Director

Approved as to Content:

____
Madison Nguyen
Interim Director of Economic Development

Approved as to Content:

____
Renée Lorentzen
Director of Recreation & Community Services

MILPITAS UNIFIED SCHOOL DISTRICT

Approved by:

____
Cheryl Jordan, Superintendent
Date

____

EXHIBIT "A"

CITY'S ROLES AND RESPONSIBILITIES

The City agrees to provide strategic leadership, coordination, and in-kind support for MAaAP valued at $166,000 as outlined herein.

A. <u>At the in-kind value of $40,000, the Office of Economic Development agrees to:</u>

- Co-lead workforce and economic strategy alignment with MUSD
- Convene employers, industry leaders, and public agencies
- Support pipelines into high-wage private-sector and civil service roles
- Engage businesses in programs hosted at the Innovation Campus
- Collaborate on workforce-aligned grant opportunities

B. <u>At the in-kind value of $106,000, the Milpitas Department of Recreation and Community Services agrees to:</u>

- Support youth, family, and community workforce initiatives (Milpitas Youth Force)
- Integrate career exposure into recreation and community programming
- Support career-focused special events and revenue-generating opportunities through collaborative facilities use
- Provide civic leadership and learning programming for Milpitas residents

C. <u>At the in-kind value of $20,000, the City agrees to collaborate with MUSD on:</u>

- Joint MAaAP branding and messaging
- Community awareness communications highlighting Innovation Campus programs
- Promotion of job fairs, workshops, and workforce events
- Alignment of communications with City Council and School Board priorities
- Advise on workforce development curriculum for Milpitas residents in collaboration with local business partners
- Manufacturing Day partnership
- Cross-promotion of internship opportunities, including Milpitas Youth Force and the Summer College Internship program

EXHIBIT "B"

DISTRICT'S ROLES AND RESPONSIBILITIES

A. <u>MUSD shall serve as the education and workforce development anchor of MAaAP and agrees to:</u>

- Include the City in MAaAP events occurring at the Innovation Campus and Workforce Development Center
- Align curriculum, pathways, and adult education to local workforce needs
- Engage students, parents/caregivers, adult learners, and alumni in MAaAP programs
- Host or co-host workforce-focused events, fairs, and workshops
- Support data-sharing, grant reporting, and continuous improvement
- Integrate MAaAP into career readiness and postsecondary success initiatives
- Provide speakers for Milpitas Youth Force Development Sessions

EXHIBIT "C"

SHARED ROLES AND RESPONSIBILITIES

A. <u>Both parties shall collaborate on:</u>

- Joint Job & Resource Fairs
  - Events hosted at the Innovation Campus or community venues
  - Focused on high-wage, local business, and public service careers

- Business & Workforce Workshops
  - Employer-led hiring and skill-building sessions
  - Civil service career awareness workshops
  - Milpitas Youth Force teen workforce program
  - Manufacturing Day

- Special Events & Revenue-Generating Opportunities
  - Sponsorship-supported career expos and showcases
  - Ticketed summits and community events

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt Resolutions Approving the Continued Investment of Monies in the Local Agency Investment Fund and Designating Officers Authorized to Sign on the Respective Accounts (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	8/11/2026
Recommendation:	(1) Adopt a resolution of the Milpitas City Council approving the continued investment of monies in the Local Agency Investment Fund and designating officers authorized to sign on the respective accounts; and (2) Adopt a resolution of the Board of Directors of the Milpitas Public Financing Authority approving the continued investment of monies in the Local Agency Investment Fund and designating officers authorized to sign on the respective accounts.

BACKGROUND:

The City of Milpitas and the Milpitas Public Financing Authority (PFA) have been participating in the State of California Local Agency Investment Fund (LAIF) since 1977. The LAIF is a voluntary investment alternative for California local governments and special districts, and is administered by the State Treasurer under Government Code Section 16429.1 et seq. All securities are purchased under the authority of Government Code §§16403 and 16480.4. The LAIF offers local agencies the opportunity to participate in a pooled portfolio which invests billions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer. Multiple oversight boards and committees monitor the activities of LAIF and transactions are audited daily. The LAIF has grown from 293 participants and $468 million in 1977 to 2,329 participants and $29.4 billion as of June 2026. As a State of California managed investment pool, the LAIF is an allowed investment under the City of Milpitas Investment Policy – Fiscal Year 2025-26, *Authorized Investments (9)*, last adopted by City Council action through Resolution 9454 at its October 28, 2025 special meeting.

LAIF requires the governing body of each participating local agency to adopt a resolution authorizing designated officers to manage deposits and withdrawals from the agency's LAIF account. The most recent authorization for the City and the PFA was adopted at the June 2, 2026 Joint Meeting of the Milpitas City Council, Housing Authority, and Public Financing Authority, when the City Council adopted Resolution No. 9517 and the Public Financing Authority Board adopted PFA Resolution No. 31. Each resolution designated the incumbents of the City Manager, Assistant City Manager, Finance Director, Assistant Finance Director, and Budget Manager positions, and their successors, as authorized signatories on the respective LAIF accounts in accordance with LAIF guidelines.

ANALYSIS:

The appointment on July 23, 2026 of Scott Transou as Assistant City Manager necessitates updated LAIF signature authorizations for the City and the PFA, since LAIF requires named individuals on file for each signatory position. The updated resolutions designate the incumbents of the City Manager, Assistant City Manager, Finance Director, Assistant Finance Director, and Budget Manager positions, and their successors in office, as authorized to order deposits, withdrawals, and execute documents necessary to effectuate transactions on the respective LAIF accounts. The resolutions will be filed with LAIF no later than August 25, 2026, and will supersede all prior LAIF signature authorizations on file.

POLICY ALTERNATIVE(S):
Alternative 1: Do not adopt the proposed resolutions.

Pros: None

Cons: Without updated signature authority, the City and PFA would be unable to direct deposits to or withdrawals from their respective LAIF accounts in compliance with LAIF guidelines.

Reason for Not Recommending: Not updating City and the Public Financing Authority account authorizations is inconsistent with LAIF guidelines.

PROJECT SCHEDULE/KEY MILESTONES

Milestone	Date(s)	Status
City Council Adoption of Resolutions	August 11, 2026	Pending
File Resolutions with LAIF	No later than August 25, 2026	Pending

FISCAL IMPACT:
There is no fiscal impact to this recommendation.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
The City Council adoption of the recommended action is not a “project” under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline §15378(b)(5) because it is an administrative activity that will not result in a direct or indirect physical change in the environment.

ATTACHMENT(S):
(a) City Council Resolution
(b) Milpitas Public Financing Authority Resolution

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the City of Milpitas.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The City Council does hereby authorize the deposit and withdrawal of City monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code as stated herein, and verification by the State Treasurer's Office of all banking information provided in that regard.

3. The following City of Milpitas officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

____
Willie A. Hopkins, Jr., City Manager

____
Scott Transou, Assistant City Manager

____
Luz Cofresí-Howe, Finance Director

____
Gabrielle Tsang, Assistant Finance Director

____
Alice Vurich, Budget Manager

PASSED AND ADOPTED this ____ day of August, 2026, by the following vote:

AYES: ( )

NOES: ( )

ABSENT: ( )

ABSTAIN: ( )

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED:

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christian M. Curtis, City Attorney

RESOLUTION NO. ______

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MILPITAS PUBLIC FINANCING AUTHORITY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors of the Milpitas Public Financing Authority ("Authority") does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the Authority.

NOW, THEREFORE, the Board of Directors of the Milpitas Public Financing Authority hereby finds, determines, and resolves as follows:

1. The Board of Directors has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The Board of Directors does hereby authorize the deposit and withdrawal of Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code as stated herein, and verification by the State Treasurer's Office of all banking information provided in that regard.

3. The following Authority officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

____
Willie A. Hopkins, Jr., Authority Director

____
Scott Transou, Assistant Authority Director

____
Luz Cofresí-Howe, Treasurer

____
Gabrielle Tsang, Assistant Treasurer

____
Alice Vurich, Budget Manager

PASSED AND ADOPTED this ____ day of August, 2026, by the following vote:

AYES: ( )

NOES: ( )

ABSENT: ( )

ABSTAIN: ( )

ATTEST:

____
Suzanne Guzzetta, Authority Secretary

APPROVED:

____
Carmen Montano, Mayor

APPROVED AS TO FORM:

____
Christian M. Curtis, City Attorney

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with Medallion Landscape Management, LLC for Parks and Landscaping Maintenance Services (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**
Category:	Community Services and Sustainable Infrastructure
Meeting Date:	8/11/2026
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute a Maintenance Services Agreement with Medallion Landscape Management, LLC for Parks and Landscaping Maintenance Services with a maximum compensation of $1,654,540 for an initial 13-month term of September 1, 2026 through September 30, 2027; negotiate and execute amendments and change orders to add, delete, modify services as required; and exercise up to six one-year options to extend the term of the Agreement through September 30, 2033, subject to the appropriation of funds.

BACKGROUND:

The City utilizes a combination of an outside vendor and in-house Public Works Department staff to provide comprehensive parks and landscaping maintenance services for the City's parks and facilities. Currently, five City staff maintain 15 City parks, and the remaining locations are maintained by BrightView Landscape Services, Inc. (BrightView) under two separate agreements: one for maintenance of the remaining 26 City parks and one for landscaping 11 City facilities. Both contracts expire on September 30, 2026.

ANALYSIS:

On December 23, 2025, the City released a Request for Proposal (RFP 25-1069) for Parks and Landscaping Maintenance Services. The RFP invited qualified vendors with demonstrated public sector experience in providing large-scale parks and landscape maintenance services to submit proposals.

The RFP consolidated park and facility landscape maintenance into a single contract, eliminating the need for separate procurements and agreements. The RFP also strategically reallocated park assignments, transferring several larger parks from City staff to the awarded contractor and a greater number of smaller parks from the contractor to City staff. The net effect expands the contractor's total covered area by 70,833 square feet from 7,104,581 square feet to 7,175,414 square feet (approximately 1%) while reducing the contractor's park count by one. Under the new arrangement, City staff will maintain 16 City parks, with the contractor maintaining 25 parks and 11 City facilities.

The core scope of required services includes critical routine and preventative tasks such as turf management, irrigation system maintenance, weed abatement, waste and debris removal, pest control, and upkeep of various park elements such as park furnishings, pathways and shrubs. Vendors were required to furnish all necessary labor, tools, equipment and materials to complete the required services. The RFP also included on-call work and add-alternate work provisions for street median landscaping and weed abatement, which the City may authorize pending budget availability. On-call work will be authorized as needed and will be paid based on a time and material basis.

The RFP streamlined the scope of services compared to the current agreements by excluding several specialized services such as graffiti abatement, parks infrastructure maintenance, and routine park restroom operations such as opening, closing and cleaning. Staff are evaluating the most cost-effective approach to address these excluded services, which may involve future targeted bids, transitioning the work to in-house staff, or utilizing a hybrid operational model. For restroom operations, staff have identified amending the City's janitorial services contract as the preferred approach, as these services are not subject to prevailing wage requirements; staff will return to City Council with the proposed amendment and its fiscal impact. Costs associated with the excluded services are not included in the compensation under this Agreement and will be presented to City Council, if required, as each approach is finalized.

The RFP was publicly noticed on the City's website and OpenGov, the City e-procurement website, in accordance with the City Municipal Code. Upon release, 6,926 firms received notification of the RFP, and 58 firms downloaded the RFP. Seven vendors submitted proposal responses by the published RFP closing date of February 11, 2026.

The seven proposals were evaluated and scored in accordance with the evaluation criteria set forth in the RFP. Following initial scoring, the four top-ranked vendors were invited to submit Best and Final Offers (BAFOs) and provide oral presentations. Based on the information received, the evaluation team made score adjustments and shortlisted the vendors to two finalists. Reference checks were conducted on the two finalists who were also asked to provide responses to a second BAFO and a vendor questionnaire to clarify their project approach, execution plan, and resource allocation.

Final scores for the two finalists, following score adjustments based on customer references and the vendor questionnaires, are as follows:

Evaluation Criteria	**Evaluation Criteria Weight (%)**	**Medallion Landscape Management, LLC**	**New Image Landscape Company**
Cover Letter and RFP Compliance	5%	4	4
Company Profile	10%	9	3
References	5%	4	1
Staffing & Qualifications	10%	9	4
Project Approach / Execution Plan	35%	33	11
Proposed Compensation	35%	15	35
Total Weighted Score	**100%**	**74**	**58**

New Image Landscape Company's (New Image) proposed compensation for the base required services was $581,292 for the initial one-year term, or $734,028 less than Medallion's proposal. Staff determined Medallion's proposal represented the best value, notwithstanding the cost differential. The key factor that resulted in lower scores for New Image in Company Profile, Staffing & Qualifications, and Project Approach / Execution Plan is that based on the evaluation panel's assessment the company's proposed staffing did not realistically reflect the level of effort required to complete the City's scope of work at a level of quality acceptable to the City. New Image estimated total weekly staff hours at 68.5 hours for all parks and facilities included in the base services, while Medallion estimated 454 hours labor hours per week. The reference scores reflect feedback collected from each vendor's customers prior to issuing the notice of intent to award.

Based on these results, Medallion Landscape Management, LLC (Medallion) was the best value, responsive, and responsible proposer in accordance with the evaluation criteria set forth in the RFP. Medallion's cost proposal allows the City to include the RFP add-alternate work provision for weed abatement and street median landscape maintenance services to the initial scope of the agreement within existing budget.

The proposed initial 13-month term of the agreement is to provide a one-month overlap between the existing BrightView contracts and the new Medallion contract to facilitate a seamless transition of services, with the one-month transition period to be provided by Medallion at no additional cost. Prior to each option term, the vendor may request price adjustments that are fully justified and documented. Annual cost adjustments shall be limited to the lesser of 3% or the increase in applicable prevailing wage rates over the previous year's rates and shall apply only to the direct labor portion of cost. Medallion's proposal allocates 75% of its monthly base price to direct labor subject to prevailing wage and 25% to non-labor costs, and that allocation is fixed for the initial term and all six option years. As a result, non-labor costs – including administrative expense, overhead, equipment, materials, and profit – remain fixed at Medallion's proposed amount for the entire seven-year term, and the maximum effective increase to the base price in any option year is 2.25%. On-call rates are adjusted separately, are not subject to the labor allocation, and may increase by the lesser of 3% or the increase in applicable prevailing wage rates over the previous year's rates.

POLICY ALTERNATIVE(S):

Alternative 1: Do not negotiate and execute an agreement with Medallion and direct staff to extend the current agreements with BrightView.

Pros: None

Cons: The City's two current agreements with BrightView end September 30, 2026. While BrightView was one of the four top-ranked vendors for this RFP, they submitted annualized costs that were $223,342 more (or 17% higher) than Medallion's $1,315,320 for the base required services and $773,523 more (or 323% higher) than Medallion's $239,220 for the optional add-alternate services.

Reason for Not Recommending: BrightView's proposed costs under this RFP exceed Medallion's for the same scope of services, and extending the current agreements would retain services the City has determined are more appropriately provided through other means.

Alternative 2: Do not negotiate and execute an agreement with Medallion Landscape Management, LLC and direct staff to provide required services with in-house resources.

Pros: Increased City control over service delivery standards and scheduling for City Public Works staff.

Cons: The City does not currently have sufficient internal resources to provide these services while also overseeing ongoing operations and maintenance of the City's infrastructure.

Reason for Not Recommending: The City does not currently have sufficient resources to perform landscaping services at all City parks and designated facilities. The City would need to purchase equipment and hire additional staff to absorb this work, which would delay maintenance and repair activities.

PROJECT SCHEDULE/KEY MILESTONES

Upon City Council approval, staff will negotiate and execute an agreement with Medallion Landscape Management, LLC by August 31, 2026, substantially in accordance with the City's standard terms and conditions. The agreement will include an initial 13-month term beginning September 1, 2026 with six one-year options, to be exercised at the City's sole discretion, to extend the agreement through September 30, 2033.

FISCAL IMPACT:

The maximum compensation for the initial 13-month term of the agreement with Medallion Landscape Management, LLC (September 1, 2026 through September 30, 2027) is $1,654,540. The compensation reflects twelve months of paid services, with the one-month transition period provided by Medallion at no additional cost. This amount consists of $1,315,320 for base required services, $239,220 for add-alternate street median landscaping and weed abatement services, and $100,000 for on-call work.

Funding in Fiscal Year 2026-27 for these services was adopted and approved by City Council on June 9, 2026 and budgeted in the Public Works Parks and Facilities Maintenance operating budget. On-call work is authorized on an as-needed basis and will be funded from the Public Works Parks and Facilities Maintenance operating budget, CIP 3462 – On-Call Facilities Maintenance & Repair Services, and CIP 3463 – On-Call Parks and Landscaping Services, as appropriate to the nature of the work performed. Sufficient funding is available across these sources for anticipated on-call work in Fiscal Year 2026-27.

Funding for the remaining three months of the initial term, which fall in Fiscal Year 2027-28, and for any subsequent option years will be included in the Public Works Department's base operating budget request, subject to appropriation by the City Council through the annual budget adoption process.

Option-year pricing is governed by the agreement's escalation provision, which limits adjustments to the labor portion of cost and holds non-labor costs fixed for the full term, resulting in a maximum effective annual increase of 2.25% to the base price. Assuming the maximum adjustment in each option year, total compensation over the potential seven-year, one-month term would not exceed approximately $12.41 million. Each option year is subject to appropriation by the City Council.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):
N/A

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement with Dustin Kudela, dba Unimax Construction, for Fire Station No. 1 Kitchen Renovation (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	8/11/2026
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute a Construction Agreement with Dustin Kudela, dba Unimax Construction, for Fire Station No. 1 Kitchen Renovation for $118,000 with a 10% contingency of $11,800, for a total not-to-exceed amount of $129,800, subject to an executed change order.

BACKGROUND:

Fire Station No. 1, located at 777 S. Park Victoria Drive, is the City's primary fire station and has undergone various improvements over the years as part of the City's Capital Improvement Program. The City Council has previously taken actions to support ongoing improvements at Fire Station No. 1. On June 18, 2024, City Council approved a cooperative purchase agreement for the replacement of the modular building at Fire Station No. 1, which included upgrades to administrative and training spaces but did not address the kitchen facilities. The 2024 project scope was limited to the modular building and did not include the kitchen, which remains in its original configuration.

ANALYSIS:

On April 10, 2026, the City released an Invitation for Bid (IFB 26-157) for Fire Station No. 1 Kitchen Renovation. The IFB required that responding vendors have, at a minimum, a valid Class B Contractor's License to ensure regulatory compliance and technical capability necessary to perform the services. The scope of work requires the awarded vendor to remodel the Fire Station No. 1 kitchen in accordance with the provided drawings and specifications. The engineer's estimate for this project was $185,440.

The IFB was publicly noticed on the City's website and OpenGov, the City's e-procurement website, in accordance with City Municipal Code I-2-3-.08 (Formal Bid Procedures). Upon release, 7,123 vendors were notified of the IFB, and 79 companies downloaded the IFB documents. Ten vendors submitted a bid response by the published closing date of June 3, 2026.

In their bid submissions, vendors provided fixed pricing for the scope of services. Consistent with the IFB requirements, the total base bid was the basis for contract award. Bid responses for the scope of work were as follows:

Vendor	Total Base Bid
Dustin Kudela, dba Unimax Construction	$118,000
Selway Construction	$148,000
Ron Paris Construction Co., Inc.	$156,360
Pacific Pars Construction	$164,300
Dynasel-USA	$165,786
Bhogal Brothers Construction Inc.	$169,910
Zoleman Construction Inc.	$297,779

Vendor	Total Base Bid
Mars Construction and Remodeling	$354,000
Medical Facilities Solutions, LLC	$378,158
S and H Construction, Inc.	$448,600
Engineer's Estimate	$185,440

The base bid received from Dustin Kudela, dba Unimax Construction (Unimax) is $67,440 (36.4%) below the engineer's estimate. Staff reviewed the bid for completeness and confirmed that it reflects the full scope of work described in the drawings and specifications. Based on these responses and positive reference checks collected from Polam Federal Credit Union, Saint Anthony Parish, and Tobkim, Inc., the City issued a Notice of Intent to Award on June 23, 2026 to Unimax as the lowest priced, responsive and responsible bidder. The bid protest period established by the IFB ended June 30, 2026, and no protests were received.

Unimax holds a valid Class B Contractor's License and is registered with the California Department of Industrial Relations. The project is subject to prevailing wage requirements, and the contractor will be required to furnish payment and performance bonds prior to contract execution.

POLICY ALTERNATIVE(S):

Alternative 1: Do not authorize the agreement.

Pros:

- Provides additional time to reassess project scope, design, or budget to ensure alignment with long-term City facility planning objectives.
- Avoids immediate construction-related disruptions to Fire Station No. 1.

Cons:

- Delaying the renovation may result in continued deterioration of kitchen facilities, potentially increasing future repair costs due to further wear and deferred maintenance.
- Prolonged use of outdated infrastructure could negatively affect the functionality, efficiency, and safety of the facility for Fire Department personnel.

Reason for Not Recommending: Delaying the project would postpone needed improvements to the Fire Station No. 1 kitchen and could result in higher long-term maintenance and replacement costs. Additionally, staff would have to re-bid this project and return to City Council again which will result in significant additional delays to addressing current deficiencies.

PROJECT SCHEDULE/KEY MILESTONES

Milestone	Target Date
City Council authorization	August 11, 2026
Construction Agreement execution	August 31, 2026
Notice to Proceed	September 10, 2026
Construction start	September 24, 2026
Substantial completion	March 1, 2027
Notice of Completion filed	March 9, 2027

FISCAL IMPACT:

Sufficient funds for this project are available in Capital Improvement Project (CIP) 3403 – Fire Station Improvements. The total authorization is $129,800, consisting of a base contract amount of $118,000 and a 10% contingency of $11,800. As of July 9, 2026, the available balance in CIP 3403 is $582,947, leaving a remaining balance of $453,147 following this authorization. The renovation replaces existing kitchen facilities in kind and is not expected to result in additional ongoing operating or maintenance costs.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
The Fire Station No. 1 Kitchen Renovation is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301, Class 1 (Existing Facilities), as the project consists of the interior alteration of an existing public facility involving negligible or no expansion of use.

ATTACHMENT(S):
N/A

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt a Resolution Authorizing Acceptance of the FY2026-27 California Highway Patrol Cannabis Tax Fund Grant Program Award, Approve Purchase of Specialty Patrol Vehicle, and Approve Related Budget Appropriation (Staff Contact: Jared Hernandez, Chief of Police, 408-586-2406)**
Category:	Consent Calendar-Public Safety
Meeting Date:	8/11/2026
Recommendation:	(1) Adopt a resolution authorizing the City Manager, or designee, to accept the FY2026-27 California Highway Patrol Cannabis Tax Fund Grant Program Award in the amount of $130,482 and execute the resulting grant agreement and related ancillary documents; (2) authorize the City Manager, or designee, to execute a purchase order with Duval Ford for one specialty patrol vehicle, including outfitting and decals, in an amount not to exceed $98,660; and (3) approve a related budget appropriation in the amount of $130,482 in the State Grants Police Fund (Fund 268).

BACKGROUND:

With the passage of Proposition 64 in 2016, and in accordance with Revenue and Taxation Code Section 34019, the California Highway Patrol (CHP) established a grant administration program to disburse grant funds to local government agencies and qualified nonprofit organizations for the education, prevention, and the enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis and cannabis products.

Regulations within Title 13 of the California Code of Regulations, Division 2, Chapter 13 govern the CHP Cannabis Tax Fund Grant Program (CTFGP). The intent of this grant program is to educate the public regarding the dangers of impaired driving, enforce impaired driving laws on the roadway, and improve the agency's effectiveness through training and development of new strategies.

On February 23, 2026, the Milpitas Police Department, on behalf of the City of Milpitas, applied for the FY2026-27 CHP CTFGP and was subsequently awarded $130,482 in funding on June 30, 2026. The Grant Agreement remains unexecuted pending City Council authorization, and no grant-funded expenditures have been incurred to date.

ANALYSIS:

There is no match requirement and/or leveraging of funds required for the CHP CTFGP grant funding. The grant, which will be appropriated to the State Grants – Police Fund (Fund 268), will fund the following during the grant period:

1. Personnel: Overtime for Enforcement Events	$ 31,822
2. Equipment: DUI Patrol Vehicle (Includes Outfitting & Decals)	98,660
Total	$130,482

The equipment amount consists of $62,764 for the vehicle and $35,896 for outfitting, including lights, sirens, paint, and decals. The specialty DUI patrol vehicle will allow the Police Department to conduct dedicated DUI enforcement and will assist in moving trailers/equipment during DUI enforcement activities. The funded vehicle and enforcement events will enhance public safety by reducing and mitigating the impacts of impaired driving in Milpitas. The grant does not fund ongoing costs associated with the vehicle. The Police Department estimates annual operating and maintenance costs of approximately [$10,000], and annual vehicle replacement fund contributions of approximately [$17,759], both of which will be funded from the General Fund and included in the Department's base operating budget request, subject to appropriation by the City Council through the annual budget adoption process.

City receipt of grant funds is dependent upon procuring the approved equipment and utilizing the equipment for enforcement events within the one-year grant period, July 1, 2026 to June 30, 2027. Section I-2-3.06 (Sole Source Procurement) of the Milpitas Municipal Code authorizes the Purchasing Agent to award contracts without competition when the Purchasing Agent determines in writing, after conducting a good faith review of available sources, that only one viable source exists for the required supplies, material, equipment or general service, or there is a compelling reason for using only one source. The Purchasing Agent has made the written sole source determination required by Section I-2-3.06, and the written statement of the basis for the determination and the period of sole source approval has been placed in the contract file.

Duval Ford currently has the grant-approved vehicle in stock and can complete full outfitting of the vehicle as required and within the timeline needed for compliance with grant performance measures. Alternative vehicle vendors, such as vendors with cooperative agreements and local dealerships cannot order, receive, and outfit the vehicle within the required timeframe.

POLICY ALTERNATIVE(S):

Alternative 1: Do not adopt a resolution authorizing the City Manager to accept the CHP CTFGP grant and thus refuse the grant award

Pros: The City would not incur costs for future annual vehicle maintenance for the specialty patrol vehicle purchased with this grant funding.

Cons: The City would not be able to purchase the needed equipment nor be able to fund the additional enforcement activities, which enhance roadway safety in Milpitas.

Reason for Not Recommending: The grant does not require matching funds. In addition, the equipment and enforcement activities funded with the grant will enhance public safety in Milpitas.

PROJECT SCHEDULE/KEY MILESTONES

Upon Council acceptance, this grant funding will be utilized within the designated grant period, July 1, 2026, through June 30, 2027.

Milestone	Target Date
Council acceptance of grant award	August 11, 2026
Issue purchase order for specialty patrol vehicle	Q1 FY2026-27
Receive vehicle	Q2 FY2026-27
DUI saturation patrols (3 per quarter, 12 total)	Q1-Q4 FY2026-27
DUI/DUID checkpoint	Q4 FY2026-27
Submit quarterly reimbursement and progress reports	Quarterly through June 30, 2027
Grant period ends	June 30, 2027
Submit final expenditure report to CHP	By August 29, 2027

FISCAL IMPACT:

The City would receive $130,482 in grant funding, to be recorded in the State Grants – Police Fund (Fund 268). There is no match requirement or leveraging of funds required. Future vehicle maintenance costs will be subject to the annual appropriation of funds.

The FY2026-27 grant award was not included in the FY2026-27 Adopted, Amended budget. Staff recommends an appropriation action of $130,482 in revenue and $130,482 in expenditures in the State Grants – Police Fund (Fund 268), consisting of $31,822 for overtime for enforcement events and $98,660 for equipment. There is no General Fund impact from the grant-funded activities.

The table below identifies the fund and appropriations accounts to fund the actions recommended in this Agenda Report.

Fund #	Function #	Appropriations Account	FY2026-27 Adopted, Amended Budget	Recommendation Amount	Appropriation Account Type
268 - State Grant Police	722 - Traffic	State Contributions-Police	$ 0	$ 130,482	Revenue
		Overtime for Enforcement Events	$ 0	$ 31,822	Expense
		Equipment, Vehicle + Outfitting	$ 0	$ 98,660	Expense

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):
(a) Resolution
(b) Grant Agreement

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ACCEPTING THE FY2026-27 CALIFORNIA HIGHWAY PATROL CANNABIS TAX FUND GRANT PROGRAM AWARD IN THE AMOUNT OF $130,482 AND AUTHORIZING EXECUTION OF THE GRANT AGREEMENT

WHEREAS, with the passage of Proposition 64 in 2016 and in accordance with Revenue and Taxation Code Section 34019, the California Highway Patrol (CHP) established a grant administration program to disburse grant funds to local government agencies and qualified nonprofit organizations for the education, prevention, and the enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis and cannabis products; and

WHEREAS, regulations within Title 13 of the California Code of Regulations, Division 2, Chapter 13 govern the CHP Cannabis Tax Fund Grant Program (CTFGP), the intent of which is to educate the public regarding the dangers of impaired driving, enforce impaired driving laws on the roadway, and improve the agency's effectiveness through training and development of new strategies; and

WHEREAS, the California Highway Patrol requires the grantee's governing body to authorize execution of the Grant Agreement by resolution, order, motion, or ordinance; and

WHEREAS, successful applicants will enter into an agreement with the California Highway Patrol (CHP) to complete the grant scope; and

WHEREAS, the City of Milpitas Police Department submitted an application for funding from the CHP Cannabis Tax Fund Grant Program FY2026-27, for the following items:

- Personnel: Overtime for Enforcement Events
- Equipment: DUI Patrol Vehicle, including outfitting and decals; and

WHEREAS, the City of Milpitas Police Department has received notice of approval for grant funding in the amount of $130,482.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council hereby accepts the FY2026-27 California Highway Patrol Cannabis Tax Fund Grant Program award in the amount of $130,482.

2. The City Manager, or designee, is hereby authorized to execute the Grant Agreement and related ancillary documents with the California Highway Patrol for the FY2026-27 CHP Cannabis Tax Fund Grant Program in the amount of $130,482 for the term of July 1, 2026, through June 30, 2027, and to execute any subsequent amendments that do not increase the City's financial obligation, subject to review and approval as to form by the City Attorney.

3. The City Council hereby approves an appropriation in the State Grants – Police Fund (Fund 268) for FY2026-27 in the amount of $130,482 in revenue and $130,482 in expenditures.

PASSED AND ADOPTED this ______ day of ______________, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

____

Suzanne Guzzetta, City Clerk

APPROVED:

____

Carmen Montano, Mayor

APPROVED AS TO FORM:

____

Christian M. Curtis, City Attorney

State of California
DEPARTMENT OF CALIFORNIA HIGHWAY PATROL
GRANT AGREEMENT - Page 1

Award Number
30907

1. GRANT TITLE
FY26/27 CTFGP Law Enforcement - City of Milpitas Police Department

2. NAME OF ORGANIZATION/AGENCY
City of Milpitas

3. ORGANIZATION/AGENCY SECTION TO ADMINISTER GRANT
City of Milpitas / Police Department

4. PROJECT PERFORMANCE PERIOD
From: 07/01/2026 To: 06/30/2027

5. PURCHASE ORDER NUMBER

6. GRANT OPPORTUNITY INFORMATION DESCRIPTION
Law Enforcement grants provide financial assistance to allied agencies for the education, prevention, and the enforcement of laws related to driving under the influence of alcohol and other drugs, including cannabis and cannabis products.
The intent of the program is to educate the public regarding the dangers of impaired driving, enforce impaired driving laws on the roadway, and improve the Organization/Agency's effectiveness through training and development of new strategies.

7. FUNDS ALLOCATED UNDER THIS GRANT AGREEMENT SHALL NOT EXCEED $130,482.00

8. TERMS AND CONDITIONS
The Grantee agrees to complete the Project, as described in the Project Description. The Grantee's Grant Application, and the California Code of Regulations, Title 13, Division 2, Chapter 13, Sections 1890.00-1890.27, are hereby incorporated into this Grant Agreement by reference.

The parties hereto agree to comply with the Terms and Conditions of the following attachments:

- Schedule A – Project Description, Problem Statement, Goals and Objectives, and Method of Procedure
- Schedule B – Detailed Budget Estimate
- Schedule B-1 – Budget Narrative

We, the officials named below, hereby swear, under penalty of perjury under the laws of the State of California, that we are duly authorized to legally bind the Grant recipient to the above-described Grant Terms and Conditions.

IN WITNESS WHEREOF, this Grant Agreement is executed by the parties hereto.

9. APPROVAL SIGNATURES

A. AUTHORIZED OFFICIAL OF ORGANIZATION/AGENCY
Name: Willie A. Hopkins Jr.
Title: City Manager
Phone: (408) 586-3402

Address: 455 East Calaveras Boulevard
Milpitas, CA 95035

E-Mail: whopkins@milpitas.gov

_______________ (Signature) _______________ (Date)

B. AUTHORIZED OFFICIAL OF CHP
Name: Elliotte Johnson Phone: (916) 843-4360
Title: Captain Fax: (916) 322-3169

Address: 601 North 7th Street
Sacramento, CA 95811

E-Mail: ElJohnson@chp.ca.gov

_______________ (Signature) _______________ (Date)

C. ACCOUNTING OFFICER OF CHP
Name: M. V. Fojas Phone: (916) 843-3531
Title: Commander Fax: (916) 322-3159

Address: 601 North 7th Street
Sacramento, CA 95811

E-Mail: Michelle.Fojas@chp.ca.gov

_______________ (Signature) _______________ (Date)

10. AUTHORIZED FINANCIAL CONTACT TO RECEIVE REIMBURSEMENT PAYMENTS

Name: Luz Cofresi-Howe
Title: Director of Finance
Phone: (408) 586-3012

Address: 455 East Calaveras Boulevard
Milpitas, CA 95035

TERMS AND CONDITIONS

Grantee shall comply with the California Code of Regulations, Title 13, Division 2, Chapter 13 Section 1890, et seq. and all other Terms and Conditions noted in this Grant Agreement. Failure by the Grantee to comply may result in the termination of this Grant Agreement by the California Highway Patrol (hereafter referred to as State). The State will have no obligation to reimburse the Grantee for any additional costs once the Grant Agreement has been terminated.

A. EXECUTION

1. The State (the California Highway Patrol) hereby awards, to the Grantee, the sum of money stated on page one of this Grant Agreement. This funding is awarded to the Grantee to carry out the Project set forth in the Project Description and the terms and conditions set forth in this Grant Agreement.

2. The funding for this Grant Agreement is allocated pursuant to California Revenue and Taxation Code Section 34019(f)(3)(B). The Grantee agrees that the State's obligation to pay any sum under this Grant Agreement is contingent upon availability of funds disbursed from the California Cannabis Tax Fund to the State. If there is insufficient funding, the State shall have the option to either: 1) terminate this Grant Agreement; whereby, no party shall have any further obligations or liabilities under this Grant Agreement, or 2) negotiate a Grant Agreement Amendment to reduce the grant award and scope of work to be provided under this Grant Agreement.

3. The Grantee is not to commence or proceed with any work in advance of receiving notice that the Grant Agreement is approved. Any work performed by the Grantee in advance of the date of approval by the State shall be deemed volunteer work and will not be reimbursed by the State.

4. The Grantee agrees to provide any additional funding, beyond what the State has agreed to provide, pursuant to this Grant Agreement, and necessary to complete or carry out the Project, as described in this Grant Agreement. Any modification or alteration of this Grant Agreement, as set forth in the Grant Application submitted by the Grantee and on file with the State, must be submitted in writing thirty (30) calendar days in advance to the State for approval.

5. The Grantee agrees to complete the Project within the timeframe indicated in the Project Performance Period, which is on page one of this Grant Agreement.

B. PROJECT ADMINISTRATION

1. The Grantee shall submit all reimbursements, progress, performance, and/or other required reports concerning the status of work performed in furtherance of this Grant Agreement on a quarterly basis, or as requested by the State.

2. The Grantee shall provide the State with a final report showing all Project expenditures, which includes all State and any other Project funding expended, within sixty (60) calendar days after completion of this Grant Agreement.

3. The Grantee shall ensure all equipment which is purchased, maintained, operated, and/or developed is available for inspection by the State.

4. Equipment purchased through this Grant Agreement shall be used for the education, prevention, and enforcement of impaired driving laws, unless the Grantee is funding a portion of the purchased price not dedicated to impaired driving and that portion is not part of the Project costs. Equipment purchased under this Grant Agreement must only be used for approved Project-related purposes, unless otherwise approved by the State in writing.

5. Prior to disposition of equipment acquired under this Grant Agreement, the Grantee shall notify the State via e-mail, and by telephone, by calling the California Highway Patrol, Impaired Driving Section, Cannabis Grants Unit at (916) 843-4360.

TERMS AND CONDITIONS

C. PROJECT TERMINATION

1. Grantee or the State may terminate this Grant Agreement at any time prior to the commencement of the Project. Once the Project has commenced, this Grant Agreement may only be terminated if the party withdrawing provides thirty (30) calendar days written notice of their intent to withdraw.

    a. If by reason of force majeure the performance hereunder is delayed or prevented, then the term end date may be extended by mutual consent for the same amount of time of such delay or prevention. The term “force majeure” shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond the Grantee’s control which would excuse the Grantee’s performance as a matter of law.

    b. Grantee agrees to provide written notice of an event of force majeure under this Grant Agreement within ten (10) calendar days of the commencement of such event, and within ten (10) calendar days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.

2. Any violations of law committed by the Grantee, misrepresentations of Project information by the Grantee to the State, submission of falsified documents by the Grantee to the State, or failure to provide records by the Grantee to the State when requested for audit or site visit purposes may be cause for termination. If the Project is terminated for the reasons described in this paragraph, the State will have no obligation to reimburse the Grantee for any additional costs once the Grant Agreement has been terminated.

3. The State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein provided. Furthermore, the Grantee, upon termination, shall return grant funds not expended by the Grantee as of the date of termination.

4. If this Grant Agreement is terminated, the State may choose to exclude the Grantee from future Grant Opportunities.

D. FINANCIAL RECORDS

1. The Grantee agrees the State, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Grant Agreement. Grantee agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated or required by law. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Furthermore, the Grantee agrees to include a similar right for the State to audit all records and interview staff in any subcontract related to performance of this Grant Agreement.

E. HOLD HARMLESS

1. The Grantee agrees to indemnify, defend, and save harmless the State, its officials, agents and employees from any and all claims and losses accruing or resulting to any and all Grantee’s staff, contractors, subcontractors, suppliers, and other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Grant Agreement, and from any and all claims and losses accruing or resulting to any person, agency, firm, corporation who may be injured or damaged by the Grantee in performance of this Grant Agreement.

TERMS AND CONDITIONS

F. NONDISCRIMINATION

1. The Grantee agrees to comply with State and federal laws outlawing discrimination, including, but not limited to, those prohibiting discrimination because of sex, race, color, ancestry, religion, creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including cancer or genetic characteristics), sexual orientation, political affiliation, position in a labor dispute, age, marital status, and denial of statutorily-required employment-related leave. (GC 12990 [a-f] and CCR, Title 2, Section 8103.)

G. AMERICANS WITH DISABILITIES ACT

1. The Grantee assures the State it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

H. DRUG-FREE WORKPLACE

1. The Grantee shall comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

   a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

   b. Establish a Drug-Free Awareness Program to inform employees about:

      i. The dangers of drug abuse in the workplace.

      ii. The person's or Organization/Agency's policy of maintaining a drug-free workplace.

      iii. Any available counseling, rehabilitation, and employee assistance programs.

      iv. Penalties that may be imposed upon employees for drug abuse violations.

   c. Every employee who works on the Project will:

      i. Receive a copy of the company's drug-free workplace policy statement.

      ii. Agree to abide by the terms of the company's statement as a condition of employment on the Grant Agreement.

2. Failure to comply with these requirements may result in suspension of payments under this Grant Agreement, or termination of this Grant Agreement, or both, and Grantee may be ineligible for award of any future Grant Agreements if the department determines that any of the following has occurred:

   a. The Grantee has made false certification or violated the certification by failing to carry out the requirements, as noted above. (GC 8350 et seq.)

I. LAW ENFORCEMENT AGENCIES

1. All law enforcement Organization/Agency Grantees shall comply with California law regarding racial profiling. Specifically, law enforcement Organization/Agency Grantees shall not engage in the act of racial profiling, as defined in California Penal Code Section 13519.4.

TERMS AND CONDITIONS

J. LABOR CODE/WORKERS' COMPENSATION

1. The Grantee is advised and made aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Grant Agreement, (refer to Labor Code Section 3700).

K. GRANT APPLICATION INCORPORATION

1. The Grantee agrees the Grant Application and any subsequent changes or additions approved or required by the State is hereby incorporated into this Grant Agreement.

L. STATE LOBBYING

1. The Grantee is advised that none of the funds provided under this Grant Agreement may be used for any activity specifically designed to urge or influence a state or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any state or local legislative body. Such activities include both direct and indirect (e.g., “grassroots”) lobbying activities, with one exception. This does not preclude a state official, whose salary is supported by this Grant Agreement, from engaging in direct communications with the state or local legislative officials, in accordance with customary state and/or local practice.

M. REPRESENTATION AND WARRANTIES

1. The Grantee represents and warrants that:

    a. It is validly existing and in good standing under the laws of the State of California, has, or will have the requisite power, authority, licenses, permits, and the like necessary to carry on its business as it is now being conducted and as contemplated in this Grant Agreement, and will, at all times, lawfully conduct its business in compliance with all applicable federal, state, and local laws, regulations, and rules.

    b. It is not a party to any Grant Agreement, written or oral, creating obligations that would prevent it from entering into this Grant Agreement or satisfying the terms herein.

    c. If the Grantee is a Nonprofit Organization/Agency, it will maintain its “Active” status with the California Secretary of State, maintain its “Current” status with the California Attorney General’s Registry of Charitable Trusts, and maintain its federal and State of California tax-exempt status. If the Grantee subcontracts with a Nonprofit as part of this Grant Agreement, the Grantee shall ensure the Nonprofit will maintain its “Active” status with the California Secretary of State, maintain its “Current” status with the California Attorney General’s Registry of Charitable Trusts, and maintain its federal and State of California tax-exempt status.

    d. All of the information in its Grant Application and all materials submitted are true and accurate.

N. AIR OR WATER POLLUTION VIOLATION

1. Under the state laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

TERMS AND CONDITIONS

O. GRANTEE NAME CHANGE

1. Grantee agrees to immediately inform the State, in writing, of any changes to the name of the person within the Organization/Agency with delegated signing authority.

2. An Amendment is required to change the Grantee's name, as listed on this Grant Agreement. Upon receipt of legal documentation of the name change, the State will process the Amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said Amendment.

P. RESOLUTION

1. A county, city, district, or other local public body shall provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body, which by law, has authority to enter into a Grant Agreement, authorizing execution of the Grant Agreement.

Q. PAYEE DATA RECORD FORM STD. 204

1. This form shall be completed by all non-governmental Grantees.

R. FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA GOVERNMENT AGENCY TAXPAYER ID FORM

1. This form shall be completed by all Grantees.

S. CONFLICT OF INTEREST

1. This section serves to make the Grantee aware of specific provisions related to current or former state employees. If Grantee has any questions regarding the status of any person rendering services or involved with the Grant Agreement, the Grantee shall contact the State (California Highway Patrol, Impaired Driving Section, Cannabis Grants Unit) immediately for clarification.

2. Current State Employees:

    a. No officer or employee shall engage in any employment, activity, or enterprise, from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any state agency, unless the employment, activity, or enterprise is required, as a condition of regular state employment.

    b. No officer or employee shall contract on their own behalf, as an independent Grantee, with any state agency to provide goods or services.

3. Former State Employees:

    a. For the two-year period from the date they left state employment, no former state officer or employee may enter into a contract in which they engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to this Grant Agreement while employed in any capacity by any state agency.

    b. For the 12-month period from the date they left state employment, no former state officer or employee may enter into a contract with any state agency if they were employed by that state agency in a policy-making position in the same general subject area as the proposed Grant Agreement within the 12-month period prior to their leaving state service.

4. The authorized representative of the Grantee Organization/Agency, named within this Grant Agreement, warrants their Organization/Agency and its employees have no personal or financial interest and no present or past employment or activity, which would be incompatible with

participating in any activity related to this Grant Agreement. For the duration of this Grant Agreement, the Organization/Agency and its employees will not accept any gift, benefit, gratuity or consideration, or begin a personal or financial interest in a party who is associated with this Grant Agreement.

5. The Grantee Organization/Agency and its employees shall not disclose any financial, statistical, personal, technical, media-related, and/or other information or data derived from this Grant Agreement, made available for use by the State, for the purposes of providing services to the State, in conjunction with this Grant Agreement, except as otherwise required by law or explicitly permitted by the State in writing. The Grantee shall immediately advise the State of any person(s) who has access to confidential Project information and intends to disclose that information in violation of this Grant Agreement.

6. The Grantee will not enter into any Grant Agreement or discussions with third parties concerning materials described in paragraph five (5) prior to receiving written confirmation from the State that such third party has a Grant Agreement with the State, similar in nature to this one.

7. The Grantee warrants that only those employees who are authorized and required to use the materials described in paragraph 5 will have access to them.

8. If the Grantee violates any provisions in the above paragraphs, such action by the Grantee shall render this Grant Agreement void.

T. EQUIPMENT-USE TERMS

1. The Grantee agrees any equipment purchased under this Grant Agreement shall be used for impaired driving efforts.

2. Law Enforcement Projects:

   a. Oral Fluid Drug Screening Devices and Cannabis/Marijuana Breath Testing Equipment - The Grantee agrees to ensure all personnel using road-side drug testing equipment, including oral fluid drug testing devices and/or cannabis/marijuana breath testing devices, purchased with grant funds from this Grant Agreement, are trained to recognize alcohol and drug impairment. At a minimum, personnel using these devices should receive Standardized Field Sobriety Testing training. These personnel are also encouraged to attend Advanced Roadside Impaired Driving Enforcement and Drug Recognition Evaluator training. Prior to using these devices, the Grantee agrees to obtain permission from their local prosecutor’s office, establish a policy ensuring appropriate use, and require the staff using these devices to receive appropriate training, which may include training from the manufacturer. This will help ensure the equipment is used appropriately. The Grantee shall advise the State (California Highway Patrol, Impaired Driving Section, Cannabis Grants Unit) of any legal challenges or other items of significance that may affect the use or legal acceptance of these devices. Additionally, the State may request additional information about the performance of these devices, including information about their use, accuracy, and feedback from personnel using the devices.

   b. Law Enforcement Vehicles – The Grantee agrees any law enforcement vehicles purchased with Grant funds, from this Grant Agreement, will be primarily used for the enforcement of driving under the influence laws and/or providing public education, related to the dangers of driving under the influence. Additionally, any vehicle purchased using funds from this Grant Agreement shall comply with all California Vehicle Code and California Code of Regulation requirements. The State may require the Grantee to mark these vehicles with a decal and/or emblem, indicating the vehicle is used for driving under the influence enforcement.

Schedule A

City of Milpitas

The Grantor determined awards and adjustments based on the Project's merit, operational scale, compliance with the Request for Application (RFA), and program regulations. Certain activities or budget items proposed in Schedule A may have been deemed ineligible for funding. The final, binding list of authorized activities and expenses is set forth in Schedule B - Detailed Budget Estimate.

Project Description

The proposed project will provide necessary equipment and funding to support enforcement activities to help combat rising DUI/DUID incidents in Milpitas. Our proposed project for FY 26/27 is to request staffing funding for one (1) DUI/DUID checkpoint and twelve (12) DUI Saturation Patrols. Our proposed project would include funding to obtain one (1) dedicated marked DUI Enforcement Police Truck for DUI enforcement and to assist in moving trailers during DUI Enforcement activities.

Problem Statement

The City of Milpitas is located in northern Santa Clara County and is bordered by Interstate 680 to the east, Interstate 880 to the west, and state route 237 running the center of Milpitas and intersecting the two freeways. Milpitas is considered the "Crossroads of Silicon Valley," and serves as the primary hub that links several jurisdictions in Santa Clara County to Alameda County. Milpitas is the primary commuter connection between Silicon Valley and communities in the Central Valley. Milpitas is 13.63 square miles and home to numerous high-tech companies, and borders San Jose and Santa Clara—homes of the Avaya and Levi stadiums, respectively. As such, while the residential population is 80,273, the daily population and vehicular traffic on weekdays and game/event days increases significantly. Although the Milpitas Police Department's dedicated Traffic Safety Unit has been reduced in size in recent years due to police officer staffing shortages, the number of calls for service and the number of DUI arrests have increased. In 2023, 2024, and 2025, DUI arrests (alcohol and drug) were 159, 169, and 169, respectively. The number of DUI related (alcohol and drug) traffic collisions for those years were 81, 67, and 72, respectively. Traffic safety remains a top priority for the Milpitas Police Department.

Proposed enforcement activities to be funded by the grant are DUI saturation patrols and a DUI checkpoint. DUI checkpoints conducted in the City of Milpitas have proven to be quite successful. On average, a checkpoint produces one DUI arrest and several dozen citations for unlicensed or suspended drivers. However, the success of these checkpoints is not just measured by the number of arrests produced. Each checkpoint averages 1,191 vehicles that pass through, and approximately 466 drivers contacted, creating opportunities to educate the public of the dangers of driving impaired.

Performance Measures/Scope of Work (Proposed Solution)

- 12 DUI Saturation Patrols (Q1 = 3, Q2 = 3, Q3 = 3, Q4 = 3) will be conducted aimed at reducing DUI/DUID crashes by 10 percent and increasing DUI/DUID arrests by 10 percent to improve roadway safety in Milpitas. The request for funding of a Ford F150 will be utilized in these saturation patrols.
- 1 DUI Checkpoint (Q4 = 1) will be conducted aimed at increasing DUI/DUID arrests by 10 percent, which will improve roadway safety in Milpitas by reducing the number of impaired drivers in the community.
- 1 DUI/DUID Patrol Vehicle (Truck) (Q1= Purchase, Q2= Receive and upfit vehicle, Q4= Complete DUI Saturation patrols with vehicle.) The vehicle (Ford F150) will be marked with "DUI Enforcement". Social Media posts will show the vehicle during enforcement. Our Saturation Patrols and social media posts with this vehicle aim to increase our proactive DUI/DUID arrests by 10% and reduce DUI/DUID by 10 percent.

Project Performance Evaluation

Data collection, monitoring of grant activities, and project performance evaluation will be conducted quarterly utilizing data from the Department's records management system (RMS). The data will be collected and sorted, allowing Department staff to analyze trends and patterns of events to concentrate resources on highly affected areas. The information collected will be shared with internal and external stakeholders, such as City staff and neighboring police agencies, via the Department's website, transparency portal, and/or social media accounts, as appropriate and in accordance with relevant laws and regulations.

Schedule A

Program Sustainability
The project aims to reduce DUI/DUID crashes and related incidents to improve roadway safety in Milpitas. The quantitative analysis conducted throughout the grant performance period will provide the City and stakeholders with the information needed to determine additional funding and/or future ongoing funding sources, to reduce reliance on grant funding.

Positive results in reducing DUI/DUID incidents in Milpitas will serve as justification for future ongoing operational budget requests, which the department can request thought the City's budget process annually. The Milpitas Police Department will utilize the requested DUI/DUID Patrol Vehicle (Truck) for 6 to 7 years.

Administrative Support
The department has adequate staff to complete the grant activities within the grant period. The department's Traffic Safety Sergeant will coordinate, monitor, and assess grant activities; track checkpoint and saturation patrol data/statistics; and track the deployment of the grant funded equipment during the grant period.

The department's Traffic Safety Sergeant and/or Command Staff will communicate results of grant activities to internal and external stakeholders, as needed.

The department's Business Manager will submit quarterly grant claims to fulfill grant reporting requirements and assist with the purchase of grant-funded equipment.

Schedule B

Detailed Budget Estimate

Award Number	Organization/Agency	Total Amount
30907	City of Milpitas	$130,482.00

Cost Category	Line Item Name	Total Cost to Grant
Personnel		
	DUI Checkpoint	$18,478.00
	DUI Saturation Patrol	$13,344.00
Category Sub-Total		**$31,822.00**
Equipment		
	DUI Patrol Vehicle (Includes Outfitting & Decals)	$98,660.00
Category Sub-Total		**$98,660.00**

Grant Total	**$130,482.00**

Schedule B-1
Budget Narrative

City of Milpitas

Prior to engaging in grant-funded Saturation Patrols, DUI Checkpoints, or other enforcement activities in areas where the grantee does not have primary traffic jurisdiction, the grantee should consult with the agency having primary traffic jurisdiction.

Personnel

DUI Saturation Patrol

$13,344.00

12 DUI Saturation Patrols: This enforcement activity will occur twelve (12) times in the grant period (3 occurrences per quarter). One (1) Police Officer at $139/hour for 8 hours of overtime for each occurrence = $13,344. The pay rate listed above is the overtime rate and includes benefits (benefit rate: 1.45%).

DUI Checkpoint

$18,478.00

1 DUI/DUID Checkpoint: One (1) DUI Checkpoint = $17,984. This enforcement activity will occur one time in the grant period. The pay rates listed below are overtime rates and include benefits (benefit rate: 1.45%). ; 1 Police Sergeant at $176/hour for 10 hours of overtime each = $1,760 ; 2 Police Sergeants at $176/hour for 8 hours of overtime each = $2,816 ; 2 Police Officers at $139/hour for 10 hours of overtime each = $2,780 ; 6 Police Officers at $139/hour for 8 hours of overtime each = $6,672 ; 2 Police Officers at $139/hour for 3 hours of overtime each = $834 ; 1 Dispatcher at $104/hour for 8 hours of overtime = $832 ; 4 Community Service Officers at $87/hour for 8 hours of overtime each = $2,784.

Equipment

DUI Patrol Vehicle (Includes Outfitting & Decals)

$98,660.00

One (1) DUI/DUID Enforcement Vehicle (Truck) = $62,764. The requested DUI/DUID Enforcement Vehicle (Truck) is a Ford F-150 Police Responder, 3.5L V6 EcoBoost. The vehicle will be used for the following: 1) to conduct DUI enforcement and saturation patrols; 2) to transport and move the necessary equipment utilized during DUI checkpoints, including cones and signs, enhancing efficiency.

One 2026 Ford F150 (Truck) - Outfitting= $35,896 total. Upfitting with lights, sirens, paint, and decals. Department will absorb installation costs that exceed this amount.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Consider Introducing an Ordinance to Amend Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 Relating to the Regulation of Tobacco Retailers (Staff Contact: Jay Lee, Planning Department, 408-586-3077)**
Category:	Public Hearings-Community Development
Meeting Date:	8/11/2026
Recommendation:	(1) Determine that the ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15183 (Projects Consistent with General Plan, and as a separate and independent basis, exempt pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption); and (2) introduce an Ordinance amending Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 relating to the regulation of tobacco retailers (P-ZA26-0001).

<u>BACKGROUND:</u>

Tobacco use remains the number one preventable cause of death and disease in California, causing nearly 40,000 deaths in California every year. More than 22 percent of all adult cancer deaths in California are attributable to smoking. In Santa Clara County, one in eight deaths annually is attributed to smoking-related illness or diseases, such as cancer, heart disease, and respiratory diseases. More than one in ten youth in the County currently use tobacco products, including electronic smoking devices, and nearly one in three Santa Clara County teens report that they have used an e-cigarette at least once. Milpitas has 0.5 tobacco retailers per 1,000 people, which is similar to the Santa Clara County average of 0.5 retailers per 1,000 people. Milpitas also has more tobacco retailers (2.9) per square mile than the Santa Clara County average of 2.5 retailers per square mile. Attachment G provides additional information regarding the number of tobacco retailers in Santa Clara County.

In 2019-20, 25.3 percent of Santa Clara County high school students have used a tobacco product and 8.6 percent used tobacco in the last 30 days. E-cigarettes are the most popular tobacco products, with 23 percent of high school students having used them and 7.7 percent being current users. Mentholated and flavored products have been shown to be “starter” products for youth who begin using tobacco, helping to establish tobacco habits that can lead to long-term addiction. Studies show that youth believe flavored tobacco products are safer and less addictive than non-flavored varieties. Moreover, the vast majority (93.1 percent) of current Santa Clara County teen tobacco users report using a flavored tobacco product, with flavored vape and hookah use being the highest (96.3 percent and 83.4 percent, respectively).

In 2019, more than 86 percent of Santa Clara County tobacco retailers near schools sold flavored non-cigarette tobacco products, such as e-cigarettes. More than half (52.9 percent) of Santa Clara teens who currently vape reported purchasing their own vaping product, with over 1 in 5 of this group saying they buy them directly from a store. Among those who purchase their vaping products in a store, 71 percent purchased them at a tobacco shop, smoke shop, and vape shop.

To date, some jurisdictions have passed more comprehensive restrictions on the sale of tobacco products. The City of Beverly Hills prohibits the sale of all tobacco products (with an exception for hotels and high-end cigar clubs/lounges). The City of Livermore prohibits the sale of all e-cigarettes, while the City and County of San Francisco prohibits the sale of e-cigarettes that contains nicotine.

<u>Recent State and Federal Laws</u>

On August 28, 2020, California passed a law prohibiting the sale of most flavored tobacco products (Senate Bill (SB) 793). The state law contains three exemptions:

1. Hookah and shisha products (if sold by an adult-only hookah tobacco retailer);
2. Premium cigars with a wholesale price of no less than $12; and
3. Loose leaf tobacco (other than tobacco for roll-your-own-cigarettes).

On November 8, 2022, California voters upheld SB 793, prohibiting a tobacco retailer, or any of the tobacco retailer's agents or employees, from selling, offering for sale, or possessing with the intent to sell or offer for sale, most flavored tobacco products including flavored e-cigarettes and menthol cigarettes, as well as tobacco product flavor enhancers in retail locations. On October 7, 2023, Governor Newsom signed into law Assembly Bill (AB) 935, strengthening the enforcement of the flavored tobacco retail law, and broadening the definition of a retail location. These laws specifically provide that local jurisdictions may adopt more restrictive regulations on the sale of tobacco products, including flavored tobacco products. On September 28, 2024, Governor Newsom signed Assembly Bill (AB) 3218, requiring the California Attorney General to maintain an Unflavored Tobacco List identifying products that may lawfully be sold in California

Previous Work

The Santa Clara County's Healthy Cities Program seeks to address tobacco-related health concerns by promoting policies and practices to provide tobacco-free and smoke-free communities. Tobacco prevention priority areas known to have the greatest impact on reducing tobacco-related disparities and inequities include:

- Reducing secondhand smoke exposure within multi-unit housing and other outdoor public spaces.
- Establishing a local Tobacco Retail License (TRL) Program to restrict and monitor the sale of tobacco products, flavored tobacco products.
- Reducing the overall density/concentration of tobacco retailers, including prohibiting new tobacco retailers from operating near schools.
- Prohibiting the sale of e-cigarettes and vaping products, or other types of tobacco products.

The Santa Clara County Public Health Department (PHD) has provided funding to cities to support these tobacco prevention strategies known to have the highest impact on reducing tobacco-related disparities and inequities. Following the City Council's request to explore policies to discourage tobacco use and vaping by teens, on July 20, 2020, the City executed a grant agreement in the amount of $37,560 with the PHD to explore tobacco prevention policies shown to reduce youth access and exposure to tobacco products.

The City of Milpitas had previously adopted ordinances to prohibit smoking at City-owned building entrances, playgrounds & sports facilities on February 21, 2006; in parks and trails in 2012; regulating electronic smoking devices and adding all public parks as prohibited areas on April 1, 2014; and outdoor dining areas on January 3, 2017. On June 15, 2021, the City adopted an ordinance to prohibit smoking in multi-unit residences and many outdoor areas to reduce exposure to secondhand smoke. On March 16, 2021, the City was awarded a grant from the PHD to educate youth on the dangers of tobacco, reduce the number of tobacco retailers, and develop a licensing program for tobacco retail sales. On October 5, 2021, staff presented policy options to regulate tobacco retail permitting (TRP), flavored tobacco, electronic cigarette products, and tobacco retail location limits for future Council consideration and adoption. At a follow-up meeting on June 21, 2022, Council directed staff to develop a tobacco retail permitting program in partnership with Santa Clara County to regulate tobacco retail locations and prohibit the sale of flavored tobacco and electronic cigarette products in Milpitas. However, due to the County's enforcement requirements related to the licensing program and staffing constraints, the City ultimately did not enter into an agreement with the County.

On March 29, 2024, the City was awarded a grant of $22,997 from the PHD Tobacco-Free Communities Program to reduce the density of tobacco retailers and location of tobacco retailers near sensitive receptors (schools) within the city.

At the June 10, 2026 public hearing, the Planning Commission reviewed the proposed zoning text amendment to establish buffer requirements for new tobacco retailers and received public input. One formal speaker, Brian Lam of the California Fuels and Convenience Alliance, supported reducing youth tobacco use but asked the Commission to exempt gas stations and convenience stores from the proposed separation requirements, citing concerns about business transferability. Staff clarified that all existing tobacco retailers would be grandfathered in and considered legal non-conforming uses. The separation and permit requirements would apply to new tobacco retailers. Existing businesses would be able to sell their business, with the tobacco license, so long as they conform with the standards under MMC XIII.C.18.030 (Nonconforming Uses). Three written comments were received prior to the hearing, including one requesting that the ID-check requirement be limited to customers appearing under 30 rather than every purchaser. The Assistant City Attorney indicated this modification would be difficult to enforce due to its subjectivity. Following deliberation, the Commission adopted a resolution recommending City Council approval of the ordinance, with a request for staff to clarify the definition of "schools" to ensure that both public and private educational institutions. The Commission also voted to recommend that besides a 1,000-foot buffer between schools and new tobacco retailers, there also be a 1,000-foot buffer between childcare centers and new tobacco retailers.

ANALYSIS:

The proposed Tobacco Retail Buffer Ordinance is designed to address specific gaps in local regulation by establishing clear spatial and operational standards for tobacco retailers in Milpitas. The ordinance is structured to align with state law, regional best practices, and the City's General Plan, while also incorporating feedback from community engagement and interdepartmental review. The following analysis outlines the core reasoning and justification for the staff recommendation, summarizes the relevant regulatory framework, describes stakeholder outreach, and details the anticipated implementation process.

To reduce youth access to tobacco products, staff explored the following best practices:

1. Reducing the availability of tobacco by:
    a. Prohibiting new tobacco retailers from locating within a certain distance from sensitive receptors, particularly schools (e.g. 1,000 feet)
    b. Prohibiting new tobacco retailers from locating within a certain distance from existing tobacco retailers (e.g. 500 feet)
    c. Prohibiting the sale of tobacco products at pharmacies.
2. Codifying the prohibition of sales of flavored tobacco products throughout the City.

These options are discussed in more detail below and are proposed as part of the zoning text amendment.

Limit the Location of Tobacco Retailers

There are currently 40 tobacco retailers within the City. The majority of the retailers are liquor stores, gas stations and grocery stores. Three of these retailers are standalone smoke/tobacco shops. There are areas of high concentration of tobacco retailers along N Milpitas Blvd and Dixon Landing, north of W Calaveras Blvd and adjacent to I-880, and E Calaveras Blvd and S Park Victoria Dr (see Attachment C).

Research has shown that the density of tobacco retailers, particularly in neighborhoods around schools, is associated with increased youth smoking rates. Tobacco retailers near schools with high smoking rates have also been shown to have lower cigarette prices and more in-store promotions. A high density of tobacco retailers has been associated with increased smoking rates, particularly among youth. A study of California neighborhoods found that the density and proximity of tobacco retailers influenced smoking behaviors, including number of cigarettes smoked per day. Excessive tobacco retailer density may exacerbate disparities in tobacco use and tobacco-related harm. Research also shows that the presence of tobacco in retail settings normalizes the use of tobacco products and triggers smoking urges among former smokers and those attempting to quit. Additionally, children are more likely to experiment with, and use, tobacco products when tobacco retailers are located near homes.

In Santa Clara County, Cupertino, Gilroy, Los Altos, Los Gatos, Palo Alto, Saratoga, San José and the unincorporated County area restrict the location of new tobacco retailers. More than 50 local governments in California restrict the location of tobacco retailers within a certain distance of schools. The most common buffer zone in such laws is 1,000 feet. With the exception of Gilroy, these jurisdictions also require that new tobacco retailers must be at least 500 feet away from other tobacco retailers. The proposed ordinance seeks to adopt tobacco prevention strategies that have been shown to reduce youth access and exposure to tobacco products. The ordinance would prohibit new businesses from selling tobacco near schools (e.g. 1,000 feet away) and prohibit the siting of new tobacco retailers in close proximity of existing tobacco retailers (e.g. 500 feet away). The goal of the ordinance is to reduce tobacco density across the City.

Table 1: Sensitive Use Buffer Zones for Tobacco Retailers in Santa Clara County[1]

Jurisdiction	Citation	Sensitive Use Buffer Zone, Areas Included
Campbell	None	None
Cupertino	5.50.040	1,000 feet, schools
Gilroy[2]	13.68	1,000 feet, schools
Los Altos	4.48.040	1,000 feet, schools
Los Altos Hills	NA - no retailers	NA - no retailers
Los Gatos	18.60.020	1,000 feet, schools
Milpitas	None	None
Monte Sereno	NA - no retailers	NA - no retailers
Morgan Hill	None	None
Mountain View	None	None
Palo Alto	4.64.040	1,000 feet, schools
San José	6.87.370	1,000 feet, schools, community and recreation centers, parks, libraries
Santa Clara (city)	None	None
Santa Clara (county)	B11-579	1,000 feet, schools
Saratoga	4-90.040	1,000 feet, schools and city parks
Sunnyvale	None	None

Another strategy to reduce the availability of tobacco products is to prohibit the sale of tobacco products by a certain type of retailer, such as pharmacies. Santa Clara County, Los Gatos, Palo Alto, Saratoga, and the unincorporated County prohibit the sale of tobacco products in pharmacies. Notably, CVS discontinued the sale of tobacco in pharmacies in 2014. Research has shown that cigarette purchases declined nationally after CVS implemented its policy change and that smokers who had previously purchased their cigarettes exclusively at CVS were more likely to stop buying cigarettes entirely.

Sales of tobacco products in pharmacies may present an inherent conflict of interest and send mixed messages about the health risks posed by tobacco. By selling tobacco products, pharmacies reinforce positive social perceptions of smoking, convey implied approval of tobacco use, and may send a message that it is safe to smoke. The Tobacco Education and Research Oversight Committee for California, the American Pharmacists Association, the California Pharmacists Association, and the California Medical Association have called for the adoption of state and local prohibitions of tobacco sales in drug stores and pharmacies.

[1] There are likely jurisdictions in California that limit new tobacco retailers with a certain distance of childcare centers. Many other jurisdictions prohibit new retailers within a certain distance of youth-sensitive areas. However, data is not available about which specific areas are defined as youth-sensitive for these laws.
[2] Gilroy is currently considering whether to expand the types of youth-sensitive areas.

Research has shown that more than 95 percent of consumers would continue to shop at drugstores that became tobacco-free, either as often as before or more often. Communities that have adopted policies prohibiting tobacco sales in pharmacies have experienced up to three times greater reduction in tobacco retailer density compared with communities without such policies, even after controlling for the presence of policies restricting tobacco density and location.

Prohibit the Sale of Flavored Tobacco Products
Staff has also proposed a local prohibition on the sale of flavored tobacco products. SB 793, AB 935, and AB 3218 expressly authorize local jurisdictions to adopt more restrictive regulations than state law. Such a prohibition would apply to flavored e-cigarettes, e-liquids, flavored cigars, little cigars, flavored hookah and shisha products, and menthol cigarettes. E-liquids are nicotine solutions that are used with e-cigarettes. These liquid solutions are available in thousands of flavors that are attractive to youth, such as gummy bear and cotton candy.

Flavored tobacco products are considered “starter” products for youth who begin to use tobacco, establishing tobacco habits that can lead to long-term addiction. Nearly 81 percent of youth ages 12 to 17 who use tobacco products report that the first product they used was flavored. Youth believe that flavored tobacco products are safer and less addictive than non-flavored varieties. The most comprehensive approach to addressing the availability of flavored tobacco and nicotine products is to prohibit the sale of such products in the City.

In Santa Clara County, the cities of Cupertino, Los Altos, Los Gatos, Morgan Hill, Palo Alto, Saratoga, Sunnyvale, and the County of Santa Clara prohibit the sale of flavored tobacco products in their respective Municipal Codes.

The proposed local prohibition is broader than state law in two respects, and both represent policy decisions for the City Council. First, the ordinance does not carry forward the three exemptions contained in SB 793 for hookah and shisha products sold by adult-only hookah tobacco retailers, premium cigars with a wholesale price of no less than $12, and loose leaf tobacco other than tobacco for roll-your-own cigarettes. Under the proposed ordinance, these products could not be sold anywhere in the City. This is considered a best practice and is recommended by the PHD. Second, the nonconforming use protections in Section C.10.225.D apply only to the location and separation requirements in Section C.10.225.C. They do not apply to the flavored tobacco prohibition, which would apply to all tobacco retailers, including existing retailers, on the effective date of the ordinance. If the City Council wishes to preserve the state exemptions or provide existing retailers a period to sell through affected inventory, staff recommends the following modifications to Section C.10.225.E: [(1) add the three SB 793 exemptions; and/or (2) add a compliance date of three to six months after the effective date, for retailers lawfully operating on the date of adoption]."

Permitting Requirements for All Types of Sales of Tobacco
Presently retail stores can sell tobacco products as an accessory use and smoke shops are allowed in certain commercial zoning districts with a Conditional Use Permit (CUP) without any required buffers from sensitive land uses. In lieu of a formal tobacco retail permitting (TRP) program, staff is recommending that business owners obtain a Minor Conditional Use Permit (MCUP) for accessory tobacco retail sales from the Planning Department. Although the State of California requires a license to sell tobacco products, more than 150 cities and counties also require a local tobacco retailer permit. Requiring a Minor Conditional Use Permit will allow staff to regulate the concentration of tobacco retailers and ensure that certain performance standards are maintained citywide. Existing retailers that do not meet the new buffer requirements will be designated as legal nonconforming uses and will be subject to restrictions on expansion, transfer, or re-establishment if discontinued, as specified in the Municipal Code.

The ordinance reflects other measures to be consistent with the County and the ordinances of neighboring cities such as Palo Alto, Los Gatos, and Cupertino:

- Require retailers to post a notice saying that the sale of tobacco products to anyone under 21 years of age is illegal and subject to penalties.
- Require retailers to check the identification for any purchaser.
- Prohibit retailers from covering more than 15 percent of windows and clear doors with any type of ads or signs.

- Prohibit mobile tobacco retailing or tobacco retailing at a temporary event.
- Prohibit tobacco retailing at pharmacies.

Proposed Amendments to the Zoning Ordinance
The Planning Commission reviewed the draft ordinance and recommended that the definition of "schools" be clarified to ensure both public and private educational institutions are included within the scope of the buffer requirements. In response, staff has confirmed that the ordinance references and applies the definitions of "public school" and "private school" as set forth in the Milpitas Municipal Code, which encompass all K–12 institutions required to comply with the California Education Code and State Board of Education standards. As a result, the buffer provisions will apply equally to both public and private schools, consistent with the Commission's recommendation and the City's zoning definitions.

The proposed ordinance includes the following amendments to Title XIII of the Milpitas Municipal Code:
- Add section C.10.225 Smoke/Tobacco Uses to Chapter C.10 Specific to Uses to establish proximity limits for all tobacco retailers to schools and other existing tobacco retailers. Other prohibitions include a ban on flavored tobacco products and a prohibition on tobacco retailing at pharmacies. The subsection would also define legal non-conforming requirements with existing retailers as appropriate. Additionally, the subsection would establish application procedures for Minor Conditional Use Permits and performance standards for all tobacco retailers.
- Amend Table B.6.020-A Commercial Zones Use Regulations to include reference to the new subsection.
- Amend Table B.8.020-A Mixed Use Zones Use Regulations to include reference to the new subsection.
- Amend Chapter E.4 to add clarifying definitions.
- Prohibit the issuance of any permit authorizing tobacco retailing at a location where the profession of pharmacy is practiced by a licensed pharmacist and prescription drugs are offered for sale.

Anticipated outcomes of the proposed ordinance amendment include:
- No tobacco retailer would be allowed to open a business within 1,000 feet of a school or within 500 feet of an existing tobacco retailer.
- New retailers proposing to sell accessory tobacco products would be required to obtain a Minor Conditional Use Permit from the Planning Department.
- Make any existing retailers within these buffers non-conforming uses.
- Adopt regulatory standards governing tobacco retailers, including prohibitions on flavored tobacco products and conduct violative of various laws, including sales to minors and smoking within a workplace.

The Planning Commission also discussed and ultimately recommended expanding the buffer for sensitive receptors to include childcare centers. After consideration, staff is not recommending the inclusion of childcare centers within the buffer requirements at this time. If the City were to expand the buffer for sensitive receptors to include licensed childcare centers, the geographic areas eligible for new tobacco retail establishments would be further restricted. Childcare centers are distributed throughout a variety of zoning districts, including commercial, mixed-use, and residential areas, and are often located in proximity to other sensitive uses. The addition of a 1,000-foot buffer around each childcare center, consistent with the buffer applied to schools, would result in substantial overlaps with existing school buffers and with each other, particularly in neighborhoods with higher concentrations of family-oriented services. Additionally, per Table 1 above, no other jurisdiction in Santa Clara County has included childcare centers in their sensitive use buffer zone. Moreover, as detailed in the Policy Alternatives section, while some jurisdictions have adopted broader buffers, the operational context of childcare centers, where children are typically under adult supervision and not independently accessing retail environments, means the incremental public health benefit of such an expansion may not justify the significant reduction in eligible retail locations and potential impacts on business siting.

If adopted, the ordinance will be implemented through the City's business license and permitting processes. Staff will develop educational materials and conduct outreach to affected businesses to ensure awareness of the new requirements. The City's Geographic Information System (GIS) will be updated to map buffer zones and assist with permit review. Ongoing compliance will be monitored through the City's code enforcement program, with enforcement actions coordinated between the Planning Department and Police Department as needed.

Outreach

Stakeholder and community outreach was conducted as part of the ordinance development process since 2020. The City administered an online community survey in 2020, which received 125 responses. The survey indicated strong public support for prohibiting the sale of flavored tobacco products (83.87%), restricting tobacco sales near schools (91.13%), limiting the proximity of new retailers to existing retailers (82.93%), and banning tobacco sales in pharmacies (79.17%). 69% of respondents also said they think flavored tobacco products are more appealing to youth than unflavored tobacco products. Nearly 40% of respondents reported that they think it is easy for youth under the age of 21 to buy flavored tobacco products in Milpitas. Additionally, staff conducted direct outreach to all tobacco retailers in the City, providing information about the proposed ordinance and opportunities for input. A public meeting was held for business owners, and the Planning Commission conducted a duly noticed public hearing to receive further public comment.

General Plan Conformance

The City's General Plan is the primary long-range planning document that provides the vision for the future growth and development of Milpitas. The proposed zoning text amendments for regulation of tobacco retailers conform to the policies and standards in the City's General Plan, as demonstrated in the following table:

Table 2: General Plan Consistency

Policy / Actions	Conformance
Community Health and Wellness Policy CHW 1-1: Recognize that community health is a topic that is influenced and affected by local policies and practices and nearly all elements of the Milpitas General Plan and identify indicators and legitimate data that can be measured to gauge and ultimately improve human health, safety and equity.	**Consistent.** The proposed zoning text amendment would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as adopt regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance satisfies each element of this policy by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.
Community Health and Wellness Policy CHW 7-2: Reduce exposure to second- and third-hand tobacco smoke and vaping through policies and regulations that limit smoking and vaping of all products.	**Consistent.** The proposed zoning text amendment would implement a buffer to reduce the density of retail access points and create performance standards for tobacco retailers, thereby reducing exposure to second- and third-hand tobacco smoke and limiting the sales of smoking and vaping products.

Policy / Actions	Conformance
Community Health and Wellness Action CHW-7e: Annually review policies related to nicotine and tobacco use to ensure that all policies and regulations are consistent with novel products and emerging guidelines.	**Consistent.** Adopting a buffer ordinance and requiring all tobacco retailers to obtain a Minor Conditional Use Permit for tobacco sales to maintain certain performance standards are a direct outcome of this ongoing review process.

Findings for Approval
The City Council shall consider the following findings in considering approval of a zoning ordinance amendment:

Zoning Ordinance Text Amendments (Milpitas Municipal Code Title XIII, Section D.6.050)

a. *The proposed Zoning Amendment is consistent with and conforms to the goals and policies of the General Plan.*

   The proposed zoning text amendment is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. The proposed zoning text amendment would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as adopt regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure. The proposed zoning text amendment would implement a buffer to reduce the density of retail access points and create performance standards for tobacco retailers, thereby also reducing exposure to second- and third-hand tobacco smoke and limiting the sales of smoking and vaping products. Moreover, adopting a buffer ordinance and requiring all tobacco retailers to obtain a Minor Conditional Use Permit for tobacco sales to maintain certain performance standards are a direct outcome of an ongoing review process to ensure that all policies and regulations are current.

b. *The proposed Zoning Amendment is consistent with and conforms to the goals and policies of any Specific Plan, if applicable;*

   The proposed zoning text amendment would apply citywide as it is primarily regulating the location of tobacco retail uses and adopts regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance is consistent with and conforms to the goals and policies of both the Gateway-Main Street Specific Plan (Gateway) and the Milpitas Metro Specific Plan (Metro). The Gateway Plan's vision includes creating a walkable, mixed-use urban village accessible from the surrounding community. One of the guiding principles of the Gateway Plan is to integrate a mix of uses that serve the community's needs. The ordinance does not prohibit tobacco retail uses outright, but it does regulate their spatial relationship to sensitive uses (schools) and to each other, as well as prohibiting the sale of tobacco at pharmacies, which is consistent with the Gateway's intent to create a healthy, livable community. The Metro Plan's core vision is to create a complete and unique urban neighborhood. Regulating tobacco retail density and adopting regulatory standards for tobacco retailers within the Metro Plan area is consistent with a complete neighborhood that prioritizes the health and well-being of its residents.

c. *The proposed Zoning Amendment will not be detrimental to the public health, safety, convenience, and general welfare;*

The proposed zoning amendment will protect the public interest, health, safety, convenience, and general welfare by establishing land use regulations intended to reduce youth access to tobacco products, decrease the normalization of tobacco use near schools and across the city, and advance the City's General Plan goals for community health and wellness. Therefore, the ordinance will not adversely affect the public health, safety, convenience, and general welfare.

d. *The proposed Zoning Amendment is in compliance with the provisions of California Environmental Quality Act;*

Pursuant to Section 15061(b)(3) of the California Code of Regulations (CEQA Guidelines), the zoning amendment is not subject to review under CEQA. CEQA Guidelines Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements. Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the project is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

e. *When considering a reduction of residential density, ensure compliance with California Government Code section 65863 by either finding that the remaining sites identified in the Housing Element are adequate to accommodate the City's share of the regional housing need or by identifying sufficient additional, adequate, and available sites with an equal or greater density so that there is no net loss in residential density; and*

This finding is not applicable. The zoning text amendment is not reducing residential density.

f. *The proposed Zoning Amendment would not result in a net loss of potential housing units.*

This finding is not applicable. The zoning text amendment is not reducing potential housing units.

g. *The proposed Zoning Amendment is internally consistent with other applicable provisions of this Title.*

The purpose of the Milpitas Zoning Ordinance is to “promote public health, safety, comfort, and general welfare, and to enable appropriate and orderly development.” The proposed zoning amendment directly advances this stated purpose by using the City's land use authority to regulate the proximity of tobacco retailers to schools, limit the density of tobacco retail outlets, prohibit the sale of flavored tobacco products, and empower the City to require Minor Conditional Use Permits for all tobacco retailers and enforce performance standards. These are recognized public health interventions designed to reduce youth access to tobacco products. Tobacco retail establishments are currently regulated as commercial uses subject to the City's standard use permit and business licensing requirements. The proposed buffer and density provisions, as well as the additional Planning permitting requirements will supplement those existing requirements. The amendments are consistent with the Zoning Ordinance as a whole and do not create any internal inconsistencies.

POLICY ALTERNATIVE(S):

Alternative 1: Do not adopt the Ordinance

Pros: Existing and prospective tobacco retailers would retain current siting flexibility, and no new permitting requirement or associated fee would be imposed on businesses.

Cons: The City would not have a mechanism to address local concerns regarding the density or proximity of tobacco retailers to sensitive uses, such as schools or youth-oriented facilities. Without local regulatory authority, the City would be unable to implement targeted strategies to reduce youth access to tobacco products or respond to community input on tobacco control. The absence of local action would limit the City’s ability to fulfil the objectives and deliverables associated with external grant funding awarded for tobacco prevention initiatives.

Reason for Not Recommending: Not adopting the Ordinance would not provide the City with the tools necessary to address identified gaps in tobacco retailer regulation or to advance public health objectives specific to the Milpitas community. Additionally, this approach would not satisfy the requirements of recent grant agreements, which anticipate the development and implementation of local policies to reduce youth access to tobacco products and limit retailer concentration near sensitive areas.

Alternative 2: Expand the Buffer Requirements to Include Childcare Centers as Sensitive Receptors. Selecting this alternative would require the City Council to introduce the ordinance set forth in Attachment B in lieu of Attachment A.

Pros: Expanding the buffer to include childcare centers would further limit youth exposure to tobacco products and reinforce the City’s commitment to protecting vulnerable populations.

Cons: Including childcare centers as sensitive receptors would significantly reduce the number of eligible locations for new tobacco retailers, particularly in areas with a high concentration of childcare facilities. The operational context of childcare centers differs from that of schools; children are typically accompanied by parents or guardians during drop-off and pick-up, and are not independently traveling to or from these facilities. As a result, the risk of unsupervised youth exposure to tobacco retail environments is lower compared to schools. The expanded buffer could create challenges for business siting and may be viewed as overly restrictive by local retailers wishing to sell tobacco.

Reason for Not Recommending: While the inclusion of childcare centers as sensitive receptors would provide an additional layer of protection, it would also severely limit the areas in which new tobacco retailers could operate. Given that children at childcare centers are generally under adult supervision and not independently exposed to retail environments, the incremental public health benefit may not justify the substantial reduction in business siting opportunities. This approach could also create disproportionate impacts on commercial corridors and may not be the most effective means of reducing youth access to tobacco products in the Milpitas context.

PROJECT SCHEDULE/KEY MILESTONES

The following timeline outlines the key steps for implementation:

- The City Council is scheduled to conduct the first and second readings of the proposed ordinance in August and September 2026, respectively. Upon adoption, the ordinance will become effective 30 days after the second reading, in accordance with Government Code Section 36937.
- Following adoption, City staff will finalize educational and informational materials for distribution to all affected businesses.
- Outreach to existing tobacco retailers and other stakeholders will commence immediately after ordinance adoption.
- The Planning Department, in coordination with the IT Department, will update the City's Geographic Information System (GIS) to reflect new buffer zones and eligible retail locations. Concurrently, staff training sessions will be conducted to ensure consistent application of the ordinance and effective permit review.
- The revised permitting process for new tobacco retailers, including the Minor Conditional Use Permit (MCUP) and Conditional Use Permit (CUP) requirements, will be operational within 30 days oafter the second reading of the ordinance. The second reading of the ordinance is scheduled for September 1, 2026).

FISCAL IMPACT:

The proposed ordinance is anticipated to have a limited fiscal impact on the City's General Fund due to the availability of external grant funding and the structure of the implementation approach. The City has secured a grant award of $22,997 from the Santa Clara County Public Health Department to support the development and initial implementation of the Tobacco Retail Buffer Ordinance. These grant funds are designated to cover eligible one-time costs associated with ordinance drafting, stakeholder outreach, GIS mapping updates, development of educational materials, and staff training required for the rollout of the new buffer requirements. Of the $22,997 awarded, approximately $17,556 remains unexpended as of July 31, 2026. The grant term expires December 31, 2026. Remaining grant funds are appropriated in the Planning Department's FY2026-27 budget.

New tobacco retailers seeking to sell accessory tobacco products would be required to obtain a Minor Conditional Use Permit at the adopted Master Fee Schedule rate of $1,526, which recovers the City's cost of review. Given the limited number of eligible sites under the proposed buffers, no material fee revenue is anticipated.

Ongoing administrative and enforcement responsibilities related to the ordinance are expected to be absorbed within existing departmental resources. The ordinance will be implemented through the City's established business license and permitting processes, utilizing current staff in the Planning Department, with interdepartmental coordination as needed. Ongoing enforcement will be complaint-driven and absorbed within existing Planning and Code Enforcement resources. A proactive inspection program would require additional staffing and is not included in this recommendation or in the FY2026-27 budget.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Pursuant to Section 15061(b)(3) of the California Code of Regulations (CEQA Guidelines), staff has determined that the introduction and adoption of this ordinance is not subject to review under CEQA. CEQA Guidelines Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements. Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the project is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

ATTACHMENT(S):
(a) Draft Ordinance
(b) Draft Ordinance Including Childcare Centers
(c) Tobacco Retailer Buffer and Density Maps
(d) Planning Commission Staff Report
(e) Planning Commission Resolution No. 26-004
(f) Planning Commission Meeting Minutes for June 10, 2026
(g) Santa Clara County Tobacco Retailer Information

REGULAR

NUMBER: **XX.XXX**

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING THE MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTERS B.6, B.8, C.10, AND E.4 RELATING TO THE REGULATION OF TOBACCO RETAILERS**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of ____________________, upon motion by _________________________ and was adopted (second reading) by the City Council at its meeting of _______________, upon motion by ____________________________. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

___________________________ ___________________________

Suzanne Guzzetta, City Clerk Carmen Montano, Mayor

APPROVED AS TO FORM:

____

Christian Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, tobacco use remains the number one preventable cause of death and disease in California, causing nearly 40,000 deaths in California every year. More than 22% of all adult cancer deaths in California are attributable to smoking; and

WHEREAS, in Santa Clara County ("County"), one in eight deaths annually is attributed to smoking-related illness or diseases, such as cancer, heart disease, and respiratory diseases; and

WHEREAS, in 2019-20, 25.3% of Santa Clara County high school students have used a tobacco product and 8.6% used tobacco in the last 30 days. E-cigarettes are the most popular tobacco product, with 23.0% of high school students having used them and 7.7% being current users; and

WHEREAS, in August 2020, the state of California adopted SB 793, which prohibits the sale of most flavored tobacco products. SB 793 specifically provides that a municipality may adopt a stricter local ordinance; and

WHEREAS, in September 2024, the state of California adopted AB 3218, which requires the creation of Unflavored Tobacco List by the California Attorney General to clearly define which products are legally allowed to be sold by retailers, wholesalers, distributors and delivery sellers in California; and

WHEREAS, mentholated and flavored products have been shown to be "starter" products for youth who begin using tobacco, helping to establish tobacco habits that can lead to long-term addiction; and

WHEREAS, studies show that youth believe flavored tobacco products are safer and less addictive than non-flavored varieties; and

WHEREAS, the vast majority of current Santa Clara County teen tobacco users report using a flavored tobacco product (93.1%), with flavored vape and hookah use being the highest (96.3% and 83.4%, respectively); and

WHEREAS, in 2019, more than 86% of Santa Clara County tobacco retailers near schools sold flavored non-cigarette tobacco products, such as e-cigarettes; and

WHEREAS, more than half of Santa Clara teens who currently vape reported purchasing their own vaping product (52.9 percent), with over 1 in 5 of this group saying they buy them directly from a store. Among those who purchase their vaping products in a store, 71 percent purchased them at a tobacco shop, smoke shop, and vape shop; and

WHEREAS, by selling tobacco products, pharmacies reinforce positive social perceptions of smoking, convey tacit approval of tobacco use, and send a message that it is not so dangerous to smoke; and

WHEREAS, tobacco-free pharmacy sales policies decrease the availability of tobacco products by reducing tobacco retailer density by up to three times compared with communities that do not have such policies; and

WHEREAS, research indicates that the density and proximity of tobacco retailers increase smoking behaviors. In particular, children are more likely to smoke when they live or go to school in neighborhoods with a high density of tobacco retailers; and

WHEREAS, state law prohibits the sale or tobacco products to anyone under the age of 21 and requires all tobacco retailers to be licensed by the Department of Tax and Fee Administration; and

WHEREAS, this ordinance seeks to adopt tobacco prevention strategies that have been shown to reduce youth access and exposure to tobacco products; and

WHEREAS, this ordinance would prohibit new businesses from selling tobacco near schools and reduce tobacco density; and

WHEREAS, this ordinance and the regulations adopted herein are a lawful exercise of the City's zoning and police powers and are necessary for the preservation of the public health, safety, and welfare, including to protect against preventable nicotine deaths and addiction, reduce tobacco related deaths and addition among the youth and the consequent long term public health and society costs associated thereto, encourage responsible tobacco retailing, and discourage the violation of laws and regulations governing the sale of tobacco products; and

WHEREAS, the Planning Commission is an advisory body to the City Council; and

WHEREAS, the City Council is the final authority on General Plan, Specific Plan, and Zoning amendments, including amendments to the Zoning Ordinance; and

WHEREAS, on June 10, 2026, the Planning Commission held a duly noticed public hearing and having duly considered testimony and written materials provided recommended the adoption of this ordinance to the City Council; and

WHEREAS, on August 11, 2026, the City Council held a lawfully-noticed public hearing and after considering all testimony and written materials provided in connection with that hearing introduced this ordinance and waived the reading thereof beyond the title.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER B.6, SECTION B.6.020, TABLE B.6.020-A

Title XIII, Chapter B.6, Section B.6.020, Table B.6.020-A (Commercial Zones Use Regulations) of the Milpitas Municipal Code is hereby amended to read as follows:

Table B.6.020-A: Commercial Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required | "-" = Not Allowed					
Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Commercial Uses					
Adult-Oriented Business	-	-	-	MCS	C.10.040 (Adult-Oriented Businesses)
Animal Care and Services					
Kennel	-	-	C	-	Milpitas Municipal Code Section V-210-11 (Permits for Animal Facilities and Animal Adoption Organizations)
Pet Day Care and Sales	-	P	P	P	
Veterinary Clinic	C	P	P	P	
Veterinary Hospital or Services	-	C	P	P	
Commissary or Catering	P	P	P	P	n/a
Drive-Through Facility	-	C	C	C	Section C.10.090 (Drive-Through Facilities)
Eating and Drinking Establishment					
Bar or Nightclub	-	-	C	C	Section C.10.100 (Eating and Drinking Establishments)
Microbreweries	-	-	MC	MC	
Mobile Food Park	MCS	MCS	MCS	MCS	Section C.10.170 (Mobile Food Vending)
Mobile Food Vending (Individual Vehicle)	P	P	P	P	
Restaurant					
Restaurant, Full Service	C [1]	P	P	P	Section C.10.100 (Eating and Drinking Establishments)
Restaurant, Limited Service	C	P	P	P	
Restaurant with Alcohol Service	-	MC	MC	MC	
Entertainment and Recreation, Commercial					
Commercial Athletic Facility	-	C	MCS	MCS	n/a
Indoor Entertainment	-	-	P	P	n/a
Indoor Sports and Recreation	-	C	P	P	n/a
Outdoor Entertainment	-	-	C	C	n/a
Outdoor Sports and Recreation	-	C	C	C	n/a

Table B.6.020-A: Commercial Zones Use Regulations

"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required | "-" = Not Allowed

Use	CO	C1	C2	HS	Additional Regulations
Financial Institution					
Bank and Credit Union	P	P	P	P	n/a
Check Cashing Business	-	-	MCS	MCS	n/a
Pawnbroker	-	-	MCS	MCS	n/a
Food and Beverage Retail Sales					
Alcoholic Beverage Sales	C[1]	C	C	C	n/a
Convenience Store	-	C	C	C	n/a
Grocery Store, Large	-	P	P	p	n/a
Grocery Store, Small	-	P	P	p	n/a
Home Occupation	-	-	-	P	Section C.10.130 (Home Occupations)
Hospital	C	-	C	C	n/a
Lodging					
Hotel	-	-	P	P	n/a
Motel	-	-	C	P	n/a
Medical Support Laboratory	P	C	C	C	n/a
Offices					
Business and Professional Office	P	p	p	p	n/a
Medical Office/Clinic	P	P	P	-	n/a
Retail					
Firearms Dealer	-	-	C	C	n/a
Large Format Retail	-	-	P	P	n/a
Nursery and Garden Center	-	-	P	P	n/a
Retail, Limited	MCS	P	P	P	n/a
Retail, Accessory Tobacco Product Sales	-	MCS	MCS	MCS	Section C.10.225 (Smoke/Tobacco Uses)
Retail Store, General Merchandise	-	P	P	p	n/a
Smoke/Tobacco Shop	-	C	C	C	~~n/a~~ Section C.10.225 (Smoke/Tobacco Uses)
Services					
Business Support Services	-	-	P	P	n/a
Maintenance and Repair Services	-	-	P	P	n/a

Table B.6.020-A: Commercial Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Massage Establishment	-	-	MC	MC	Section C.10.160 (Massage Establishments)
Massage Establishment, Accessory	-	-	MCS	MCS	
Personal Services [2]	-	P	P	P	n/a
Repair/Cleaning/General Services, Small	-	P	P	P	n/a
Vehicle-Related Uses					
Auto Broker	MCS	MCS	MCS	-	Section C.10.070 (Auto Broker)
Commercial Fueling Facility	-	-	-	C	n/a
Fleet-Based Service	-	-	MCS	P	n/a
Mobile Fueling [3]	P/-	P/-	P/-	P/-	Milpitas Municipal Code Chapter V-300 (Fire Code)
Service Station	C	C	P	P	Section C.10.190 (Service Stations and Car Washes)
Vehicle Rental	-	-	P	P	n/a
Vehicle Repair and Maintenance					
Major	-	-	C	MCS	n/a
Minor	-	-	MCS	P	n/a
Vehicle Sales, Limited	-	-	MCS	-	n/a
Vehicle Sales and Leasing	-	-	C	C	n/a
Vehicle Washing	-	-	C	C	Section C.10.190 (Service Stations and Car Washes)
Industrial Uses					
Custom and Artisan Manufacturing	-	-	MCS	-	n/a
Data Center	C	-	-	-	n/a
Mini-Storage or Self-Storage	-	-	C	C	n/a
Recycling Facility					
Collection Facility	-	-	MCS	P	n/a
Public, Institutional, and Recreational Uses					
Child Care					
Child Care Center	MC	MC	MC	MC	Section C.10.140 (Large Family Child Care and Child Care Centers)

Table B.6.020-A: Commercial Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Civic/Government	P	P	P	-	n/a
Community Assembly					
Major	C	C	C	C	n/a
Minor	P	P	P	p	n/a
Community Garden	P	P	P	P	n/a
Educational Institution					
Trade and Vocational School	C	-	P	P	n/a
Farmers' Market	-	MCS	MCS	MCS	Section C.10.120 (Farmers' Markets)
Funeral Parlor and Mortuary	-	-	C	C	n/a
Instruction Services					
Group	MCS	MCS	MCS	MCS	n/a
Private/Small Group	P	P	P	P	n/a
Library/Museum	-	P	P	-	n/a
Park/Playground	P	P	P	P	n/a
Public Utility	-	-	-	C	n/a
Resilience Hub	P	P	P	-	See Subsection C.10.230.D.6 regarding Temporary Resilience Hubs.
Transportation Passenger Terminal/Facility	-	-	C	C	n/a
Wireless Telecommunications Facility	See Section C.10.240 (Wireless Telecommunications Facilities).				
Residential Uses					
Emergency Shelter	-	-	P	P	Section C.10.110 (Emergency Shelters)
Single-Room Occupancy Residences	-	-	-	C	Section C.10.220 (Single Room Occupancy Residences)
Unclassified Uses					
Accessory Use	P	P	P	P	n/a
Parking Lot [4]	MCS	MCS	MCS	P	n/a
Parking Structure [4]	C	C	MCS	P	n/a

Table B.6.020-A: Commercial Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Temporary Use	See Section C.10.230 (Temporary Uses and Structures)				

Table Notes:

[1] When intended to serve the occupants and patrons of the primary use and conducted from within the building. Entrance to the use must be provided internally or within the building, and no exterior display of advertising is allowed.

[2] When located on the ground floor, retail sales of products related to the personal services provided must be offered at the front of the premises near the pedestrian entrance and must comprise at least 10% of the floor area of the business establishment.

[3] Mobile fueling is permitted when fueling service is ordered by an individual vehicle owner and the amount of fuel dispensed as part of any individual order does not exceed 50 gallons. Mobile fueling for fleet vehicles is not permitted.

[4] Applies to parking lots or structures that are primary uses, as defined in Part XIII-E (Definitions).

SECTION 3. AMENDMENT OF MILPITAS MUNIICPAL CODE TITLE XIII, CHAPTER B.8, SECTION B.8.020, TABLE B.8.020-A

Title XIII, Chapter B.8, Section B.8.020, Table B.8.020-A (Mixed Use Zones Regulations) of the Milpitas Municipal Code is hereby amended to read as follows:

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Commercial Uses					
Animal Care and Services					
Pet Day Care and Sales	MCS	MCS	-	P	Milpitas Municipal Code Section V-210-11 (Permits for Animal Facilities and Animal Adoption Organizations)
Veterinary Clinic	P	P	-	P	
Commissary or Catering	MCS	MCS	-	P	n/a
Drive-Through Facility	-	-	-	C	Section C.10.090 (Drive-Through Facilities)
Eating and Drinking Establishment					
Bar or Nightclub	C	C	C	C	Section C.10.100 (Eating and Drinking Establishments)
Microbreweries	MC	MC	MC	MC	
Mobile Food Park	MCS	MCS	-	MC	Section C.10.170 (Mobile Food Vending)
Mobile Food Vending (Individual Vehicle)	P	P	P	P	
Restaurant					

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Restaurant, Full Service	P	P	P	P	Section C.10.100 (Eating and Drinking Establishments)
Restaurant, Limited Service	P	P	P	P	
Restaurant with Alcohol Service	P	P	P	P	
Entertainment and Recreation, Commercial					
Commercial Athletic Facility	P	P	MCS [1] / P	P	n/a
Indoor Entertainment	C	C	C	C	n/a
Indoor Sports and Recreation	C	C	C	C	n/a
Outdoor Entertainment	C	C	C	C	n/a
Outdoor Sports and Recreation	C	C	C	C	n/a
Financial Institution					
Bank and Credit Union	P	P	P	P	n/a
Check Cashing Business	MCS	MCS	-	-	n/a
Pawnbroker	C [2]	C [2]	-	-	n/a
Food and Beverage Retail Sales					
Alcoholic Beverage Sales	C	C	C	C	n/a
Convenience Store	MCS	MCS	MCS	MCS	n/a
Grocery Store, Large	MCS	MCS	C [3]	C [3]	n/a
Grocery Store, Small	P	P	P [3]	P [3]	n/a
Home Occupation	P	P	P	P	Section C.10.130 (Home Occupations)
Hospital	C [2]	C [2]	-	C	n/a
Lodging					
Bed and Breakfast	P	P	-	-	n/a
Hotel	P	P	C	P	n/a
Motel	P	P	-	-	n/a
Short-Term Rental	See C.10.190 (Short-Term Rentals)				
Medical Support Laboratory	P	P	-	C	n/a
Office					
Business and Professional Office	P [4]	P [4]	C	P	n/a
Medical Office/Clinic	P	P	P / MCS [5]	P	n/a
Retail					
Large Format Retail	C	C	-	C	n/a

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Retail, Limited	P [4]	P [4]	P	P	n/a
Retail, Accessory Tobacco Product Sales	-	MCS	MCS	MCS	Section C.10.225 (Smoke/Tobacco Uses)
Retail Store, General Merchandise	P [4]	P [4]	P	P	n/a
Smoke/Tobacco Shop	-	-	C	C	~~n/a~~ Section C.10.225 (Smoke/Tobacco Uses)
Services					
Business Support Services	P [4]	MCS [4]	MCS	MC	n/a
Massage Establishment	MC	MC	MC	MC	Milpitas Municipal Code III-6 (Massage Establishments and Practitioners); Section C.10.160 (Massage Establishments)
Massage Establishment, Accessory	MCS	MCS	MCS	MCS	
Personal Services [6]	P [4]	P [4]	P	P	n/a
Repair/Cleaning/General Services, Small	P [4]	P [4]	MC	P	n/a
Vehicle-Related Uses					
Auto Broker	MCS	MCS	-	MCS	Section C.10.070 (Auto Broker)
Fleet-Based Service	-	-	-	C	n/a
Mobile Fueling	P/- [7]	P/- [7]	P/- [7]	P/- [7]	Milpitas Municipal Code Chapter V-300 (Fire Code)
Service Station	C	C	-	C	Section C.10.190 (Service Stations and Car Washes)
Vehicle Rental [8]	MCS	MCS	-	-	n/a
Vehicle Sales, Limited	MCS	MCS	-	MCS	n/a
Vehicle Sales and Leasing [8]	C	C	-	-	n/a
Industrial & Research and Development Uses					
Custom and Artisan Manufacturing	MCS	MCS	MCS	MCS	n/a
Public, Institutional, and Recreational Uses					
Child Care					
Child Care Center	MC	MC	C	C	Section C.10.140 (Large Family Child Care and Child Care Centers)

Table B.8.020-A: Mixed Use Zones Use Regulations

"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed

Use	MXD	MXD3	NCMU 1, 2, 3	TC 1, 2, 3	Additional Regulations
Large Family Child Care Home	P	P	P	P	Section C.10.140 (Large Family Child Care and Child Care Centers)
Small Family Child Care Home	P	P	P	P	n/a
Community Assembly					
Major [9]	C [2]	C [2]	C	C	n/a
Minor [9]	MCS [2]	MCS [2]	MC	MC	n/a
Community Garden	P	P	P	P	n/a
Educational Institutions					
College/University, Private	C [2]	C [2]	-	C	n/a
School, Private	C [2]	C [2]	C	C	
Trade and Vocational School	C [2, 10]	C [2, 10]	-	C	n/a
Farmers' Market	MCS	MCS	MC	MC	Section C.10.120 (Farmers' Market)
Instruction Services					
Group	P	-	P	P	n/a
Private/Small Group	P	P	P	P	n/a
Park/Playground	P	P	P	P	n/a
Public Utility	C	C	C	C	n/a
Resilience Hub	P	P	P	P	See Subsection C.10.230.D.6 regarding Temporary Resilience Hubs.
Transportation Passenger Terminal/Facility	C	C	-	C	n/a
Wireless Telecommunications Facility	See Section C.10.240 (Wireless Telecommunications Facilities)				
Residential Uses					
Accessory Dwelling Unit and Junior Accessory Dwelling Unit	P	P	P	P	Section C.10.030 (Accessory Dwelling Units and Junior Accessory Dwelling Units)
Boarding House	C	C	C	C	n/a
Court Dwelling	P	P	-	-	n/a
Elderly and Long-Term Care	MC	MC	MC	MC	n/a
Emergency Shelter	-	P	-	-	Section C.10.110 (Emergency Shelters)
Group Living Accommodation	C	C	C	C	n/a

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Live-Work Unit	MCS	MCS	MCS	MCS	Section C.10.150 (Live-Work Units)
Low Barrier Navigation Center	P	P	-	-	California Government Code § 65660
Multi-Family Dwelling	P	P	P [11]	P	n/a
Residential Care Facility	P	P	P	P	n/a
Single-Room Occupancy Residences	P	P	P	P	Section C.10.220 (Single Room Occupancy Residences)
Supportive Housing	P	P	P [11]	P	California Government Code § 65582
Transitional Housing	P	P	P [11]	P	California Government Code § 65582
Unclassified Uses					
Accessory Use	P	P	P	P	n/a
Parking Lot [12]	MCS	MCS	-	-	n/a
Parking Structure [12]	MCS	MCS	MCS	MCS	n/a
Temporary Use	See Section C.10.230 (Temporary Uses and Structures)				

Table Notes:

[1] Commercial athletic facilities may be permitted with approval of a Minor Conditional Use Permit (Director level) in the NCMU1 subzone, in accordance with Subsection D.4.030 (Use Permits), and are permitted in the NCMU2 and NCMU3 subzones.

[2] These uses shall not be located within 1,000 ft of the same use.

[3] In the NCMU and TC zones only, small grocery stores up to 15,000 square feet are permitted and grocery stores exceeding 15,000 square feet may be permitted subject to approval of a Conditional Use Permit consistent with Subsection D.4.030 (Use Permits). In all other zones, small and large grocery stores are defined and permitted according to the size thresholds stated in Chapter E.4 (Definitions of Uses).

[4] These uses may be allowed provided they are: no more than 10,000 sf in gross floor area if located on the ground floor and are not open past 10:00 p.m.

[5] Medical offices and clinics are permitted in the NCMU Zones when located on upper floors, and may be permitted with approval of a Minor Conditional Use Permit (Director level) in accordance with Subsection D.4.030 (Use Permits) when located on the ground floor.

[6] When located on the ground floor, retail sales of products related to the personal services provided shall be offered at the front of the premises near the pedestrian entrance and shall comprise at least 10% of the floor area of the business establishment.

[7] Mobile fueling is permitted when fueling service is ordered by an individual vehicle owner and the amount of fuel dispensed as part of any individual order does not exceed 50 gallons. Mobile fueling for fleet vehicles is not permitted.

[8] Excluding long-term parking and storage of vehicles for rent, sale, or lease, must be fully enclosed within a building.

[9] Churches and religious institutions are permitted in any location within the MXD, MXD3, NCMU, and TC Zones.

[10] Trade and vocational schools may be permitted subject to approval of a Conditional Use Permit consistent with Subsection D.4.030 (Use Permits), provided that they are not found objectionable due to noise, odor, vibration or other similar factors related to health, safety and welfare.

[11] Spaces serving upper-floor residential uses, such as common gathering space, lobby, and resident services, may be allowed as ground floor uses where residential uses would otherwise not be permitted.

[12] Applies to parking lots or structures that are primary uses, as defined in Part XIII-E (Definitions).

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER C.10

Title XIII, Chapter C.10 of the Milpitas Municipal Code is hereby amended to add section C.10.225 Smoke/Tobacco Uses to Chapter C.10 Specific to Uses and reads as follows:

A. Purpose. The purpose of this Section is to encourage responsible retailing of tobacco products and protect the public health, safety, and welfare by regulating the establishment, location, and operation of tobacco retailers.

B. Definitions. Terms used in this Section are defined in Chapter E.4 (Definitions of Terms).

C. Location and Distance Requirements.

   1. No tobacco retailer shall be allowed:

      a. Within 1,000 feet of any school; or

      b. Within 500 feet of any other tobacco retailer.

   2. The distance between any two tobacco retailer premises shall be measured in a straight line, without regard to intervening structures or objects, from the nearest entrance of a tobacco retailer to the nearest entrance of the second tobacco retailer. The distance between any tobacco retailer and any school shall also be measured in a straight line, without regard to intervening structures or objects, from the nearest entrance of the tobacco retailer to the nearest property line of a school.

D. Exemption to Location and Distance Requirements. The prohibitions on location and distance contained in Subsection C.10.225.C shall not apply to the following:

   1. Any tobacco retailer operating lawfully under the Milpitas Municipal Code on the date immediately prior to this Section first becoming effective.

   2. Any tobacco retailer operating lawfully under the Milpitas Municipal Code is not in violation of these regulations by the subsequent establishment of a school or another tobacco retailer.

   3. Tobacco retailers operating under these exemptions shall be a nonconforming use that may not be continued, expanded, changed, or replaced except in conformity with Section C.18.030 (Nonconforming Uses). These exemptions do not apply to tobacco retailers whose nonconforming use is discontinued under Subsection C.18.030.A.2 (Discontinuation of Nonconforming Use). Tobacco retailers operating under these exemptions may not expand the nonconforming use under Subsection C.18.030.A.5 (Expansion of Nonconforming Use) or re-establish that use once discontinued under Subsection C.18.030. B (Re-establishment of Discontinued Nonconforming Uses Within the Midtown and Metro Specific Plan Areas).

E. Other prohibitions.

1. Flavored tobacco products.

    a. No person or entity shall sell a tobacco product containing, as a constituent or additive, an artificial or natural flavor or aroma (other than tobacco) or an herb or spice, including but not limited to strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, mint, menthol, or coffee, that is a characterizing flavor or aroma of the tobacco product, smoke, or vapor produced by the tobacco product. Prohibited flavored tobacco products also include all tobacco products or flavor enhancements otherwise prohibited by applicable law, including Section 104559.5 of the California Health and Safety Code, as it may be amended or superseded, and any tobacco product not appearing on the most current Unflavored Tobacco List maintained by the California Attorney General's Office.

    b. A tobacco product shall be subject to a rebuttable presumption that the product is prohibited by paragraph (a) of this subsection if:

        1. The product's manufacturer or any other person associated with the manufacture or sale of tobacco products makes or disseminates public statements or claims to the effect that the product has or produces a characterizing flavor or aroma, other than tobacco; or

        2. The product's label, labeling, or packaging includes a statement or claim–including any text and/or images used to communicate information–that the product has or produces a characterizing flavor or aroma, other than tobacco.

F. Application Procedure.

1. Minor Conditional Use Permit. The owner of a retail store, general merchandise or retail, limited store may sell tobacco products, subject to approval of a Minor Conditional Use Permit (Director review) pursuant to Subsection D.4.030.D (Use Permits – Authority).

2. Conditional Use Permit. The owner of a smoke/tobacco shop business must apply for and obtain a Conditional Use Permit before operating the business establishment. The Conditional Use Permit is subject to the provisions and issued in accordance with the Conditional Use Permit process in Section D.4.30 (Use Permits).

G. Additional eligibility requirements.

1. No permit may be issued to authorize retailing tobacco products at or from other than a fixed location. For example, retailing by persons on foot or from vehicles is prohibited.

2. No permit may be issued to authorize the retail of tobacco products at a temporary or recurring temporary event. For example, retailing at flea markets and farmers' markets is prohibited.

3. No permit may be issued to authorize retailing tobacco products at any location where the profession of pharmacy is practiced by a pharmacist licensed by the State in accordance with the Business and Professions Code and where prescription drugs are offered for sale.

H. General Standards. The following standards shall apply to all tobacco retailers.

1. Tobacco retailers shall not:

    a. Violate any local, state, or federal law applicable to tobacco products or the retailing of such tobacco products.

    b. Fail to possess and maintain in a presently valid condition all licenses, permits, and approvals otherwise necessary for their use or otherwise necessary in order to sell tobacco products in the State, including, as applicable, a Cigarette and Tobacco Product Retailer's License from the California Department of Tax and Fee Administration**.**

    c. Allow or tolerate smoking or the use of electronic smoking devices in places where smoking is prohibited, including within the retail outlet or area where the tobacco retailer is located and within workplaces or enclosed places.

    d. Cover more than 15 percent of the square footage of the windows and clear doors of a physical storefront used for tobacco retailing with any type of advertising or signs.

    e. Sell or distribute tobacco products to anyone prohibited by applicable law from purchasing such products, including persons under the age of 21.

    f. Sell or distribute a tobacco product without first examining identification to confirm that the age of the purchaser is at least the minimum age required under state law to purchase and possess the tobacco product.

2. Tobacco retailers shall:

    a. Post conspicuously, at each point of purchase, a clear and prominent notice stating that selling Tobacco Products to anyone under 21 years of age is illegal and subject to penalties.

    b. Post conspicuously clear and prominent notice at each entrance to the building or structure stating "No smoking" where smoking is prohibited throughout the building or "Smoking is prohibited except in designated areas" where smoking is permitted only in designated areas of the building or structure.

I. Violation of Regulations. Violation of any provision of this Section is a public nuisance and injurious to the public health, safety, and welfare and in addition to all other remedies allowed by applicable law, including this Code, is grounds for enforcement action including modification, revocation, or suspension of any underlying use permit in accordance with Chapter D.18 (Enforcement and Penalty).

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER E.4

Title XIII, Chapter E.4 (Definitions of Use) of the Milpitas Municipal Code is hereby amended to read as follows:

Chapter E.4 Definitions of Uses

This Chapter provides definitions for all uses established in the use tables in Part XIII-B (Zone Regulations).

Accessory Dwelling Unit (ADU). As defined by California Government Code section 66313, an ADU is an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An ADU also includes an efficiency unit as defined in California Health and Safety Code section 17958.1 and a manufactured home as defined by California Health and Safety Code section 18007.

Accessory Dwelling Unit, Junior (JADU). A type of accessory dwelling unit defined by California Government Code section 66313 as a residential unit that is consistent with the following:

- Is no more than 500 square feet in size;
- Is contained entirely within an existing or proposed single-family structure;
- Includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed primary dwelling; and
- Includes an efficiency kitchen.

Accessory Use. A use that is customarily associated with, and is incidental and subordinate to, the primary use and located on the same lot as the primary use.

Adult-Oriented Business. See "adult-oriented business terms" in Chapter E.2 (Definitions of Terms).

Advanced Manufacturing. The use of innovative technologies to create existing and new products or to improve products and processes. Advanced manufacturing focuses on the rapid transfer of science and technology into production activities and may incorporate high technology elements such as information, automation, computation, software, sensing, artificial intelligence, machine learning, and networking. Advanced manufacturing may include storage space for raw materials and/or finished goods that actively supports the primary use.

Agriculture. See “cultivated agriculture.”

Agricultural Processing Plant, Commercial. Facility that transforms, processes, and packages livestock or livestock products, or agricultural commodities, into goods that are used for intermediate or final consumption including goods for nonfood use. Includes animal slaughter.

Agricultural Supply Sales. An establishment or place of business primarily engaged in the retail or wholesale sale from the premises of farm supply, feed, grain, fertilizers, pesticides, and similar goods as well as the provision of agriculturally related services with incidental storage on a lot other than where the service is rendered.

Alcoholic Beverage Sales. Any beverage sales use that includes the sale of alcoholic beverages for off-premise consumption. This includes retail sales of liquor, beer, wine, and spirits and can be combined with a retail sales establishment such as a grocery store or convenience store, or it can be a stand-alone liquor store or wine shop.

Animal Husbandry. The care and raising of large livestock, including horses, cattle, swine, goats, sheep, alpacas, and similar animals. This includes any animal-related production uses incidental to the foregoing, such as grazing, grooming, shearing, and milking, but excludes animal slaughter, meat cutting and packing, stockyards or the commercial feeding of garbage or offal to swine or other animals.

Assembly. See “community assembly”.

Auto Broker. An auto dealer or auto buying service as defined in California Vehicle Code section 166, who engages in the business of arranging, negotiating, assisting, or effectuating the purchase of a new or used motor vehicle, not owned by the dealer, on behalf of another. This use is limited to office work and does not include storage or parking of vehicles onsite.

Bank and Credit Union. Financial institutions, including federally-chartered banks, savings associations, industrial loan companies, and credit unions that provide retail banking services to individuals and businesses. Includes only those institutions engaged in the on-site circulation of money, and whose deposits are insured by the state or federal government and/or a state or federal sponsored entity, including credit unions.

Bar or Nightclub. Businesses serving beverages for consumption on the premises as a primary use, including serving alcohol such as beer, wine, and spirits. Dancing and live entertainment may also be conducted within the establishment. This use does not include microbreweries. See "food preparation" for tasting rooms that are accessory and subordinate to a brewery, winery, or distillery.

Bed and Breakfast. A residential property with one or more bedrooms dedicated to rental for a fee for overnight lodging of periods of 30 consecutive days or fewer and where meals may be provided to guests. A bed and breakfast is typically either owner-occupied or has the manager or proprietor of the lodging business living on the premises. This use type excludes short-term rentals.

Boarding House. An establishment where housing is provided for compensation, generally for stays of more than 30 days, for up to eight persons. Boarding houses typically have individual rooms for guests, shared bathroom facilities, and a single common kitchen. Meals may be served for guests and included as part of the cost of lodging.

Breweries, Distilleries, and Wineries. An establishment engaged in the brewing, distilling, and production of beer, wine, or other spirits. Tasting rooms that are accessory and subordinate to a brewery, winery, or distillery may be included in this use. This use does not include microbreweries.

Business and Professional Office. Offices of firms or organizations providing professional, executive, business, management, or administrative services, including but not limited to accounting, architectural, computer software design, engineering, consulting, graphic design, insurance, interior design, real estate, legal, and tax preparations offices. Also includes co-working spaces designed to accommodate individuals and organizations that provide such services.

Business Support Services. Establishments primarily within structures that provide other businesses with ancillary services that further or facilitate the other businesses' primary activity, including but not limited to commercial art and design (production); copying and quick-printing services; equipment rental businesses within structures; janitorial services; mailbox rentals; mail advertising services (reproduction and shipping); outdoor advertising services; protective services (other than office-related); rental, repairs and distribution of office or business equipment; and window cleaning.

Caretaker's Residence. A dwelling unit occupied by employees or caretakers of the primary use on the site.

Cemetery. Land used for the burial of the dead and dedicated for cemetery purposes, including crematories, mausoleums, and mortuaries only when operated in conjunction with and within the boundary of such cemetery.

Check Cashing Business. Establishments that, for compensation, engage in the business of cashing checks, warrants, drafts, money orders, or other commercial paper serving the same purpose. This classification also includes the business of deferred deposits, whereby the check casher refrains from depositing a personal check written by a customer until a specific date pursuant to a written agreement as provided in Civil Code section 1789.33. Check cashing businesses do not include state or federally chartered banks, savings associations, credit unions, or industrial loan companies. They also do not include retail sellers engaged primarily in the business of selling consumer goods, such as consumables to retail buyers, that cash checks or issue money order incidental to their main purpose or business.

Child Care Center. Establishments providing non-medical care for children on a less than 24-hour basis other than large/small family child care homes. This classification includes licensed nursery schools, preschools, and day care facilities for children, and any other day care facility licensed by the State of California. This use does not include after school program, summer camp, and tutoring facilities.

Civic/Government. Governmental facilities not otherwise included in other land use types, such as court facilities and post offices, together with storage and maintenance of City and public agency vehicles.

Collection Facility. A center for the acceptance, by donation, redemption, or purchase, of recyclable materials from the public where limited sorting and storing of such items is conducted on-site.

College/University, Private. A private college or university, excluding trade or vocational schools.

Commercial Athletic Facility. A facility for physical fitness training or athletic type games and sports, such as but not limited to, health clubs, tennis, gymnasiums, handball courts, racquetball courts; also including ancillary uses when incidental to the primary use, such as but not limited to, steam baths, weight training, aerobic classes, massage, saunas, and the retailing of athletic supplies to be used in the facility.

Commercial Fueling Facility. See "fueling facility, commercial".

Commissary or Catering. A fixed-location kitchen where food is stored and prepared for off-site vending or delivery. Commissaries may include shared-use commercial kitchens, private commercial kitchens, restaurant kitchens, and kitchens associated with civic and community organizations such as churches or social clubs. Also, includes catering service establishments.

Community Assembly. A facility for public or private meetings including clubs and lodges, community centers, senior centers, religious assembly facilities, convention centers, civic and private auditoriums, union halls, meeting halls for clubs and other membership organizations. This includes functionally related facilities for the use of members and attendees such as kitchens, multi-purpose rooms, and storage. It does not include gymnasiums or other sports facilities (see indoor sports and recreation) or facilities such as day care centers and schools, which are separately defined.

> *Major*. Community assembly use that is over 2,000 gross square feet and has capacity for more than 200 seats.
>
> *Minor*. Community assembly use that is 2,000 gross square feet or less and has capacity for no more than 200 seats.

Community Garden. Use of land for the cultivation, growing and harvesting of vegetables, herbs, flowers, and fruits, including the cultivation and tillage of soil and the production, cultivation, growing, and harvesting of any agricultural, floricultural, or horticultural commodity. Community gardens are typically owned and operated by public or non-profit agencies, and each garden plot is used and kept by an individual or a household. Excludes animal keeping or animal husbandry.

Construction Yard and Equipment Rental. Storage of construction materials or equipment on a site other than a construction site. Includes rental of large construction equipment and machinery. This classification may include parking/storage of contractor vehicles.

Convenience Store. A retail establishment selling food, beverages, and small convenience items such as personal hygiene products, cigarettes, magazines, and other everyday consumer items. Food and beverage products sold primarily consist of packaged and canned goods, prepared foods and hot drinks for immediate consumption, fountain beverages, etc., with less than 10 percent of net retail floor area allocated for the sale of fresh fruits, fresh vegetables, fresh meat and dairy products, and other similar perishable items. Convenience stores are smaller in floor area than supermarkets/grocery stores (typically 4,000 square feet or less) and have long or late hours of operation (open before 7:00 a.m. or after 10:00 p.m.).

Correctional Facility. A facility where people are held, generally as punishment for various crimes. This includes the detention/incarceration of people awaiting trial and/or who have been convicted of civil or criminal offenses; inmates and detainees under 24-hour supervision by the California Department of Corrections and Rehabilitation; and juvenile detention facilities. This use also includes parole offices.

Court Dwelling. See “dwelling, court”.

Cultivated Agriculture. The planting, growing, and harvesting of crops or plants, or the preparation of land for this purpose, of more than one-half acre of land for viticulture, horticulture, pasturage, floriculture, or similar farming where a crop or final product is produced (but not necessarily offered for sale) for consumption. This use excludes community gardens.

Custom and Artisan Manufacturing. An establishment primarily engaged in on-site production of goods by hand manufacturing or artistic endeavor, which involves only the use of hand tools or small mechanical equipment and the incidental direct sale to consumers of only those goods produced on site. Includes, but is not limited to metalworking, pottery and ceramic studios, film processing, photo finishing, printmaking, lithography, glass furnace, or woodworking.

Data Center. A facility dedicated to the storage of computer and information technology systems and associated components for the storage, retrieval, and transmittal of electronic information.

Drive-Through Facility. A motor vehicle drive-through facility which is a commercial building or structure or portion thereof which is designed and/or used to provide goods and services to drivers while they remain seated in their vehicles. It includes, but is not limited to, banks and other financial institutions, fast food establishments, and pharmacies, but shall not include drive-in movies, service stations, or car wash operations.

Dwelling, Court. A residential development in which there are several freestanding single-family or two-family dwellings with separate walls clustered on a single lot. Units are typically arranged to face around a common open space or drive aisle. If subdivided, a maintenance agreement or homeowners association may govern common areas like driveways or open space.

Dwelling, Multi-Family. A building containing three or more dwelling units.

Dwelling, Single-Family. A dwelling unit designed for occupancy by one household, where all rooms are internally connected and internally accessible via habitable space, located on a separate lot from any other unit (except accessory dwelling units, where permitted), and have only one kitchen. This includes individual manufactured housing units installed on a foundation system pursuant to California Health and Safety Code section 18551, and the use of a single-family residential structure as employee housing for six or fewer employees consistent with California Health and Safety Code section 17021.5.

Dwelling, Two-Family. A residential building containing two dwelling units, both of which are located on a single parcel. The dwelling units are attached and may be located on separate floors or side-by-side. Excludes accessory dwelling units (see “accessory dwelling unit”).

Elderly and Long-term Care. Establishment that provides 24-hour medical, convalescent, or chronic care to individuals who, by reason of advanced age, chronic illness or infirmity, are unable to care for themselves, and is licensed by the California Department of Public Health. Includes, but is not limited to skilled nursing facilities, rest homes, and convalescent hospitals. Does not include a residential care facility or hospital.

Electronic smoking device. Any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, electronic heated tobacco products, or e-hookah. Electronic smoking device includes any component, part, or accessory of the device, and also includes any substance that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine. Electronic smoking device does not include any nicotine cessation product that has been approved by the U.S. Food and Drug Administration to be marketed and for sale as “drugs,” “devices,” or “combination products,” as defined in the Federal Food, Drug, and Cosmetic Act.

Emergency Shelter. Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay as set forth in the California Health and Safety Code section 50801(e), as may be amended.

Employee/Farmworker Housing. As described in California Health and Safety Code section 17021.6 and 17008, any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household.

Family Child Care Home, Large. As defined by Health and Safety Code section 1596.78, a home in which the provider regularly provides care, protection, and supervision for up to 14 children for less than 24 hours per day.

Family Child Care Home, Small. As defined by Health and Safety Code section 1596.78, a home in which the provider regularly provides care, protection, and supervision for eight or fewer children for less than 24 hours per day.

Farmers’ Market. An establishment offering for sale produce, prepared food items, and other artisan/craft goods and merchandise by certified growers and producers authorized to sell, directly to consumers, products that are produced on land the producer controls or taken in consignment from other producers. Excludes flea markets.

Firearms Dealer. An establishment engaged in the selling, dealing in, trading, or transferring firearms.

Fleet-Based Service. Passenger transportation services, local delivery services, medical transport, and other businesses that rely on fleets of three or more vehicles. This includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, non-emergency medical transport, home cleaning services, pedicab services, and similar businesses. This does not include towing operations (see “vehicle storage”), taxi or delivery services with two or fewer fleet vehicles on-site (see “business support services”), facilities that handle third party goods for local or worldwide delivery (see “freight and trucking yard”) or last mile parcel processing/redistribution facilities (see “parcel hub”).

Food and Beverage Processing and Preparation. Cooking, processing, packaging, bottling, and shipping of food products and/or non-alcoholic beverages for off-site sales. This does not include breweries, wineries, and distilleries; the slaughtering of live animals; or large-scale operations (see “commercial agricultural processing plant”).

Freight and Trucking Yard. Facilities that handle third party goods for local or worldwide freight, courier, local messenger, and postal services by truck or rail. This includes fulfillment centers and parcel sorting centers, which provide storage and distribution of e-commerce products to consumers or end-users, either directly or through a parcel hub.

Fueling Facility, Commercial. A fueling facility designed for commercial customers which dispenses gasoline, diesel, or similar vehicle fuels, and which is not open to the general public, has no cash sales and provides no personal services on-site. This excludes mobile fueling.

Funeral Parlor and Mortuary. An establishment primarily engaged in the provision of services involving the care, preparation, or disposition of human remains and conducting memorial services. Typical uses include a crematory or mortuary. This use does not include cemeteries.

Grocery Store, Large. Retail establishments that primarily sell food, but also may sell other convenience and household goods, and may include a delicatessen or specialty food shop, baked goods, frozen foods, fruits, vegetables, meats, cheeses, dairy, and prepared food, and which occupy more than 25,000 square feet of gross floor area, but not more than 80,000 square feet of gross floor area.

Grocery Store, Small. Retail establishments with gross floor area less than 25,000 square feet that primarily sell food products, such as fresh fruits and vegetables, meats and seafood, dairy products, baked goods, packaged and prepared foods, and frozen foods, but that may also sell other convenience and household goods. May also include a delicatessen or other specialty food shop.

Group Living Accommodation. A building or portion of a building designed for or accommodating a residential use by persons not living together as a household. This use includes dormitories, convents and monasteries, and other types of organizational housing. This use does not include residential care facilities, nursing homes, hotels, single-room occupancy residences, or boarding houses, which are defined separately. Group living accommodations typically provide shared living quarters without separate kitchen or bathroom facilities for each room or unit.

Guest Ranch. Short-term lodging provided to visitors on property where agricultural activities take place (e.g., animal husbandry, cultivated agriculture) and that is not considered to be another lodging uses.

Home Occupation. A commercial use conducted on residential property by the inhabitants of the subject residence, which is incidental and secondary to the residential use of the dwelling.

Hospital. A state-licensed facility providing medical, psychiatric, or surgical services for sick or injured persons primarily on an in-patient basis, and including ancillary facilities for outpatient and emergency treatment, diagnostic services, training, research, administration, and services to patients, employees, or visitors.

Hotel. A commercial establishment providing lodging accommodations for a fee for transient guests, generally for stays of 30 days or fewer, with access to rooms or units primarily from interior lobbies, courts or halls. A hotel may include limited facilities for storage and preparation of food and beverages within individual rooms, such as coffee makers, mini refrigerators and microwave ovens.

Indoor Entertainment. Predominantly spectator uses conducted within an enclosed building. Typical uses include movie theaters, enclosed sports arenas, live performing arts venues, escape rooms, and video game activities and competitions such as e-sports.

Indoor Sports and Recreation. Predominantly participant sports conducted within an enclosed building. Typical uses include indoor bowling alleys, billiard parlors, ice and roller skating rinks, go-kart tracks, indoor shooting ranges, and trampoline parks. Excludes operations where activities are primarily class- or appointment-based such as yoga studios and personal trainers.

Industry, General. Manufacturing of products from extracted or raw materials or recycled or secondary materials, or bulk storage and handling of such products and materials, where operations are conducted primarily within an enclosed building. Includes, but is not limited to operations such as biomass energy conversion; textile mills; furniture and related product manufacturing; photographic processing plants; leather and allied product manufacturing; wood product manufacturing; paper manufacturing; plastics and rubber products manufacturing; and nonmetallic mineral product manufacturing.

Industry, Heavy. Manufacturing of products that include petroleum products, metals and/or metal processing, and hazardous chemicals. Includes automobile assembly and manufacturing and tire retreading or recapping.

Industry, Light. Establishments engaged in light industrial activities taking place primarily within enclosed buildings and producing minimal impacts on nearby properties. Includes, but is not limited to, operations such as manufacturing finished parts or products primarily from previously prepared materials; commercial laundries and dry cleaning plants; mobile home manufacturing; monument works; printing, engraving and publishing; electronics manufacturing not included under advanced manufacturing; and production apparel manufacturing.

Instruction Services. An establishment that offers specialized programs in improvement, information, and personal growth and development such as photography, fine arts, crafts, music, yoga, martial arts, dance, driving schools, health and wellness, and academic tutoring. Attendance is typically limited to hourly classes rather than full-day instruction. These establishments do not grant diplomas or degrees, though instruction may provide credits for diplomas or degrees granted by other institutions. Retail sales are permitted as an accessory use.

Group. Group instruction includes 10 or more students or clients at any one time.

Private/Small Group. Private instruction includes fewer than 10 students or clients at any one time.

Intermediate Processing Facility. A facility that receives, sorts, compresses or bales, and stores recyclable materials for efficient transfer to other processing facilities or to an end user.

Junior Accessory Dwelling Unit. See Accessory Dwelling Unit, Junior.

Kennel. Facilities for keeping, boarding, training, breeding, or maintaining for commercial purposes, four or more dogs, cats, or other household pets more than four months of age and not owned by the kennel owner or operator for 24 hours or more.

Large Format Retail. Retail establishments over 80,000 square feet in size that sell merchandise and/or bulk goods primarily for individual consumption, including, but not limited to, department stores, home improvement stores, membership warehouses which emphasize bulk sales to the general public as well as to other businesses, and other big box format stores. Large format retail uses may include a grocery store sales component. Excludes home improvement stores with outdoor nursery or garden centers (see nursery and garden center).

Library/Museum. Public or quasi-public facilities primarily engaged in the display or preservation of objects of interest in the arts or sciences that are open to the public on a regular basis. Includes, but is not limited to aquariums, arboretums, art galleries and exhibitions, botanical gardens, historic sites and exhibits, libraries, and museums. May also include accessory retail uses such as gift/book shops, and restaurants.

Live-Work Unit. An integrated housing unit and working space that has been constructed for such use or converted from commercial or industrial use and structurally modified to accommodate residential occupancy and work activity in compliance with the California Building Code. Living space includes, but is not limited to, a sleeping area, a food preparation area, and a full bathroom. The working space is reserved for and regularly used by one or more occupants of the unit.

Low Barrier Navigation Center. Consistent with California Government Code section 65660, a service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health, shelter, and housing services.

Maintenance and Repair Services. Establishments engaged in the maintenance or repair of office machines, household appliances, furniture, and similar large items. This classification excludes maintenance and repair of vehicles or boats (see vehicle repair and maintenance) and personal items such as apparel, shoes, and jewelry (see Repair/Cleaning/General Services, Small).

Massage Establishment. Any establishment having a fixed place of business where any person, firm, association, partnership, corporation, or other entity engages in, conducts, or carries on, or permits to be engaged in, conducted or carried on, any massage for compensation. Also includes, but is not limited to, any business providing off-premises massage services.

Massage Establishment, Accessory. An establishment that provides massage which is incidental to the primary business, where the owner of the primary business is responsible for the massage services and conduct of the massage technician(s) employed at the location.

Medical Office/Clinic. Office use providing consultation, diagnosis, therapeutic, preventive, or corrective medical treatment services by doctors, dentists, chiropractors, optometrists, psychotherapists, alternative healing practitioners such as acupuncturists, and similar practitioners of medical and healing arts for humans licensed for such practice by the State of California. Incidental medical and/or dental laboratories and research within the office that supports the on-site patient services is considered part of the office use. This use includes urgent care facilities. Excludes independent research laboratory facilities and hospitals (see medical support laboratory and see hospital).

Medical Support Laboratory. A facility for scientific laboratory analysis of medical resources. The analysis is generally performed for medical providers to support the medical provider's work on behalf of patients.

Microbreweries. A limited production brewery where beer is brewed, sold, and consumed on site and meets all applicable California Department of Alcoholic Beverage Control regulations. This use includes tasting rooms where alcoholic beverages are sold and consumed on site. Food service is subordinate to the sale of alcoholic beverages.

Mini-Storage or Self-Storage. Facilities offering enclosed storage with individual access for personal affects, furniture, and household goods. Typical provided in small individual units (e.g., 400 square feet or less) that are available for rental by the general public.

Mining and Quarrying. An operation that extracts gravel, sand, other construction aggregates, or minerals from the ground. Includes quarries and gravel pits.

Mobile Food Vending. The selling or offering to sell products from a mobile food vehicle, which includes the following uses:

Ice Cream Truck. A motorized vehicle selling ice cream or other frozen dairy or non-dairy dessert products on streets and in other public places.

Mobile Food Park. Site with two or more mobile food vehicles located together on the same parcel and operating at the same time for more than seven consecutive days.

Mobile Food Vending (Individual Vehicle). A motorized, wheeled vehicle or towed vehicle designed and equipped to store, prepare, serve and sell food, but which does not include ice cream trucks or mobile food vending wagons or pushcarts as regulated in Milpitas Municipal Code Subsection V-100-10.11 (Unlawful Parking—Peddlers, Vendors).

Mobile Fueling. A commercial service that offers on-demand fueling of motor vehicles at a specified location instead of at a service station. Mobile fueling may be provided to individual customers via the use of a mobile app, with fuel delivered to a home, office, or other location requested by the customer. Mobile fueling may also be provided for operators of fleet vehicles at a fixed, semi-permanent or permanent location.

Mobile Home Park. A development designed for and occupied by manufactured/mobile housing units consistent with the requirements of California Health and Safety Code section 18200 to 18700. A mobile home park includes facilities and amenities used in common by occupants who rent, lease, or own spaces for mobile home units/spaces through a subdivision, cooperative, condominium, or other form of resident ownership.

Motel. A building or group of attached or detached buildings providing lodging accommodations for a fee for transient guests, for stays of 30 days or fewer, with access to each room or unit through an exterior door. Motels are distinguished from hotels primarily in that the former provide direct independent access to, and adjoining parking for, guest rooms and do not provide 24-hour guest services.

Multi-Family Dwelling. See “dwelling, multi-family”.

Nursery and Garden Center. An establishment primarily engaged in selling nursery and garden products, such as trees, shrubs, plants, seeds, bulbs, and sod that are predominantly grown offsite. This classification includes commercial and wholesale greenhouses and nurseries offering plants for sale.

Outdoor Entertainment. Predominantly spectator uses conducted in open or partially enclosed or screened facilities. Typical uses include outdoor theaters, partially enclosed sports arenas, racing facilities, outdoor concert facilities, amphitheaters, drive-in movie theaters, aquatic parks, and amusement parks.

Outdoor Sports and Recreation. Predominantly participant sports conducted in open or partially enclosed or screened facilities. Typical uses include commercial driving ranges, outdoor shooting and/or archery ranges, miniature golf courses, golf courses, outdoor go-karts, swimming pools, and tennis courts. This use excludes public golf courses, public swimming pools, and public tennis court or other public sport court facilities (e.g., basketball, pickleball, etc.) (see “park/playground”); and excludes common recreational facilities as accessory to a multi-family residential project or use.

Parcel Hub. A ‘last mile’ facility warehouse or similar establishment for the processing and/or redistribution of parcels or products to end-user customers. A parcel hub’s primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 pounds, for delivery directly to consumers or end-users primarily within a 10-mile radius.

Park/Playground. Parks, playgrounds, trails, wildlife preserves, and related open spaces. This includes public playing fields, sports courts, picnic facilities, and related food concessions or community recreational buildings and structures.

Parking Lot. Open parking area(s) provided on property other than a public street, alley, or right-of-way that is the primary use on the lot (i.e., the parking lot is not providing the required off-street parking for land uses on the lot). May include park and ride lots. Use of the parking lot may be subject to a fee.

Parking Structure. A building or structure containing parking spaces that is the primary use on the lot (i.e., the parking structure is not providing the required off-street parking for land uses on the lot). May be located above or below grade, and use of the parking structure may be subject to a fee. May include park and ride structures.

Pawnbroker. A place of business where personal property is received and for which money is advanced, with the right of privilege granted to the person to whom said money is advanced to reclaim such property upon repayment of said money.

Personal Services. A commercial establishment which provides services of a personal or aesthetic nature directly to consumers, including but not limited to barber and beauty shops, nail salons, tanning salons, hair removal salons, tattoo and body piercing studios, spa/wellness center (excluding massage establishments), medical spas, and personal trainers.

Pet Day Care and Sales. Facilities for providing non-medical care for four or more dogs, cats, or other household pets not owned by the pet day care owner or operator, included but not limited to grooming services, on a less than 24-hour basis. This use includes retail sales of household pets and pet supplies, but excludes pet supply stores that do not sell animals or provide on-site animal services. Also excludes home-based pet day care services for a fee, such as dog walking services.

Primary Processing Facility. A facility that processes recyclable materials and acts as a final destination for recyclable materials.

Public Safety. Facilities providing public safety and emergency response services, including police and fire protection, with incidental storage, training, and maintenance facilities.

Public Utility. Facilities for the production, storage, treatment, transmission and/or distribution of electricity, natural gas, water, wastewater, and telecommunications and other similar essential services. Also includes service facilities, electric transmission and distribution substations, and public utility service centers.

Repair/Cleaning/General Services, Small. A commercial establishment that performs cleaning, repair, and alteration of small consumer and household items, including but not limited to dry cleaning pick-up stores without equipment that uses chemical solvents, laundromats (self-service laundries), photocopying and photo finishing services, tailor shops, watch and jewelry repair, shoe repair, home electronics repair, and locksmiths. Does not include repair of vehicles or boats (see vehicle repair and maintenance), personal services (see personal services), or maintenance and repair of large or bulky items (see maintenance and repair services).

Research and Development (R & D). Industrial or scientific research for the design, development, engineering and testing of high technology, clean technology, industrial, or scientific products. May include limited manufacturing as necessary for the production of prototypes, but excludes the full-scale manufacturing of final products. May also include storage space for raw materials and/or finished goods that actively supports the primary use.

Residential Care Facility. Consistent with Health and Safety Code section 1502, a facility licensed by the State of California to provide living accommodations and 24-hour care for persons requiring personal services, supervision, protection, or assistance for sustaining the activities of daily living. Living accommodations are group homes or shared living quarters with or without separate kitchen or bathroom facilities for each room or unit. This classification includes facilities that are operated for profit as well as those operated by public or not-for-profit institutions.

Resilience Hub. A community-serving facility designed to support residents and coordinate resource distribution and services before, during, or after a natural hazard event. Resilience hubs provide information as well as services and supplies, including but not limited to community gathering space, emergency supplies, basic medical care, internet access, and electronic device charging. They are typically outfitted with a solar and back-up battery storage system that can operate off the power grid and maintain power to the facility during grid outages.

Restaurant, Full Service. Restaurants that provide cooked-to-order food and beverage services to patrons who order and are served while seated and pay after eating. Takeout service may also be provided.

Restaurant, Limited Service. Establishments where food and beverages may be consumed on the premises, taken out, or delivered, but where no table service is provided. This includes, but is not limited to cafeterias, fast-food restaurants, carryout sandwich shops, limited-service pizza parlors and delivery shops, self-service restaurants, snack bars, and takeout restaurants. This use includes cafes, coffee shops, and bakeries with a retail storefront component.

Restaurant with Alcohol Service. Either a full service or limited service restaurant that includes alcohol service for on-site consumption.

Retail, Limited. An establishment which offers the sale of a limited line of merchandise that is generally necessary or desirable for everyday living or everyday business activities. Examples include small grocery stores offering primarily prepared or pre-packaged food and beverage items, small drugstores and variety stores, small stationery, office supply stores, shops selling other small household goods, and walk-out retail stores. This classification excludes convenience stores.

Retail Stores, General Merchandise. The retail sale or rental of merchandise not specifically listed under another use definition. This includes department stores, clothing stores, furniture stores, pharmacies, pet supply stores, flower shops (florist), art supply stores, music stores, book stores, and other businesses retailing (or renting) toys, hobby materials, handcrafted items, formalwear, music equipment and instruments, jewelry, cameras, candy, gifts and novelties, electronic equipment, sporting goods, hardware, appliances, antiques, art, paint and wallpaper, carpeting and floor covering, office supplies, bicycles, and new automotive parts and accessories, excluding vehicle service and installation (see vehicle repair and maintenance). Excludes large format retail and other sales-related uses more specifically described in other use definitions.

Riding Academy and Public Stables. Stables leased for the keeping of horses which may also include areas for horse riding and horse riding lessons.

Salvage and Wrecking. The dismantling of wrecked or decommissioned vehicles, appliances, or other metal products where usable parts are sold for use in operating vehicles and the unusable metal parts are sold to metal-recycling companies.

School, Private. A private institution of learning for students offering instruction in those courses of study required by the California Education Code and maintained in compliance with the standards set by the State Board of Education. This use includes kindergarten, elementary school, middle or junior high school, or high school.

School, Public. A public institution of learning for students offering instruction in those courses of study required by the California Education Code and maintained in compliance with the standards set by the State Board of Education. This use includes kindergarten, elementary school, middle or junior high school, and high school.

Service Station. Any premises used for supplying automotive fuel and oil at retail, direct to the customer, including minor accessories and services for automobiles such as tire air pumps and window washing, but not including automobile repairs.

Short-Term Rental (STR). The use of a dwelling unit, including, without limitation, a single-family, two-family, or multi-family dwelling unit, mobile home, or any portion of such dwellings, rented for occupancy for dwelling, lodging, or sleeping purposes for a period of 30 or fewer calendar days, counting portions of days as full calendar days.

Single-Family Dwelling. See "dwelling, single-family".

Single-Room Occupancy (SRO) Residence. A multi-tenant building consisting of single room dwelling units that are the primary residence of its occupants, containing either individual or shared kitchen and bathroom facilities. These units are small, generally less than 350 square feet.

Smoke/Tobacco Shop. A retail establishment primarily engaged in the selling of smoking ~~and~~ or tobacco products, ~~and~~ accessories, or paraphernalia ~~and~~ or any other products, devices, ~~and~~ or components reasonably assumed to be used for smoking and/or the inhalation or ingestion of any substance. ~~Tobacco products may include but are not limited to cigarettes, cigars, loose leaf tobacco, tobacco pipes, electronic smoking devices and accessories, vaporizers and accessories and any other product, device or component used in the inhalation of tobacco, nicotine or other substance.~~ See "tobacco product" and "tobacco accessories or paraphernalia". For the purposes of this definition only, "primarily engaged" means when 30 percent or more of products sold at the retail establishment are smoking or tobacco products, accessories, or paraphernalia or any other products, devices, or components reasonably assumed to be used for smoking and/or the inhalation or ingestion of any substance.

Supportive Housing. Consistent with California Health and Safety Code section 50675.14, housing with no limit on length of stay, that is occupied by the target population as defined in U.S.C. section 11302 of Title 42, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

Temporary Use. A use established for a specified period of time, with the intent to discontinue the use at the end of the designated time period.

Tobacco accessories or paraphernalia. Devices or instruments for smoking, heating, chewing, absorbing, dissolving, inhaling, snorting, sniffing, or ingesting by any other means tobacco products or other controlled substances.

Tobacco product.

- Any product containing, made of, or derived from nicotine or tobacco that is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
- Any electronic smoking device and any substances that may be aerosolized or vaporized by such device and that contains nicotine; or
- Any component, part, or accessory of (1) or (2), whether or not sold separately and whether or not they contain nicotine or tobacco, including but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, mouthpieces, and pipes.

- Tobacco product does not include any nicotine cessation product that has been approved by the U.S. Food and Drug Administration to be marketed and for sale as "drugs," "devices," or "combination products," as defined in the Federal Food, Drug, and Cosmetic Act

Tobacco retailer. A tobacco retailer is any person or business that sells, offers for sale or distribution, exchanges, or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco accessories or paraphernalia.

Trade and Vocational School. An establishment where postsecondary education or training is received in a trade or craft, business, commerce, language, or other similar activity or occupational pursuit that is not otherwise described as a college/university, school, or instruction services. This use includes culinary schools.

Transitional Housing. Consistent with California Government Code section 65582, buildings configured as rental housing developments but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

Transportation Passenger Terminal/Facility. Facilities for passenger transportation operations, including rail stations, bus terminals, and associated service facilities, but does not include terminals serving airports or heliports.

Two-Family Dwelling. See "dwelling, two-family".

Vehicle Rental. Establishment providing for the rental of automobiles. Includes rental of passenger vehicles and light trucks/vans under 14,000 pounds and incidental repair/servicing and cleaning of rental vehicles. This use does not include car-sharing operations.

Vehicle Repair and Maintenance, Major. Repair of automobiles, trucks, motorcycles, motor homes, boats and recreational vehicles, including the sale, installation, and servicing of related equipment and parts. This classification includes the servicing and repair of engines, body and fender, transmission, axels, wheels and brake, tire sales and installation, tire treading and recapping, and vehicle painting. Excludes vehicle dismantling or salvaging (see "salvage and wrecking") and tire retreading or recapping (see "industry, heavy"). All activities listed under Vehicle Repair and Maintenance, Minor may also be included in major uses.

Vehicle Repair and Maintenance, Minor. The service and repair of automobiles, light-duty trucks, boats, and motorcycles, including the sale, installation, and servicing of related equipment and parts. This classification includes the replacement of small automotive parts and liquids as an accessory use to an automotive accessories and supply store, and quick-service oil, tune-up and brake and muffler shops, auto glass sales and replacement, window tinting, stereo and alarm sales, and tire sales where repairs are made or service provided in enclosed bays and no vehicles are stored overnight. This classification excludes disassembly, removal or replacement of major components such as engines, drive trains, transmissions or axles; automotive body and fender work, vehicle painting or other operations that generate excessive noise, objectionable odors, or hazardous materials, and repair of heavy trucks, limousines, or construction vehicles (see "vehicle repair and maintenance, major"). It also excludes towing services (see "vehicle storage") and fueling stations (see "service station").

Vehicle Sales and Leasing. Sale or lease, retail or wholesale, of automobiles, light trucks, motorcycles, motor homes, and trailers, together with associated incidental repair services and parts sales, but excluding body repair and painting. Includes, but is not limited to, automobile dealers and recreational vehicle sales agencies.

Vehicle Sales, Limited. A small-format showroom for the retail sale of automobiles and light trucks, typically within a retail storefront setting. Uses can include storage of no more than five vehicles onsite for display and/or test driving, which may be stored either indoors or outdoors on the same lot. Incidental vehicle repair services and parts sales are not permitted.

Vehicle Storage. The use of a site for the short-or long-term storage of automobiles, trucks, motorcycles, and/or other vehicles. Includes towing and impound lots.

Vehicle Washing. Washing, waxing, detailing, and/or cleaning of automobiles or similar light vehicles, including self-serve washing facilities.

Veterinary Clinic. Medical care for household pets on a commercial basis with no overnight (24-hour) accommodation of animals.

Veterinary Hospital or Services. Medical care for household pets on a commercial basis with 24-hour accommodation of animals, but does not include kennels. Also includes overnight (24-hour) accommodation of small animals for grooming services.

Warehousing and Distribution. A facility, primarily within an enclosed building, for the storage of commercial or industrial goods, products and materials and the associated on-site sorting, packing, staging, shipping, receiving, and distributing of goods to wholesale and retail outlets, including ancillary truck parking and dispatching. Also includes long-term, passive storage of furniture, household goods, or other commercial goods; and of industrial equipment, products, and materials. Warehousing and distribution facilities may include, but are not limited to, wholesale distribution, distribution centers, moving and transfer storage, cross-dock facilities, package handling centers, order fulfilment centers, and logistics centers. Excludes storage of raw materials and/or finished products as part of an active primary use (e.g., advanced manufacturing uses; general industry uses; light industry uses; research and development uses). Excludes parcel hubs.

Wholesale Sales. The selling and/or distributing of merchandise to retailers; industrial, commercial, or institutional buyers; or other wholesalers; or acting as agents or brokers in the buying and selling of merchandise to or for such entities.

Wireless Telecommunications Facility. A facility that transmits and/or receives electromagnetic signals. It includes antennas, microwave dishes, horns, and other types of equipment for the transmission or receipt of such signals, equipment, switches, wiring, cabling, power sources, shelters or cabinets associated with an antenna, telecommunication towers or similar structures supporting the equipment, equipment buildings, parking area and other accessory development. Also see wireless telecommunications terms in Chapter E.2 (Definitions of Terms).

SECTION 6. CALIFORNIA ENVIRONMENTAL QUALITY ACT

The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this Ordinance is not subject to review under CEQA. CEQA Guidelines Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements.

Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the Ordinance is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

SECTION 7. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision, or part has no effect on the validity of the remainder.

SECTION 8. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The City Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

REGULAR

NUMBER: **XX.XXX**

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING THE MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTERS B.6, B.8, C.10, AND E.4 RELATING TO THE REGULATION OF TOBACCO RETAILERS**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of ____________________, upon motion by__________________________ and was adopted (second reading) by the City Council at its meeting of _______________, upon motion by _____________________________. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

____
Suzanne Guzzetta, City Clerk

____
Carmen Montano, Mayor

APPROVED AS TO FORM:

____
Christian Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, tobacco use remains the number one preventable cause of death and disease in California, causing nearly 40,000 deaths in California every year. More than 22% of all adult cancer deaths in California are attributable to smoking; and

WHEREAS, in Santa Clara County ("County"), one in eight deaths annually is attributed to smoking-related illness or diseases, such as cancer, heart disease, and respiratory diseases; and

WHEREAS, in 2019-20, 25.3% of Santa Clara County high school students have used a tobacco product and 8.6% used tobacco in the last 30 days. E-cigarettes are the most popular tobacco product, with 23.0% of high school students having used them and 7.7% being current users; and

WHEREAS, in August 2020, the state of California adopted SB 793, which prohibits the sale of most flavored tobacco products. SB 793 specifically provides that a municipality may adopt a stricter local ordinance; and

WHEREAS, in September 2024, the state of California adopted AB 3218, which requires the creation of Unflavored Tobacco List by the California Attorney General to clearly define which products are legally allowed to be sold by retailers, wholesalers, distributors and delivery sellers in California; and

WHEREAS, mentholated and flavored products have been shown to be "starter" products for youth who begin using tobacco, helping to establish tobacco habits that can lead to long-term addiction; and

WHEREAS, studies show that youth believe flavored tobacco products are safer and less addictive than non-flavored varieties; and

WHEREAS, the vast majority of current Santa Clara County teen tobacco users report using a flavored tobacco product (93.1%), with flavored vape and hookah use being the highest (96.3% and 83.4%, respectively); and

WHEREAS, in 2019, more than 86% of Santa Clara County tobacco retailers near schools sold flavored non-cigarette tobacco products, such as e-cigarettes; and

WHEREAS, more than half of Santa Clara teens who currently vape reported purchasing their own vaping product (52.9 percent), with over 1 in 5 of this group saying they buy them directly from a store. Among those who purchase their vaping products in a store, 71 percent purchased them at a tobacco shop, smoke shop, and vape shop; and

WHEREAS, by selling tobacco products, pharmacies reinforce positive social perceptions of smoking, convey tacit approval of tobacco use, and send a message that it is not so dangerous to smoke; and

WHEREAS, tobacco-free pharmacy sales policies decrease the availability of tobacco products by reducing tobacco retailer density by up to three times compared with communities that do not have such policies; and

WHEREAS, research indicates that the density and proximity of tobacco retailers increase smoking behaviors. In particular, children are more likely to smoke when they live or go to school in neighborhoods with a high density of tobacco retailers; and

WHEREAS, state law prohibits the sale or tobacco products to anyone under the age of 21 and requires all tobacco retailers to be licensed by the Department of Tax and Fee Administration; and

WHEREAS, this ordinance seeks to adopt tobacco prevention strategies that have been shown to reduce youth access and exposure to tobacco products; and

WHEREAS, this ordinance would prohibit new businesses from selling tobacco near schools and reduce tobacco density; and

WHEREAS, this ordinance and the regulations adopted herein are a lawful exercise of the City's zoning and police powers and are necessary for the preservation of the public health, safety, and welfare, including to protect against preventable nicotine deaths and addiction, reduce tobacco related deaths and addition among the youth and the consequent long term public health and society costs associated thereto, encourage responsible tobacco retailing, and discourage the violation of laws and regulations governing the sale of tobacco products; and

WHEREAS, the Planning Commission is an advisory body to the City Council; and

WHEREAS, the City Council is the final authority on General Plan, Specific Plan, and Zoning amendments, including amendments to the Zoning Ordinance; and

WHEREAS, on June 10, 2026, the Planning Commission held a duly noticed public hearing and having duly considered testimony and written materials provided recommended the adoption of this ordinance to the City Council; and

WHEREAS, on August 11, 2026, the City Council held a lawfully-noticed public hearing and after considering all testimony and written materials provided in connection with that hearing introduced this ordinance and waived the reading thereof beyond the title.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER B.6, SECTION B.6.020, TABLE B.6.020-A

Title XIII, Chapter B.6, Section B.6.020, Table B.6.020-A (Commercial Zones Use Regulations) of the Milpitas Municipal Code is hereby amended to read as follows:

Table B.6.020-A: Commercial Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required | "-" = Not Allowed					
Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Commercial Uses					
Adult-Oriented Business	-	-	-	MCS	C.10.040 (Adult-Oriented Businesses)
Animal Care and Services					
Kennel	-	-	C	-	Milpitas Municipal Code Section V-210-11 (Permits for Animal Facilities and Animal Adoption Organizations)
Pet Day Care and Sales	-	P	P	P	
Veterinary Clinic	C	P	P	P	
Veterinary Hospital or Services	-	C	P	P	
Commissary or Catering	P	P	P	P	n/a
Drive-Through Facility	-	C	C	C	Section C.10.090 (Drive-Through Facilities)
Eating and Drinking Establishment					
Bar or Nightclub	-	-	C	C	Section C.10.100 (Eating and Drinking Establishments)
Microbreweries	-	-	MC	MC	
Mobile Food Park	MCS	MCS	MCS	MCS	Section C.10.170 (Mobile Food Vending)
Mobile Food Vending (Individual Vehicle)	P	P	P	P	
Restaurant					
Restaurant, Full Service	C [1]	P	P	P	Section C.10.100 (Eating and Drinking Establishments)
Restaurant, Limited Service	C	P	P	P	
Restaurant with Alcohol Service	-	MC	MC	MC	
Entertainment and Recreation, Commercial					
Commercial Athletic Facility	-	C	MCS	MCS	n/a
Indoor Entertainment	-	-	P	P	n/a
Indoor Sports and Recreation	-	C	P	P	n/a
Outdoor Entertainment	-	-	C	C	n/a
Outdoor Sports and Recreation	-	C	C	C	n/a

Table B.6.020-A: Commercial Zones Use Regulations					
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Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Financial Institution					
Bank and Credit Union	P	P	P	P	n/a
Check Cashing Business	-	-	MCS	MCS	n/a
Pawnbroker	-	-	MCS	MCS	n/a
Food and Beverage Retail Sales					
Alcoholic Beverage Sales	C [1]	C	C	C	n/a
Convenience Store	-	C	C	C	n/a
Grocery Store, Large	-	P	P	p	n/a
Grocery Store, Small	-	P	P	p	n/a
Home Occupation	-	-	-	P	Section C.10.130 (Home Occupations)
Hospital	C	-	C	C	n/a
Lodging					
Hotel	-	-	P	P	n/a
Motel	-	-	C	P	n/a
Medical Support Laboratory	P	C	C	C	n/a
Offices					
Business and Professional Office	P	p	p	p	n/a
Medical Office/Clinic	P	P	P	-	n/a
Retail					
Firearms Dealer	-	-	C	C	n/a
Large Format Retail	-	-	P	P	n/a
Nursery and Garden Center	-	-	P	P	n/a
Retail, Limited	MCS	P	P	P	n/a
Retail, Accessory Tobacco Product Sales	-	MCS	MCS	MCS	Section C.10.225 (Smoke/Tobacco Uses)
Retail Store, General Merchandise	-	P	P	p	n/a
Smoke/Tobacco Shop	-	C	C	C	~~n/a~~ Section C.10.225 (Smoke/Tobacco Uses)
Services					
Business Support Services	-	-	P	P	n/a
Maintenance and Repair Services	-	-	P	P	n/a

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Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Massage Establishment	-	-	MC	MC	Section C.10.160 (Massage Establishments)
Massage Establishment, Accessory	-	-	MCS	MCS	
Personal Services [2]	-	P	P	P	n/a
Repair/Cleaning/General Services, Small	-	P	P	P	n/a
Vehicle-Related Uses					
Auto Broker	MCS	MCS	MCS	-	Section C.10.070 (Auto Broker)
Commercial Fueling Facility	-	-	-	C	n/a
Fleet-Based Service	-	-	MCS	P	n/a
Mobile Fueling [3]	P/-	P/-	P/-	P/-	Milpitas Municipal Code Chapter V-300 (Fire Code)
Service Station	C	C	P	P	Section C.10.190 (Service Stations and Car Washes)
Vehicle Rental	-	-	P	P	n/a
Vehicle Repair and Maintenance					
Major	-	-	C	MCS	n/a
Minor	-	-	MCS	P	n/a
Vehicle Sales, Limited	-	-	MCS	-	n/a
Vehicle Sales and Leasing	-	-	C	C	n/a
Vehicle Washing	-	-	C	C	Section C.10.190 (Service Stations and Car Washes)
Industrial Uses					
Custom and Artisan Manufacturing	-	-	MCS	-	n/a
Data Center	C	-	-	-	n/a
Mini-Storage or Self-Storage	-	-	C	C	n/a
Recycling Facility					
Collection Facility	-	-	MCS	P	n/a
Public, Institutional, and Recreational Uses					
Child Care					
Child Care Center	MC	MC	MC	MC	Section C.10.140 (Large Family Child Care and Child Care Centers)

Table B.6.020-A: Commercial Zones Use Regulations					
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Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Civic/Government	P	P	P	-	n/a
Community Assembly					
Major	C	C	C	C	n/a
Minor	P	P	P	p	n/a
Community Garden	P	P	P	P	n/a
Educational Institution					
Trade and Vocational School	C	-	P	P	n/a
Farmers' Market	-	MCS	MCS	MCS	Section C.10.120 (Farmers' Markets)
Funeral Parlor and Mortuary	-	-	C	C	n/a
Instruction Services					
Group	MCS	MCS	MCS	MCS	n/a
Private/Small Group	P	P	P	P	n/a
Library/Museum	-	P	P	-	n/a
Park/Playground	P	P	P	P	n/a
Public Utility	-	-	-	C	n/a
Resilience Hub	P	P	P	-	See Subsection C.10.230.D.6 regarding Temporary Resilience Hubs.
Transportation Passenger Terminal/Facility	-	-	C	C	n/a
Wireless Telecommunications Facility	See Section C.10.240 (Wireless Telecommunications Facilities).				
Residential Uses					
Emergency Shelter	-	-	P	P	Section C.10.110 (Emergency Shelters)
Single-Room Occupancy Residences	-	-	-	C	Section C.10.220 (Single Room Occupancy Residences)
Unclassified Uses					
Accessory Use	P	P	P	P	n/a
Parking Lot [4]	MCS	MCS	MCS	P	n/a
Parking Structure [4]	C	C	MCS	P	n/a

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"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**CO**	**C1**	**C2**	**HS**	**Additional Regulations**
Temporary Use	See Section C.10.230 (Temporary Uses and Structures)				

Table Notes:

[1] When intended to serve the occupants and patrons of the primary use and conducted from within the building. Entrance to the use must be provided internally or within the building, and no exterior display of advertising is allowed.

[2] When located on the ground floor, retail sales of products related to the personal services provided must be offered at the front of the premises near the pedestrian entrance and must comprise at least 10% of the floor area of the business establishment.

[3] Mobile fueling is permitted when fueling service is ordered by an individual vehicle owner and the amount of fuel dispensed as part of any individual order does not exceed 50 gallons. Mobile fueling for fleet vehicles is not permitted.

[4] Applies to parking lots or structures that are primary uses, as defined in Part XIII-E (Definitions).

SECTION 3. AMENDMENT OF MILPITAS MUNIICPAL CODE TITLE XIII, CHAPTER B.8, SECTION B.8.020, TABLE B.8.020-A

Title XIII, Chapter B.8, Section B.8.020, Table B.8.020-A (Mixed Use Zones Regulations) of the Milpitas Municipal Code is hereby amended to read as follows:

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Commercial Uses					
Animal Care and Services					
Pet Day Care and Sales	MCS	MCS	-	P	Milpitas Municipal Code Section V-210-11 (Permits for Animal Facilities and Animal Adoption Organizations)
Veterinary Clinic	P	P	-	P	
Commissary or Catering	MCS	MCS	-	P	n/a
Drive-Through Facility	-	-	-	C	Section C.10.090 (Drive-Through Facilities)
Eating and Drinking Establishment					
Bar or Nightclub	C	C	C	C	Section C.10.100 (Eating and Drinking Establishments)
Microbreweries	MC	MC	MC	MC	
Mobile Food Park	MCS	MCS	-	MC	Section C.10.170 (Mobile Food Vending)
Mobile Food Vending (Individual Vehicle)	P	P	P	P	
Restaurant					

Table B.8.020-A: Mixed Use Zones Use Regulations					
“P” = Permitted Use | “MC” = Minor Conditional Use Permit approved by Zoning Administrator required | “MCS” = Minor Conditional Use Permit approved by Director required | “C” = Conditional Use Permit required |“-“ = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Restaurant, Full Service	P	P	P	P	Section C.10.100 (Eating and Drinking Establishments)
Restaurant, Limited Service	P	P	P	P	
Restaurant with Alcohol Service	P	P	P	P	
Entertainment and Recreation, Commercial					
Commercial Athletic Facility	P	P	MCS [1] / P	P	n/a
Indoor Entertainment	C	C	C	C	n/a
Indoor Sports and Recreation	C	C	C	C	n/a
Outdoor Entertainment	C	C	C	C	n/a
Outdoor Sports and Recreation	C	C	C	C	n/a
Financial Institution					
Bank and Credit Union	P	P	P	P	n/a
Check Cashing Business	MCS	MCS	-	-	n/a
Pawnbroker	C [2]	C [2]	-	-	n/a
Food and Beverage Retail Sales					
Alcoholic Beverage Sales	C	C	C	C	n/a
Convenience Store	MCS	MCS	MCS	MCS	n/a
Grocery Store, Large	MCS	MCS	C [3]	C [3]	n/a
Grocery Store, Small	P	P	P [3]	P [3]	n/a
Home Occupation	P	P	P	P	Section C.10.130 (Home Occupations)
Hospital	C [2]	C [2]	-	C	n/a
Lodging					
Bed and Breakfast	P	P	-	-	n/a
Hotel	P	P	C	P	n/a
Motel	P	P	-	-	n/a
Short-Term Rental	See C.10.190 (Short-Term Rentals)				
Medical Support Laboratory	P	P	-	C	n/a
Office					
Business and Professional Office	P [4]	P [4]	C	P	n/a
Medical Office/Clinic	P	P	P / MCS [5]	P	n/a
Retail					
Large Format Retail	C	C	-	C	n/a

Table B.8.020-A: Mixed Use Zones Use Regulations

"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed

Use	MXD	MXD3	NCMU 1, 2, 3	TC 1, 2, 3	Additional Regulations
Retail, Limited	P [4]	P [4]	P	P	n/a
Retail, Accessory Tobacco Product Sales	-	MCS	MCS	MCS	Section C.10.225 (Smoke/Tobacco Uses)
Retail Store, General Merchandise	P [4]	P [4]	P	P	n/a
Smoke/Tobacco Shop	-	-	C	C	~~n/a~~ Section C.10.225 (Smoke/Tobacco Uses)
Services					
Business Support Services	P [4]	MCS [4]	MCS	MC	n/a
Massage Establishment	MC	MC	MC	MC	Milpitas Municipal Code III-6 (Massage Establishments and Practitioners); Section C.10.160 (Massage Establishments)
Massage Establishment, Accessory	MCS	MCS	MCS	MCS	
Personal Services [6]	P [4]	P [4]	P	P	n/a
Repair/Cleaning/General Services, Small	P [4]	P [4]	MC	P	n/a
Vehicle-Related Uses					
Auto Broker	MCS	MCS	-	MCS	Section C.10.070 (Auto Broker)
Fleet-Based Service	-	-	-	C	n/a
Mobile Fueling	P/- [7]	P/- [7]	P/- [7]	P/- [7]	Milpitas Municipal Code Chapter V-300 (Fire Code)
Service Station	C	C	-	C	Section C.10.190 (Service Stations and Car Washes)
Vehicle Rental [8]	MCS	MCS	-	-	n/a
Vehicle Sales, Limited	MCS	MCS	-	MCS	n/a
Vehicle Sales and Leasing [8]	C	C	-	-	n/a
Industrial & Research and Development Uses					
Custom and Artisan Manufacturing	MCS	MCS	MCS	MCS	n/a
Public, Institutional, and Recreational Uses					
Child Care					
Child Care Center	MC	MC	C	C	Section C.10.140 (Large Family Child Care and Child Care Centers)

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Large Family Child Care Home	P	P	P	P	Section C.10.140 (Large Family Child Care and Child Care Centers)
Small Family Child Care Home	P	P	P	P	n/a
Community Assembly					
Major [9]	C [2]	C [2]	C	C	n/a
Minor [9]	MCS [2]	MCS [2]	MC	MC	n/a
Community Garden	P	P	P	P	n/a
Educational Institutions					
College/University, Private	C [2]	C [2]	-	C	n/a
School, Private	C [2]	C [2]	C	C	
Trade and Vocational School	C [2, 10]	C [2, 10]	-	C	n/a
Farmers' Market	MCS	MCS	MC	MC	Section C.10.120 (Farmers' Market)
Instruction Services					
Group	P	-	P	P	n/a
Private/Small Group	P	P	P	P	n/a
Park/Playground	P	P	P	P	n/a
Public Utility	C	C	C	C	n/a
Resilience Hub	P	P	P	P	See Subsection C.10.230.D.6 regarding Temporary Resilience Hubs.
Transportation Passenger Terminal/Facility	C	C	-	C	n/a
Wireless Telecommunications Facility	See Section C.10.240 (Wireless Telecommunications Facilities)				
Residential Uses					
Accessory Dwelling Unit and Junior Accessory Dwelling Unit	P	P	P	P	Section C.10.030 (Accessory Dwelling Units and Junior Accessory Dwelling Units)
Boarding House	C	C	C	C	n/a
Court Dwelling	P	P	-	-	n/a
Elderly and Long-Term Care	MC	MC	MC	MC	n/a
Emergency Shelter	-	P	-	-	Section C.10.110 (Emergency Shelters)
Group Living Accommodation	C	C	C	C	n/a

Table B.8.020-A: Mixed Use Zones Use Regulations					
"P" = Permitted Use | "MC" = Minor Conditional Use Permit approved by Zoning Administrator required | "MCS" = Minor Conditional Use Permit approved by Director required | "C" = Conditional Use Permit required |"-" = Not Allowed					
Use	**MXD**	**MXD3**	**NCMU 1, 2, 3**	**TC 1, 2, 3**	**Additional Regulations**
Live-Work Unit	MCS	MCS	MCS	MCS	Section C.10.150 (Live-Work Units)
Low Barrier Navigation Center	P	P	-	-	California Government Code § 65660
Multi-Family Dwelling	P	P	P [11]	P	n/a
Residential Care Facility	P	P	P	P	n/a
Single-Room Occupancy Residences	P	P	P	P	Section C.10.220 (Single Room Occupancy Residences)
Supportive Housing	P	P	P [11]	P	California Government Code § 65582
Transitional Housing	P	P	P [11]	P	California Government Code § 65582
Unclassified Uses					
Accessory Use	P	P	P	P	n/a
Parking Lot [12]	MCS	MCS	-	-	n/a
Parking Structure [12]	MCS	MCS	MCS	MCS	n/a
Temporary Use	See Section C.10.230 (Temporary Uses and Structures)				

Table Notes:

[1] Commercial athletic facilities may be permitted with approval of a Minor Conditional Use Permit (Director level) in the NCMU1 subzone, in accordance with Subsection D.4.030 (Use Permits), and are permitted in the NCMU2 and NCMU3 subzones.

[2] These uses shall not be located within 1,000 ft of the same use.

[3] In the NCMU and TC zones only, small grocery stores up to 15,000 square feet are permitted and grocery stores exceeding 15,000 square feet may be permitted subject to approval of a Conditional Use Permit consistent with Subsection D.4.030 (Use Permits). In all other zones, small and large grocery stores are defined and permitted according to the size thresholds stated in Chapter E.4 (Definitions of Uses).

[4] These uses may be allowed provided they are: no more than 10,000 sf in gross floor area if located on the ground floor and are not open past 10:00 p.m.

[5] Medical offices and clinics are permitted in the NCMU Zones when located on upper floors, and may be permitted with approval of a Minor Conditional Use Permit (Director level) in accordance with Subsection D.4.030 (Use Permits) when located on the ground floor.

[6] When located on the ground floor, retail sales of products related to the personal services provided shall be offered at the front of the premises near the pedestrian entrance and shall comprise at least 10% of the floor area of the business establishment.

[7] Mobile fueling is permitted when fueling service is ordered by an individual vehicle owner and the amount of fuel dispensed as part of any individual order does not exceed 50 gallons. Mobile fueling for fleet vehicles is not permitted.

[8] Excluding long-term parking and storage of vehicles for rent, sale, or lease, must be fully enclosed within a building.

[9] Churches and religious institutions are permitted in any location within the MXD, MXD3, NCMU, and TC Zones.

[10] Trade and vocational schools may be permitted subject to approval of a Conditional Use Permit consistent with Subsection D.4.030 (Use Permits), provided that they are not found objectionable due to noise, odor, vibration or other similar factors related to health, safety and welfare.

[11] Spaces serving upper-floor residential uses, such as common gathering space, lobby, and resident services, may be allowed as ground floor uses where residential uses would otherwise not be permitted.

[12] Applies to parking lots or structures that are primary uses, as defined in Part XIII-E (Definitions).

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER C.10

Title XIII, Chapter C.10 of the Milpitas Municipal Code is hereby amended to add section C.10.225 Smoke/Tobacco Uses to Chapter C.10 Specific to Uses and reads as follows:

A. Purpose. The purpose of this Section is to encourage responsible retailing of tobacco products and protect the public health, safety, and welfare by regulating the establishment, location, and operation of tobacco retailers.

B. Definitions. Terms used in this Section are defined in Chapter E.4 (Definitions of Terms).

C. Location and Distance Requirements.

    1. No tobacco retailer shall be allowed:

        a. Within 1,000 feet of any school or child care center; or

        b. Within 500 feet of any other tobacco retailer.

    2. The distance between any two tobacco retailer premises shall be measured in a straight line, without regard to intervening structures or objects, from the nearest entrance of a tobacco retailer to the nearest entrance of the second tobacco retailer. The distance between any tobacco retailer and any school shall also be measured in a straight line, without regard to intervening structures or objects, from the nearest entrance of the tobacco retailer to the nearest property line of a school.

D. Exemption to Location and Distance Requirements. The prohibitions on location and distance contained in Subsection C.10.225.C shall not apply to the following:

    1. Any tobacco retailer operating lawfully under the Milpitas Municipal Code on the date immediately prior to this Section first becoming effective.

    2. Any tobacco retailer operating lawfully under the Milpitas Municipal Code is not in violation of these regulations by the subsequent establishment of a school, child care center, or another tobacco retailer.

    3. Tobacco retailers operating under these exemptions shall be a nonconforming use that may not be continued, expanded, changed, or replaced except in conformity with Section C.18.030 (Nonconforming Uses). These exemptions do not apply to tobacco retailers whose nonconforming use is discontinued under Subsection C.18.030.A.2 (Discontinuation of Nonconforming Use). Tobacco retailers operating under these exemptions may not expand the nonconforming use under Subsection C.18.030.A.5 (Expansion of Nonconforming Use) or re-establish that use once discontinued under Subsection C.18.030. B (Re-establishment of Discontinued Nonconforming Uses Within the Midtown and Metro Specific Plan Areas).

E. Other prohibitions.

1. Flavored tobacco products.

    a. No person or entity shall sell a tobacco product containing, as a constituent or additive, an artificial or natural flavor or aroma (other than tobacco) or an herb or spice, including but not limited to strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, mint, menthol, or coffee, that is a characterizing flavor or aroma of the tobacco product, smoke, or vapor produced by the tobacco product. Prohibited flavored tobacco products also include all tobacco products or flavor enhancements otherwise prohibited by applicable law, including Section 104559.5 of the California Health and Safety Code, as it may be amended or superseded, and any tobacco product not appearing on the most current Unflavored Tobacco List maintained by the California Attorney General's Office.

    b. A tobacco product shall be subject to a rebuttable presumption that the product is prohibited by paragraph (a) of this subsection if:

        1. The product's manufacturer or any other person associated with the manufacture or sale of tobacco products makes or disseminates public statements or claims to the effect that the product has or produces a characterizing flavor or aroma, other than tobacco; or

        2. The product's label, labeling, or packaging includes a statement or claim–including any text and/or images used to communicate information–that the product has or produces a characterizing flavor or aroma, other than tobacco.

F. Application Procedure.

1. Minor Conditional Use Permit. The owner of a retail store, general merchandise or retail, limited store may sell tobacco products, subject to approval of a Minor Conditional Use Permit (Director review) pursuant to Subsection D.4.030.D (Use Permits – Authority).

2. Conditional Use Permit. The owner of a smoke/tobacco shop business must apply for and obtain a Conditional Use Permit before operating the business establishment. The Conditional Use Permit is subject to the provisions and issued in accordance with the Conditional Use Permit process in Section D.4.30 (Use Permits).

G. Additional eligibility requirements.

1. No permit may be issued to authorize retailing tobacco products at or from other than a fixed location. For example, retailing by persons on foot or from vehicles is prohibited.

2. No permit may be issued to authorize the retail of tobacco products at a temporary or recurring temporary event. For example, retailing at flea markets and farmers' markets is prohibited.

3. No permit may be issued to authorize retailing tobacco products at any location where the profession of pharmacy is practiced by a pharmacist licensed by the State in accordance with the Business and Professions Code and where prescription drugs are offered for sale.

H. General Standards. The following standards shall apply to all tobacco retailers.

1. Tobacco retailers shall not:

    a. Violate any local, state, or federal law applicable to tobacco products or the retailing of such tobacco products.

    b. Fail to possess and maintain in a presently valid condition all licenses, permits, and approvals otherwise necessary for their use or otherwise necessary in order to sell tobacco products in the State, including, as applicable, a Cigarette and Tobacco Product Retailer's License from the California Department of Tax and Fee Administration**.**

    c. Allow or tolerate smoking or the use of electronic smoking devices in places where smoking is prohibited, including within the retail outlet or area where the tobacco retailer is located and within workplaces or enclosed places.

    d. Cover more than 15 percent of the square footage of the windows and clear doors of a physical storefront used for tobacco retailing with any type of advertising or signs.

    e. Sell or distribute tobacco products to anyone prohibited by applicable law from purchasing such products, including persons under the age of 21.

    f. Sell or distribute a tobacco product without first examining identification to confirm that the age of the purchaser is at least the minimum age required under state law to purchase and possess the tobacco product.

2. Tobacco retailers shall:

    a. Post conspicuously, at each point of purchase, a clear and prominent notice stating that selling Tobacco Products to anyone under 21 years of age is illegal and subject to penalties.

    b. Post conspicuously clear and prominent notice at each entrance to the building or structure stating "No smoking" where smoking is prohibited throughout the building or "Smoking is prohibited except in designated areas" where smoking is permitted only in designated areas of the building or structure.

I. Violation of Regulations. Violation of any provision of this Section is a public nuisance and injurious to the public health, safety, and welfare and in addition to all other remedies allowed by applicable law, including this Code, is grounds for enforcement action including modification, revocation, or suspension of any underlying use permit in accordance with Chapter D.18 (Enforcement and Penalty).

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER E.4

Title XIII, Chapter E.4 (Definitions of Use) of the Milpitas Municipal Code is hereby amended to read as follows:

Chapter E.4 Definitions of Uses

This Chapter provides definitions for all uses established in the use tables in Part XIII-B (Zone Regulations).

Accessory Dwelling Unit (ADU). As defined by California Government Code section 66313, an ADU is an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An ADU also includes an efficiency unit as defined in California Health and Safety Code section 17958.1 and a manufactured home as defined by California Health and Safety Code section 18007.

Accessory Dwelling Unit, Junior (JADU). A type of accessory dwelling unit defined by California Government Code section 66313 as a residential unit that is consistent with the following:

- Is no more than 500 square feet in size;
- Is contained entirely within an existing or proposed single-family structure;
- Includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed primary dwelling; and
- Includes an efficiency kitchen.

Accessory Use. A use that is customarily associated with, and is incidental and subordinate to, the primary use and located on the same lot as the primary use.

Adult-Oriented Business. See "adult-oriented business terms" in Chapter E.2 (Definitions of Terms).

Advanced Manufacturing. The use of innovative technologies to create existing and new products or to improve products and processes. Advanced manufacturing focuses on the rapid transfer of science and technology into production activities and may incorporate high technology elements such as information, automation, computation, software, sensing, artificial intelligence, machine learning, and networking. Advanced manufacturing may include storage space for raw materials and/or finished goods that actively supports the primary use.

Agriculture. See “cultivated agriculture.”

Agricultural Processing Plant, Commercial. Facility that transforms, processes, and packages livestock or livestock products, or agricultural commodities, into goods that are used for intermediate or final consumption including goods for nonfood use. Includes animal slaughter.

Agricultural Supply Sales. An establishment or place of business primarily engaged in the retail or wholesale sale from the premises of farm supply, feed, grain, fertilizers, pesticides, and similar goods as well as the provision of agriculturally related services with incidental storage on a lot other than where the service is rendered.

Alcoholic Beverage Sales. Any beverage sales use that includes the sale of alcoholic beverages for off-premise consumption. This includes retail sales of liquor, beer, wine, and spirits and can be combined with a retail sales establishment such as a grocery store or convenience store, or it can be a stand-alone liquor store or wine shop.

Animal Husbandry. The care and raising of large livestock, including horses, cattle, swine, goats, sheep, alpacas, and similar animals. This includes any animal-related production uses incidental to the foregoing, such as grazing, grooming, shearing, and milking, but excludes animal slaughter, meat cutting and packing, stockyards or the commercial feeding of garbage or offal to swine or other animals.

Assembly. See “community assembly”.

Auto Broker. An auto dealer or auto buying service as defined in California Vehicle Code section 166, who engages in the business of arranging, negotiating, assisting, or effectuating the purchase of a new or used motor vehicle, not owned by the dealer, on behalf of another. This use is limited to office work and does not include storage or parking of vehicles onsite.

Bank and Credit Union. Financial institutions, including federally-chartered banks, savings associations, industrial loan companies, and credit unions that provide retail banking services to individuals and businesses. Includes only those institutions engaged in the on-site circulation of money, and whose deposits are insured by the state or federal government and/or a state or federal sponsored entity, including credit unions.

Bar or Nightclub. Businesses serving beverages for consumption on the premises as a primary use, including serving alcohol such as beer, wine, and spirits. Dancing and live entertainment may also be conducted within the establishment. This use does not include microbreweries. See "food preparation" for tasting rooms that are accessory and subordinate to a brewery, winery, or distillery.

Bed and Breakfast. A residential property with one or more bedrooms dedicated to rental for a fee for overnight lodging of periods of 30 consecutive days or fewer and where meals may be provided to guests. A bed and breakfast is typically either owner-occupied or has the manager or proprietor of the lodging business living on the premises. This use type excludes short-term rentals.

Boarding House. An establishment where housing is provided for compensation, generally for stays of more than 30 days, for up to eight persons. Boarding houses typically have individual rooms for guests, shared bathroom facilities, and a single common kitchen. Meals may be served for guests and included as part of the cost of lodging.

Breweries, Distilleries, and Wineries. An establishment engaged in the brewing, distilling, and production of beer, wine, or other spirits. Tasting rooms that are accessory and subordinate to a brewery, winery, or distillery may be included in this use. This use does not include microbreweries.

Business and Professional Office. Offices of firms or organizations providing professional, executive, business, management, or administrative services, including but not limited to accounting, architectural, computer software design, engineering, consulting, graphic design, insurance, interior design, real estate, legal, and tax preparations offices. Also includes co-working spaces designed to accommodate individuals and organizations that provide such services.

Business Support Services. Establishments primarily within structures that provide other businesses with ancillary services that further or facilitate the other businesses' primary activity, including but not limited to commercial art and design (production); copying and quick-printing services; equipment rental businesses within structures; janitorial services; mailbox rentals; mail advertising services (reproduction and shipping); outdoor advertising services; protective services (other than office-related); rental, repairs and distribution of office or business equipment; and window cleaning.

Caretaker's Residence. A dwelling unit occupied by employees or caretakers of the primary use on the site.

Cemetery. Land used for the burial of the dead and dedicated for cemetery purposes, including crematories, mausoleums, and mortuaries only when operated in conjunction with and within the boundary of such cemetery.

Check Cashing Business. Establishments that, for compensation, engage in the business of cashing checks, warrants, drafts, money orders, or other commercial paper serving the same purpose. This classification also includes the business of deferred deposits, whereby the check casher refrains from depositing a personal check written by a customer until a specific date pursuant to a written agreement as provided in Civil Code section 1789.33. Check cashing businesses do not include state or federally chartered banks, savings associations, credit unions, or industrial loan companies. They also do not include retail sellers engaged primarily in the business of selling consumer goods, such as consumables to retail buyers, that cash checks or issue money order incidental to their main purpose or business.

Child Care Center. Establishments providing non-medical care for children on a less than 24-hour basis other than large/small family child care homes. This classification includes licensed nursery schools, preschools, and day care facilities for children, and any other day care facility licensed by the State of California. This use does not include after school program, summer camp, and tutoring facilities.

Civic/Government. Governmental facilities not otherwise included in other land use types, such as court facilities and post offices, together with storage and maintenance of City and public agency vehicles.

Collection Facility. A center for the acceptance, by donation, redemption, or purchase, of recyclable materials from the public where limited sorting and storing of such items is conducted on-site.

College/University, Private. A private college or university, excluding trade or vocational schools.

Commercial Athletic Facility. A facility for physical fitness training or athletic type games and sports, such as but not limited to, health clubs, tennis, gymnasiums, handball courts, racquetball courts; also including ancillary uses when incidental to the primary use, such as but not limited to, steam baths, weight training, aerobic classes, massage, saunas, and the retailing of athletic supplies to be used in the facility.

Commercial Fueling Facility. See "fueling facility, commercial".

Commissary or Catering. A fixed-location kitchen where food is stored and prepared for off-site vending or delivery. Commissaries may include shared-use commercial kitchens, private commercial kitchens, restaurant kitchens, and kitchens associated with civic and community organizations such as churches or social clubs. Also, includes catering service establishments.

Community Assembly. A facility for public or private meetings including clubs and lodges, community centers, senior centers, religious assembly facilities, convention centers, civic and private auditoriums, union halls, meeting halls for clubs and other membership organizations. This includes functionally related facilities for the use of members and attendees such as kitchens, multi-purpose rooms, and storage. It does not include gymnasiums or other sports facilities (see indoor sports and recreation) or facilities such as day care centers and schools, which are separately defined.

> *Major*. Community assembly use that is over 2,000 gross square feet and has capacity for more than 200 seats.
>
> *Minor*. Community assembly use that is 2,000 gross square feet or less and has capacity for no more than 200 seats.

Community Garden. Use of land for the cultivation, growing and harvesting of vegetables, herbs, flowers, and fruits, including the cultivation and tillage of soil and the production, cultivation, growing, and harvesting of any agricultural, floricultural, or horticultural commodity. Community gardens are typically owned and operated by public or non-profit agencies, and each garden plot is used and kept by an individual or a household. Excludes animal keeping or animal husbandry.

Construction Yard and Equipment Rental. Storage of construction materials or equipment on a site other than a construction site. Includes rental of large construction equipment and machinery. This classification may include parking/storage of contractor vehicles.

Convenience Store. A retail establishment selling food, beverages, and small convenience items such as personal hygiene products, cigarettes, magazines, and other everyday consumer items. Food and beverage products sold primarily consist of packaged and canned goods, prepared foods and hot drinks for immediate consumption, fountain beverages, etc., with less than 10 percent of net retail floor area allocated for the sale of fresh fruits, fresh vegetables, fresh meat and dairy products, and other similar perishable items. Convenience stores are smaller in floor area than supermarkets/grocery stores (typically 4,000 square feet or less) and have long or late hours of operation (open before 7:00 a.m. or after 10:00 p.m.).

Correctional Facility. A facility where people are held, generally as punishment for various crimes. This includes the detention/incarceration of people awaiting trial and/or who have been convicted of civil or criminal offenses; inmates and detainees under 24-hour supervision by the California Department of Corrections and Rehabilitation; and juvenile detention facilities. This use also includes parole offices.

Court Dwelling. See “dwelling, court”.

Cultivated Agriculture. The planting, growing, and harvesting of crops or plants, or the preparation of land for this purpose, of more than one-half acre of land for viticulture, horticulture, pasturage, floriculture, or similar farming where a crop or final product is produced (but not necessarily offered for sale) for consumption. This use excludes community gardens.

Custom and Artisan Manufacturing. An establishment primarily engaged in on-site production of goods by hand manufacturing or artistic endeavor, which involves only the use of hand tools or small mechanical equipment and the incidental direct sale to consumers of only those goods produced on site. Includes, but is not limited to metalworking, pottery and ceramic studios, film processing, photo finishing, printmaking, lithography, glass furnace, or woodworking.

Data Center. A facility dedicated to the storage of computer and information technology systems and associated components for the storage, retrieval, and transmittal of electronic information.

Drive-Through Facility. A motor vehicle drive-through facility which is a commercial building or structure or portion thereof which is designed and/or used to provide goods and services to drivers while they remain seated in their vehicles. It includes, but is not limited to, banks and other financial institutions, fast food establishments, and pharmacies, but shall not include drive-in movies, service stations, or car wash operations.

Dwelling, Court. A residential development in which there are several freestanding single-family or two-family dwellings with separate walls clustered on a single lot. Units are typically arranged to face around a common open space or drive aisle. If subdivided, a maintenance agreement or homeowners association may govern common areas like driveways or open space.

Dwelling, Multi-Family. A building containing three or more dwelling units.

Dwelling, Single-Family. A dwelling unit designed for occupancy by one household, where all rooms are internally connected and internally accessible via habitable space, located on a separate lot from any other unit (except accessory dwelling units, where permitted), and have only one kitchen. This includes individual manufactured housing units installed on a foundation system pursuant to California Health and Safety Code section 18551, and the use of a single-family residential structure as employee housing for six or fewer employees consistent with California Health and Safety Code section 17021.5.

Dwelling, Two-Family. A residential building containing two dwelling units, both of which are located on a single parcel. The dwelling units are attached and may be located on separate floors or side-by-side. Excludes accessory dwelling units (see "accessory dwelling unit").

Elderly and Long-term Care. Establishment that provides 24-hour medical, convalescent, or chronic care to individuals who, by reason of advanced age, chronic illness or infirmity, are unable to care for themselves, and is licensed by the California Department of Public Health. Includes, but is not limited to skilled nursing facilities, rest homes, and convalescent hospitals. Does not include a residential care facility or hospital.

Electronic smoking device. Any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, electronic heated tobacco products, or e-hookah. Electronic smoking device includes any component, part, or accessory of the device, and also includes any substance that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine. Electronic smoking device does not include any nicotine cessation product that has been approved by the U.S. Food and Drug Administration to be marketed and for sale as "drugs," "devices," or "combination products," as defined in the Federal Food, Drug, and Cosmetic Act.

Emergency Shelter. Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay as set forth in the California Health and Safety Code section 50801(e), as may be amended.

Employee/Farmworker Housing. As described in California Health and Safety Code section 17021.6 and 17008, any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household.

Family Child Care Home, Large. As defined by Health and Safety Code section 1596.78, a home in which the provider regularly provides care, protection, and supervision for up to 14 children for less than 24 hours per day.

Family Child Care Home, Small. As defined by Health and Safety Code section 1596.78, a home in which the provider regularly provides care, protection, and supervision for eight or fewer children for less than 24 hours per day.

Farmers' Market. An establishment offering for sale produce, prepared food items, and other artisan/craft goods and merchandise by certified growers and producers authorized to sell, directly to consumers, products that are produced on land the producer controls or taken in consignment from other producers. Excludes flea markets.

Firearms Dealer. An establishment engaged in the selling, dealing in, trading, or transferring firearms.

Fleet-Based Service. Passenger transportation services, local delivery services, medical transport, and other businesses that rely on fleets of three or more vehicles. This includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, non-emergency medical transport, home cleaning services, pedicab services, and similar businesses. This does not include towing operations (see "vehicle storage"), taxi or delivery services with two or fewer fleet vehicles on-site (see "business support services"), facilities that handle third party goods for local or worldwide delivery (see "freight and trucking yard") or last mile parcel processing/redistribution facilities (see "parcel hub").

Food and Beverage Processing and Preparation. Cooking, processing, packaging, bottling, and shipping of food products and/or non-alcoholic beverages for off-site sales. This does not include breweries, wineries, and distilleries; the slaughtering of live animals; or large-scale operations (see “commercial agricultural processing plant”).

Freight and Trucking Yard. Facilities that handle third party goods for local or worldwide freight, courier, local messenger, and postal services by truck or rail. This includes fulfillment centers and parcel sorting centers, which provide storage and distribution of e-commerce products to consumers or end-users, either directly or through a parcel hub.

Fueling Facility, Commercial. A fueling facility designed for commercial customers which dispenses gasoline, diesel, or similar vehicle fuels, and which is not open to the general public, has no cash sales and provides no personal services on-site. This excludes mobile fueling.

Funeral Parlor and Mortuary. An establishment primarily engaged in the provision of services involving the care, preparation, or disposition of human remains and conducting memorial services. Typical uses include a crematory or mortuary. This use does not include cemeteries.

Grocery Store, Large. Retail establishments that primarily sell food, but also may sell other convenience and household goods, and may include a delicatessen or specialty food shop, baked goods, frozen foods, fruits, vegetables, meats, cheeses, dairy, and prepared food, and which occupy more than 25,000 square feet of gross floor area, but not more than 80,000 square feet of gross floor area.

Grocery Store, Small. Retail establishments with gross floor area less than 25,000 square feet that primarily sell food products, such as fresh fruits and vegetables, meats and seafood, dairy products, baked goods, packaged and prepared foods, and frozen foods, but that may also sell other convenience and household goods. May also include a delicatessen or other specialty food shop.

Group Living Accommodation. A building or portion of a building designed for or accommodating a residential use by persons not living together as a household. This use includes dormitories, convents and monasteries, and other types of organizational housing. This use does not include residential care facilities, nursing homes, hotels, single-room occupancy residences, or boarding houses, which are defined separately. Group living accommodations typically provide shared living quarters without separate kitchen or bathroom facilities for each room or unit.

Guest Ranch. Short-term lodging provided to visitors on property where agricultural activities take place (e.g., animal husbandry, cultivated agriculture) and that is not considered to be another lodging uses.

Home Occupation. A commercial use conducted on residential property by the inhabitants of the subject residence, which is incidental and secondary to the residential use of the dwelling.

Hospital. A state-licensed facility providing medical, psychiatric, or surgical services for sick or injured persons primarily on an in-patient basis, and including ancillary facilities for outpatient and emergency treatment, diagnostic services, training, research, administration, and services to patients, employees, or visitors.

Hotel. A commercial establishment providing lodging accommodations for a fee for transient guests, generally for stays of 30 days or fewer, with access to rooms or units primarily from interior lobbies, courts or halls. A hotel may include limited facilities for storage and preparation of food and beverages within individual rooms, such as coffee makers, mini refrigerators and microwave ovens.

Indoor Entertainment. Predominantly spectator uses conducted within an enclosed building. Typical uses include movie theaters, enclosed sports arenas, live performing arts venues, escape rooms, and video game activities and competitions such as e-sports.

Indoor Sports and Recreation. Predominantly participant sports conducted within an enclosed building. Typical uses include indoor bowling alleys, billiard parlors, ice and roller skating rinks, go-kart tracks, indoor shooting ranges, and trampoline parks. Excludes operations where activities are primarily class- or appointment-based such as yoga studios and personal trainers.

Industry, General. Manufacturing of products from extracted or raw materials or recycled or secondary materials, or bulk storage and handling of such products and materials, where operations are conducted primarily within an enclosed building. Includes, but is not limited to operations such as biomass energy conversion; textile mills; furniture and related product manufacturing; photographic processing plants; leather and allied product manufacturing; wood product manufacturing; paper manufacturing; plastics and rubber products manufacturing; and nonmetallic mineral product manufacturing.

Industry, Heavy. Manufacturing of products that include petroleum products, metals and/or metal processing, and hazardous chemicals. Includes automobile assembly and manufacturing and tire retreading or recapping.

Industry, Light. Establishments engaged in light industrial activities taking place primarily within enclosed buildings and producing minimal impacts on nearby properties. Includes, but is not limited to, operations such as manufacturing finished parts or products primarily from previously prepared materials; commercial laundries and dry cleaning plants; mobile home manufacturing; monument works; printing, engraving and publishing; electronics manufacturing not included under advanced manufacturing; and production apparel manufacturing.

Instruction Services. An establishment that offers specialized programs in improvement, information, and personal growth and development such as photography, fine arts, crafts, music, yoga, martial arts, dance, driving schools, health and wellness, and academic tutoring. Attendance is typically limited to hourly classes rather than full-day instruction. These establishments do not grant diplomas or degrees, though instruction may provide credits for diplomas or degrees granted by other institutions. Retail sales are permitted as an accessory use.

> *Group*. Group instruction includes 10 or more students or clients at any one time.
>
> *Private/Small Group*. Private instruction includes fewer than 10 students or clients at any one time.

Intermediate Processing Facility. A facility that receives, sorts, compresses or bales, and stores recyclable materials for efficient transfer to other processing facilities or to an end user.

Junior Accessory Dwelling Unit. See Accessory Dwelling Unit, Junior.

Kennel. Facilities for keeping, boarding, training, breeding, or maintaining for commercial purposes, four or more dogs, cats, or other household pets more than four months of age and not owned by the kennel owner or operator for 24 hours or more.

Large Format Retail. Retail establishments over 80,000 square feet in size that sell merchandise and/or bulk goods primarily for individual consumption, including, but not limited to, department stores, home improvement stores, membership warehouses which emphasize bulk sales to the general public as well as to other businesses, and other big box format stores. Large format retail uses may include a grocery store sales component. Excludes home improvement stores with outdoor nursery or garden centers (see nursery and garden center).

Library/Museum. Public or quasi-public facilities primarily engaged in the display or preservation of objects of interest in the arts or sciences that are open to the public on a regular basis. Includes, but is not limited to aquariums, arboretums, art galleries and exhibitions, botanical gardens, historic sites and exhibits, libraries, and museums. May also include accessory retail uses such as gift/book shops, and restaurants.

Live-Work Unit. An integrated housing unit and working space that has been constructed for such use or converted from commercial or industrial use and structurally modified to accommodate residential occupancy and work activity in compliance with the California Building Code. Living space includes, but is not limited to, a sleeping area, a food preparation area, and a full bathroom. The working space is reserved for and regularly used by one or more occupants of the unit.

Low Barrier Navigation Center. Consistent with California Government Code section 65660, a service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health, shelter, and housing services.

Maintenance and Repair Services. Establishments engaged in the maintenance or repair of office machines, household appliances, furniture, and similar large items. This classification excludes maintenance and repair of vehicles or boats (see vehicle repair and maintenance) and personal items such as apparel, shoes, and jewelry (see Repair/Cleaning/General Services, Small).

Massage Establishment. Any establishment having a fixed place of business where any person, firm, association, partnership, corporation, or other entity engages in, conducts, or carries on, or permits to be engaged in, conducted or carried on, any massage for compensation. Also includes, but is not limited to, any business providing off-premises massage services.

Massage Establishment, Accessory. An establishment that provides massage which is incidental to the primary business, where the owner of the primary business is responsible for the massage services and conduct of the massage technician(s) employed at the location.

Medical Office/Clinic. Office use providing consultation, diagnosis, therapeutic, preventive, or corrective medical treatment services by doctors, dentists, chiropractors, optometrists, psychotherapists, alternative healing practitioners such as acupuncturists, and similar practitioners of medical and healing arts for humans licensed for such practice by the State of California. Incidental medical and/or dental laboratories and research within the office that supports the on-site patient services is considered part of the office use. This use includes urgent care facilities. Excludes independent research laboratory facilities and hospitals (see medical support laboratory and see hospital).

Medical Support Laboratory. A facility for scientific laboratory analysis of medical resources. The analysis is generally performed for medical providers to support the medical provider's work on behalf of patients.

Microbreweries. A limited production brewery where beer is brewed, sold, and consumed on site and meets all applicable California Department of Alcoholic Beverage Control regulations. This use includes tasting rooms where alcoholic beverages are sold and consumed on site. Food service is subordinate to the sale of alcoholic beverages.

Mini-Storage or Self-Storage. Facilities offering enclosed storage with individual access for personal affects, furniture, and household goods. Typical provided in small individual units (e.g., 400 square feet or less) that are available for rental by the general public.

Mining and Quarrying. An operation that extracts gravel, sand, other construction aggregates, or minerals from the ground. Includes quarries and gravel pits.

Mobile Food Vending. The selling or offering to sell products from a mobile food vehicle, which includes the following uses:

Ice Cream Truck. A motorized vehicle selling ice cream or other frozen dairy or non-dairy dessert products on streets and in other public places.

Mobile Food Park. Site with two or more mobile food vehicles located together on the same parcel and operating at the same time for more than seven consecutive days.

Mobile Food Vending (Individual Vehicle). A motorized, wheeled vehicle or towed vehicle designed and equipped to store, prepare, serve and sell food, but which does not include ice cream trucks or mobile food vending wagons or pushcarts as regulated in Milpitas Municipal Code Subsection V-100-10.11 (Unlawful Parking—Peddlers, Vendors).

Mobile Fueling. A commercial service that offers on-demand fueling of motor vehicles at a specified location instead of at a service station. Mobile fueling may be provided to individual customers via the use of a mobile app, with fuel delivered to a home, office, or other location requested by the customer. Mobile fueling may also be provided for operators of fleet vehicles at a fixed, semi-permanent or permanent location.

Mobile Home Park. A development designed for and occupied by manufactured/mobile housing units consistent with the requirements of California Health and Safety Code section 18200 to 18700. A mobile home park includes facilities and amenities used in common by occupants who rent, lease, or own spaces for mobile home units/spaces through a subdivision, cooperative, condominium, or other form of resident ownership.

Motel. A building or group of attached or detached buildings providing lodging accommodations for a fee for transient guests, for stays of 30 days or fewer, with access to each room or unit through an exterior door. Motels are distinguished from hotels primarily in that the former provide direct independent access to, and adjoining parking for, guest rooms and do not provide 24-hour guest services.

Multi-Family Dwelling. See "dwelling, multi-family".

Nursery and Garden Center. An establishment primarily engaged in selling nursery and garden products, such as trees, shrubs, plants, seeds, bulbs, and sod that are predominantly grown offsite. This classification includes commercial and wholesale greenhouses and nurseries offering plants for sale.

Outdoor Entertainment. Predominantly spectator uses conducted in open or partially enclosed or screened facilities. Typical uses include outdoor theaters, partially enclosed sports arenas, racing facilities, outdoor concert facilities, amphitheaters, drive-in movie theaters, aquatic parks, and amusement parks.

Outdoor Sports and Recreation. Predominantly participant sports conducted in open or partially enclosed or screened facilities. Typical uses include commercial driving ranges, outdoor shooting and/or archery ranges, miniature golf courses, golf courses, outdoor go-karts, swimming pools, and tennis courts. This use excludes public golf courses, public swimming pools, and public tennis court or other public sport court facilities (e.g., basketball, pickleball, etc.) (see "park/playground"); and excludes common recreational facilities as accessory to a multi-family residential project or use.

Parcel Hub. A 'last mile' facility warehouse or similar establishment for the processing and/or redistribution of parcels or products to end-user customers. A parcel hub's primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 pounds, for delivery directly to consumers or end-users primarily within a 10-mile radius.

Park/Playground. Parks, playgrounds, trails, wildlife preserves, and related open spaces. This includes public playing fields, sports courts, picnic facilities, and related food concessions or community recreational buildings and structures.

Parking Lot. Open parking area(s) provided on property other than a public street, alley, or right-of-way that is the primary use on the lot (i.e., the parking lot is not providing the required off-street parking for land uses on the lot). May include park and ride lots. Use of the parking lot may be subject to a fee.

Parking Structure. A building or structure containing parking spaces that is the primary use on the lot (i.e., the parking structure is not providing the required off-street parking for land uses on the lot). May be located above or below grade, and use of the parking structure may be subject to a fee. May include park and ride structures.

Pawnbroker. A place of business where personal property is received and for which money is advanced, with the right of privilege granted to the person to whom said money is advanced to reclaim such property upon repayment of said money.

Personal Services. A commercial establishment which provides services of a personal or aesthetic nature directly to consumers, including but not limited to barber and beauty shops, nail salons, tanning salons, hair removal salons, tattoo and body piercing studios, spa/wellness center (excluding massage establishments), medical spas, and personal trainers.

Pet Day Care and Sales. Facilities for providing non-medical care for four or more dogs, cats, or other household pets not owned by the pet day care owner or operator, included but not limited to grooming services, on a less than 24-hour basis. This use includes retail sales of household pets and pet supplies, but excludes pet supply stores that do not sell animals or provide on-site animal services. Also excludes home-based pet day care services for a fee, such as dog walking services.

Primary Processing Facility. A facility that processes recyclable materials and acts as a final destination for recyclable materials.

Public Safety. Facilities providing public safety and emergency response services, including police and fire protection, with incidental storage, training, and maintenance facilities.

Public Utility. Facilities for the production, storage, treatment, transmission and/or distribution of electricity, natural gas, water, wastewater, and telecommunications and other similar essential services. Also includes service facilities, electric transmission and distribution substations, and public utility service centers.

Repair/Cleaning/General Services, Small. A commercial establishment that performs cleaning, repair, and alteration of small consumer and household items, including but not limited to dry cleaning pick-up stores without equipment that uses chemical solvents, laundromats (self-service laundries), photocopying and photo finishing services, tailor shops, watch and jewelry repair, shoe repair, home electronics repair, and locksmiths. Does not include repair of vehicles or boats (see vehicle repair and maintenance), personal services (see personal services), or maintenance and repair of large or bulky items (see maintenance and repair services).

Research and Development (R & D). Industrial or scientific research for the design, development, engineering and testing of high technology, clean technology, industrial, or scientific products. May include limited manufacturing as necessary for the production of prototypes, but excludes the full-scale manufacturing of final products. May also include storage space for raw materials and/or finished goods that actively supports the primary use.

Residential Care Facility. Consistent with Health and Safety Code section 1502, a facility licensed by the State of California to provide living accommodations and 24-hour care for persons requiring personal services, supervision, protection, or assistance for sustaining the activities of daily living. Living accommodations are group homes or shared living quarters with or without separate kitchen or bathroom facilities for each room or unit. This classification includes facilities that are operated for profit as well as those operated by public or not-for-profit institutions.

Resilience Hub. A community-serving facility designed to support residents and coordinate resource distribution and services before, during, or after a natural hazard event. Resilience hubs provide information as well as services and supplies, including but not limited to community gathering space, emergency supplies, basic medical care, internet access, and electronic device charging. They are typically outfitted with a solar and back-up battery storage system that can operate off the power grid and maintain power to the facility during grid outages.

Restaurant, Full Service. Restaurants that provide cooked-to-order food and beverage services to patrons who order and are served while seated and pay after eating. Takeout service may also be provided.

Restaurant, Limited Service. Establishments where food and beverages may be consumed on the premises, taken out, or delivered, but where no table service is provided. This includes, but is not limited to cafeterias, fast-food restaurants, carryout sandwich shops, limited-service pizza parlors and delivery shops, self-service restaurants, snack bars, and takeout restaurants. This use includes cafes, coffee shops, and bakeries with a retail storefront component.

Restaurant with Alcohol Service. Either a full service or limited service restaurant that includes alcohol service for on-site consumption.

Retail, Limited. An establishment which offers the sale of a limited line of merchandise that is generally necessary or desirable for everyday living or everyday business activities. Examples include small grocery stores offering primarily prepared or pre-packaged food and beverage items, small drugstores and variety stores, small stationery, office supply stores, shops selling other small household goods, and walk-out retail stores. This classification excludes convenience stores.

Retail Stores, General Merchandise. The retail sale or rental of merchandise not specifically listed under another use definition. This includes department stores, clothing stores, furniture stores, pharmacies, pet supply stores, flower shops (florist), art supply stores, music stores, book stores, and other businesses retailing (or renting) toys, hobby materials, handcrafted items, formalwear, music equipment and instruments, jewelry, cameras, candy, gifts and novelties, electronic equipment, sporting goods, hardware, appliances, antiques, art, paint and wallpaper, carpeting and floor covering, office supplies, bicycles, and new automotive parts and accessories, excluding vehicle service and installation (see vehicle repair and maintenance). Excludes large format retail and other sales-related uses more specifically described in other use definitions.

Riding Academy and Public Stables. Stables leased for the keeping of horses which may also include areas for horse riding and horse riding lessons.

Salvage and Wrecking. The dismantling of wrecked or decommissioned vehicles, appliances, or other metal products where usable parts are sold for use in operating vehicles and the unusable metal parts are sold to metal-recycling companies.

School, Private. A private institution of learning for students offering instruction in those courses of study required by the California Education Code and maintained in compliance with the standards set by the State Board of Education. This use includes kindergarten, elementary school, middle or junior high school, or high school.

School, Public. A public institution of learning for students offering instruction in those courses of study required by the California Education Code and maintained in compliance with the standards set by the State Board of Education. This use includes kindergarten, elementary school, middle or junior high school, and high school.

Service Station. Any premises used for supplying automotive fuel and oil at retail, direct to the customer, including minor accessories and services for automobiles such as tire air pumps and window washing, but not including automobile repairs.

Short-Term Rental (STR). The use of a dwelling unit, including, without limitation, a single-family, two-family, or multi-family dwelling unit, mobile home, or any portion of such dwellings, rented for occupancy for dwelling, lodging, or sleeping purposes for a period of 30 or fewer calendar days, counting portions of days as full calendar days.

Single-Family Dwelling. See "dwelling, single-family".

Single-Room Occupancy (SRO) Residence. A multi-tenant building consisting of single room dwelling units that are the primary residence of its occupants, containing either individual or shared kitchen and bathroom facilities. These units are small, generally less than 350 square feet.

Smoke/Tobacco Shop. A retail establishment primarily engaged in the selling of smoking ~~and~~ or tobacco products, ~~and~~ accessories, or paraphernalia ~~and~~ or any other products, devices, ~~and~~ or components reasonably assumed to be used for smoking and/or the inhalation or ingestion of any substance. ~~Tobacco products may include but are not limited to cigarettes, cigars, loose leaf tobacco, tobacco pipes, electronic smoking devices and accessories, vaporizers and accessories and any other product, device or component used in the inhalation of tobacco, nicotine or other substance.~~ See "tobacco product" and "tobacco accessories or paraphernalia". For the purposes of this definition only, "primarily engaged" means when 30 percent or more of products sold at the retail establishment are smoking or tobacco products, accessories, or paraphernalia or any other products, devices, or components reasonably assumed to be used for smoking and/or the inhalation or ingestion of any substance.

Supportive Housing. Consistent with California Health and Safety Code section 50675.14, housing with no limit on length of stay, that is occupied by the target population as defined in U.S.C. section 11302 of Title 42, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

Temporary Use. A use established for a specified period of time, with the intent to discontinue the use at the end of the designated time period.

Tobacco accessories or paraphernalia. Devices or instruments for smoking, heating, chewing, absorbing, dissolving, inhaling, snorting, sniffing, or ingesting by any other means tobacco products or other controlled substances.

Tobacco product.

- Any product containing, made of, or derived from nicotine or tobacco that is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
- Any electronic smoking device and any substances that may be aerosolized or vaporized by such device and that contains nicotine; or
- Any component, part, or accessory of (1) or (2), whether or not sold separately and whether or not they contain nicotine or tobacco, including but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, mouthpieces, and pipes.

- Tobacco product does not include any nicotine cessation product that has been approved by the U.S. Food and Drug Administration to be marketed and for sale as “drugs,” “devices,” or “combination products,” as defined in the Federal Food, Drug, and Cosmetic Act

Tobacco retailer. A tobacco retailer is any person or business that sells, offers for sale or distribution, exchanges, or offers to exchange for any form of consideration, tobacco, tobacco products, or tobacco accessories or paraphernalia.

Trade and Vocational School. An establishment where postsecondary education or training is received in a trade or craft, business, commerce, language, or other similar activity or occupational pursuit that is not otherwise described as a college/university, school, or instruction services. This use includes culinary schools.

Transitional Housing. Consistent with California Government Code section 65582, buildings configured as rental housing developments but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

Transportation Passenger Terminal/Facility. Facilities for passenger transportation operations, including rail stations, bus terminals, and associated service facilities, but does not include terminals serving airports or heliports.

Two-Family Dwelling. See “dwelling, two-family”.

Vehicle Rental. Establishment providing for the rental of automobiles. Includes rental of passenger vehicles and light trucks/vans under 14,000 pounds and incidental repair/servicing and cleaning of rental vehicles. This use does not include car-sharing operations.

Vehicle Repair and Maintenance, Major. Repair of automobiles, trucks, motorcycles, motor homes, boats and recreational vehicles, including the sale, installation, and servicing of related equipment and parts. This classification includes the servicing and repair of engines, body and fender, transmission, axels, wheels and brake, tire sales and installation, tire treading and recapping, and vehicle painting. Excludes vehicle dismantling or salvaging (see “salvage and wrecking”) and tire retreading or recapping (see “industry, heavy”). All activities listed under Vehicle Repair and Maintenance, Minor may also be included in major uses.

Vehicle Repair and Maintenance, Minor. The service and repair of automobiles, light-duty trucks, boats, and motorcycles, including the sale, installation, and servicing of related equipment and parts. This classification includes the replacement of small automotive parts and liquids as an accessory use to an automotive accessories and supply store, and quick-service oil, tune-up and brake and muffler shops, auto glass sales and replacement, window tinting, stereo and alarm sales, and tire sales where repairs are made or service provided in enclosed bays and no vehicles are stored overnight. This classification excludes disassembly, removal or replacement of major components such as engines, drive trains, transmissions or axles; automotive body and fender work, vehicle painting or other operations that generate excessive noise, objectionable odors, or hazardous materials, and repair of heavy trucks, limousines, or construction vehicles (see “vehicle repair and maintenance, major”). It also excludes towing services (see “vehicle storage”) and fueling stations (see “service station”).

Vehicle Sales and Leasing. Sale or lease, retail or wholesale, of automobiles, light trucks, motorcycles, motor homes, and trailers, together with associated incidental repair services and parts sales, but excluding body repair and painting. Includes, but is not limited to, automobile dealers and recreational vehicle sales agencies.

Vehicle Sales, Limited. A small-format showroom for the retail sale of automobiles and light trucks, typically within a retail storefront setting. Uses can include storage of no more than five vehicles onsite for display and/or test driving, which may be stored either indoors or outdoors on the same lot. Incidental vehicle repair services and parts sales are not permitted.

Vehicle Storage. The use of a site for the short-or long-term storage of automobiles, trucks, motorcycles, and/or other vehicles. Includes towing and impound lots.

Vehicle Washing. Washing, waxing, detailing, and/or cleaning of automobiles or similar light vehicles, including self-serve washing facilities.

Veterinary Clinic. Medical care for household pets on a commercial basis with no overnight (24-hour) accommodation of animals.

Veterinary Hospital or Services. Medical care for household pets on a commercial basis with 24-hour accommodation of animals, but does not include kennels. Also includes overnight (24-hour) accommodation of small animals for grooming services.

Warehousing and Distribution. A facility, primarily within an enclosed building, for the storage of commercial or industrial goods, products and materials and the associated on-site sorting, packing, staging, shipping, receiving, and distributing of goods to wholesale and retail outlets, including ancillary truck parking and dispatching. Also includes long-term, passive storage of furniture, household goods, or other commercial goods; and of industrial equipment, products, and materials. Warehousing and distribution facilities may include, but are not limited to, wholesale distribution, distribution centers, moving and transfer storage, cross-dock facilities, package handling centers, order fulfilment centers, and logistics centers. Excludes storage of raw materials and/or finished products as part of an active primary use (e.g., advanced manufacturing uses; general industry uses; light industry uses; research and development uses). Excludes parcel hubs.

Wholesale Sales. The selling and/or distributing of merchandise to retailers; industrial, commercial, or institutional buyers; or other wholesalers; or acting as agents or brokers in the buying and selling of merchandise to or for such entities.

Wireless Telecommunications Facility. A facility that transmits and/or receives electromagnetic signals. It includes antennas, microwave dishes, horns, and other types of equipment for the transmission or receipt of such signals, equipment, switches, wiring, cabling, power sources, shelters or cabinets associated with an antenna, telecommunication towers or similar structures supporting the equipment, equipment buildings, parking area and other accessory development. Also see wireless telecommunications terms in Chapter E.2 (Definitions of Terms).

SECTION 6. CALIFORNIA ENVIRONMENTAL QUALITY ACT

The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this Ordinance is not subject to review under CEQA. CEQA Guidelines Section 15061(b)(3), also known as the “common sense exemption,” states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A “significant effect on the environment” means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements.

Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the Ordinance is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

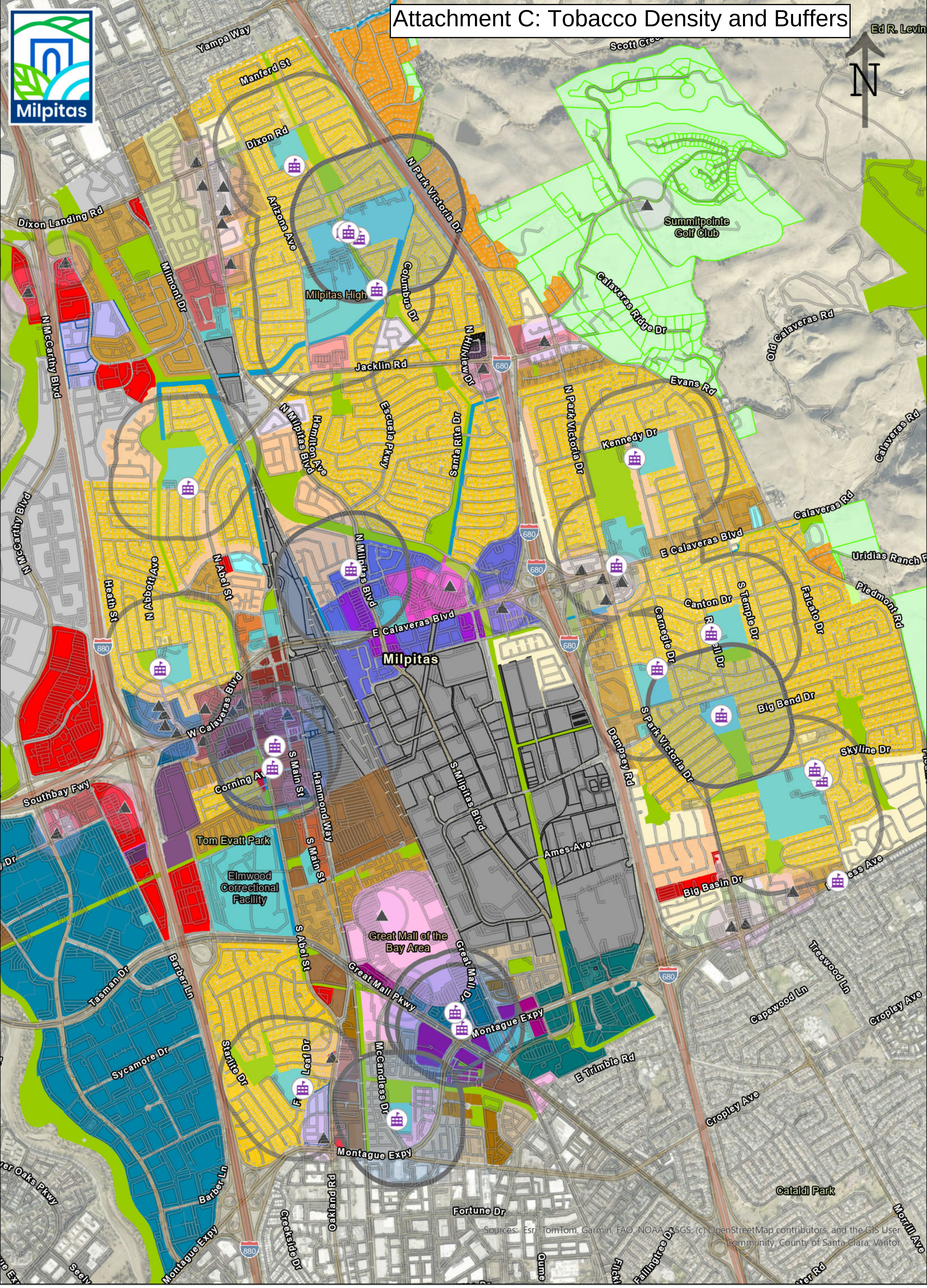
SECTION 7. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision, or part has no effect on the validity of the remainder.

SECTION 8. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The City Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

Attachment C: Tobacco Density and Buffers



Legend

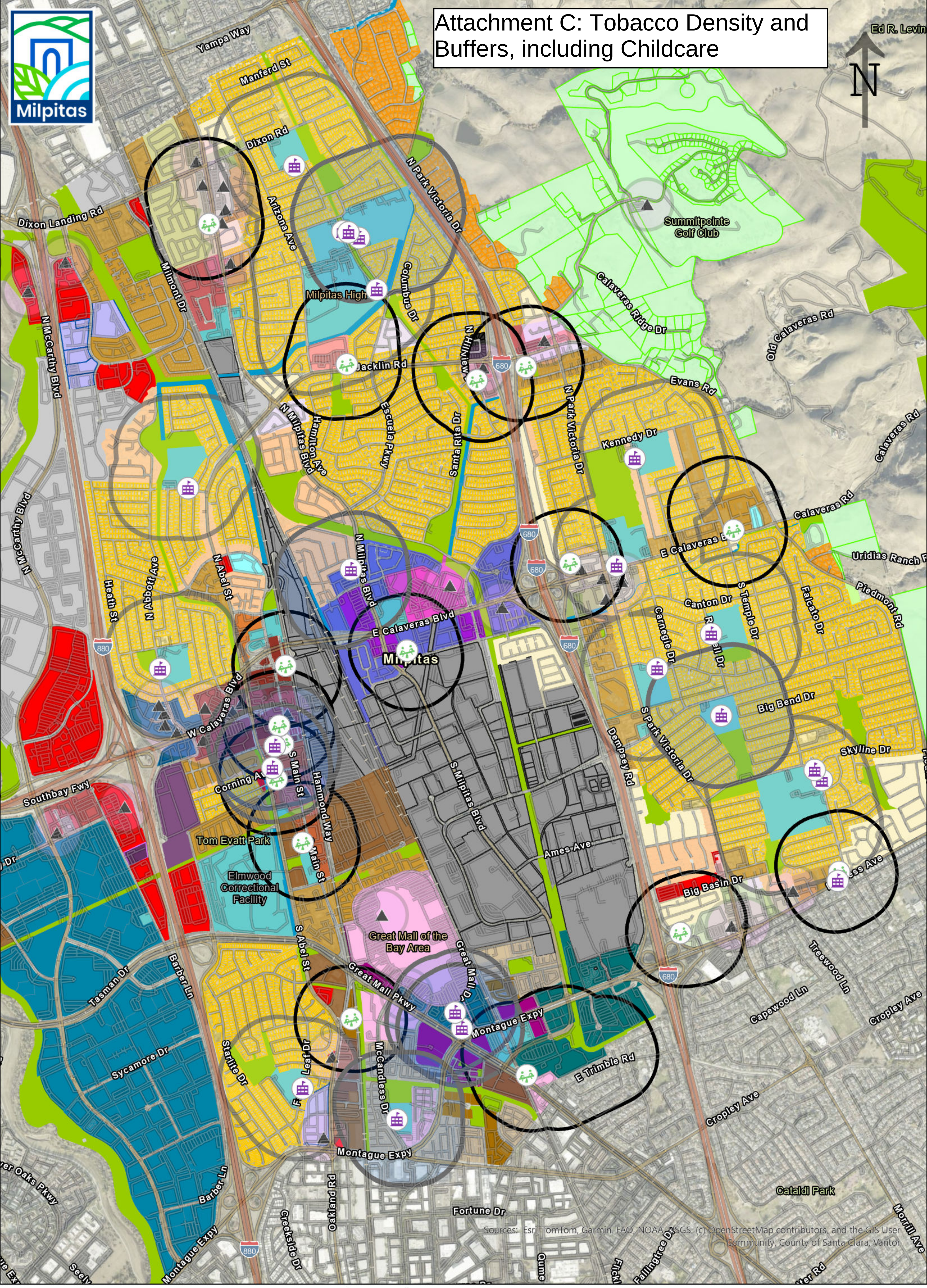
- Public and Private Schools in Milpitas
- PublicandPriva_PairwiseB
- List of Tobacco retailers Feb 2026

Tobacco/Schools Buffer

- Public Schools — Schools
- Existing Tobacco Retailers — Tobacco

0 0.25 0.5 1 Miles

Attachment C: Tobacco Density and Buffers, including Childcare



Legend

- Public and Private Schools in Milpitas
- Commercial Daycares in Milpitas
- School Buffers
- DaycareBuffers
- List of Tobacco retailers Feb 2026

Tobacco/Schools Buffer

Public Schools	Schools
Existing Tobacco Retailers	Tobacco

0 0.25 0.5 1 Miles

MILPITAS PLANNING COMMISSION
STAFF REPORT

June 10, 2026

APPLICATION:	**Zoning Text Amendment for Tobacco Retail Buffers – Citywide – P-ZA26-0001:** A City-initiated Zoning Ordinance Text Amendment to modify and add regulations to limit the concentration of tobacco retailers within the City and encourage responsible tobacco retailing. The proposed amendments would specifically prohibit new tobacco retailers from locating within a certain distance from existing tobacco retailers and youth-sensitive areas (schools), prohibit the sale of flavored tobacco products, and adopt other local regulatory standards.
RECOMMENDATION:	Staff recommends that the Planning Commission conduct a public hearing and adopt resolution No. 26-004, recommending that the City Council approve Zoning Text Amendment No. ZA26-0001, amending the Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 relating to the regulation of tobacco retailers within the City.
PROJECT LOCATION:	Citywide
PROJECT STAFF:	Lillian VanHua, AICP, Principal Planner
LAND USE:	
General Plan Designation:	Citywide
Zoning District:	Citywide
ENVIRONMENTAL REVIEW:	Exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with General Plan). As a separate and independent basis, the Project is also exempt from further environmental review pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption).

EXECUTIVE SUMMARY

This staff report presents work completed as part of the Santa Clara County Public Health Department Tobacco-Free Communities Program. The City was awarded a grant of $22,997 from the Santa Clara County Public Health Department (PHD) to reduce the density of tobacco retailers and location of tobacco retailers near sensitive areas (schools) within the city. Specifically, the proposed zoning ordinance amendment adds a new subsection regulating the density of tobacco retailers, new performance standards for tobacco retailers, prohibiting the sale of flavored tobacco products, and requires businesses that conduct accessory tobacco sales to obtain a Minor Conditional Use Permit to Chapter C.10 of Title XIII (Zoning). Minor amendments to various other sections of Title XIII are proposed concurrently with this update. These minor revisions relate to updating the references within the Commercial and Mixed Use tables (Table B.6.20-A and Table B.8.20-A) and adding new definitions to the Definition of Uses (Chapter E.4).

BACKGROUND

Tobacco use remains the number one preventable cause of death and disease in California, causing nearly 40,000 deaths in California every year. More than 22 percent of all adult cancer deaths in California are attributable to smoking. In Santa Clara County, one in eight deaths annually is attributed to smoking-related illness or diseases, such as cancer, heart disease, and respiratory diseases. More than one in ten youth in the County currently use tobacco products, including electronic smoking devices, and nearly one in three Santa Clara County teens report that they have used an e-cigarette at least once.

In 2019-20, 25.3 percent of Santa Clara County high school students have used a tobacco product and 8.6 percent used tobacco in the last 30 days. E-cigarettes are the most popular tobacco products, with 23 percent of high school students having used them and 7.7 percent being current users. Mentholated and flavored products have been shown to be "starter" products for youth who begin using tobacco, helping to establish tobacco habits that can lead to long-term addiction. Studies show that youth believe flavored tobacco products are safer and less addictive than non-flavored varieties. Moreover, the vast majority (93.1 percent) of current Santa Clara County teen tobacco users report using a flavored tobacco product, with flavored vape and hookah use being the highest (96.3 percent and 83.4 percent, respectively).

In 2019, more than 86 percent of Santa Clara County tobacco retailers near schools sold flavored non-cigarette tobacco products, such as e-cigarettes. More than half (52.9 percent) of Santa Clara teens who currently vape reported purchasing their own vaping product, with over 1 in 5 of this group saying they buy them directly from a store. Among those who purchase their vaping products in a store, 71 percent purchased them at a tobacco shop, smoke shop, and vape shop.

The retail sale of tobacco at pharmacies reinforces positive social perceptions of smoking, convey tacit approval of tobacco use, and sends a message that it is not dangerous to smoke. Tobacco-free pharmacy sales policies decrease the availability of tobacco products by reducing tobacco retailer density by up to three times compared with communities that do not have such policies.

To date, some jurisdictions have passed more comprehensive restrictions on the sale of tobacco products. The City of Beverly Hills prohibits the sale of all tobacco products (with an exception for hotels and high-end cigar clubs/lounges). The City of Livermore prohibits the sale of all e-cigarettes, while the City and County of San Francisco prohibits the sale of e-cigarettes that contains nicotine.

Recent State and Federal Laws

On August 28, 2020, California passed a law prohibiting the sale of most flavored tobacco products (Senate Bill (SB) 793). The state law contains three exemptions:

1. Hookah and shisha products (if sold by an adult-only hookah tobacco retailer);
2. Premium cigars with a wholesale price of no less than $12; and
3. Loose leaf tobacco (other than tobacco for roll-your-own-cigarettes).

On November 8, 2022, California voters upheld SB 793, prohibiting a tobacco retailer, or any of the tobacco retailer's agents or employees, from selling, offering for sale, or possessing with the intent to sell or offer for sale, most flavored tobacco products including flavored e-cigarettes and menthol cigarettes, as well as tobacco product flavor enhancers in retail locations. On October 7, 2023, Governor Newsom signed into law Assembly Bill (AB) 935, strengthening the enforcement of the flavored tobacco retail law, and broadening the definition of a retail location. These laws specifically provide that local jurisdictions may adopt more restrictive regulations on the sale of tobacco products, including flavored tobacco products.

Previous Work
The Santa Clara County's Healthy Cities Program seeks to address tobacco-related health concerns by promoting policies and practices to provide tobacco-free and smoke-free communities. Tobacco prevention priority areas known to have the greatest impact on reducing tobacco-related disparities and inequities include:

- Reducing secondhand smoke exposure within multi-unit housing and other outdoor public spaces.
- Establishing a local Tobacco Retail License (TRL) Program to restrict and monitor the sale of tobacco products, flavored tobacco products.
- Reducing the overall density/concentration of tobacco retailers, including prohibiting new tobacco retailers from operating near schools.
- Prohibiting the sale of e-cigarettes and vaping products, or other types of tobacco products.

The Santa Clara County Public Health Department (PHD) has provided funding to cities to support these tobacco prevention strategies known to have the highest impact on reducing tobacco-related disparities and inequities. Following the City Council's request to explore policies to discourage tobacco use and vaping by teens, on July 20, 2020, the City executed a grant agreement in the amount of $37,560 with the PHD to explore tobacco prevention policies shown to reduce youth access and exposure to tobacco products. The City of Milpitas had previously adopted ordinances to prohibit smoking in parks and trails in 2012 and outdoor dining areas in 2017. In June 2021, the City adopted an ordinance to prohibit smoking in multi-unit residences and many outdoor areas to reduce exposure to secondhand smoke.

The City of Milpitas had previously adopted ordinances to prohibit smoking in parks and trails in 2012 and outdoor dining areas in 2017. In June 2021, the City adopted an ordinance to prohibit smoking in multi-unit residences and many outdoor areas to reduce exposure to secondhand smoke. On March 16, 2021, the City was awarded a grant from the PHD to educate youth on the dangers of tobacco, reduce the number of tobacco retailers, and develop a licensing program for tobacco retail sales. On October 5, 2021, staff presented policy options to regulate tobacco retail permitting (TRP), flavored tobacco, electronic cigarette products, and tobacco retail location limits for future Council consideration and adoption. At a follow up meeting on June 21, 2022, Council directed staff to develop a tobacco retail permitting program in partnership with Santa Clara County to regulate tobacco retail locations and prohibit the sale of flavored tobacco and electronic cigarette products in Milpitas. However, due to the County's enforcement requirements related to the licensing program and staffing constraints, the City ultimately did not enter into an agreement with the County.

On March 29, 2024, the City was awarded a grant of $22,997 from the PHD Tobacco-Free Communities Program to reduce the density of tobacco retailers and location of tobacco retailers near sensitive receptors (schools) within the city.

ANALYSIS

To reduce youth access to tobacco products, staff explored the following best practices:

1. Reducing the availability of tobacco by:

   a. Prohibiting new tobacco retailers from locating within a certain distance from schools (e.g. 1,000 feet)
   b. Prohibiting new tobacco retailers from locating within a certain distance from existing tobacco retailers (e.g. 500 feet)
   c. Prohibiting the sale of tobacco products at pharmacies.
2. Codifying the prohibition of sales of flavored tobacco products throughout the City

These options are discussed in more detail below and are proposed as part of the zoning text amendment.

Limit the Location of Tobacco Retailers

There are currently 38 tobacco retailers within the City. The majority of the retailers are liquor stores, gas stations and grocery stores. Three of these retailers are standalone smoke/tobacco shops. There are areas of high concentration of tobacco retailers along N Milpitas Blvd and Dixon Landing, north of W Calaveras Blvd and adjacent to I-880, and E Calaveras Blvd and S Park Victoria Dr (see Attachment B).

Research has shown that the density of tobacco retailers, particularly in neighborhoods around schools, is associated with increased youth smoking rates. Tobacco retailers near schools with high smoking rates have also been shown to have lower cigarette prices and more in-store promotions. A high density of tobacco retailers has been associated with increased smoking rates, particularly among youth. A study of California neighborhoods found that the density and proximity of tobacco retailers influenced smoking behaviors, including number of cigarettes smoked per day. Excessive tobacco retailer density may exacerbate disparities in tobacco use and tobacco-related harm. Research also shows that the presence of tobacco in retail settings normalizes the use of tobacco products and triggers smoking urges among former smokers and those attempting to quit. Additionally, children are more likely to experiment with, and use, tobacco products when tobacco retailers are located near homes.

In Santa Clara County, Cupertino, Gilroy, Los Altos, Los Gatos, Palo Alto, and Saratoga and the unincorporated area restrict the location of new tobacco retailers. More than 50 local governments in California restrict the location of tobacco retailers within a certain distance of schools. The most common buffer zone in such laws is 1,000 feet. With the exception of Gilroy, these jurisdictions also require that new tobacco retailers must be at least 500 feet away from other tobacco retailers. The proposed ordinance seeks to adopt tobacco prevention strategies that have been shown to reduce youth access and exposure to tobacco products. The ordinance would prohibit new businesses from selling tobacco near schools (e.g. 1,000 feet away) and prohibit the citing of new tobacco retailers in close proximity of existing tobacco retailers (e.g. 500 feet away). The goal of the ordinance is to reduce tobacco density across the city.

Another strategy to reduce the availability of tobacco products is to prohibit the sale of tobacco products by a certain type of retailer, such as pharmacies. In Santa Clara County, Los Gatos, Palo Alto, Saratoga, and the unincorporated County prohibit the sale of tobacco products in pharmacies. Notably, CVS discontinued the sale of tobacco in pharmacies in 2014. Research has shown that cigarette purchases declined nationally after CVS implemented its policy change and that smokers who had previously purchased their cigarettes exclusively at CVS were more likely to stop buying cigarettes entirely.

Sales of tobacco products in pharmacies may present an inherent conflict of interest and send mixed messages about the health risks posed by tobacco. By selling tobacco products, pharmacies reinforce positive social perceptions of smoking, convey implied approval of tobacco use, and may send a message that it is safe to smoke. The Tobacco Education and Research Oversight Committee for California, the American Pharmacists Association, the California Pharmacists Association, and the California Medical Association have called for the adoption of state and local prohibitions of tobacco sales in drug stores and pharmacies.

Research has shown that more than 95 percent of consumers have said they would continue shopping at drugstores that became tobacco-free much or more often. Communities that have adopted policies prohibiting tobacco sales in pharmacies have experienced up to three times greater reduction in tobacco retailer density compared with communities without such policies, even after controlling for the presence of policies restricting tobacco density and location.

Prohibit the Sale of Flavored Tobacco Products
To be in line with recent state legislation (SB 793 and AB 935), staff has also proposed codifying the prohibition of the sale of flavored tobacco products. Such a prohibition would apply to flavored e-cigarettes, e-liquids, flavored cigars, little cigars, flavored hookah and shisha products, and menthol cigarettes. E-liquids are nicotine solutions that are used with e-cigarettes. These liquid solutions are available in thousands of flavors that are attractive to youth, such as gummy bear and cotton candy.

Flavored tobacco products are considered “starter” products for youth who begin to use tobacco, establishing tobacco habits that can lead to long-term addition. Nearly 81 percent of youth ages 12 to 17 who use tobacco products report that the first product they used was flavored. Youth believe that flavored tobacco products are safer and less addictive than non-flavored varieties. The most comprehensive approach to addressing the availability of flavored tobacco and nicotine products is to prohibit the sale of such products in the city.

In Santa Clara County, the cities of Cupertino, Los Altos, Los Gatos, Morgan Hill, Palo Alto, Saratoga, Sunnyvale, and the County of Santa Clara prohibit the sale of flavored tobacco products in their Municipal Codes.

Permitting Requirements for All Types of Sales of Tobacco
Presently retail stores can sell tobacco products as an accessory use and smoke shops are allowed in certain commercial zoning districts with a Conditional Use Permit (CUP) without any required buffers from sensitive land uses. In lieu of a formal tobacco retail permitting (TRP) program, staff is recommending that business owners obtain a Minor Conditional Use Permit (MCUP) for accessory tobacco retail sales from the Planning Department. Although the State of California requires a license to sell tobacco products, more than 150 cities and counties also require a local tobacco retailer permit. Requiring a Minor Conditional Use Permit will allow staff to regulate the concentration of tobacco retailers and ensure that certain performance standards are maintained citywide.

The ordinance reflects other measures to be consistent with the County and the ordinances of neighboring cities such as Palo Alto, Los Gatos, and Cupertino:

- Require retailers to post a notice saying that the sale of tobacco products to anyone under 21 years of age is illegal and subject to penalties.

- Require retailers to check the identification for any purchaser.
- Prohibit retailers from covering more than 15 percent of windows and clear doors with any type of ads or signs.
- Prohibit mobile tobacco retailing or tobacco retailing at a temporary event.
- Prohibit tobacco retailing at pharmacies.

Proposed Amendments to the Zoning Ordinance

The proposed ordinance includes the following amendments to Title XIII of the Milpitas Municipal Code:

- Add section C.10.225 Smoke/Tobacco Uses to Chapter C.10 Specific to Uses to establish proximity limits for all tobacco retailers to schools and other existing tobacco retailers. Other prohibitions include a ban on flavored tobacco products. The subsection would also define legal non-conforming requirements with existing retailers as appropriate. Additionally, the subsection would establish application procedures for Minor Conditional Use Permits and performance standards for all tobacco retailers.
- Amend Table B.6.20-A Commercial Zones Use Regulations to include reference to the new subsection.
- Amend Table B.8.20-A Mixed Use Zones Use Regulations to include reference to the new subsection.
- Amend Chapter E.4 to add clarifying definitions.

Anticipated outcomes of the proposed ordinance amendment include:

- No tobacco retailer would be allowed to open a business within 1,000 feet of a school or within 500 feet or an existing tobacco retailer.
- New retailers proposing to sell accessory tobacco products would be required to obtain a Minor Conditional Use Permit from the Planning Department.
- Make any existing retailers within these buffers non-conforming uses.
- Adopt regulatory standards governing tobacco retailers, including prohibitions on flavored tobacco products and conduct violative of various laws, including sales to minors and smoking within a workplace.

General Plan Conformance

The City's General Plan is the primary long-range planning document that provides the vision for the future growth and development of Milpitas. The proposed zoning text amendments for regulation of tobacco retailers conform to the policies and standards in the City's General Plan, as demonstrated in the following table:

Table 1: General Plan Consistency

Policy / Actions	Conformance
Community Health and Wellness Policy CHW 1-1: Recognize that community health is a topic that is influenced and affected by local policies and practices and nearly all elements of the Milpitas	**Consistent.** The proposed zoning text amendment would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as adopt regulatory standards governing tobacco retailers, including the prohibitions on flavored

General Plan and identify indicators and legitimate data that can be measured to gauge and ultimately improve human health, safety and equity.	tobacco products. This ordinance satisfies each element of this policy by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.
Community Health and Wellness Policy CHW 7-2: Reduce exposure to second- and third-hand tobacco smoke and vaping through policies and regulations that limit smoking and vaping of all products.	**Consistent.** The proposed zoning text amendment would implement a buffer to reduce the density of retail access points and create performance standards for tobacco retailers, thereby reducing exposure to second- and third-hand tobacco smoke and limiting the sales of smoking and vaping products.
Community Health and Wellness Action CHW-7e: Annually review policies related to nicotine and tobacco use to ensure that all policies and regulations are consistent with novel products and emerging guidelines.	**Consistent.** Adopting a buffer ordinance and requiring all tobacco retailers to obtain a Minor Conditional Use Permit for tobacco sales to maintain certain performance standards are a direct outcome of this ongoing review process.

FINDINGS FOR APPROVAL (OR DENIAL)

A finding is a statement of fact relating to the information that the Planning Commission has considered in making a decision. Findings shall identify the rationale behind the decision to take a certain action.

Zoning Ordinance Text Amendments (Milpitas Municipal Code Section XIII, Chapter D.6.050)

a. *The proposed Zoning Amendment is consistent with and conforms to the goals and policies of the General Plan.*

   The proposed zoning text amendment is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. The proposed zoning text amendment would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as adopt regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure. The proposed zoning text amendment would implement a buffer to reduce the density of retail access points and create performance standards for tobacco retailers, thereby also reducing exposure to second- and third-hand tobacco smoke and limiting the sales of smoking and vaping products. Moreover, adopting a buffer ordinance and requiring all tobacco retailers to obtain a Minor Conditional Use Permit for tobacco sales to maintain certain performance standards are a direct outcome of an ongoing review process to ensure that all policies and regulations are current.

b. *The proposed Zoning Amendment is consistent with and conforms to the goals and policies of any Specific Plan, if applicable;*

The proposed zoning text amendment would apply citywide as it is primarily regulating the location of tobacco retail uses and adopts regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance is consistent with and conforms to the goals and policies of both the Gateway-Main Street Specific Plan (Gateway) and the Milpitas Metro Specific Plan (Metro). The Gateway Plan's vision includes creating a walkable, mixed-use urban village accessible from the surrounding community. One of the guiding principles of the Gateway Plan is to integrate a mix of uses that serve the community's needs. The ordinance does not prohibit tobacco retail uses outright, but it does regulate their spatial relationship to sensitive uses (schools) and to each other, as well as prohibiting the sale of tobacco at pharmacies, which is consistent with the Gateway's intent to create a healthy, livable community. The Metro Plan's core vision is to create a complete and unique urban neighborhood. Regulating tobacco retail density and adopting regulatory standards for tobacco retailers within the Metro Plan area is consistent with a complete neighborhood that prioritizes the health and well-being of its residents.

c. *The proposed Zoning Amendment will not be detrimental to the public health, safety, convenience, and general welfare;*

The proposed zoning amendment will protect the public interest, health, safety, convenience, and general welfare by establishing land use regulations intended to reduce youth access to tobacco products, decrease the normalization of tobacco use near schools and across the city, and advance the City's General Plan goals for community health and wellness. Therefore, the ordinance will not adversely affect the public health, safety, convenience, and general welfare.

d. *The proposed Zoning Amendment is in compliance with the provisions of California Environmental Quality Act;*

Pursuant to Section 15061(b)(3) of the California Code of Regulations (CEQA Guidelines), zoning amendment is not subject to review under CEQA. CEQA Guidelines

Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements. Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the project is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

e. *When considering a reduction of residential density, ensure compliance with California Government Code section 65863 by either finding that the remaining sites identified in the Housing Element are adequate to accommodate the City's share of the regional housing need or by identifying sufficient additional, adequate, and available sites with an equal or greater density so that there is no net loss in residential density; and*

   This finding is not applicable. The zoning text amendment is not reducing residential density.

f. *The proposed Zoning Amendment would not result in a net loss of potential housing units.*

This finding is not applicable. The zoning text amendment is not reducing potential housing units.

g. *The proposed Zoning Amendment is internally consistent with other applicable provisions of this Title.*

The purpose of the Milpitas Zoning Ordinance is to "promote public health, safety, comfort, and general welfare, and to enable appropriate and orderly development." The proposed zoning amendment directly advances this stated purpose by using the City's land use authority to regulate the proximity of tobacco retailers to schools, limit the density of tobacco retail outlets, prohibit the sale of flavored tobacco products, and empower the City to require Minor Conditional Use Permits for all tobacco retailers and enforce performance standards. These are recognized public health interventions designed to reduce youth access to tobacco products. Tobacco retail establishments are currently regulated as commercial uses subject to the City's standard use permit and business licensing requirements. The proposed buffer and density provisions, as well as the additional Planning permitting requirements will supplement those existing requirements. The amendments are consistent with the Zoning Ordinance as a whole and do not create any internal inconsistencies.

ENVIRONMENTAL REVIEW

Pursuant to Section 15061(b)(3) of the California Code of Regulations (CEQA Guidelines), staff has determined that the introduction and adoption of this ordinance is not subject to review under CEQA. CEQA Guidelines Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements. Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the project is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

PUBLIC COMMENT/OUTREACH

The City conducted an online community survey as part of a previous grant award to explore tobacco prevention policies. The survey was open from July 15 to August 31, 2020 to gather feedback from the community about tobacco-related policies. The survey asked about policies to regulate tobacco retailers. The survey was advertised through the City website, social media, and postcard notices, which were mailed directly to all multi-unit properties in the City and distributed at the Senior Center and summer camps hosted by the Recreation and Community Services Department.

The survey received 125 responses. 69% of respondents said they think flavored tobacco products are more appealing to youth than unflavored tobacco products. Nearly 40% of respondents reported that they think it is easy for youth under the age of 21 to buy flavored tobacco products in Milpitas.

Staff also conducted outreach to all 38 tobacco retailers within the City. Staff visited each retailer and dropped off community meeting flyers informing the business community of an online community meeting. The meeting was held on April 29, 2026 from 4:00 to 5:00pm. No members of the community participated in the meeting.

A notice of this hearing was published in the Milpitas Post on May 15, 2026, and posted at City Hall and on the City's website at www.milpitas.gov. At the time of writing this report, no comments have been received regarding the proposed zoning ordinance amendment.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission:

1. Open the Public Hearing to receive comments;
2. Close the Public Hearing; and
3. Adopt Resolution No. 26-004, recommending that the City Council approve Zoning Text Amendment No. ZA26-0001, amending the Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 relating to the regulation of tobacco retailers within the City.

ATTACHMENTS:

A: Planning Commission Resolution No. 26-004
   Exhibit 1: Draft Zoning Text Amendment Ordinance
B: Tobacco Retailer Buffer and Density Map

RESOLUTION NO. 26-004

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS RECOMMENDING THAT THE CITY COUNCIL APPROVE ZONING TEXT AND MAP AMENDMENT ZA26-0001, AMENDING THE MILPITAS MUNICIPAL CODE TITLE XIII, CHAPTER B.6, B.8, C.10, AND E.4 RELATING TO THE REGULATION OF TOBACCO RETAILERS

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, tobacco use remains the number one preventable cause of death and disease in California, causing nearly 40,000 deaths in California every year. More than 22% of all cancer deaths in California are attributable to smoking; and

WHEREAS, in Santa Clara County (County), one in eight deaths annually is attributed to smoking-related illness or diseases, such as cancer, heart disease, and respiratory diseases; and

WHEREAS, in 2019-20, 25.3% of Santa Clara County high school students have used a tobacco product and 8.6% used tobacco in the last 30 days. E-cigarettes are the most popular tobacco product, with 23.0% of high school students having used them and 7.7% being current users; and

WHEREAS, in August 2020, the state of California adopted SB 793, which prohibits the sale of most flavored tobacco products. SB 793 specifically provides that a municipality may adopt a stricter local ordinance; and

WHEREAS, in September 2024, the state of California adopted AB 3218, which requires the creation of Unflavored Tobacco List by the California Attorney General to clearly define which products are legally allowed to be sold by retailers, wholesalers, distributors and delivery sellers in California; and

WHEREAS, mentholated and flavored products have been shown to be "starter" products for youth who begin using tobacco, helping to establish tobacco habits that can lead to long-term addiction; and

WHEREAS, studies show that youth believe flavored tobacco products are safer and less addictive than non-flavored varieties; and

WHEREAS, the vast majority of current Santa Clara County teen tobacco users report using a flavored tobacco product (93.1%), with flavored vape and hookah use being the highest (96.3% and 83.4%, respectively); and

WHEREAS, in 2019, more than 86% of Santa Clara County tobacco retailers near schools sold flavored non-cigarette tobacco products, such as e-cigarettes; and

WHEREAS, more than half of Santa Clara teens who currently vape reported purchasing their own vaping product (52.9 percent), with over 1 in 5 of this group saying they buy them directly from a store. Among those who purchase their vaping products in a store, 71 percent purchased them at a tobacco shop, smoke shop, and vape shop; and

WHEREAS, by selling tobacco products, pharmacies reinforce positive social perceptions of smoking, convey tacit approval of tobacco use, and send a message that it is not so dangerous to smoke; and

WHEREAS, tobacco-free pharmacy sales policies decrease the availability of tobacco products by reducing tobacco retailer density by up to three times compared with communities that do not have such policies; and

WHEREAS, research indicates that the density and proximity of tobacco retailers increase smoking behaviors. In particular, children are more likely to smoke when they live or go to school in neighborhoods with a high density of tobacco retailers; and

WHEREAS, state law prohibits the sale or tobacco products to anyone under the age of 21 and requires all tobacco retailers to be licensed by the Department of Tax and Fee Administration; and

WHEREAS, this ordinance seeks to adopt tobacco prevention strategies that have been shown to reduce youth access and exposure to tobacco products; and

WHEREAS, this ordinance would prohibit new businesses from selling tobacco near schools and reduce tobacco density; and

WHEREAS, this ordinance and the regulations adopted herein are a lawful exercise of the City's zoning and police powers and are necessary for the preservation of the public health, safety, and welfare, including to protect against preventable nicotine deaths and addiction, reduce tobacco related deaths and addition among the youth and the consequent long term public health and society costs associated thereto, encourage responsible tobacco retailing, and discourage the violation of laws and regulations governing the sale of tobacco products; and

WHEREAS, the Planning Commission made and accepted as its own the findings set forth in this resolution; and

WHEREAS, the Planning Commission is an advisory body to the City Council; and

WHEREAS, the City Council is the final authority on General Plan, Specific Plan, and Zoning amendments; and

WHEREAS, on June 10, 2026, the Planning Commission held a duly noticed public hearing on the Zoning Text Amendments related to the regulation of tobacco retailers and considered all written and oral reports of staff and public testimony on the matter, and such other matters as are reflected in the record of this matter; and

WHEREAS, on June 10, 2026, the Planning Commission, following a duly noticed public hearing, adopted Resolution No. 26-004 by a vote of 6 Ayes and 0 Noes, recommending that the City Council approve Zoning Amendment ZA26-0001 to enact regulations limiting the concentration of tobacco retailers within the City, including local prohibitions on the sale of flavored tobacco products, the requirement of a Minor Conditional Use Permit for all tobacco retailers and buffer standards restricting the proximity of tobacco retailers to schools; and further directing staff to return to the City Council with clarifying language expanding the definition of schools subject to the buffer requirements to include both public and private schools as well as childcare centers; and

WHEREAS, the Planning Commission has considered all the written and oral testimony presented at the public hearing in making its decision; and

WHEREAS, all legal prerequisites to the adoption of this resolution and the Planning Commission's review, recommendation, and approval of the Zoning amendments and CEQA review contained herein have been met.

NOW THEREFORE, the Planning Commission of the City of Milpitas hereby finds, determines, and resolves as follows:

SECTION 1. Recitals

The Planning Commission has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the Planning Commission. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. CEQA Finding

The Planning Commission finds, pursuant to Government Code Section 15061(b)(3), the provisions of this zoning ordinance text amendment are not subject to review under the California Environmental Quality Act. CEQA Guidelines Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements. Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the Ordinance is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

SECTION 3. Findings for Zoning Ordinance Text and Map Amendment (Milpitas Municipal Code, Subsection XIII-D.6.050)

The Planning Commission finds based upon the full record before it that all findings and prerequisites required for the Zoning Text amendment proposed have been met, including those set forth in the Government Code, including Sections 65850 et seq., and the Milpitas Municipal Code, including Subsection XIII-D.6. The Planning Commission makes the following further and specific findings based on the evidence in the public record in support of Zoning Text and Zoning Map Amendment No. ZA26-0001:

a) *The proposed Zoning Amendment is consistent with and conforms to the goals and policies of the General Plan;*

The proposed zoning text amendment is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. The proposed zoning text amendment would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as adopt regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure. The proposed zoning text amendment would implement a buffer to reduce the density of retail access points and create performance standards for tobacco retailers, thereby also reducing exposure to second- and third-hand tobacco smoke and limiting the sales of smoking and vaping products. Moreover, adopting a buffer ordinance and requiring all tobacco retailers to obtain a Minor Conditional Use Permit for tobacco sales to maintain certain performance standards are a direct outcome of an ongoing review process to ensure that all policies and regulations are current.

b) *The proposed Zoning Amendment is consistent with and conforms to the goals and policies of any Specific Plan, if applicable;*

The proposed zoning text amendment would apply citywide as it is primarily regulating the location of tobacco retail uses and adopts regulatory standards governing tobacco retailers, including the prohibitions on flavored tobacco products. This ordinance is consistent with and conforms to the goals and policies of both the Gateway-Main Street Specific Plan (Gateway) and the Milpitas Metro Specific Plan (Metro). The Gateway Plan's vision includes creating a walkable, mixed-use urban village accessible from the surrounding community. One of the guiding principles of the Gateway Plan is to integrate a mix of uses that serve the community's needs. The ordinance does not prohibit tobacco retail uses outright, but it does regulate their spatial relationship to sensitive uses (schools) and to each other, as well as prohibiting the sale of tobacco at pharmacies, which is consistent with the Gateway's intent to create a healthy, livable community. The Metro Plan's core vision is to create a complete and unique urban neighborhood. Regulating tobacco retail density and adopting regulatory standards for tobacco retailers within the Metro Plan area is consistent with a complete neighborhood that prioritizes the health and well-being of its residents.

c) *The proposed Zoning Amendment will not be detrimental to the public interest, health, safety, convenience, and general welfare;*

The proposed zoning amendment will protect the public interest, health, safety, convenience, and general welfare by establishing land use regulations intended to reduce youth access to tobacco products, decrease the normalization of tobacco use near schools and across the city, and advance the City's General Plan goals for community health and wellness. Therefore, the ordinance will not adversely affect the public health, safety, convenience, and general welfare.

d) *The proposed Zoning Amendment is in compliance with the provisions of California Environmental Quality Act;*

Pursuant to Section 15061(b)(3) of the California Code of Regulations (CEQA Guidelines), zoning amendment is not subject to review under CEQA. CEQA Guidelines Section 15061(b)(3), also known as the "common sense exemption," states that CEQA only applies to projects that have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. A "significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This ordinance would create new regulations related to tobacco retailers. Such uses have been previously allowed, and this ordinance would not affect the densities or intensities of use previously allowed. It would enact standards for the location of tobacco retailers that are comparable to standards for other commercial land uses, and City staff review would be required to ensure that tobacco retailers comply with all applicable requirements. Therefore, it can be seen with certainty that there is no possibility that the ordinance in question would have a significant effect on the environment; accordingly, the ordinance is exempt from CEQA review.

As a separate and independent basis, the project is also exempt from further environmental review under CEQA Guidelines Section 15183 (Project Consistent with General Plan, Community Plan, or Zoning), which applies to projects which are consistent with the General Plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or site. The project is consistent with and conforms to the goals and policies of the Milpitas General Plan 2040. The General Plan's Community Health and Wellness (CHW) Element employs a "Health in All Policies" (HiAP) framework, which stresses the importance of infusing health awareness into all governmental programs, functions, and responsibilities. The proposed ordinance would regulate the proximity of tobacco retailers to schools and limit their concentration, as well as allow the City to enforce performance standards for all tobacco retailers via the requirement of a Minor Conditional Use Permit and prohibit the sale of flavored tobacco products. The project advances several General Plan goals and policies, specifically CHW Policy 1-1, CHW Policy 7-2, and CHW Action 7e. This ordinance satisfies each element of these policies by exercising local regulatory authority over a land use with documented public health consequences. It also relies on measurable spatial indicators (buffer distances from schools and minimum separation between retailers). The ordinance also advances health equity by protecting youth and vulnerable populations from disproportionate tobacco exposure.

e) When considering a reduction of residential density, ensure compliance with California Government Code Section 65863 by either finding that the remaining sites identified in the Housing Element are adequate to accommodate the City's share of the regional housing need or by identifying sufficient additional, adequate, and available sites with an equal or greater density so that there is no net loss in residential density;

This finding is not applicable. The zoning text amendment is not reducing residential density.

f) The proposed Zoning Amendment would not result in a net loss of potential housing units;

This finding is not applicable. The zoning text amendment is not reducing potential housing units.

g) The proposed Zoning Ordinance Text Amendment is internally consistent with other applicable provisions of this Title;

The purpose of the Milpitas Zoning Ordinance is to "promote public health, safety, comfort, and general welfare, and to enable appropriate and orderly development." The proposed zoning amendment directly advances this stated purpose by using the City's land use authority to regulate the proximity of tobacco retailers to schools, limit the density of tobacco retail outlets, prohibit the sale of flavored tobacco products, and empower the City to require Minor Conditional Use Permits for all tobacco retailers and enforce performance standards. These are recognized public health interventions designed to reduce youth access to tobacco products. Tobacco retail establishments are currently regulated as commercial uses subject to the City's standard use permit and business licensing requirements. The proposed buffer and density provisions, as well as the additional Planning permitting requirements will supplement those existing requirements. The amendments are consistent with the Zoning Ordinance as a whole and do not create any internal inconsistencies.

SECTION 4: Planning Commission Action

The Planning Commission of the City of Milpitas hereby adopts Resolution No. 26-004 recommending that the City Council approve Zoning Amendment No. ZA26-0001 and adopt the proposed ordinance in Exhibit 1 hereto, to enact regulations limiting the concentration of tobacco retailers within the City and adopt other tobacco retailer regulations including local prohibitions on the sale of flavored tobacco products, based on the above Findings and the full record before it.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on June 10, 2026.

Signed by:
6D1BF35005EF45F...

Parveen Gupta, Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on June 10, 2026, and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Parveen Gupta	X			
Michael Caulkins	X			
Alexander Galang	X			
Dipak Awasthi	X			
Chia Ling Kong	X			
Dawn Brown	X			
Olania Castillo			X	

EXHIBITS

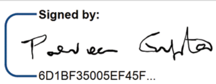
1: Draft Zoning Text Amendment Ordinance

Certificate Of Completion

Envelope Id: EFB69F33-466B-8726-81B3-2CCCC69C2212		Status: Completed
Subject: Complete with Docusign: Attachment A - PC Reso 26-004 Final rev1.pdf		
Source Envelope:		
Document Pages: 7	Signatures: 1	Envelope Originator:
Certificate Pages: 5	Initials: 0	Liz Medina
AutoNav: Enabled		455 E Calaveras Blvd
EnvelopeId Stamping: Enabled		Milpitas, CA 95035
Time Zone: (UTC-08:00) Pacific Time (US & Canada)		emedina@milpitas.gov
		IP Address: 165.225.242.83

Record Tracking

Status: Original July 21, 2026 | 15:03	Holder: Liz Medina emedina@milpitas.gov	Location: DocuSign
Security Appliance Status: Connected	Pool: StateLocal	

Signer Events	Signature	Timestamp
Chair Parveen Gupta pg@cs-edit.com Security Level: Email, Account Authentication (None)	 Signature Adoption: Drawn on Device Using IP Address: 147.185.47.130	Sent: July 21, 2026 | 15:14 Viewed: July 23, 2026 | 17:43 Signed: July 23, 2026 | 17:44

Electronic Record and Signature Disclosure:
Accepted: July 23, 2026 | 17:43
ID: 89530cf8-7443-47f9-904d-7b02ce5c2db3

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Lillian VanHua lvanhua@milpitas.gov Security Level: Email, Account Authentication (None)	COPIED	Sent: July 23, 2026 | 17:44 Viewed: August 6, 2026 | 10:20

Electronic Record and Signature Disclosure:
Accepted: May 8, 2026 | 13:28
ID: d5ac2dd3-f7df-4cd3-9c55-9dd073791f2e

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	July 21, 2026 | 15:14
Certified Delivered	Security Checked	July 23, 2026 | 17:43
Signing Complete	Security Checked	July 23, 2026 | 17:44
Completed	Security Checked	July 23, 2026 | 17:44

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Milpitas (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Milpitas:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: helpdesk@milpitas.gov

To advise City of Milpitas of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at helpdesk@milpitas.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from City of Milpitas

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to helpdesk@milpitas.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Milpitas

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to helpdesk@milpitas.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Milpitas as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Milpitas during the course of your relationship with City of Milpitas.

CITY OF MILPITAS
Planning Commission

MEETING MINUTES
7:00pm
JUNE 10, 2026
CITY COUNCIL CHAMBERS,
455 E CALAVERAS BLVD, MILPITAS, CA
and
via TELECONFERENCE (Zoom Webinar)

CALL TO ORDER

Chair Gupta called the meeting to order at 7:00pm.

PLEDGE OF ALLEGIANCE

Commissioner Galang led the pledge of allegiance.

ROLL CALL

Recording Secretary Medina called the roll.

PRESENT: Chair Gupta, Vice Chair Kong, Galang, Awasthi *(*arrived at 7:10pm)*, and Caulkins.

ABSENT: Castillo

STAFF: Jay Lee, Christopher Creech, Lillian VanHua, Kristina Phung, and Elizabeth Medina.

CONFLICT OF INTEREST/CAMPAIGN CONTRIBUTION DECLARATION

Assistant City Attorney Christopher Creech asked if any member of the commission had any personal or financial conflict of interest related to any of the items on the agenda.

APPROVAL OF THE MEETING AGENDA

By motion, approve the meeting agenda for May 27, 2026, with Item IX-3, Pulte Residential Townhomes – 1601–1765 S. Main St., continued to a date certain of June 24, 2026.

Motion/Second Kong/Brown
Motion carried by a vote of AYES: 5 NOES: 0

APPROVAL OF THE MEETING MINUTES

By motion, approve the meeting minutes for May 27, 2026.

Motion/Second Caulkins/Brown
Motion carried by a vote of AYES: 4 NOES: 0 ABSTAIN: 1 (Galang)

ANNOUNCEMENTS

Planning Director Lee announced that the next Planning Commission meeting is scheduled for June 24, 2026, at 7:00 p.m. in the Council Chambers. He also noted that the Commission will observe its regular July recess following that meeting.

PUBLIC FORUM

Chair Gupta invited members of the public to address the commission, and there were two speakers.

Wilfred Kong, a resident of the Pines neighborhood for over 24 years, expressed concerns regarding the proposed South Bay Tech Center redevelopment project. He stated that the project would remove existing mature trees and construct three-story residential units adjacent to existing homes, resulting in privacy impacts for nearby residents. Mr. Kong also expressed concerns regarding increased traffic and parking demands in the area and requested that the City help preserve the privacy and character of the neighborhood.

Helen Tuet, a resident of Pinewood Court, stated that she had submitted written comments regarding the South Bay Tech Center project, which was continued to the June 24, 2026 meeting. She encouraged the Planning Commissioners to visit the project site and surrounding neighborhood to better understand potential impacts on residents, businesses, and existing trees. Ms. Tuitt expressed concerns regarding the loss of privacy for adjacent homeowners, the displacement of businesses and services, and the removal of mature trees. She advocated for retaining business uses at the site or pursuing a mixed-use development approach and requested that the Commission carefully consider community impacts before making a decision.

No additional speakers came forward, and the Chair closed the Public Forum.

PUBLIC HEARING

IX-1 ZONING TEXT AMENDMENT FOR TOBACCO RETAIL BUFFERS – CITYWIDE (P-ZA26-0001): A City-initiated Zoning Ordinance Text Amendment to modify and add regulations to limit the concentration of tobacco retailers within the City and encourage responsible tobacco retailing. The proposed amendments would specifically prohibit new tobacco retailers from locating within a certain distance from existing tobacco retailers and youth-sensitive areas (schools), prohibit the sale of flavored tobacco products, and adopt other local regulatory standards. The Project is exempt from further environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15183 (Projects Consistent with General Plan). As a separate and independent basis, the Project is also exempt from further environmental review pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Project Manager: Lillian VanHua, Principal Planner

(34:46) Commissioners asked staff whether an analysis had been conducted to map existing tobacco retailers, schools, and applicable buffer areas to determine where future tobacco retailers could potentially locate under the proposed regulations. Staff explained that, based on the mapping completed to date, additional tobacco retailers could still be established in areas not affected by the proposed retailer-to-retailer and school buffer requirements. Staff noted that additional analysis could be completed prior to City Council consideration to better identify eligible locations.

Commissioners inquired about the rationale for the proposed 1,000-foot separation between tobacco retailers and the 500-foot buffer from schools. Staff stated that the proposed distances were based on public health best practices and standards adopted by other jurisdictions. Staff also noted that representatives from the County of Santa Clara were available to provide additional information regarding the research supporting the proposed regulations.

Commissioners discussed the proposed Minor Conditional Use Permit (MCUP) process and associated fees for tobacco retailers. Staff reported that the current MCUP fee is approximately $1,526.

Several Commissioners expressed concern regarding youth access to tobacco products and referenced recent enforcement actions involving local tobacco retailers. Questions were raised regarding the City's enforcement capabilities and whether proactive inspections or enforcement efforts could be implemented. Staff explained that code enforcement activities are largely complaint-driven due to limited staffing resources and that criminal violations fall under the jurisdiction of the Police Department and other enforcement agencies. Staff noted that proactive inspection programs would require additional staffing and resources.

Commissioners discussed the City's existing smoke-free ordinance and suggested increasing public awareness through additional signage at businesses and shopping centers. Staff noted that smoking is already prohibited within specified distances of entrances and exits to public businesses and in various public areas throughout the City. Staff further stated that signage requirements are already included in the City's municipal code and that tobacco prevention signage had previously been distributed to local businesses through County programs.

Commissioners also discussed potential tobacco control measures adopted in other jurisdictions, including minimum pricing and minimum package size requirements for tobacco products. Staff explained that such regulations had been considered during ordinance development but were not included due to anticipated enforcement challenges. Staff noted that the Planning Commission could recommend that the City Council consider such measures.

A Commissioner asked how Milpitas compares to neighboring jurisdictions in terms of the number of tobacco retailers. Staff stated that while a per-capita analysis had not been completed, Milpitas is believed to have a relatively high number of tobacco retailers compared to other cities that have previously adopted tobacco retail regulations.

Chair Gupta opened the public hearing.

Brian Lam, representing the California Fuels and Convenience Alliance, expressed support for efforts to reduce youth tobacco use but raised concerns regarding potential impacts on existing convenience stores and gas stations. He stated that the proposed proximity requirements could negatively affect business owners seeking to sell or transfer ownership of their businesses. Mr. Lam requested that the Commission consider exempting gas stations and convenience stores from the proposed separation requirements.

No additional speakers came forward.

Chair Gupta closed the public hearing.

Following public comment, Commissioners discussed tobacco advertising regulations and expressed interest in obtaining additional information regarding the proposed ordinance, including enforcement mechanisms, the inclusion of private schools in the school buffer requirements, and the overall regulatory framework.

Staff explained that previous efforts to establish a tobacco retailer licensing program had been evaluated but were determined to be infeasible due to staffing and budget limitations. Staff indicated that grant funding was available for the current ordinance effort but that timelines existed for completing the project.

Commissioners discussed expanding the definition of schools subject to the buffer requirements. Staff clarified that the ordinance currently applies to schools serving kindergarten through twelfth grade and recommended expanding the buffer requirements to include both public and private schools as well as childcare centers.

Commissioners also discussed potential enforcement recommendations, including increased coordination with the Police Department and consideration of licensing-based enforcement programs. Staff explained that such programs would require additional resources and had previously been considered by the City Council.

The Commission generally expressed support for strengthening protections for youth while ensuring that staff return with clarifying language regarding school definitions and related buffer requirements prior to City Council consideration.

Recommendation: Staff recommends that the Planning Commission conduct a public hearing and adopt resolution No. 26-004, recommending that the City Council approve Zoning Text Amendment No. ZA26-0001, amending the Milpitas Municipal Code Title XIII, Chapters B.6, B.8, C.10, and E.4 relating to the regulation of tobacco retailers within the City. ** The Commission requested staff to provide additional clarification regarding school definitions and associated buffer requirements for City Council consideration.*

Motion/Second Caulkins/Galang
Motion carried by a vote of AYES: 6 NOES: 0

(1:39:22) **IX-2 NEW BUSINESS PARK RESEARCH AND DEVELOPMENT BUILDINGS - 710-790 SYCAMORE DRIVE, 1511 BUCKEYE DRIVE, AND 1610-1630 MCCARTHY BLVD – P-SD25-0007, P-EA26-0002, AND MASTER SIGN PROGRAM -- SD25-0009:** A request for a Site Development Permit, Environmental Assessment, and Sign Program to allow redevelopment of an approximately 16.79-acre site located at 710–790 Sycamore Drive, 1511 Buckeye Drive, and 1610–1630 McCarthy Boulevard within the Business Park Research and Development (BPRD) Zoning District. The project proposes construction of three new two-story speculative industrial buildings with ancillary office space, totaling approximately 330,718-square feet, including 293,218-square feet of industrial warehouse space and 37,500-square feet of office space, consistent with the BPRD land use designation. The maximum building height would be approximately 40-feet to the top of parapet. Site improvements include new internal roadways, landscaping, off-site public improvements, and seven driveway access points. The project would provide a surface parking lot with 432 vehicle parking spaces, six drive-in doors, and 39 loading dock doors. The Sign Program includes installation of 22 signs, consisting of five primary building identification signs, two monument signs, seven wayfinding totem signs, three building address signs, and five tenant identification signs.

(2:04:34) Project Planner Sean Manalo and applicant team addressed commissioners' clarifying questions.

Commissioners questioned the applicant regarding projected economic benefits associated with the proposed development, including job creation, annual economic activity, and construction-related impacts. Concerns were raised regarding the range of uses permitted within the proposed facilities and whether the project would ultimately be occupied by advanced manufacturing tenants, as anticipated, or by other permitted industrial uses such as warehousing, logistics, or research and development operations.

The applicant stated that the project was specifically designed to attract advanced manufacturing users and that market demand for modern industrial facilities in Silicon Valley strongly supports that expectation. While no specific tenant commitments have been secured, the applicant indicated that the building design, infrastructure investments, and anticipated rental rates are intended to attract advanced manufacturing businesses rather than traditional warehouse operators.

Commissioners requested information regarding the potential fiscal benefits to the City. Staff referenced estimates provided by the Economic Development Department indicating that the project could support more than 1,000 middle-income jobs, generate approximately $100 million in annual economic activity, and create an estimated $62 million in one-time construction-related economic impact. Staff noted that a detailed analysis of recurring City revenues, such as property and sales tax generation, had not been prepared as part of the Site Development Permit review.

Staff reminded the Commission that the application under consideration was a Site Development Permit focused on the proposed building improvements and site design. Future tenant occupancy would be reviewed for consistency with the zoning regulations and permitted uses within the Business Park Research and Development (BPRD) zoning district.

Commissioners also inquired about anticipated tenant occupancy, project marketing, and leasing efforts. The applicant stated that the buildings are designed to accommodate multiple tenants and that marketing activities would begin following project approvals and during construction.

Several Commissioners expressed support for the project, noting its potential to strengthen Milpitas' advanced manufacturing sector, generate employment opportunities, and contribute to the City's economic development goals. Comparisons were made to the growth of advanced manufacturing in neighboring communities, particularly Fremont.

Questions were raised regarding sustainability features and energy demands associated with the project. The applicant confirmed that solar installations are required and will be incorporated into the development.

Commissioners also discussed potential construction impacts, particularly traffic congestion during demolition and construction activities. The applicant stated that construction operations would be managed in accordance with City requirements and permit conditions, with efforts made to minimize impacts on surrounding roadways and adjacent properties. Commissioners encouraged coordination with City staff to avoid scheduling heavy truck traffic during peak commute periods.

Additional discussion addressed building tenant improvements, parking, electric vehicle infrastructure, and demolition procedures. The applicant explained that tenant spaces would be delivered as shell buildings with completed office components, allowing future tenants to customize manufacturing and operational areas to meet their specific needs. Staff confirmed that the project includes 432 parking spaces, including 91 electric vehicle-capable spaces distributed throughout the site.

Commissioners also asked whether the facility could accommodate a future data center use. Staff noted that data centers are a permitted use within the zoning district; however, the applicant stated that the project was not designed to support the electrical demands typically associated with modern data center operations

Chair Gupta opened the public hearing.

Albert Alcorn, Vice President of the Milpitas Chamber of Commerce, expressed the Chamber's strong support for the project, citing the need for modern industrial space, job creation, and economic growth opportunities within the community.

Allison Soper spoke in support of the project, stating that redevelopment of the long-vacant site would return productive use to the property, create quality employment opportunities, and strengthen the local economy.

Leticia Samame also expressed support for the proposal, emphasizing the importance of expanding local employment opportunities and reducing commute times for Milpitas residents through the creation of advanced manufacturing jobs.

No additional speakers came forward.

Chair Gupta closed the public hearing.

Recommendation: Staff recommends that the Planning Commission open and close the public hearing, consider the exemption from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning). and adopt Resolution 26-012, approving Site Development Permit No. SD25-0007, Environmental Assessment No. 26-0002, and Master Sign Program Permit No. 25-0009 subject to the findings and Conditions of Approval.

Motion/Second Awasthi/Brown
Motion carried by a vote of AYES: 6 NOES: 0

NEW BUSINESS

Commissioner Caulkins requested an update regarding the use of City-issued email accounts for Planning Commissioners. Recording Secretary Medina reported that, after consultation with the Information Technology Director, City-issued email accounts will continue to be used solely for calendaring purposes. Staff explained that providing and maintaining individual email accounts involves licensing costs, account administration, and ongoing monitoring by Information Technology staff. Given the limited term lengths of Planning Commissioners and associated resource requirements, Commissioners will continue to use personal email accounts for correspondence.

ADJOURNMENT Chair Gupta adjourned the meeting at 9:25 pm

Meeting Minutes submitted by
Planning Commission Secretary Elizabeth Medina

Attachment G

Santa Clara County Tobacco Retailers

Jurisdiction	Total # of Retailers[1]	Retailers per 1,000 People	Retailers per Square Mile[2]
Campbell	38	0.9	6.3
Cupertino	20	0.3	1.8
Gilroy	50	0.9	2.9
Los Altos	11	0.4	1.6
Los Altos Hills	0	0	0
Los Gatos	15	0.5	1.25
Milpitas	40	0.5	2.9
Monte Sereno	0	0	0
Morgan Hill	32	0.7	2.5
Mountain View	50	0.6	4.1
Palo Alto	21	0.3	0.8
San Jose	583	0.6	3.2
Santa Clara (city)	82	0.6	4.5
Santa Clara (county, unincorporated)	12	0.1	0.01
Saratoga	6	0.2	0.5
Sunnyvale	67	0.4	2.9
Average (excluding jurisdictions with no retailers or missing data)	*73.35*	*0.5*	*2.5*

Commented [LZ1]: Don: I couldn't find a good source for the square miles of just the unincorporated area. Do you know what it is?

Milpitas has the same amount of tobacco retailers per 1,000 people as the Santa Clara County Average.

- Jurisdictions with fewer retailers per 1,000 people than Milpitas: 8
- Jurisdictions with more or the same number of retailers per 1,000 people than Milpitas: 7

[1] Data Source: CTHAT. Licensed tobacco retailers with valid addresses from a list of tobacco retail licenses obtained from California Department of Tax and Fee Administration (CDTFA), September 2025.
[2] Jurisdiction Size Data Source: Local Agency Formation Commission of Santa Clara County.

Attachment G

Milpitas has more retailers per square mile than the Santa Clara County Average.

- Jurisdictions with fewer retailers per square mile than Milpitas: 9
- Jurisdictions with more or the same number of retailers per square mile than Milpitas: 6

Sensitive Use Buffer Zones for Tobacco Retailers in Santa Clara County[3]

Jurisdiction	Citation	Sensitive Use Buffer Zone, Areas Included
Campbell	None	None
Cupertino	5.50.040	1,000 feet, schools
Gilroy[4]	13.68	1,000 feet, schools
Los Altos	4.48.040	1,000 feet, schools
Los Altos Hills	NA - no retailers	NA - no retailers
Los Gatos	18.60.020	1,000 feet, schools
Milpitas	None	None
Monte Sereno	NA - no retailers	NA - no retailers
Morgan Hill	None	None
Mountain View	None	None
Palo Alto	4.64.040	1,000 feet, schools
San Jose	6.87.370	1,000 feet, schools, community and recreation centers, parks, libraries
Santa Clara (city)	None	None
Santa Clara (county)	B11-579	1,000 feet, schools
Saratoga	4-90.040	1,000 feet, schools and city parks
Sunnyvale	None	None

[3] There are likely jurisdictions in California that limit new tobacco retailers with a certain distance of childcare centers. Many other jurisdictions prohibit new retailers within a certain distance of youth-sensitive areas. However, data is not available about which specific areas are defined as youth-sensitive for these laws.

[4] Gilroy is currently considering whether to expand the types of youth-sensitive areas.

CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	**Receive a Presentation on Municipal Bonds 101 (Staff Contact: Luz Cofresí-Howe, Finance, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	8/11/2026
Recommendation:	Receive a presentation from the City's municipal advisor and bond counsel on municipal bond financing, including the types of debt available to the City, the financing process and financing team roles, the City Council's disclosure and approval responsibilities, and an overview of the City's outstanding long-term debt obligations.

BACKGROUND:

The City of Milpitas uses long-term debt to finance capital assets that serve the community over many years, spreading the cost of those assets across the period they are in service rather than funding them entirely from current-year resources. The City has issued debt through several structures, including lease revenue bonds backed by the General Fund, water and sewer revenue bonds secured by utility net revenues, and tax allocation refunding bonds issued by the Successor Agency to the former Redevelopment Agency. The City's Debt Management Policy, adopted October 17, 2017 and revised October 15, 2019 in accordance with Senate Bill 1029 (California Government Code Section 8855), governs the issuance and ongoing administration of that debt.

The City's most recent issuance was the 2020 Lease Revenue Bonds approved on October 20, 2020 through Resolution 9013 which financed Fire Station No. 2. As the City continues to plan for capital needs and evaluates financing alternatives, staff has scheduled this workshop to provide the City Council with a foundational overview of municipal bond financing in advance of future financing items.

The Successor Agency to the former Milpitas Redevelopment Agency is planning a refunding of its outstanding 2015 Tax Allocation Refunding Bonds which were approved by the Successor Agency Board (acting jointly with the City Council) at the City Council meeting held on December 2, 2014 . Staff anticipates bringing the financing documents forward for consideration at the September 1, 2026 meeting.

ANALYSIS:

The presentation is being delivered by the City's municipal advisor, Fieldman, Rolapp & Associates, and the City's bond counsel, Jones Hall LLP. It is educational in nature and does not request or authorize any financing. The workshop covers six areas:

Overview. Why public agencies finance capital assets, and what distinguishes a municipal bond – a security sold to many investors in the public capital market – from a loan from a single lender.

Tax status and types of debt. The difference between tax-exempt and taxable bonds, and a comparison of the principal financing structures available to California cities: general obligation bonds, tax increment/tax allocation bonds, lease revenue bonds and Certificates of Participation, utility revenue bonds, and land-secured financings through Community Facilities Districts and Assessment Districts. Each structure is compared on voter approval requirements, repayment source, security pledge, and relative credit quality.

The financing team and process. The roles of the issuer, municipal advisor, bond counsel, disclosure counsel, underwriter, rating agency, trustee, and bond insurer; the eight-step financing process from kick-off through post-issuance compliance; credit ratings and what rating agencies review; and the methods of sale, including competitive sale, negotiated sale, and private placement.

Financing structure. How sources and uses of funds balance in a financing, how level debt service is structured over the life of an issue, and the relationship between borrowing cost, term, and total interest paid.

Disclosure and Council duties. The City's obligations under the federal securities anti-fraud rules, including SEC Rule 10b-5, and its continuing disclosure obligations under SEC Rule 15c2-12; the role of the Official Statement; and the City Council's responsibility to review and understand the disclosure documents it approves. The presentation also describes the Council's role in approving the form of financing documents and delegating final pricing terms to staff within parameters set by resolution, including maximum par amount, maximum interest rate, and maximum underwriter's discount.

The City's outstanding debt. A summary of the City's long-term debt obligations as of July 16, 2026, is set out below:

Obligation	Dated Date	S&P Rating	Final Maturity	Original Par	Par Outstanding
General Fund Backed Lease Revenue Bonds, Series 2020 (Fire Station No. 2)	11/10/2020	AA+	6/1/2041	$18,445,000	$15,985,000
Water System Revenue Bonds, Series 2019	11/13/2019	AA+	6/1/2049	$17,210,000	$15,130,000
Sewer System Revenue Bonds, Series 2017	12/20/2017	AA+	11/1/2026	$4,725,000	$615,000
Sewer System Revenue Bonds, Series 2019	11/13/2019	AA+	11/1/2049	$29,840,000	$26,725,000
Tax Allocation Refunding Bonds, Series 2015	3/18/2015	AA	9/1/2032	$127,790,000	$46,835,000
Total	—	—	—	**$198,010,000**	**$105,290,000**

The City carries an AAA issuer credit rating from S&P Global Ratings, with AA+ ratings on its lease revenue, water revenue, and sewer revenue bonds and an AA rating on the tax allocation bonds. The Series 2015 Tax Allocation Refunding Bonds are obligations of the Successor Agency to the former Redevelopment Agency, payable solely from pledged property tax increment, and are not obligations of the City's General Fund.

The Series 2017 Sewer System Revenue Bonds were issued to refinance the City's 2006 Wastewater System Certificates of Participation and reach final maturity on November 1, 2026. The remaining $615,000 of principal outstanding will be retired in FY2026-27 through scheduled debt service payments already included in the Sewer Enterprise Fund's adopted budget, after which the City's outstanding long-term debt will consist of four remaining bond issues.

Supplemental Information

The Municipal Securities Rulemaking Board (MSRB) was established by Congress in 1975 and charged with the mandate to protect municipal securities investors, municipal entities, obligated persons and the public interest. As part of their mission, the MSRB improves market understanding with free educational resources. Links to the following educational materials are provided to further Council’s understanding and knowledge of the municipal bond market.

- Municipal Bond Basics – a brief four-page description of municipal bonds
- MSRB-Glossary-of-Municipal-Securities-Terms-Third_Edition-August-2013.pdf – interactive glossary of municipal bond terms searchable by term and in alphabetical order.

Additionally, the California Debt and Investment Advisory Commission (CDIAC) was created in 1981 and is part of the State Treasurer’s Office. CDIAC was established as the State’s clearinghouse for public debt issuance information and assists state and local agencies with the monitoring, issuance and management of public debt. CDIAC also provides educational materials. The Education Portal can be accessed after a username and password is created. A copy of the Education for Elected Officials course offerings for Debt & Administration Series is attached to the staff report.

POLICY ALTERNATIVE(S):
Alternative 1: Do not receive the presentation.

Pros: Reserves Council meeting time for other agenda items.

Cons: Forgoes an opportunity for the City Council to receive background information on municipal bond financing and the City's outstanding debt in advance of any future financing consideration, and to ask questions of the City's municipal advisor and bond counsel outside the time pressures of a specific transaction.

Reason for Not Recommending: The workshop is informational, commits the City to no action or expenditure, and supports informed Council review of future financing items and the disclosure obligations that accompany them.

PROJECT SCHEDULE/KEY MILESTONES

Milestone	Date
Debt Management Policy initially adopted (Joint Resolution No. 8705 / SA 10 / PFA 21)	October 17, 2017
Debt Management Policy revised and adopted by the Milpitas Municipal Financing Authority (Resolution No. MFA 1)	October 15, 2019
Most recent City bond issuance (2020 Lease Revenue Bonds, Fire Station No. 2)	November 10, 2020
City Council workshop — Municipal Bonds 101	August 11, 2026
Successor Agency 2026 Tax Allocation Refunding Bonds financing documents presented to Council	September 1, 2026
Series 2017 Sewer System Revenue Bonds final maturity	November 1, 2026
Future financing items presented to City Council as capital needs are identified	As applicable

FISCAL IMPACT:
There is no fiscal impact associated with receiving this presentation. No financing is authorized, and no appropriation is requested. Preparation and delivery of the workshop by the City's municipal advisor and bond counsel are covered under the firms' existing agreements with the City, and sufficient funds are available in the Finance Department's current fiscal year operating budget to cover those costs.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
This item is not a project under the California Environmental Quality Act (CEQA) Guideline 15378(b).

ATTACHMENT(S):
(a) Presentation – Municipal Bonds 101
(b) CDIAC Education for Elected Officials – Debt Issuance and Administration Series Course Listing

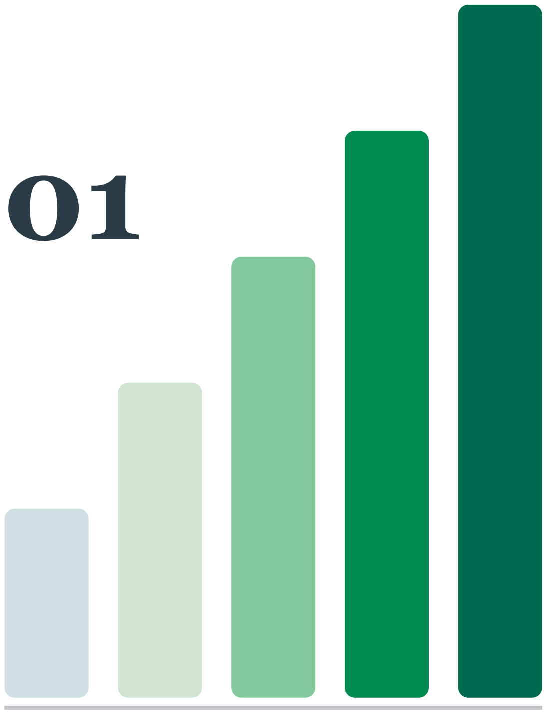
Municipal Bonds 101

City of Milpitas

CITY COUNCIL WORKSHOP

August 11, 2026

Presented by Fieldman, Rolapp & Associates and Jones Hall LLP



Agenda

01	**Overview**	Why cities finance, and what a municipal bond is
02	**Tax status & types**	Tax exemption and the main types of debt
03	**Team & process**	The financing team, the process, and how bonds are sold
04	**Financing structure**	Sources and uses, debt service, and credit ratings
05	**Duties**	Disclosure obligations, approvals, and the Council's role
06	**City’s outstanding debt**	Overview of the City’s current long-term debt obligations

Introduction

Presentation Participants

- Luz Cofresí-Howe, Finance Director
- James Fabian, Principal, Fieldman, Rolapp & Associates
- James Wawrzyniak, Partner, Jones Hall LLP

Why public agencies use financing

Debt spreads the cost of long-lived assets across the years they serve the community.

Instead of paying the full cost today, financing spreads the cost over time so the people who benefit from the project also help pay for it.

Common purposes

- Acquire land
- Construct or improve public buildings and facilities
- Construct utility infrastructure
- Fund working capital and manage cash flow
- Refinance existing obligations or leases for savings

OVERVIEW

What is a municipal bond?

A security sold in the public capital market to many investors — not a single lender.

Key features

- Divided into serial maturities, with different repayment dates and interest rates, typically 1 to 30 years, to reach different investors
- The City receives cash at issuance and repays principal plus interest over time
- The term matches the useful life of the financed asset
- For larger projects, the capital markets usually offer the lowest borrowing cost

Repayment comes from a defined pledge of revenue, such as tax increment (Redevelopment Property Tax Trust Fund), utility revenues, or lease payments.

Tax-exempt and taxable bonds

Tax-exempt

- Interest paid to bondholders is generally exempt from federal and California income tax
- City borrows at lower rates than a taxable borrower
- Requires meeting IRS rules; proceeds fund public capital improvements
- Proceeds must be spent on a reasonable schedule (a three-year expectation for “new money” projects or 90 days for “refunding” projects)

Taxable

- Used when the project or use does not meet the IRS tax-exempt rules
- Carries a higher interest rate than tax-exempt debt
- Allows more flexibility in how proceeds are used

Common types of financings

	General Obligation	Tax Increment	Lease Revenue / Certificates of Participation (COP)	Utility Revenue	Land-Secured Community Facilities District/Assessment District (CFD/AD)
Voter approval	Yes, two-thirds	No	No	No; Prop 218 rules for rate increases	Yes; owners or registered voters in the district
Repaid from	Property owners citywide	Incremental property tax growth	City's General Fund	Utility system net revenues	Special taxes / assessments in the district
Security pledge	Unlimited ad valorem tax	Pledge of tax increment	Lease payments on an essential asset	Pledge of net system revenues	Lien on the property for the special tax / assessment district
Credit quality	Highest	Moderate to high	Moderate to high	Moderate to high	Low to moderate

[1] *A direct tax calculated "according to value" of property. Ad valorem tax is based on the assessed value of real property.*

General obligation bonds

Overview

- Secured by an unlimited ad valorem property tax
- Requires two-thirds voter approval
- Strongest security, lowest borrowing cost
- Funds the projects named in the ballot measure

Advantages

- Lowest borrowing cost
- No debt service reserve required
- Does not require General Fund resources, repayment from ad valorem property tax levy, i.e. new revenue stream

Considerations

- Long lead time, typically 9 to 12 months
- High vote threshold
- Limited flexibility in use of proceeds

Commonly used for essential public facilities including citywide capital programs with a defined project list.

Tax increment/tax allocation bonds

Overview

- Refinances existing redevelopment tax allocation debt
- Secured by property tax increment in the former project area
- Issued by the Successor Agency to the former redevelopment agency
- Not a General Fund obligation

Advantages

- Lowers debt service by refinancing at today's interest rates
- No impact on the General Fund or existing tax rates
- Repaid solely from the pledged tax increment

Considerations

- Repayment depends on assessed value in the former project area
- Requires oversight board and Department of Finance approval
- Weaker credit and higher rate than citywide debt
- Since 2012, no new tax allocation bonds — only refundings of existing debt

California also allows tax increment financing through newer financing districts, such as Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization and Investment Authorities (CRIAs). This presentation focuses on Successor Agency Tax Allocation Refunding Bonds because they are the financing structure relevant to the City of Milpitas.

Lease revenue bonds and Certificates of Participation (COPs)

Overview

- Secured by lease payments on an essential City asset
- City leases the asset to a financing authority, which leases it back
- Lease payments flow to bondholders
- A General Fund obligation, subject to abatement

Advantages

- No voter approval required
- Highly flexible structure
- Widely used and accepted in the market

Considerations

- Obligation of the General Fund
- Encumbers an essential City asset
- Abatement risk; mitigated by rental interruption insurance

A Certificate of Participation (COP) is a variation of the lease financing structure used to fund public facilities and other long-term capital improvements, rather than day-to-day operating expenses. The City used the same underlying lease financing structure when it issued its 2020 Lease Revenue Bonds to finance Fire Station No. 2.

Lease revenue bonds: legal structure

Site lease → Bond proceeds → Bonds

City of Milpitas	Milpitas Municipal Financing Authority	Trustee	Investors
Lessee	Lessor / Issuer	Bank	Bondholders

- City leases an essential asset to the Financing Authority under a site lease.
- Authority issues bonds and leases the asset back to the City.
- Investors purchase the bonds; bond proceeds fund the project.
- City's lease payments flow through the Trustee to bondholders as debt service payments.
- Lease payments must reflect fair market value and are subject to abatement[2].

[2] *Abatement is a provision in the lease that relieves the lessee (the City) of the obligation to make the lease payments in the event that the leased property cannot be utilized for causes such as construction delays, property damage from fire, earthquakes, floods or other causes.*

Water and sewer revenue bonds

Overview

- Secured by and repaid from the utility's net revenues[3]
- Preserves General Fund capacity for other services
- A Prop 218 process applies if rates must be increased
- Often a stronger credit as a self-supporting system
- City has two Sewer Revenue Bond issues and one Water Revenue Bond issue outstanding

Investor safeguards

- Rate covenant: rates set so net revenues cover debt service, typically 1.15x to 1.25x
- Additional bonds test: new parity[4] debt only if that coverage level is maintained

1.15x

Net revenues must cover at least $1.15 of every $1.00 of debt service — a margin that absorbs a weak year, maintained for the life of the bonds.

[3] Net Revenues is the amount of money available after subtracting from gross (total) revenues costs and expenses that are permitted to be deducted per the bond documents. Most common costs and expenses deducted are operations and maintenance expenses.
[4] Parity bonds are two or more bond issues or series of bonds that have the same priority (order) of a claim or lien against the pledged revenue.

TYPES OF DEBT

Land-secured bonds:

Community Facility Districts (CFDs) and Assessment Districts (ADs)

Overview

- Secured by a special tax (CFD) or assessment (AD)
- Approved by the affected property owners or voters
- Fund infrastructure such as streets, sewers, and drainage
- Not an obligation of the City

Advantages

- Not a General Fund obligation
- Can be tailored to a project and phased over time
- Often more feasible than a GO bond when improvements primarily benefit a specific area

Considerations

- Repayment depends on district property values
- Complex to set up, administer, and amend
- Assessment districts require strict benefit linkage
- Requires approval of land owners or registered voters in the District pursuant to State Law provisions

Common in new development areas; carries a lower credit and higher rate than citywide debt.

City’s current outstanding long-term debt

City of Milpitas
Summary of Outstanding Long-Term Debt Obligations as of July 16, 2026

Bond Series Name	Dated Date	Current Rating	Tax Status	Final Maturity	Original Par	Current Total Par Outstanding	Initial Optional Redemption
General Fund Backed Lease Revenue Bonds							
Series 2020 (Fire Station #2)	11/10/2020	--/AA+/--	TE	6/1/2041	$18,445,000	$15,985,000	6/1/2030 @100%
Subtotal General Fund Backed Lease Revenue Bonds					$18,445,000	$15,985,000	
Water System							
Series 2019	11/13/2019	--/AA+/--	TE	6/1/2049	$17,210,000	$15,130,000	6/1/2029 @100%
Subtotal Water System					$17,210,000	$15,130,000	
Sewer System							
Series 2017	12/20/2017	--/AA+/--	TE	11/1/2026	$4,725,000	$615,000	N/C
Series 2019	11/13/2019	--/AA+/--	TE	11/1/2049	$29,840,000	$26,725,000	11/1/2029 @100%
Subtotal Sewer System					$34,565,000	$27,340,000	
Tax Increment							
Series 2015	3/18/2015	--/AA/--	TE	9/1/2032	$127,790,000	$46,835,000	9/1/2025 @100%
Subtotal Tax Increment					$127,790,000	$46,835,000	
TOTAL					$198,010,000	$105,290,000	

The financing team and their roles

C

Issuer / City

Decides to borrow, sets key parameters, and authorizes the bonds.

B

Bond Counsel

Prepares all legal documents and the tax opinion.

M

Municipal Advisor

Fiduciary to the City; advises on structure, timing, and pricing.

D

Disclosure Counsel

Prepares the Official Statement disclosing the bonds and their risks, and the Continuing Disclosure Agreement outlining the annual updates provided to investors.

U

Underwriter

Purchases the bonds and resells them to investors; acts for its own account.

R

Rating Agency

Assigns a credit rating to the bonds.

T

Trustee / Fiscal Agent

Administers payments and redemptions on behalf of bondholders.

I

Bond Insurer

On some deals, guarantees payment for a premium to improve marketability.

The team's shared goals are sound structure, minimal legal liability, and strong market acceptance.

THE PROCESS

The bond financing process

1. **Kick-off financing** — City and its advisors launch the financing
2. **Structure & size** — Team sizes the bonds and sets the repayment plan
3. **Documents & disclosure** — Legal documents and Official Statement prepared
4. **Rating** — Rating agency reviews the City's credit
5. **Authorize** — Council approves the sale and final terms
6. **Sale & pricing** — Bonds offered to investors and priced
7. **Closing** — Funds delivered; the project proceeds
8. **Post Issuance Compliance** — City meets ongoing IRS tax and disclosure obligations

Timing. A typical issue runs three to four months. After closing, the City administers the debt for its full term: payments, covenants, IRS tax compliance and continuing disclosure (reporting) to the market.

Credit ratings

AAA	AA	A	BBB	BB	B	<CCC

◀ **Investment grade** Non-Investment Grade ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶

What the rating agencies review

- Local economy, tax base, and demographics
- City’s financial results and reserve levels
- Existing debt and pension obligations
- Management, policies, and reporting
- Governance and political environment

Rated vs. unrated

- A rating is an independent read on the City's ability to repay the bonds
- A stronger rating means broader demand for the bonds and a lower interest rate
- Small or private issues may skip a rating when it would not improve pricing

City’s Current S&P Ratings: AAA City | **AA+** on Lease, Water & Wastewater Revenue Bonds | **AA** on Tax Allocation Bonds

AAA and AA are highest quality with the lowest rates; A is strong; BBB is the lowest investment grade; below BBB is non-investment grade and priced higher.

Methods of sale

	PUBLIC OFFERING		
	Competitive	**Negotiated**	**Private placement**
Process	Underwriters bid on the sale date	Underwriter engaged early; helps structure	Direct sale to one bank or investor
Basis of award	Lowest true interest cost	Negotiated structure, timing, price	Direct negotiation; no public offering
Best when	Frequent issuer, strong credit, simple deal	Complex deal or less familiar credit	Small borrowing, short-term, or need for short closing

THE PROCESS

Public offering vs. private placement

	Public offering	Private placement
Credit rating	Required	Not required
Typical size	Flexible	Often smaller; may be capped by the bank
Typical term	Up to about 30 years	Generally up to about 20 years
Offering statement	Required	Not required
Time to close	Four or more months	Three or more months
Continuing disclosure	SEC-mandated	More flexible
Pricing	Lower rate, higher issuance cost	Higher rate, lower issuance cost

Sources and uses of funds

Every financing balances the money raised (sources) against where it goes (uses).

Sources	
Par amount of bonds	$10.0M
Original issue premium	$0.5M
Total sources	**$10.5M**

Uses	
Project fund	$10.0M
Debt service reserve fund	$0.2M
Costs of issuance	$0.3M
Total uses	**$10.5M**

- Premium is the extra investors pay for higher coupons; it can raise more than par (bond proceeds)
- A debt service reserve fund is a cushion held for bondholders, when required. The reserve is generally limited to the lesser of the IRS permitted reserve fund tests and can be funded by purchasing an insurance policy.
- Costs of issuance cover legal, rating, municipal advisor, and printing fees
- Capitalized interest, when used, pays early interest due to bondholders from bond proceeds

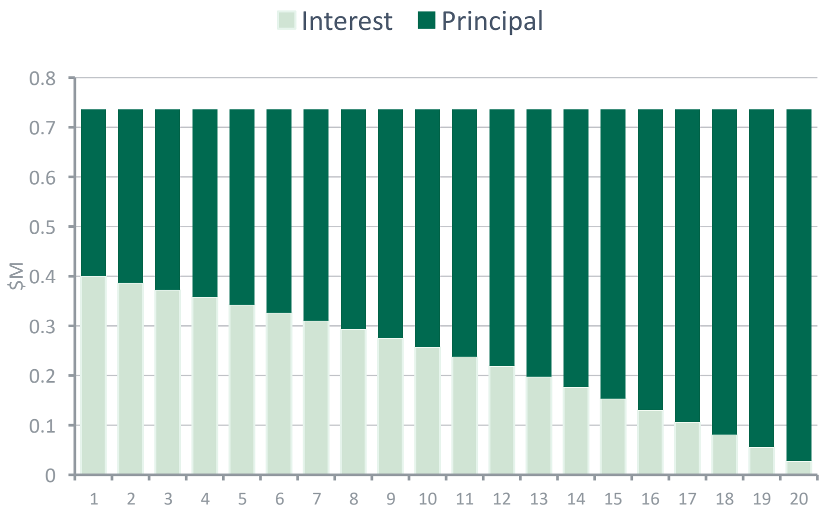
Figures are illustrative.

Debt service structure

Level debt service

- The annual payment stays roughly level
- Early years are mostly interest
- Principal grows as the balance falls
- Optional redemption is typically 10 years at par, i.e. no prepayment penalty

$10.0M Amount borrowed	**$14.7M** Total repaid, 20 years	**$4.7M** Of which, interest



Illustrative: $10M borrowed at a level 4% over 20 years.

Disclosure: speaking to investors

Official Statement

- The City's invitation to invest in the bonds
- Sets out all material information about the bonds and their repayment
- Investors rely on it, so the City must reasonably believe it is accurate and complete
- Prepared with disclosure counsel
- A Disclosure Coordinator, often the Finance Director, works with staff, the City Attorney, and counsel

Continuing disclosure

- An ongoing obligation under SEC Rule 15c2-12
- Annual report with financial statements and operating data
- Notices of listed events, such as rating changes, defaults, and defeasances
- Filed to the MSRB's EMMA system

A dissemination agent can track deadlines and file on time, but the City decides what to disclose.

The City Council's disclosure responsibility

What the law requires

- Municipal bonds are exempt from U.S. Securities and Exchange Commission (SEC) registration, but not from the anti-fraud rules
- Rule 10b-5: no untrue statement of material fact, and no misleading omission
- Material means a reasonable investor would find it important — no bright-line test, and judged in hindsight
- Since 2010, the SEC can fine issuers and individual officials directly

What the Council should do

- Read and understand the disclosure documents you approve
- Ask staff and consultants about material information
- Adopt written disclosure policies and train everyone involved
- Disclose the bad with the good; if in doubt, disclose

Enforcement actions against issuers and their officials, such as Orange County and San Diego, established these duties.

The City Council's role in approving a financing

Approving the financing

- Council approves the form of the financing documents
- Authorizes the sale of the bonds and the offering materials
- Delegates authority to staff to finalize pricing and terms
- Bounded by parameters set in the resolution: maximum par, maximum rate, and maximum underwriter’s discount

Reviewing the disclosure

- Reviews the Preliminary Official Statement used to market the bonds
- Brings any known material misstatement or omission to the attention of City staff
- “Material” means a reasonable investor would consider it important to an investment decision
- Approval rests on informed review, supported by staff and counsel

Approving the form lets the transaction close efficiently, while the Council keeps control through the parameters it sets.

Policy framework and key takeaways

Policy framework

- Debt Management Policy*, adopted by the City Council in October 2019 in accordance with SB 1029 (Government Code Section 8855)
- Reserve and investment policies
- Continuing disclosure to the market (SEC Rule 15c2-12)
- CDIAC reports of proposed and final sale, plus annual debt report
- Periodic debt reporting to the Council
- Consistency with the Debt Management Policy, capital improvement plan, and any applicable rate study

Key takeaways

- Debt is the City's debt and must be actively managed
- The financing team works for the City
- The security pledged is the central question in any issue
- Accurate disclosure is a continuing legal duty
- The Council approves the form of documents and delegates final terms within set parameters
- A strong policy framework protects the City's credit
- Public Council discussions are closely watched by investors and rating agencies and can influence perceptions of the City's credit

* Debt Management Policy - https://www.milpitas.gov/257/Investment-Debt-Management-Policies#docaccess-c1e9d370d1a1152b5326cd24642f63ae2daab147928c42a661e1576d59f7dc44

DISCUSSION

Questions

Fieldman · Jones Hall

elect>Ed

EDUCATION FOR ELECTED OFFICIALS

CDIAC's education for elected officials, known as "elect>Ed", provides on-demand education focused on public debt financing for elected officials and members of governing bodies. All courses can be accessed in CDIAC's Education Portal at **edportal.treasurer.ca.gov**. Program content is free to access with a registered account.

DEBT ISSUANCE AND ADMINISTRATION SERIES

MODULE 1 | Why Do Public Agencies Use Debt Financing | 15 MINS

Provides an overview of why public agencies use debt financing and when it is appropriate, the three "Ws" of project planning as well as making decisions within the context of economic conditions and past financial and management actions.

MODULE 2 | What You Need to Know Before Issuing Debt | 13 MINS

Discusses the relationship between long-term planning and short-term decision making, key principles of capital finance that create long-term budget impacts, and the value of strategic financial management.

MODULE 3 | Strategy Drives Structure | 25 MINS

Covers structuring debt in a way that is consistent with the agency's authority to borrow and raise revenue for repayment, implications of common debt structures on taxpayer equity, and legal considerations for appropriate uses of proceeds based on relevant tax and securities laws.

MODULE 4 | The Use of Debt Policies to Manage Risk | 22 MINS

Discusses the various interlocking financial, legal, and political risks of debt financing as well as how a well-developed debt policy is instrumental in assessing and managing risks on the path to a successful debt issuance.

MODULE 5 | It Takes a Team: The Role of External Professionals in a Successful Issuance | 20 MINS

Explores the functions, fiduciary responsibilities, interests, and compensation of external finance team members and discusses their roles in the context of the typical debt issuance process.

MODULE 6 | Marketing and Structuring Strategies for a Win-Win Debt Issuance | 29 MINS

Provides an overview of the market for municipal debt and discusses the alignment of debt marketing and structuring strategies with market preferences to achieve desired financing objectives.

MODULE 7 | Implications and Documentation of Your Long-term Debt Commitments | 17 MINS

Discusses the high-level policy implications of the most frequently issued types of long-term debt and summarizes the fundamental documentation used to formalize the commitments made through debt issuance.

MODULE 8 | Becoming a Model Borrower | 19 MINS

Explores post-issuance responsibilities with a focus on the disclosure, communication, internal control, and administrative practices that garner a strong borrower reputation and enable an agency to achieve its long-term financing goals.