

**AMENDED AGENDA
(Agenda Item 3.D Amended)**

TRACY CITY COUNCIL

REGULAR MEETING AGENDA

Tuesday, March 2, 2021, 7:00 P.M.

Tracy City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

**THIS REGULAR MEETING WILL BE CONDUCTED PURSUANT TO THE
PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20
WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE RALPH M.
BROWN ACT**

**RESIDENTS ARE STRONGLY ENCOURAGED TO PARTICIPATE
REMOTELY AT THE MARCH 2, 2021 MEETING**

Remote Access to City of Tracy Council Meeting:

In accordance with the guidelines provided in Executive Order N-29-20 on social distancing measures, the City of Tracy will allow for remote participation at the upcoming City Council meeting on Tuesday, March 2, 2021.

As always, the public may view the City Council meetings live on the City of Tracy's website at www.CityofTracy.org or on Channel 26. To view from the City's website, select "Watch Live Council Meetings" from the drop down menu "Select an Online Service" at the top of the City's homepage. You will be directed to the "Council Meeting Videos" page where you may select the video for the appropriate date under "Upcoming Events."

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

*Public comment, limited to 250 words or less, submitted via email **will be accepted for agenda items before the start of the Council meeting at 7:00 p.m.** Please send an email to publiccomment@cityoftracy.org and identify the item you wish to comment on in your email's subject line.*

During the upcoming City Council meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
 - **Phone** by dialing (209) 831-6010, or
 - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number:** 182 224 9381 and **Event Password:** TracyCC
 - **If you would like to participate in the public comment anonymously**, you may submit your comment via phone or in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.

- **Protocols for submitting comments by phone:**
 - If you wish to discuss an item on the “Consent Calendar” identify the item when calling in. All requests to discuss an item on the “Consent Calendar” must be submitted before the Mayor announces that the time to submit such a request has expired.
 - Identify the item you wish to comment on to staff when calling in. Comments received by phone will be accepted for the “Items from the Audience/Public Comment” and “Regular Items” portions of the agenda.
 - Comments received by phone for the “Items from the Audience/Public Comment” portion of the agenda must be received by the time the Mayor opens that portion of the agenda for discussion.
 - Comments received by phone on each “Regular Item” will be accepted until the Mayor announces that public comment for that item is closed.

- **Protocols for commenting via WebEx:**
 - If you wish to comment on the “Consent Calendar”, “Items from the Audience/Public Comment” or “Regular Agenda” portions of the agenda:
 - Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.
 - If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.
 - Comments for the “Consent Calendar” “Items from the Agenda/Public Comment” or “Regular Agenda” portions of the agenda will be accepted until the public comment for that item is closed.

- **The total allotted time for public comment will be as follows:**
 - Consent Calendar: **10 minutes**
 - Items from the Audience: **15 minutes**
 - Regular Items: **10 minutes**

Comments received by publiccomment@cityoftracy.org, phone call, or on Webex outside of the comment periods outlined above will not be included in the record.

Americans With Disabilities Act - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6105) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the “Items from the Audience/Public Comment” portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous City Council direction. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agenda items of business, "Items from the Audience/Public Comment" following the Consent Calendar will be limited to 15-minutes maximum period. "Items from the Audience/Public Comment" listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

Notice - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available on the City's website: www.ci.tracy.ca.us

CALL TO ORDER
PLEDGE OF ALLEGIANCE
INVOCATION
ROLL CALL

1. CONSENT CALENDAR

- 1.A. APPROVAL OF FEBRUARY 16, 2021 REGULAR MEETING MINUTES
- 1.B. APPROVE A GENERAL SERVICES AGREEMENT, NOT TO EXCEED \$150,000 ANNUALLY, WITH HORIZON DISTRIBUTORS, INC., FOR NON-AGRICULTURE IRRIGATION SUPPLIES, AND AUTHORIZE THE CITY MANAGER TO AMEND THE AGREEMENT TO EXECUTE ANY EXTENSIONS AND TO MAKE MINOR AMENDMENTS TO THE AGREEMENT
- 1.C. APPROVE A MITIGATION AGREEMENT BETWEEN THE CITY OF TRACY AND HARVEST IN TRACY, LLC (FKA LTMT TRACY, LLC), A DELAWARE LIMITED LIABILITY COMPANY, TO ENSURE EASEMENT ACCESS TO PUBLIC UTILITIES LOCATED AT APN 23863001 THROUGH HARVEST IN TRACY PURCHASING AND CONVEY A PIPEHUNTER SIDE-KICK EASEMENT MACHINE WITH TRANSPORT TRAILER TO THE CITY OF TRACY

- 1.D. APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH DENOVO PLANNING GROUP FOR PREPARATION OF THE DOWNTOWN TRANSIT-ORIENTED DEVELOPMENT SPECIFIC PLAN AND ENVIRONMENTAL IMPACT REPORT FOR A NOT-TO-EXCEED AMOUNT OF \$499,942
- 1.E. APPROVE SCOPE OF WORK FOR PLACEWORKS, INC. REGARDING WORKFORCE AND AFFORDABLE HOUSING POLICY AND ZONING ORDINANCE AMENDMENTS, AND GROWTH MANAGEMENT ORDINANCE INITIATIVE, USING STATE GRANT FUNDS FROM SB 2 AND LEAP GRANT PROGRAMS
- 1.F. APPROVE THE CITY OF TRACY 2021 REGIONAL TRANSPORTATION AND LOCAL PROJECT SUBMITTAL FOR CONGRESSIONAL APPROPRIATION REQUESTS DURING SAN JOAQUIN COUNCIL OF GOVERNMENTS' ONE VOICE TRIP TO WASHINGTON D.C.
2. ITEMS FROM THE AUDIENCE
3. REGULAR AGENDA
 - 3.A. DISCUSS CITY'S RESPONSE TO COVID-19 (VERBAL REPORT)
 - 3.B. ACCEPT CITY OF TRACY FISCAL IMPACT ANALYSIS REPORT OF SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY (SSJCFA) PERSONNEL TRANSITION AND PROVIDE DIRECTION TO STAFF
 - 3.C. RECEIVE UPDATE ON HOMELESSNESS AND PROVIDE DIRECTION ON TEMPORARY EMERGENCY HOUSING FACILITY PROJECT, INCLUDING FUNDING STRATEGIES
 - 3.D. APPROVE 2021-2023 MULTI-YEAR AND SHORT-TERM STRATEGIC PRIORITIES AND WORKPLAN, AND PROVIDE DIRECTION TO STAFF, AND ACCEPT CITY COUNCIL WORKSHOP REPORT AS JANUARY 5, 12, AND 14, 2021 SPECIAL MEETING MINUTES
 - 3.E. DISCUSS ROLE, MAKEUP, AND NECESSITY OF CITY BOARDS AND COMMISSIONS AND PROVIDE DIRECTION TO STAFF
4. ITEMS FROM THE AUDIENCE
5. STAFF ITEMS
6. COUNCIL ITEMS AND COMMENTS
7. ADJOURNMENT

February 16, 2021, 7:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.ci.tracy.ca.us

Due to the COVID-19 emergency, the regular meeting was conducted pursuant to the provisions of the Governor's Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act. Residents participated remotely via email, phone and WebEx during the meeting.

Mayor Young called the meeting to order at 7:00 p.m.

Mayor Young led the Pledge of Allegiance.

Imaam Basem, Tracy Islamic Center offered the invocation.

Roll call found Council Members Arriola, Bedolla, Davis, Mayor Pro Tem Vargas, and Mayor Young present.

1. CONSENT CALENDAR – Motion was made by Council Member Arriola and seconded by Council Member Davis to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
 - 1.A APPROVAL OF FEBRUARY 2, 2021, CLOSED SESSION, SPECIAL MEETING, AND REGULAR MEETING MINUTES – **Minutes were adopted**
 - 1.B AUTHORIZE STAFF TO SUBMIT TWO APPLICATIONS FOR THE PROP 68: STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM (SPP) GRANT FOR THE LINCOLN PARK REVITALIZATION PROJECT AND THE TRACY NATURE PARK PROJECT AND AUTHORIZE THE CITY MANAGER, OR DESIGNEE, TO ACCEPT THE SPP GRANT, IF AWARDED – **Resolution 2021-015** approved the application for the SPP Grant for Lincoln Park revitalization. **Resolution 2021-016** approved the application for the SPP Grant for the Tracy Nature Park Project.
 - 1.C WAIVE SECOND READING AND ADOPT ORDINANCE 1304 AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTIONS 9.06.040, 9.06.050, 9.06.060, AND 9.06.070 OF CHAPTER 9.06 "FIRE PROTECTION AND PREVENTION" OF THE TRACY MUNICIPAL CODE REGARDING ASSIGNING THE AUTHORITY HAVING JURISDICTION AND SETTING GEOGRAPHIC LIMITS FOR CERTAIN HAZARDOUS MATERIALS STORAGE WITHIN THE CALIFORNIA FIRE CODE – **Ordinance 1304 was adopted.**
2. ITEMS FROM THE AUDIENCE – Robert Tanner requested Council finish Legacy Fields first and suggested the City fix the sections of raised sidewalk caused by City trees near the taqueria restaurant across the street from the Old River Veterinary.

Alice English shared her concerns regarding Mayor Pro Tem Vargas being a distraction at the February 2, 2021 meeting by speaking to Council Members while others had the

floor, inserting her personal agendas at the special GMO meeting by talking about Valley Link, TOD being voted no by the public, and would like to see the cost to the residents to put on the ballot.

Mayor Pro Tem Vargas responded to Ms. English's comments stating the measure was a Council measure passed by a 4:1 vote, and the comments are misleading and incorrect narrative is being presented that is false and untrue.

Dan Evans requested Council fly the Gold Star flag one day per year in support of Gold Star mothers and family day, and asked why has City Council adopted flying the LGBT flag and Pan African flag for a month, but not the Gold Star flag to fly one day a year.

Eric Santin asked Council to pursue obtaining a train horn quiet zone within the City, or at least at the Corral Hollow crossing.

Jim Bozeman commented about the rejection of Measure Y by the voters, the City spending \$500,000 to develop a plan and change zoning from jobs to residential development in the Gateway commercial project and added the City needs to stop all work on the Gateway project, stop backroom meetings, and investigate Mayor Pro Tem Vargas's conflict of interest related to Gateway and Measure Y.

Mayor Pro Tem Vargas responded Measure Y was a city initiative with 4:1 vote, \$500,000 was a unanimous vote, and false narrative and accusations are politically driven.

3. REGULAR AGENDA

3.A DISCUSS CITY'S RESPONSE TO COVID-19 (VERBAL REPORT)

Jenny Haruyama, City Manager provided an update and presentation on the City's response to COVID-19.

City Council asked clarifying questions.

Robert Tanner asked for the phone number for the vaccinations.

There were no comments from Council.

City Council accepted the report.

3.B ACCEPT THE TRACY SUB-BASIN GROUNDWATER SUSTAINABILITY PLAN UPDATE

Kul Sharma, Utilities Director, provided the staff report.

Mary Mitracos voiced her appreciation for staff's efforts regarding the sub-basin stating the City does a wonderful job of providing basic services, and approved the groundwater sustainability action plan.

City Council questions and comments followed.

City Council accepted the report.

3.C CONSIDER FORMING A CITY COUNCIL STANDING HOMELESSNESS COMMITTEE AND PROVIDE DIRECTION TO STAFF

Midori Lichtwardt, Assistant City Manager, provided the staff report.

Cynthia Reis expressed support of the standing Homelessness Committee.

Bubba Paris stated it is an honor to have Council serve the homeless community, and suggested that Council do the committee in a way that will have the highest level of transparency to the public.

Robert Tanner suggested Council should continue with an ad hoc committee. Council will spend approximately \$800,000 for a homeless shelter and have a third party run it, and an ad hoc committee would be helpful in that respect.

Sharon Gardner-Losch supported a standing committee for homelessness as it would show the City is understanding the need for long-term support in this area and public transparency.

William Muetzenberg supported the formation of a standing committee, adding it is important to figure out a master plan and continue the work that has already been done, and a standing committee can tackle housing affordability, and keep people off the street.

City Council questions and comments followed.

Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to form a standing Homelessness Committee.

Council Member Arriola announced that Adrienne Richardson, City Clerk provided City Council with a copy of the Homelessness Strategic Plan – Summary which will be included in the record.

Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to form a standing Homelessness Committee. Roll call vote found all in favor; passed and so ordered.

Council Member Bedolla made a substitute motion to propose a formation of a standing Homelessness Committee with the purpose and scope to be defined further and the name to be decided later by the committee, to consist of no less than three Council Members and meet no less than three times annually.

Mayor Young clarified the first discussion was regarding whether to form an ad hoc or standing committee.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to form a standing Homelessness Committee. Roll call vote found all in favor; passed and so ordered.

Motion was made by Council Member Arriola for the creation of a committee titled the Tracy Homelessness Committee with the purpose of implementing the Tracy Homelessness Strategic Plan including the possible amendment of such plan, and the purpose to continue to address homelessness in the City of Tracy, with a two person standing committee. Mayor Pro Tem Vargas seconded the motion.

City Council questions and comments continued.

Council Member Bedolla motioned for a formal amendment to change the number of Council Members on the standing committee to at least three. Council Member Davis supported the formal amendment.

City Council questions and comments continued.

Council Member Arriola motioned to make a friendly amendment to rename the committee to the Tracy Homelessness Advisory Committee. Council Member Davis supported the friendly amendment.

City Council questions and comments continued.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Davis to create a committee titled the Tracy Homelessness Advisory Committee with the purpose of implementing the Tracy Homelessness Strategic Plan including the possible amendment of such plan, and the purpose to continue to address homelessness in the City of Tracy, with a three person standing committee. Roll call found Council Members Bedolla and Davis in favor. Council Member Arriola, Mayor Pro Tem Vargas and Mayor Young opposed. Motion failed.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas for the creation of a committee titled the Tracy Homelessness Advisory Committee with the purpose of implementing the Tracy Homelessness Strategic Plan including the possible amendment of such plan, and the purpose to continue to address homelessness in the City of Tracy, with a two person standing committee. Roll call found all in favor; passed and so ordered.

City Council comments followed.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to hold quarterly meetings with the option to schedule special meetings as necessary for an approximate duration of an hour, with updates to Council at the meeting following the standing committee meeting. Roll call vote found all in favor; passed and so ordered.

3.D DISCUSS ADOPTING A RESOLUTION CALLING FOR TEMPORARY \$5 AN HOUR HAZARD PAY FOR CERTAIN GROCERY WORKERS DURING COVID-19 WIDESPREAD (PURPLE) TIER STATUS AND PROVIDE DIRECTION TO STAFF

Leticia Ramirez, City Attorney, provided the staff report.

Cynthia Reis expressed support for a \$5 hazard pay increase for the essential grocery workers at publicly traded organizations.

Robert Tanner stated while he does support the \$5 hazard pay increase in the grocery stores, it only covers when in the purple tier, and is a mute point if we go back to red tier, and believed the California Chamber is against this added cost to the businesses that can't afford it.

William Muetzenberg supported the increase as grocery stores have displayed remarkable bravery during the pandemic. Mr. Muetzenberg asked if the resolution is adopted does it then go into effect or is it non-binding.

Sharon Gardner-Losch expressed strong support for the hazard pay increase.

Dan Evans shared his concerns regarding the City getting involved and pandering to a specific group adding the conversation should be between workers and employers or unions and employers.

Council Member Arriola motioned for staff to return with a resolution to adopt temporary hazard pay for grocery workers in the amount of \$5 an hour for employees of grocery stores that are publicly traded companies or have at least 300 employees nationwide while the City of Tracy remains in the purple widespread tier under the States COVID-19 restrictions. Council Member Bedolla supported the motion.

City Council comments followed.

Council Member Arriola made a friendly amendment to expand the definition to include those stores that have 10% of their space dedicated to grocery sales. Council Member Bedolla accepted the friendly amendment.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Bedolla for staff to return with a resolution to adopt temporary hazard pay for grocery workers in the amount of \$5 an hour for employees of grocery stores that are publicly traded companies or have at least 300 employees nationwide or who have 10% of their storefront dedicated to grocery sales, while the City of Tracy remains in the purple widespread tier under the States COVID-19 widespread restrictions. Roll call found Council Members Arriola and Bedolla in favor. Council Member Davis, Mayor Pro Tem Vargas and Mayor Young opposed. Motion failed.

3.E CONSIDER AMENDING THE COUNCIL CODE OF CONDUCT TO ADDRESS COMPLIANCE WITH THE CODE OF FAIR CAMPAIGN ACTIVITIES AND CITY RESTRICTIONS ON TEMPORARY SIGNS RELATING TO THE ELECTION

Leticia Ramirez, City Attorney, provided the staff report.

Robert Tanner stated the last campaign signs were up before 45 days in County limits, and two weeks after the election signs were still up. Mr. Tanner stated campaigns need to be fined for signage after the 5-day deadline.

Dan Evans stated he sees Council disregarding their own Code of Conduct and reminded Council that concerned citizens are paying attention, and Council needs to work on ensuring compliance of the Code of Conduct as is written, to restore faith in the Tracy community.

Motion was made by Council Member Arriola to adopt a Resolution amending the Council Code of Conduct to address compliance with Code of Fair Campaign Activities and city restrictions on temporary signs related to the election. Mayor Pro Tem Vargas seconded the motion.

Council Member Arriola made a friendly amendment to the motion that the proposed language of Section 3.3.8.1 to include all candidates. Mayor Pro Tem Vargas seconded the friendly amendment.

City Council questions and comments followed.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to adopt **Resolution 2021-017** to amend the Council Code of Conduct to address compliance with Code of Fair Campaign Activities and city restrictions on temporary signs related to the election with amendment to 3.3.8.1 to include the language plus all candidates. Roll call found Council Members Arriola, Bedolla and Mayor Pro Tem Vargas in favor. Council Member Davis and Mayor Young opposed. Motion carried.

4. ITEMS FROM THE AUDIENCE – There was no public comment.
5. STAFF ITEMS – Jenny Haruyama, City Manager provided an update on the following actions taken by the City Manager during the COVID emergency:
 - Approval of OIA for Prologis/North-East Industrial (NEI) Phase 3 Mass Grading and Storm Drain Installation.
 - Approval of Amendment No. 1 to Professional Services Agreement with Management Partners to provide support and facilitation to the City of Tracy Fiscal Sustainability Ad Hoc Committee.
6. COUNCIL ITEMS – Mayor Pro Tem Vargas requested to agendaize consideration of creating a Council policy for discussion and action that Council Members serving on a board, commission, committee, JPA board or any assigned subcommittees or boards will not take action that will obligate the City in any financial way without coming back to Council for approval. Council Member Arriola supported the request.

Mayor Pro Tem Vargas asked about bringing back the Nature Park Committee, and to make sure the ad hoc committee is not a standing committee for the purpose of establishing an opening in Tracy Nature Park Ad Hoc Committee.

Jenny Haruyama, City Manager responded she is working with Director MacDonald to help develop proposed language that would help position and leverage the ad hoc and maybe a working group to better obtain grants. The item will be coming in approximately the next couple of meetings, have heavy items coming up but can endeavor to get that on the agenda.

Mayor Pro Tem Vargas stated she will be doing a Valley Link update on the 18th at Mountain House and requested to schedule a short Powerpoint presentation to update Council.

Ms. Haruyama responded that it can be done under Council items and would be similar to Council Members reporting out on a subcommittee or board they are appointed to, and Mayor Pro Tem Vargas is choosing to do it in a visual presentation, but it needs to be brief.

Council Member Davis spoke about her visit with staff to El Pescadero Park, thanked staff, Police Department, and Code Enforcement for giving the tour. Council Member Davis requested support to start looking now for a service provider for the future temporary homeless shelter, and shared her concerns with the budget shortfall, breaking ground and having to scramble to find someone to service it. The City is already having challenges with utilizing City resources to look after the homeless problem in the parks. Council Member Bedolla supported the request.

Council Member Davis stated the public can see the City is doing everything it can to help our unsheltered community with the warming center, but since that is coming to an end at the end of March, she wanted to see if the City can do more to help address those temporary housing needs of our unsheltered population. Council Member Davis requested support to have a conversation about adopting policies to address equitable use of parks including but not limited to making a temporary concession of establishing a temporary camp ground at current designated temporary homeless shelter area, so there is not a gap in services between when the shelter closes and when we break ground. Mayor Young supported the request.

Mayor Pro Tem Vargas asked if that would be part of the standing committee conversation and planning to bring back to Council.

Ms. Haruyama responded it could be but it depends on timing when it comes back to Council. In terms of Council Member Davis's request, we can have conversation however given some implications that are legal in nature that could come back to Council in a Closed Session and from there can figure out the path forward.

Mayor Young asked for clarification regarding equitable use of parks as far as the community.

Ms. Haruyama responded with respect to Council Member Davis's first item on moving forward with identifying the service provider, there will be a shelter update coming to Council on March 2, 2021, which will have information related to that suggestion and make sure that is the consensus and the correct approach Council would like to take.

Council Member Davis mentioned the Closed Session regarding the ruling concerning the Surland Development Agreement and requested to bring back a discussion about renegotiating the terms of that agreement. Mayor Pro Tem Vargas supported the request.

Mayor Pro Tem Vargas stated everyone has an interest in doing something for the unsheltered population and asked about conversation regarding assigning of resources, not just funding but also personnel needs to be part of the discussion. Nothing is going to happen unless we really make a commitment of resources. Mayor Pro Tem Vargas asked where to have the most appropriate discussion on resource allocations.

Ms. Haruyama responded Council will have multiple touches on that opportunity. The first will be on the shelter item because we need to talk about the funding gap for the capital project. Council will also have the opportunity to discuss that in the Measure V conversation on March 23, 2021, and then there is the budget development process. The movement to have a standing committee on homelessness does communicate a more permanent need that Council is moving to a new core service. That is something Council should be thinking about as we enter into the budget development discussion. Council cannot not have resources attached to a new core services.

Mayor Pro Tem Vargas asked if that was the plan to bring back on each opportunity for discussion.

Ms. Haruyama responded she has two ideas in mind. One, Council will have the option of considering appropriation as a part of a shelter discussion. Second is that as part of the budget process, assuming the Council approves a resolution to establish a standing committee, she will have some policy decisions for Council as a part of the budget adoption process which will include some resources that Council will need to consider approving and supporting with some suggested language on funding sources. That could be a very small division creation to support homeless and housing.

Council Member Davis supported Mayor Pro Tem Vargas's request regarding discussions for resource allocations for the unsheltered population.

Council Member Bedolla reported on his attendance at the Special City Selection Committee meeting for the San Joaquin Valley Air Pollution Control District. Council Member Bedolla wished everyone a blessed Lent and translated his wish in Spanish.

Council Member Arriola stated people have started to get their EBCE contact information in the mail and to be aware there will be at least three more contacts through EBCE and a lot more social media information coming soon.

Mayor Young reported on her attendance at the Economic Development workshop through the League of California Cities, Stein Safety Committee meeting, ACE Rail Board meeting, South San Joaquin County Fire Authority, and has spoken with many residents about different issues.

7. ADJOURNMENT – Time: 10:34 p.m.

ACTION: Motion was made by Council Member Davis and seconded by Mayor Pro Tem Vargas to adjourn. Roll call vote found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on February 11, 2021. The above are action minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk

AGENDA ITEM 1.B

REQUEST

APPROVE A GENERAL SERVICES AGREEMENT, NOT TO EXCEED \$150,000 ANNUALLY, WITH HORIZON DISTRIBUTORS, INC., FOR NON-AGRICULTURE IRRIGATION SUPPLIES, AND AUTHORIZE THE CITY MANAGER TO AMEND THE AGREEMENT TO EXECUTE ANY EXTENSIONS AND TO MAKE MINOR AMENDMENTS TO THE AGREEMENT

EXECUTIVE SUMMARY

The Public Works Department purchases irrigation supplies to maintain over 400 acres of landscaping and City trees in public right-of-ways, parks and City facilities. Department staff conducted a bid process for the bulk of the items historically purchased for irrigation maintenance and repairs. Staff is recommending Council approve a General Services Agreement with Horizon Distributors ("Horizon") who was the lowest responsive bidder and has successfully completed the bid process.

DISCUSSION

The City of Tracy requires a wide array of irrigation supplies for the maintenance and management of landscaping and City trees in public right-of-ways, parks and City facilities. In order to aid in reducing costs, on December 14, 2020, Public Works Department staff issued a Request for Bids to provide and deliver non-agriculture irrigation supplies to the City on an as needed basis. The City received three successful bid packages on January 7, 2021. The lowest responsive and qualified bid was submitted by Horizon.

Upon approval of the Agreement, the initial term will be for two years from the date of execution. In the event that the City determines that the Contractor has satisfactorily performed all requirements in this Agreement, and upon recommendation from the Public Works Director to the City Manager, the City Manager may extend this Agreement for up to an additional five (5) years in any combination, not to exceed a total agreement length of seven (7) years. Prices for the various irrigation supplies will be fixed for the initial term of the agreement. Provisions for possible cost increases in any extension years are provided for in the agreement.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

Sufficient funds have been appropriated in the Fiscal Year 20/21 General Fund (101) and special districts (271, 272, 273) operating budgets.

RECOMMENDATION:

Staff recommends Council approve, by resolution, a General Services Agreement with Horizon for non-agriculture irrigation supplies, with a not to exceed amount of \$150,000 annually, and authorize the City Manager to execute any extensions or minor amendments to the agreement.

Prepared by: Robin Kloepfer, Management Analyst

Reviewed by: Don Scholl, Public Works Director
Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jennifer D. Haruyama, City Manager

ATTACHMENT

Attachment A – General Services Agreement with Horizon Distributors, Inc.

**CITY OF TRACY
GENERAL SERVICES AGREEMENT WITH**

[Contractor]

This General Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Horizon Distributors, a wholesale supplier (**Contractor**). City and Contractor are referred to individually as "Party" and collectively as "Parties."

Recitals

- A. City desires to retain Contractor to supply and deliver irrigation materials for parks, sports complexes right-of-way landscaping; and
- B. On December 14, 2020 the City issued a Notice Inviting Bids for Non-Agriculture Irrigation parts (**Project**). On January 7, 2021, Contractor submitted its proposal for the Project to the City. City has determined that Contractor is the lowest responsible bidder.
- C. After negotiations between the City and Contractor, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.
- D. This Agreement is being executed pursuant to Resolution No. - ____ approved by Tracy City Council on _____, 2021.

Now therefore, the Parties mutually agree as follows:

1. **Scope of Work.** Contractor shall perform the services described in Exhibit "A" attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Contractor's Authorized Representative: **Nunzio DiChristopher**. Contractor shall not replace its Authorized Representative, nor shall Contractor replace any of the personnel listed in Exhibit "A," nor shall Contractor use or replace any subcontractors or subconsultants, without City's prior written consent. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor may result in the termination of this Agreement.
2. **Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Contractor shall begin performance, and shall complete all required services no later than the dates set forth in Exhibit "A." Any services for which times for performance are not specified in this Agreement shall be started and completed by Contractor in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Contractor. Contractor shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.
 - 2.1 **Term.** The term of this Agreement shall begin on _____ (executed date) and end on _____ (two years after date of execution) unless terminated in accordance with Section 6.
 - 2.1.1 **Option to Extend:** This Agreement may be extended for an additional five years by the City Manager following a written determination that Contractor has satisfactorily met all the requirements of this Agreement.
3. **Compensation.** City shall pay Contractor on contracted item pricing, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for goods received under this Agreement.

3.1 Not to Exceed Amount. Contractor's total compensation under this Agreement shall not exceed \$150,000 per fiscal year. Contractor's billing rates shall cover all costs and expenses for Contractor's performance of this Agreement. No work shall be performed by Contractor in excess of the total compensation amount provided in this section without the City's prior written approval. Prices for the initial tow years will be fixed and reviewed at each renewal period.

3.2 Invoices. Contractor shall submit monthly invoices to the City that describe the material and goods ordered.

3.2.1. Contractor's failure to submit invoices in accordance with these requirements may result in the City rejecting said invoices and thereby delaying payment to Contractor.

3.3 Payment. Within 30 days after the City's receipt of invoice, City shall make payment to the Contractor based upon the goods described on the invoice and approved by the City.

4. Indemnification. Contractor shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Contractor's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Contractor" means the Contractor, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance. Contractor shall, throughout the duration of this Agreement, maintain insurance to cover Contractor, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.

5.1 Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than \$1,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Contractor in an amount not less than \$1,000,000 per claim.

5.5 Endorsements. Contractor shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

5.5.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.5.2 For any claims related to this Agreement, Contractor's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

5.6 Notice of Cancellation. Contractor shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior

to the expiration shall be considered a cancellation. Contractor shall immediately obtain a replacement policy.

5.7 Authorized Insurers. All insurance companies providing coverage to Contractor shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

5.8 Insurance Certificate. Contractor shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

5.9 Substitute Certificates. Contractor shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 Contractor's Obligation. Maintenance of insurance by the Contractor as specified in this Agreement shall in no way be interpreted as relieving the Contractor of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Contractor may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. Termination. The City may terminate this Agreement by giving ten days' written notice to Contractor. Upon termination, Contractor shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Contractor for this Agreement. The City shall pay Contractor for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

7. Dispute Resolution. If any dispute arises between the City and Contractor that cannot be settled after engaging in good faith negotiations, City and Contractor agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8 Labor Code Compliance. Contractor is aware of the requirements of Chapter 1 of Part 7 of Division 2 of the California Labor Code and applicable regulations which require the payment of prevailing wage rates (§1771, §1774, and §1775); employment of apprentices (§1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. To the extent the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage Laws, Contractor agrees to fully comply with such Prevailing Wage Laws.

8.1 Rates. These prevailing wage rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to perform the services described herein. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the City harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker, or any other third party.

8.2 Registration with DIR. Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform the services consistent with Labor Code section 1725.5.

8.3 Monitoring. This Agreement will be subject to compliance monitoring and enforcement by the DIR, under Labor Code section 1771.4.

9. Ownership of Work. All original documents prepared by Contractor for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Contractor's services, or upon demand from the City. No such documents shall be revealed or made available by Contractor to any third party without the City's prior written consent.

10. Independent Contractor Status. Contractor is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Contractor is not City's employee and Contractor shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Contractor is free to work for other entities while under contract with the City. Contractor, and its agents or employees, are not entitled to City benefits.

11. Conflicts of Interest. Contractor (including its employees, agents, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Contractor maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Contractor's conflicting interest.

12. Rebates, Kickbacks, or Other Unlawful Consideration. Contractor warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

13. Notices. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:

Tracy Public Works
Attn: Public Works Director
520 S. Tracy Blvd
Tracy, CA 95376

To Contractor:

Horizon Distributors Inc

With a copy to:

City Attorney
333 Civic Center Plaza
Tracy, CA 95376

14. Miscellaneous.

14.1 Standard of Care. Unless otherwise specified in this Agreement, the standard of care applicable to Contractor's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

14.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

14.3 Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

14.4 Assignment and Delegation. Contractor may not assign, transfer or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

14.5 Jurisdiction and Venue. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

14.6 Compliance with the Law. Contractor shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

14.6.1 Hazardous Materials. Contractor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of performing their services.

14.6.2 Non-discrimination. Contractor represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Contractor shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

14.7 Business Entity Status. Contractor is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Contractor. By entering into this Agreement, Contractor represents that it is not a suspended corporation. If Contractor is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

14.8 Business License. Before the City signs this Agreement, Contractor shall obtain a City of Tracy Business License. Contractor shall maintain an active City of Tracy Business License during the term of this Agreement.

14.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

14.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

14.11 Severability. If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

14.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's proposal (if any), the Exhibits shall control.

14.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

15. Signatures. The individuals executing this Agreement on behalf of Contractor represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Contractor.

[SIGNATURES ON FOLLOWING PAGE]

The Parties agree to the full performance of the terms set forth here.

City of Tracy

By: _____
Title: _____
Date: _____

Attest:

Adrienne Richardson, City Clerk

Approved as to form:

Leticia Ramirez, City Attorney

Contractor


By: Phil Stephens
Title: General Manager - Horizon Distributors, Inc.
Date: 02 -16-2021

Federal Employer Tax ID No. 94-1554388

By: _____
Title: _____
Date: _____

Exhibits:

- A Scope of Work
- B Compensation

EXHIBIT A - Scope of Work

1. DESCRIPTION OF WORK:

The intent and purpose of these bid is to supply and deliver of irrigation parts for parks, sports complexes and right-of-way landscaping. These materials will be supplied on an "as needed basis" as described in the "schedule of prices".

2. DELIVERY REQUIREMENTS:

- A. Products shall be delivered as ordered by the Public Works Department Supervisor or designee.
- B. The City reserves the right to add or delete products as required by its operational need. Vendor shall not charge a price differential for delivery, handling or restocking fee.
- C. All deliveries shall be made within ten (10) business days after order has been placed. Orders shall be placed by authorized e-mail or phone call with follow-up e-mail to vendor.
- D. All order will be delivered to the City of Tracy, Boyd Service Center, 520 N. Tracy Boulevard, Tracy, California 95376

EXHIBIT B - Compensation

Please place price in each non-blacked out box.
 If you can't provide at "type" listed,
 please highlight and list new "type" that you can provide

Non-Agriculture Irrigation Supplies
Schedule of Prices_V2

Part	Type	1/2"	3/4"	1"	1 1/4"	1 1/2"	2"	2 1/2"	3"	4"
Male Adapter(Sch 80)	each	1.19	1.31	2.21	2.66	3.81	5.51			
Female Adapter(Sch 80)	each	0.96	1.41	2.09	3.39	4.14	7.23	11.41	12.84	22.09
Slip Coupler(Sch 80)	each	1.01	1.37	1.41	2.16	2.33	2.5	6.14	7.06	8.83
TxT Coupler(Sch 80)	each	1.14	1.63	1.74	2.16	4.8	5.04			
Slip Ell 90 (Sch 80)	each	0.56	0.71	1.16	1.54	1.66	2	4.7	5.27	8.03
Street Ell 90	each	0.57	0.69	1.19						
SxT Ell 90 (Sch 80)	each	2.21	2.6	2.81	3.24	3.87	5.01	X	X	X
TxT 90 (Sch 80)	each	1.3	1.63	2.04	2.2	3.11	3.51			
Marlex Street Ell 90	each	0.11	0.28							
Slip 45 (Sch 80)	each	1.06	2.33	2.43	3.09	3.66	4.73	9.94	12.1	21.79
Slip Tee (Sch 80)	each	X	1.66	2.09	5.71	5.71	7.14	7.76	9.7	11.24
SxTxS Tee (Sch 80)	each	2.51	3.24	3.8	4.06	4.77	5.89	X	X	X
Threaded Cap	each	0.36	0.43	0.64	0.76	0.79	1.4	2.07		
Slip Cap	each	0.17	0.2	0.32	0.45	0.49	0.6	1.89	2.07	3.08
Riser Extensions	each	0.35	0.6	0.72						
Close nipple	each	0.11	0.13	0.24	0.33	0.4	0.49			
2" nipple (length)	each	0.13	0.16	0.26	0.35	0.4	X			
3" nipple (length)	each	0.15	0.22	0.32	0.4	0.52	0.64			
4" nipple (length)	each	0.16	0.25	0.39	0.47	0.64	0.76			
5" nipple (length)	each	0.21	0.32	0.53	X	X	X			
6" nipple (length)	each	0.24	0.31	0.55	0.72	0.87	1.06			
8" nipple (length)	each	0.28	0.45	0.71	0.89	1.06	1.27			
10" nipple (length)	each	0.32	0.58	0.85						
12" nipple (length)	each	0.35	0.69	1						
Compression Couplings	each	1.85	2.11	2.91	4.76	4.56	6.97	11.17	14.99	24.07
Regular Slip Fix	each	1.32	1.59	1.83	3.45	3.78	5.35			
Short Slip Fix	each	X	X	X	X	X	X			
TxT unions	each			2.32		4.55	6.73			
SxS unions	each			2.1		4.13	5.47			
Schedule 40 PVC Pipe (ft)	foot	0.17	0.23	0.34	0.46	0.55	0.74	1.17	1.45	2.07
Brass Ball Valves	each			9.58		20.56	31.76			
Funny Pipe	real			12						
Barbed 90 for Funny Pipe	each			0.11						
Barbed Straight for Funny Pipe	each			0.13						

Non-Agriculture Irrigation Supplies
Schedule of Prices_V2

Please place price in each non-blacked out box.
if you can't provide at "type" listed,
please highlight and list new "type" that you can provide

Reducer Bushings	Type	1/2"	3/4"	1"	1 1/4"	1 1/2"	2"	2 1/2"	3"	4"
3/4" SxS	each	0.2								
3/4" SxT	each	0.32								
3/4" TxT	each	0.57								
1" SxS	each	0.37	0.52							
1" SxT	each	0.52	0.52							
1" TxT	each	0.79	0.79							
1 1/4" SxS	each	0.49	0.49	0.49						
1 1/4" SxT	each	0.79	0.79	0.79						
1 1/4" TxT	each	1.19	1.19	1.19						
1 1/2" SxS	each	0.52	0.52	0.52	0.52					
1 1/2" SxT	each	0.92	0.92	0.92						
1 1/2" TxT	each	1.43	1.43	1.43						
2" SxS	each	0.87	0.87	0.87	0.87					
2" SxT	each	1.23	1.23	1.23	1.23	1.23				
2" TxT	each	X	X	1.52	1.52	1.52				
2 1/2" SxS	each							1.39		
2 1/2" SxT	each							1.77		
3" SxS	each							2.05		
3" SxT	each							1.99		
4" SxS	each							2.99		
4" SxT	each							2.99		

Drip Parts	Type	Price
Toro Drip IN 17mm OD per foot	real	0.095
Toro Drip Barbed 90	each	0.33
Toro Drip Barbed Tee	each	0.39
Toro Drip Barbed Coupling	each	0.32
Toro Drip Barbed Flush valve	each	1.6
Netafim drip 12" spacing	coil	26.5
Netafim Drip barbed 90	each	0.18
Netafim Drip barbed Tee	each	0.19
Netafim Drip Barbed Coupling	each	0.13
Netafim Drip Barbed flush val	each	8.89
Drip Tubing	coil	11.5
Emitters	each	5.46

BAG OF 25/NDS

Non-Agriculture Irrigation Supplies
Schedule of Prices_V2

Please place price in each non-blacked out box.
 If you can't provide at "type" listed,
 please highlight and list new "type" that you can provide

Valves	Type	1"	1 1/2"	2"	3"	4"	6"
Rainbird PGA Valve	each	13.43					
Rainbird PEB Valve	each	55.06	73.45	99.12			
Toro P220 Valve	each	54.44	72.24	104.4			
Irritrol Valve 700 Series UF	each	51.46					
ARAD/Netafim Master Valve	each	X	X	X	X	X	X
ARAD/Netafim Flow Meter	each	X	563.48	593.22			

Diaphragm/Bonnet ASMBLY	Type	1"	1 1/2"	2"
Rainbird PEB	each	31.16	46.69	46.69
Toro P220	each	10.91	11.08	X
Irritrol	each	20.11	20.11	
Rainbird 150 GB/EFB-CP	each		53.24	
Rainbird 200 GB/EFB-CP	each			54.57

Sprinklers	Type	Price
Rainbird 1804 SAMPRS	each	4.38
Rainbird 1806 SAMPRS	each	10.35
Rainbird 1812 SAMPRS	each	12.66
Hunter PGP Ultra-04	each	8.76
Hunter PGP Ultra-06	each	X
Hunter I-20-04	each	10.95
Hunter I-20-06	each	15.32
Hunter I-25-04	each	25.47
Hunter I-25-06	each	32.63
Toro T5	each	6.82
Toro T7	each	28.26
Toro T7 SS Rotor w/effluent cap	each	39.83
Toro 300-00-03 (Purple)	each	12.41
Toro 300-12-25 (Purple)	each	26.88
Toro 570 12"	each	12.78

Nozzles	Quarter	Halves	Fulls	VAN	.25 gpm	.5gpm	CST	EST	SST
Rainbird 5's	each	0.62	0.62						
Rainbird 8's	each	0.62	0.62	0.62					
Rainbird 10's	each	0.62	0.62	0.62					
Rainbird 12's	each	0.62	0.62	0.62					
Rainbird 15's	each	0.62	0.62	0.62			0.62	0.62	0.62
Rainbird bubbler	each				2.74	2.74			
Toro 5's	each	1.14	1.14	1.14					
Toro 8's	each	1.14	1.14	1.21					
Toro 10's	each	1.14	1.14	1.21					
Toro 12's	each	1.14	1.14	1.21					
Toro 15's	each	1.14	1.14	1.21					

Non-Agriculture Irrigation Supplies
Schedule of Prices_V2

Please place price in each non-blacked out box. If you can't provide at "type" listed, please highlight and list new "type" that you can provide

Other Nozzles	Price
Toro PRN-TA	each 6.5
Toro PRN-TF	each 6.5
Toro PRN- A for Rainbird	each 6.5
Toro PRN-F for Rainbird	each 6.5
Rainbird Rotator R17-24F	each 4.53
Rainbird Rotator R17-24VAN	each X
Hunter Yellow Nozzle	each 0.49
Hunter Blue Nozzle	each 0.49
Irritrol Adjustable Bubbler	each 1.03
Rainbird Shrub Adapters	each 1.74

Toro 2 Wire Parts	Price
4 Station Decoder	each 298.37
2 Station Decoder	each 205.43
Single Station Decoder	each 88.53
2 Wire (wire)	foot 0.3
Toro DC Latching Solenoids	each 19.76

Master Valve Parts	Price
ARAD Registers	each X
ARAD Reed Switch	each X
ARAD Solenoids	each X
8mm 90	each 0.05
8mm Straight	each 0.03
8mm tubing	feet 0.0265

Other Parts	Price
Valve Boxes w/lids 910-10	each 13.86
Valve Boxes w/lids 1419-12	each 22.59
Valve Boxes w/lids 1419-6	each 27.83
Valve Boxes w/lids 1220-12	each 42.81
Valve Boxes w/lids 1220-6	each 46.93
Valve Boxes w/lids 1730	each 98.14
Christy's Red Hot Blue Glue 1QT	each 20.95
Blue 75 Thread Sealant 1QT	each X
Purple Primer 1QT	can 17.46
795 Clear Glue for IPS Hose	can 19.24
3/4" Teflon tape	each 0.72
1/2" Teflon tape	each 0.45
Irrigation flags	each 0.06
DBR/Y-600	each 1.07

RESOLUTION _____

APPROVING A GENERAL SERVICES AGREEMENT, NOT TO EXCEED \$150,000 ANNUALLY, WITH HORIZON DISTRIBUTORS, INC., FOR NON-AGRICULTURE IRRIGATION SUPPLIES, AND AUTHORIZING THE CITY MANAGER TO AMEND THE AGREEMENT TO EXECUTE ANY EXTENSIONS AND TO MAKE MINOR AMENDMENTS TO THE AGREEMENT

WHEREAS, The Public Works Department purchases irrigation supplies to maintain over 400 acres of landscaping and City trees in public right-of-ways, parks and at City facilities, and

WHEREAS, On December 14, 2020, Public Works Department staff issued a Request for Bids to provide and deliver non-agriculture irrigation supplies to the City on an as needed basis, and

WHEREAS, The City received three complete bid packages on January 7, 2021, and

WHEREAS, After reviewing all qualifying bids, Horizon Distribution, Inc. ("Horizon"), was found to be the lowest responsible bidder, and

WHEREAS, The agreement is for two years with the option to extend the agreement for up to an additional five (5) years in any combination, not to exceed a total agreement length of seven (7) years, with approval by the City Manager upon recommendation of the Public Works director, based on the performance of the contractor, and

WHEREAS, The contract is not to exceed \$150,000 annually;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy approves a General Services Agreement with Horizon for non-agriculture irrigation supplies, with a not to exceed amount of \$150,000 annually, and authorizes the City Manager to execute any extensions or minor amendments to the agreement.

The foregoing Resolution _____ was passed and adopted by the Tracy City Council on the 2nd day of March 2021, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.C

REQUEST

APPROVE A MITIGATION AGREEMENT BETWEEN THE CITY OF TRACY AND HARVEST IN TRACY, LLC (FKA LTMT TRACY, LLC), A DELAWARE LIMITED LIABILITY COMPANY, TO ENSURE EASEMENT ACCESS TO PUBLIC UTILITIES LOCATED AT APN 23863001 THROUGH HARVEST IN TRACY PURCHASING AND CONVEY A PIPEHUNTER SIDE-KICK EASEMENT MACHINE WITH TRANSPORT TRAILER TO THE CITY OF TRACY

EXECUTIVE SUMMARY

Harvest in Tracy (“Harvest”) completed construction of improvements and landscaping within a utility easement. Following construction of the project improvements, the Parties determined the improvements would interfere with the City’s ability to access certain storm/sewer manholes within the utility easement using its existing sewer maintenance vehicles, and thereby impair the City’s ability to provide adequate storm drainage and sewer maintenance services to the project. Harvest offered to purchase a Pipehunter Side-Kick Easement machine that is smaller and would be able to access the area, and donate it to the City in order to meet the maintenance access needs of the site. The City agreed the pipehunter equipment would be beneficial to the City’s ability to serve this project and throughout the City.

DISCUSSION

On May 16, 2017, the Tracy City Council approved by Resolution No. 2017-097, the Harvest in Tracy residential development project, subject to certain Conditions of Approval. Among such conditions was Condition E.4.6.a, relating to the installation and maintenance by Harvest, of Project improvements within the City’s existing utility easement along the west property line of the Project (the “Utility Easement”).

In 2020, Harvest completed construction of improvements and landscaping (the “Project Improvements”) within the Utility Easement. Following construction of the Project Improvements, the Parties determined the Project Improvements would interfere with the City’s ability to access certain storm/sewer manholes within the Utility Easement using its existing sewer maintenance vehicles, and thereby impair the City’s ability to provide adequate storm drainage and sewer maintenance services to the Project.

To mitigate this issue and to preserve the existing Project Improvements, Harvest has offered to purchase and dedicate to the City a new, smaller sewer maintenance vehicle (Pipehunter Side-Kick Easement machine) that the City could use to provide storm and sewer maintenance services to the Project. The City has agreed that the addition of the new, smaller sewer maintenance vehicle to the City’s existing fleet of sewer maintenance equipment would benefit the City by expanding its current maintenance equipment inventory and broadening the City’s ability to provide sewer maintenance services to other properties in the City.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

The Wastewater Fund (521) will be charged for the annual replacement and maintenance cost of this equipment.

RECOMMENDATION

Staff is requesting Council approve, by resolution, a mitigation agreement between the City of Tracy and Harvest in Tracy, LLC (fka LTMT Tracy, LLC), a Delaware Limited Liability company to ensure easement access to public utilities located at APN 23863001 through Harvest in Tracy purchasing and dedicating a Pipehunter Side-Kick Easement Machine with transport trailer to the City of Tracy.

Prepared by: Robin Kloepfer, Management Analyst

Reviewed by: Don Scholl, Public Works Director
Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jennifer D. Haruyama, City Manager

ATTACHMENTS

Attachment A – Mitigation Agreement

MITIGATION AGREEMENT

This Mitigation Agreement ("**Agreement**") is made by and between the City of Tracy, a municipal corporation, ("**City**"), and Harvest in Tracy, LLC (fka LTMT Tracy, LLC), a Delaware limited liability company ("**Harvest**"). Each of City and Harvest may hereinafter be sometimes referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. On May 16, 2017, the City Council of the City approved, by Resolution No. 2017-097, the Harvest in Tracy residential development project (the "**Project**"), subject to certain conditions of approval. Among such conditions was Condition E.4.6.a, relating to the installation and maintenance by Harvest of Project improvements within the City's existing utility easement along the west property line of the Project (the "**Utility Easement**").

B. On February 20, 2020, a Certificate of Amendment to Certificate of Formation was filed in the Office of the Delaware Secretary of State changing the name of "LTMT Tracy, LLC" to "Harvest in Tracy, LLC," and on February 25, 2020, a Name Change Amendment was filed in the Office of the California Secretary of State.

C. In 2020, Harvest completed construction of improvements and landscaping (the "**Project Improvements**") within the Utility Easement. Following construction of the Project Improvements, the Parties determined the Project Improvements would interfere with the City's ability to access certain storm/sewer manholes within the Utility Easement using its existing sewer maintenance vehicles, and thereby impair the City's ability to provide adequate storm drainage and sewer maintenance services to the Project.

D. To mitigate this issue and to preserve the existing Project Improvements, Harvest has offered to purchase and dedicate to the City a new, smaller sewer maintenance vehicle that the City could use to provide sewer maintenance services to the Project. The City has agreed that the addition of the new, smaller sewer maintenance vehicle to the City's existing fleet of sewer maintenance equipment would benefit the City by expanding its current maintenance equipment and broadening the City's ability to provide sewer maintenance services to other properties in the City.

E. In consideration of the risks and costs attendant in further pursuing alternative mitigation measures, this Agreement is intended to resolve and compromise all such issues among the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual undertakings contained in this Agreement, and for other good and sufficient consideration, the Parties agree as follows:

1) Purchase and Conveyance of Equipment by Harvest. Harvest has agreed to, and shall, not later than 30 calendar days after the execution of this Agreement, purchase and convey to the City, at no cost to the City, that certain equipment described in Exhibit A (the "Equipment"). Such conveyance shall vest full legal title in the Equipment to the City of Tracy, including all rights to such manufacturer's and dealer's warranties for such Equipment as are normally provided by the manufacturer and the dealer, as reflected in a Certificate of Title issued by the State of California or the state in which the Equipment is purchased, and free and clear of all liens, mortgages or payment obligations on the part of the City.

2) Satisfaction of Condition E.4.6.a. Upon acceptance by City Manager of Harvest's conveyance of the Equipment in accordance with the terms set forth in Section 1 above, Harvest shall be deemed to have satisfied Condition E.4.6.a such that the Project Improvements installed within the Utility Easement on and as of the Effective Date (as defined in Section 10 below) will have been reviewed and approved by the City Engineer and Public Works Director; provided, however, that the City Engineer and Public Works Director approvals documented in this Agreement apply only to the Project Improvements within the Utility Easement on the Effective Date of this Agreement and such approvals do not apply to any future facilities, landscaping, or other types of improvements installed within the Utility Easement after the Effective Date of this Agreement. All such future facilities, landscaping, or other types of improvements installed within the Utility Easement after the Effective Date of this Agreement shall be subject to compliance with all requirements of Condition E.4.6.a, including but not limited to the review and approval of the City Engineer and Public Works Director.

3) Further Actions and Documents. Each Party agrees to execute any and all further documents that may be necessary or appropriate to effectuate the provisions of this Agreement and to make this Agreement legally binding upon the other Party, its officers, directors, agents, employees, attorneys, representatives, subsidiaries, affiliates, successors and assigns.

4) Attorney's Fees and Costs. Each Party shall bear its own attorneys' fees and costs, if any, incurred in drafting and executing this Agreement.

5) Authority. Each Party represents and warrants to the other Party that such Party has the legal authority to enter into this Agreement and bind such Party to the terms hereof.

6) Governing Law; Enforcement; Limitation on Remedies. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California. Any suit brought by a Party to enforce any provision of this Agreement, or for damages for the breach hereof, shall be commenced and maintained exclusively in the County of San Joaquin, California. Each Party hereby acknowledges and agrees that the City would not have entered into this Agreement if doing so would subject it to the risk of incurring liability in money damages, either for breach of this Agreement, anticipatory breach, repudiation of this Agreement, or for any other reason, and each Party further acknowledges and

agrees that money damages and remedies at law generally are inadequate to address any breach of this Agreement, and specific performance shall be the sole and exclusive remedy available to the Parties for any breach or default under this Agreement.

7) Independent Counsel; Interpretation. Each Party hereby acknowledges and agrees that it has been represented by, or has been encouraged to, retain and has had the option and opportunity to retain, independent counsel of its own choice throughout the drafting and execution of this Agreement. Therefore, no provision of this Agreement shall be interpreted for or against any Party because that Party or its legal counsel drafted that provision.

8) Entire Agreement; Modification. This Agreement contains the entire agreement and understandings concerning the subject matter between the Parties and supersedes and replaces all prior negotiations, proposed agreement and agreements, written and oral. Each Party hereby acknowledges that neither the other Party nor any agent or attorney of the other Party, has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce it to execute this Agreement, and acknowledges that it has not executed this Agreement in reliance upon any such promise, representation, or warranty not contained herein. This Agreement may not be altered, amended, or modified or otherwise changed, except in writing duly executed by an authorized representative of each Party.

9) Effective Date. This Agreement shall be effective on the first date that it is fully executed by both parties as shown on the signature page below.

10) Counterparts. This Agreement may be executed in counterparts and so executed shall constitute an agreement binding on both Parties notwithstanding that both Parties are not signatories to the original or the same counterpart.

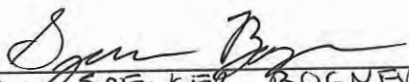
[SIGNATURES FOLLOW ON NEXT PAGE]

EACH PARTY HEREBY AFFIRMS AND ACKNOWLEDGES that it has read the foregoing Agreement; that it has consulted with and been advised by its legal counsel; that it fully understands and appreciates the foregoing words and their significance; that it is entirely satisfied with the terms contained herein; and that it has affixed its signature hereto voluntarily and of its own free will and accord.

City of Tracy

Harvest in Tracy, LLC,
a Delaware limited liability company

By: _____
Title: _____
Date: _____


By: SPENCER BOGNER
Title: AUTHORIZED AGENT
Date: 1/22/21

Attest:

Adrienne Richardson, City Clerk

Approved as to form:

Leticia Ramirez, City Attorney

Exhibit A – Description of Equipment



1617 GARDEN ROAD PEARLAND TEXAS 77581 800 373 1318 FAX281 485 5953

Exhibit A - Description of Equipment

NEW PIPEHUNTER SIDE-KICK EASEMENT WITH TRANSPORT TRAILER

Quote Date: October 9, 2020
Customer: Tracy Ca.
Salesman: Todd Bolin/ Adam H.

Due Date: 90-120
Dealer: MME



HGAC CONTRACT# SC01-18

PRODUCT CODE: HO59 PIPEHUNTER SIDEKICK

PO#

HGAC BUILD LINE SHEET

Table with columns for equipment description and quantity. Includes items like Articulating Drive Dual Wheels, Hose Reel, Hydraulic Trac-Design, Engine, and Accessories.

LINER COLOR Base Black Reel Orange Trailer Black

Quoted By: Todd B Bolin 10-09-20

DELIVERY & TRAINING INCLUDED

WARRANTY 1 YEAR AGAINST MANUFACTURE DEFECTS

Signing this quote confirms that you have verified the specifications and agree with the final costs. Any specification changes made after verification may alter costs. It is the dealer/customer's responsibility to ensure that the equipment ordered meets specifications and/or quotations.

Terms: MUNICIPAL (NET 30)

Signature: _____

Date: _____

RESOLUTION _____

APPROVING A MITIGATION AGREEMENT BETWEEN THE CITY OF TRACY AND HARVEST IN TRACY, LLC (FKA LTMT TRACY, LLC), A DELWARE LIMITED LIABILITY COMPANY, TO RESOLVE EASEMENT ACCESS TO PUBLIC UTILITIES LOCATED AT APN 23863001 THROUGH HARVEST IN TRACY PURCHASING AND CONVEY A PIPEHUNTER SIDE-KICK EASEMENT MACHINE WITH TRANSPORT TRAILER TO CITY OF TRACY

WHEREAS, On May 16, 2017, the Tracy City Council approved by Resolution No. 2017-097, the Harvest in Tracy residential development project, subject to certain Conditions of Approval, and

WHEREAS, Condition E.4.6.a, relating to the installation and maintenance by Harvest, of Project improvements within the City’s existing utility easement along the west property line of the Project (the “Utility Easement”), and

WHEREAS, Following construction of the Project Improvements, the Parties determined the Project Improvements would interfere with the City’s ability to access certain storm/sewer manholes within the Utility Easement, and

WHEREAS, To mitigate this issue and to preserve the existing Project Improvements, Harvest has offered to purchase and dedicate to the City a new, smaller sewer maintenance vehicle that the City could use to provide storm and sewer maintenance services to the Project and other locations within City limits;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy approves a mitigation agreement with Harvest in Tracy, LLC (fka LTMT Tracy, LLC), a Delaware Limited Liability company to ensure easement access to public utilities located at APN 23863001 through Harvest in Tracy by purchasing and conveying a Pipehunter Side-kick Easement machine with trailer to City of Tracy.

* * * * *

The foregoing Resolution _____ was passed and adopted by the Tracy City Council on the 2nd day of March 2021, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.D

REQUEST

APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH DENOVO PLANNING GROUP FOR PREPARATION OF THE DOWNTOWN TRANSIT-ORIENTED DEVELOPMENT SPECIFIC PLAN AND ENVIRONMENTAL IMPACT REPORT FOR A NOT-TO-EXCEED AMOUNT OF \$499,942

EXECUTIVE SUMMARY

On July 21, 2020, the City Council received a presentation from DeNovo Planning Group regarding the Downtown Transit-Oriented Development (TOD) Study and directed staff to move forward with the next phase of the project: preparation of the Downtown TOD Specific Plan. This agenda item involves considering approval of Amendment No. 1 to the Professional Services Agreement (PSA) with DeNovo Planning Group for preparation of the Downtown TOD Specific Plan for a not-to-exceed amount of \$499,942. The costs would be funded by State SB 2 and LEAP grants, as well as the Development Services (DS) Department operating budget.

DISCUSSION

The Tri Valley – San Joaquin Valley Regional Rail Authority is working on plans for a commuter rail service, known as Valley Link, which would connect passengers from Lathrop to the Dublin BART station. The plans for Valley Link include a potential station in Downtown Tracy in the vicinity of the Transit Station. According to Valley Link, the project could potentially begin passenger service as soon as 2027/2028. However, project timing is dependent on securing needed funds.

In anticipation of Valley Link, on April 2, 2019, City Council gave direction to staff to pursue a TOD study in the downtown area adjacent to the existing Transit Station to evaluate how the introduction of commuter rail service could impact development opportunities in the surrounding area. On June 18, 2019, City Council approved a Professional Services Agreement (PSA) with DeNovo Planning Group in the amount of \$208,020 for the first phase of the TOD study. It was envisioned that the study would encompass two phases, with the first phase being a study of the area to identify the preliminary planning concept and the study area boundary. The second phase was anticipated to include creation of a Specific Plan or station area plan.

The first phase was completed on July 21, 2020 with a presentation to the City Council of the Downtown TOD Study, which followed a presentation to the Planning Commission on February 26, 2020 and several community workshops in the preceding months. The TOD preliminary planning concept and study area boundary are depicted in Attachment A. The complete TOD Study is available on the City's Downtown TOD project website: <https://tracydowntowntod.org/>. At the conclusion of the City Council agenda item on July 21, 2020, the City Council directed staff to move forward with the next phase of the project: preparation of the Downtown TOD Specific Plan, consistent with the preliminary planning concept and study area boundary.

In order to proceed with preparation of the Downtown TOD Specific Plan, an amendment is needed to the Professional Services Agreement (PSA) with DeNovo Planning Group to revise the scope of work and increase compensation for the additional work. The proposed scope of work and budget are included as Exhibits "A-1" and "B-1" of Amendment No. 1 to the PSA, which is included within Attachment B of the staff report. The proposed budget is for a not-to-exceed amount of \$499,942, which is in addition to the original PSA amount of \$208,020. The estimated schedule to complete the project is approximately two years. Below is a summary of tasks included as part of this scope of work:

- Task 1 – Project Kickoff and Existing Conditions Analysis
- Task 2 – Market and Fiscal Analysis and Implementation Plan
- Task 3 – Community Engagement and Outreach
- Task 4 – Planning Concept Alternatives
- Task 5 – Draft Specific Plan
- Task 6 – Draft Environmental Impact Report (EIR)
- Task 7 – Adoption of Downtown TOD Specific Plan / Certification of Final EIR

The primary reason for the City to prepare a Specific Plan for the TOD area is that it would encourage development and facilitate economic growth that could be a catalyst for Downtown revitalization and ultimately transform the Downtown into a bustling hub of activity at the heart of the City. In as much as that, the Valley Link Station creates this opportunity; the Specific Plan is the City's best tool for taking advantage of this opportunity. The Specific Plan will enable the City to be forward thinking and play a stronger role in determining the fate of our built environment. Establishment of a TOD Specific Plan would enhance the City's eligibility for State and Federal grants, streamline the CEQA review process for future projects, and most importantly provide clear expectations for development that are critical to investment decisions. Creation of a Specific Plan that implements Valley Link's policy direction would also be paramount to showing support for the Board's efforts to secure project funding and furthering the potential reality of the station. The City's return on investment would be measured not only in revenue generated from property tax and sales tax, but in the character development of Downtown, as it becomes seen as a great place to live, work, eat, play, shop, and socialize, creating a draw that attracts residents of the entire City and the region.

STRATEGIC PLAN

This item addresses the Council's Strategic Priority of Economic Development and Goal to continue to advance transit oriented development opportunities.

FISCAL IMPACT

DeNovo Planning Group's proposal to prepare the Downtown TOD Specific Plan and Environmental Impact Report includes a cost of \$499,942. The cost would be funded by a combination of reimbursements through the State Planning Grants Program and the Development Services (DS) Department operating budget. Staff time to oversee the contract and participate in the work is included in the DS Department operating budget.

A portion of funding for the consultant's work would come from two separate State grants: the SB 2 and LEAP (Local Early Action Planning) Grants Program, administered

through the State Department of Housing and Community Development (HCD). State HCD has approved the City's SB 2 Grant application and approval of the LEAP Grant is expected within a month. The City Council authorized submittal of the SB 2 Grant application in November 2019 (Resolution No. 2019-227) and the LEAP Grant application in July 2020 (Resolution No. 2020-120).

The SB 2 Grant will provide \$310,000 and the LEAP Grant will provide \$300,000 for specific, housing-production related planning activities, for a total of \$610,000. The City applied for funding for the same work projects for both of the grants. State HCD staff has confirmed that the work items of the DeNovo Planning Group's proposal are aligned with the City's grant applications and therefore are eligible for reimbursement through the grants.

The Downtown TOD Specific Plan project would be funded by \$150,000 in SB 2 funds, \$200,000 in LEAP funds, and \$150,000 from the DS Department operating budget, as depicted in the table below. The remaining grants proceeds are anticipated to be used to implement several recommendations from the recent workforce/ Affordable Housing Study (\$200,000) and the next required update, beginning later this year, of the City's Housing Element (\$60,000).

Project	Funding Source	FY 21	FY 22	Totals
TOD	DS Operating Budget	\$100,000	\$50,000	\$150,000
	SB 2	\$150,000	\$50,000	\$200,000
	LEAP		\$150,000	\$150,000
Affordable Housing	SB 2	\$110,000		\$110,000
	LEAP		\$90,000	\$90,000
Housing Element Update	LEAP		\$60,000	\$60,000

RECOMMENDATION

Staff recommends that the City Council approve, by resolution, Amendment No. 1 to the Professional Services Agreement with DeNovo Planning Group for preparation of the Downtown TOD Specific Plan for a not-to-exceed amount of \$499,942.

Prepared by: Scott Claar, Senior Planner

Reviewed by: Bill Dean, Assistant Development Services Department Director
 Karin Schnaider, Finance Director
 Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager







ATTACHMENTS

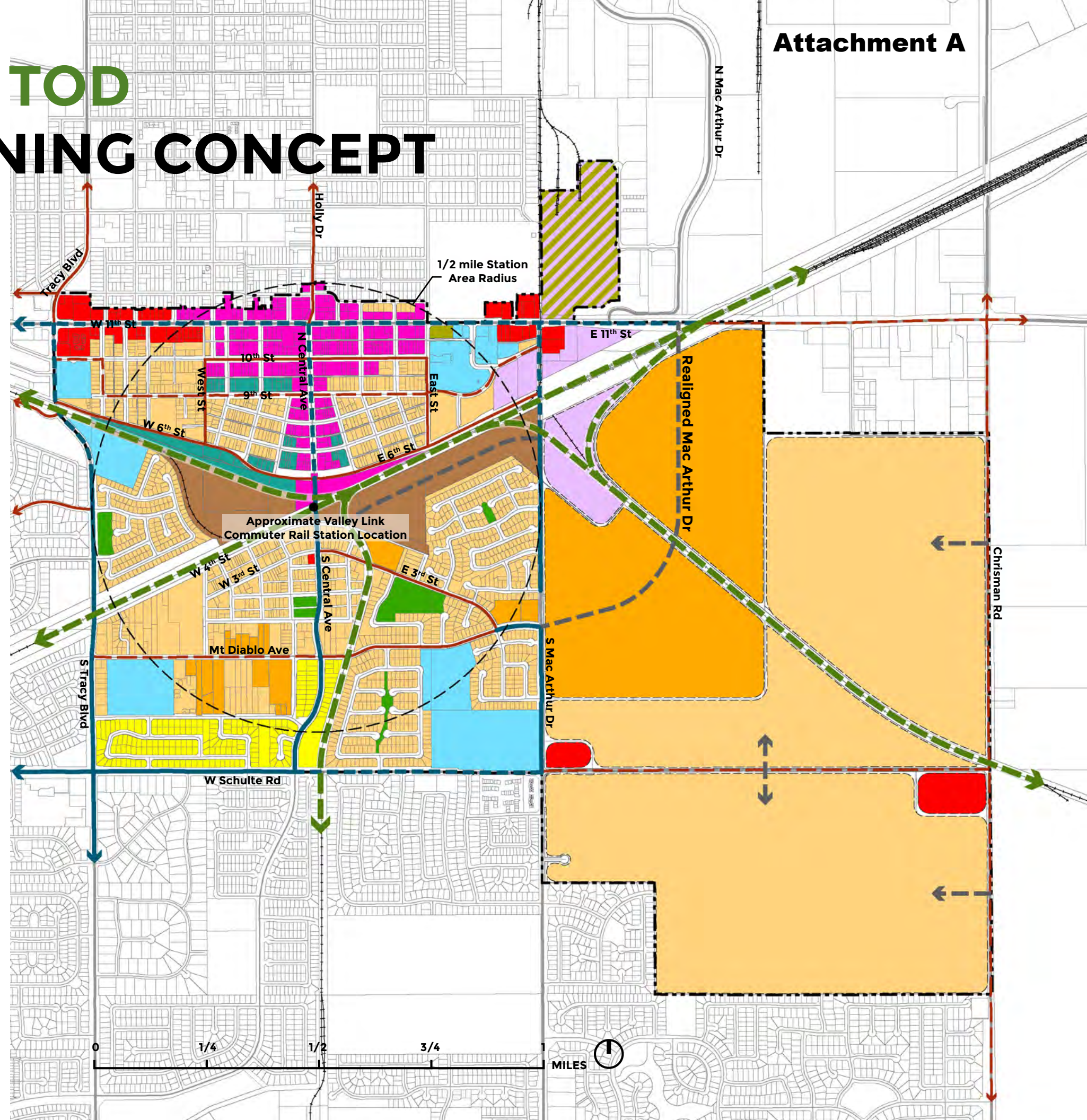
- Attachment A – TOD Preliminary Planning Concept and Study Area Boundary
- Attachment B – City Council Resolution, which includes, as Exhibit 1: Amendment No. 1 to PSA with DeNovo Planning Group, including Exhibit A-1 Scope of Work and Exhibit B-1 Compensation

TRACY DOWNTOWN TOD PRELIMINARY PLANNING CONCEPT

Downtown TOD - Land Use - Recommended Planning Concept						
Color	Land Use	Ac	% of TOD	Residential		Non-Residential
				DU/Ac	Range	
				Low	High	
Downtown TOD		1,560.3				
Residential						
	Low Density Residential	32.1	2.06%	2.0	5.8	
	Medium Density Residential	756.7	48.50%	5.9	12.0	
	High Density Residential	227.4	14.57%	12.0	25.0	
Commercial & Mixed-Use						
	Commercial	33.4	2.14%			1.0
	Office	0.9	0.06%			1.0
	Industrial	35.2	2.26%			0.5
	Downtown	46.3	2.97%	15.0	50.0	2.5
	TOD Office/Residential	14.6	0.93%	15.0	50.0	2.5
	TOD Residential	54.0	3.46%	15.0	50.0	
	Office/Industrial Mixed-Use	33.1	2.12%			1.0
Non-Developable						
	Public Facility	66.3	4.25%			
	Park	10.9	0.70%			
	Railroad	50.4	3.23%			
	Streets	199.0	12.75%			
Total		1,560.3				

LEGEND

-  PROPOSED STREET
-  MULTI-USE PATHWAY
-  BIKE LANE (EXISTING)
-  BIKE LANE (PROPOSED)
-  BIKE ROUTE (EXISTING)
-  BIKE ROUTE (PROPOSED)



RESOLUTION 2021-_____

APPROVING AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH
DENOVU PLANNING GROUP FOR PREPARATION OF THE DOWNTOWN TRANSIT-
ORIENTED DEVELOPMENT SPECIFIC PLAN AND ENVIRONMENTAL IMPACT REPORT
FOR A NOT-TO-EXCEED AMOUNT OF \$499,942

WHEREAS, The Tri Valley – San Joaquin Valley Regional Rail Authority is working on plans for a commuter rail service, known as Valley Link, which would connect passengers from Lathrop to the Dublin BART station, and

WHEREAS, The plans for Valley Link include a potential station in Downtown Tracy in the vicinity of the Transit Station, and

WHEREAS, In anticipation of Valley Link, on June 18, 2019, the City Council approved a Professional Services Agreement (PSA) with DeNovo Planning Group for transit-oriented development (TOD) planning services for a not-to-exceed amount of \$208,020, and

WHEREAS, The scope of work approved for the PSA with DeNovo Planning Group was completed on July 21, 2020 with a presentation to the City Council of the Downtown TOD Study, which included the preliminary planning concept and study area boundary, and

WHEREAS, At the conclusion of the City Council agenda item on July 21, 2020, the City Council directed staff to move forward with the next phase of the project: preparation of the Downtown TOD Specific Plan, and

WHEREAS, In order to proceed with preparation of the Downtown TOD Specific Plan, an amendment is needed to the PSA with DeNovo Planning Group for a revised scope of work and additional compensation for this work, and

WHEREAS, Amendment No. 1 to the PSA with DeNovo Planning Group was negotiated for preparation of the Downtown TOD Specific Plan for a not-to-exceed amount of \$499,942, and

WHEREAS, The Downtown TOD Specific Plan project will be funded by a combination of reimbursements through the State Planning Grants Program and the Development Services (DS) Department operating budget, more specifically: \$150,000 in SB 2 funds, \$200,000 in LEAP funds, and \$150,000 from the DS Department operating budget;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves Amendment No. 1 to the Professional Services Agreement with DeNovo Planning Group for preparation of the Downtown Transit-Oriented Development Specific Plan for a not-to-exceed amount of \$499,942, as shown in Exhibit 1.

The foregoing Resolution 2021-_____ was passed and adopted by the City Council of the City of Tracy on the 2nd day of March 2021, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

**CITY OF TRACY
AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH DENOVO
PLANNING GROUP FOR TRANSIT-ORIENTED DEVELOPMENT PLANNING SERVICES**

This Amendment No. 1 (**Amendment**) to the Professional Services Agreement is entered into between the City of Tracy, a municipal corporation (**City**), and DeNovo Planning Group, a California Corporation (**Consultant**). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

- A.** The City and Consultant entered into a Professional Services Agreement (**Agreement**) for Transit-Oriented Development Planning Services, which was approved by the City Council on June 18, 2019, under Resolution No. 2019-131.
- B.** The scope of work approved for the Agreement with Consultant was completed on July 21, 2020 with a presentation to the City Council of the Downtown Transit-Oriented Development (TOD) Study, which included the preliminary planning concept and study area boundary. At the conclusion of the meeting, the City Council directed staff to move forward with the next phase of the project: preparation of the Downtown TOD Specific Plan. In order to proceed with preparation of the Downtown TOD Specific Plan, an amendment is needed to the Agreement with Consultant for approval of the scope of work.
- C.** This Amendment is being executed pursuant to Resolution No. ____ approved by Tracy City Council on _____, 2021.

Now therefore, the Parties mutually agree as follows:

- 1. Incorporation by Reference.** This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.
- 2. Terms of Amendment.**
 - A.** Section 2.1 of the Agreement is replaced in its entirety to read as follows:
 - 2.1 Term.** The term of this Agreement shall begin on March 3, 2021 and end on March 2, 2024, unless terminated in accordance with Section 6.
 - B.** Section 3.1 of the Agreement is hereby amended to read as follows:
 - 3.1 Not to Exceed Amount.** Consultant's total compensation under this Agreement shall not exceed \$707,962. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.
 - C.** Exhibit A-1 "Scope of Work, Updated March 2, 2021" attached hereto shall supplement Exhibit "A" of the Agreement. Consultant has completed all tasks identified in Exhibit "A" and is responsible for completing all tasks identified in Exhibit "A-1".

D. Exhibit B-1 “Compensation, Updated March 2, 2021” attached hereto shall supplement Exhibit “B” attached to the Agreement.

3. **Modifications.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. **Severability.** If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. **Signatures.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

The Parties agree to the full performance of the terms set forth here.

City of Tracy

Consultant

By: _____

By: 

Nancy D. Young

Ben Ritchie

Title: Mayor

Title: Principal / CEO

Date: _____

Date: February 22, 2021

Attest:

Federal Employer Tax ID No. 26-2962235

By: _____

Adrianne Richardson, City Clerk

Approved as to form

By: _____

Leticia Ramirez, City Attorney

SCOPE OF SERVICES

De Novo has prepared the following Scope of Work for the City of Tracy's Downtown Transit-Oriented Development (TOD) Specific Plan (Specific Plan) in response to the City's request, familiarity with the project and understanding of local concerns acquired through preparing the Downtown TOD Study (Study), and experience working on specific plans and TOD and downtown projects throughout California. All work products will be delivered in an electronic format; where hard copies of products are provided, they are specifically identified in the associated task deliverable. Below is a summary of the proposed scope of work.

TASK 1 - PROJECT KICKOFF AND EXISTING CONDITIONS ANALYSIS

TASK 2 - MARKET AND FISCAL ANALYSIS AND IMPLEMENTATION PLAN

- » 2.1. Market Review and Development Feasibility Analysis
- » 2.2. Fiscal Impact Analysis
- » 2.3. Implementation Plan

TASK 3 - COMMUNITY ENGAGEMENT AND OUTREACH

- » 3.1. Public Engagement and Outreach Plan
- » 3.2. Stakeholder Meetings
- » 3.3. Public Workshops
- » 3.4. City Council and Planning Commission Study Sessions
- » 3.5. Project Website
- » 3.6. Public Information Resources

TASK 4 - PLANNING CONCEPT ALTERNATIVES

TASK 5 - DRAFT SPECIFIC PLAN

- » 5.1. Administrative Draft Specific Plan
- » 5.2. Public Review Draft Specific Plan

TASK 6 - ADOPTION

- » 6.1. Public Hearing Draft Specific Plan
- » 6.2. Planning Commission Public Hearing
- » 6.3. City Council Public Hearing
- » 6.4. Final Specific Plan

TASK 7 - ENVIRONMENTAL COMPLIANCE

- » 7.1. Initial Study, Notice of Preparation
- » 7.2. Public Scoping Meeting
- » 7.3. Administrative Draft Environmental Impact Report (EIR)
- » 7.4. Public Draft EIR and Public Review
- » 7.5. Responses to Comments
- » 7.6. Draft and Final Mitigation Monitoring Program (MMP)
- » 7.7. Final EIR

TASK 8 - PROJECT MANAGEMENT

TASK 1. PROJECT KICKOFF AND EXISTING CONDITIONS ANALYSIS

Within one week of project commencement, the De Novo Team will meet with City staff to kick off the project and discuss the following:

- » Establish project goals and objectives;
- » Confirm the project schedule;
- » Discuss any additional studies, plans, or planning-related efforts that should be factored into the project's analysis;
- » Finalize project scope and budget, if necessary; and
- » Identify preferences for point of contact, method of communication, meeting and workshop responsibilities, project updates, etc.

Following the kickoff meeting, De Novo will augment the Study's existing conditions analysis to address additional aspects of demographics, land use, mobility, parking, infrastructure, and the City's regulatory framework. Because the Study's existing conditions analysis was largely completed before the study area expanded to include the entire Urban Reserve (UR)-1 site, it's anticipated that the effort will place some greater focus on the conditions in this key opportunity area. The existing conditions analysis will be synthesized into a comprehensive report for City staff's review and comment. The report will be organized into the following sections:

- » Community Profile – This section will provide the project area's existing population, housing, employment numbers and conditions, and describe the area's commuting patterns.
- » Regulatory Framework – This section will summarize the pertinent sections of the General Plan, Zoning Ordinance, Citywide Design Guidelines, Draft Downtown Specific Plan, and Transportation Master Plan.
- » Site and Context Analysis – This section will describe the regional context and various aspects of the project's areas urban form.
- » Mobility and Parking – This section will summarize the existing conditions of the project area's vehicular, active (pedestrian and bike), transit, and rideshare networks and parking supply.
- » Infrastructure – This section will summarize the existing conditions of the project area's water, wastewater, stormwater, utility, and telecommunications systems, networks, and facilities.

Meetings:

- » Kickoff meeting with City staff
- » Meeting with City staff to discuss modifications to the Existing Conditions Report

Deliverables:

- » Kickoff meeting summary
- » Project goals and objectives
- » Draft and Final Existing Conditions Report

TASK 2. MARKET AND FISCAL ANALYSIS AND IMPLEMENTATION PLAN

2.1. Market Review and Development Feasibility Analysis

EPS, with support from De Novo and City Staff, will evaluate the preliminary land use concepts and associated development typologies identified in the Study from a market and development feasibility perspective. This analysis will indicate the viability of the proposed development typologies under current and potential future market conditions. The analysis will indicate short- or long-term expectations for development as well as the key impediments, where they exist, to feasible development.

The task will commence with EPS assessing the project area's existing physical and market conditions. This includes:

- » Touring the project area, including the key opportunity sites identified by the Study, with City staff;
- » Confirming with City staff the Study's land use concepts that should be assessed;
- » Assembling market data on recent projects from City staff and published data sources; and
- » Interviewing developers active in the Downtown area (as a component of Task 3's stakeholder interviews).

Based on the assessment, EPS will complete the development feasibility analysis. The analysis will primarily focus on new residential development in several of the districts, neighborhoods, and corridors identified in the Study, including the Central Business District, the 11th Street Western End Subdistrict, the historic residential neighborhoods, and additional corridors contained within. A general market scan will identify residential development trends in the City, along with current real estate values, and provide initial inputs into the development feasibility analysis. In addition, the development feasibility analysis will incorporate a static proforma analysis of up to six (6) residential development prototypes, based upon the Study's preliminary planning concept.

The analysis will also measure the prospects of retail and employment-generating development in the project area. This includes:

- » Generally assessing the market prospects for retail, office, and service uses given current market indicators and trends;
- » Address the viability of incorporating new retail development as part of commercial-residential mixed-use projects in the Central Business District and on the Bowtie site; and
- » Considering the opportunities and challenges associated with new, larger commercial development on the Heinz site.

The analysis will be presented in a Market Prospects and Development Feasibility memorandum. The memo will incorporate the data, analysis, and findings from the market scan and development feasibility analysis.

2.2. Fiscal Impact Analysis

EPS will provide planning-level estimates of the fiscal impacts of the overall proposed Specific Plan land use program on the General Fund. Based on De Novo identification of the overall land use program for evaluation and the associated numbers of new residents/ daytime population, EPS will estimate:

- » Public Revenues. The annual new taxes and public revenues accruing to the City's General Fund from the major revenue categories.
- » Public Service Expenditures. The average annual cost of providing General Fund public services

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provision es analyze the fiscal impacts of various land use programs for the Specific Plan area on revenues to the City's General Fund and other critical funds.

The Fiscal Impact Analysis will provide insights into the financial implications of new development in Downtown Tracy on the City's finances.

2.3. Implementation Plan

A key component to successful implementation of the Specific Plan will be improvements to the physical environment that enhance existing physical and social assets, support a sense of place, and attract or enable private sector investment. Building from the work of De Novo and other members of the consulting team on the most beneficial types of infrastructure and improvement investments sought, EPS will craft an Implementation Plan that will identify potential funding options for realizing Specific Plan objectives. Funding and financing tools that may be available to the City and current and future stakeholders to support the public and private infrastructure costs may include, but not be limited to:

- » Public-private joint development opportunities for shared infrastructure;
- » Strategic "pay-as-you-go" development phasing;
- » Value-capture techniques to convert fiscal benefits into financing tools;
- » Overlay districts, such as CFDs or EIFDs for financing public improvements or facilities;
- » Cost allocation strategies for required off-site improvements or facilities;
- » Other financial and fiscal measures or mitigation strategies to cover any potential fiscal deficits; and
- » Identification of potential local, state, and federal funding sources.

This effort will include consideration of the economic consequences of each of the mechanisms, bearing in mind that financial burdens placed on new development must be kept within reasonable market limits so as not to deter the development that the Specific Plan envisions.

Meetings:

- » Site tour with City staff
- » Meeting with City staff to discuss modifications to the Draft Market Prospects and Development Feasibility Memorandum
- » Meeting with City staff to discuss modifications to the Draft Impact Analysis Memorandum and Technical Analysis
- » Meeting with City staff to discuss modifications to the Draft Implementation Plan Memorandum

Deliverables:

- » Draft and Final Market Prospects and Development Feasibility Memorandum
- » Draft and Final Fiscal Impact Analysis Memorandum and Technical Analysis
- » Draft and Final Implementation Plan Memorandum

TASK 3. COMMUNITY ENGAGEMENT AND OUTREACH

Building on the Study's outreach efforts, the De Novo team will continue to develop and implement an effective public and stakeholder engagement approach that educates, encourages involvement, and provokes dialogue and discussion towards the development of a consensus-driven approach to planning for commuter rail service and associated development opportunities in the Downtown area. This approach includes the following components:

3.1. Public Engagement and Outreach Plan

During the project's early stages, De Novo will prepare a Community Engagement and Outreach Plan that describes in detail and arranges in chronological order all outreach activities. De Novo will continue to engage residents, business and property owners, employees, community organization members, developers, and other key stakeholders throughout the process and especially at important milestones during the project's development. De Novo will meet with City staff to review, confirm, and/or modify the draft public engagement and outreach plan to ensure that it best meets the City's needs. Following the meeting, De Novo will finalize the Public Engagement and Outreach Plan to use as a guide throughout the process.

3.2. Stakeholder Meetings

Throughout the specific plan process, De Novo will conduct up to ten (10) meetings with key stakeholders, including Valley Link, the City of Tracy Transportation Advisory Commission, the Tracy City Center Association (TCCA), other property and business owners, community leaders, and residents. The meetings will provide the opportunity for the De Novo team to continue to engage with the Study's stakeholders, while involving additional parties, such as the Union Pacific Railroad and additional property owners in UR-1. Meetings with stakeholders will occur to receive their input at key milestones in the process, including during the project's initial outreach phase, to coincide with Task 4's preparation of the planning concept alternatives, and following Task 5's publication of the Public Review Draft Specific Plan. At minimum, two De Novo employees will attend each meeting. The consultant project team's subconsultants will also be available to participate in meetings that are most pertinent to their expertise and contributions to the project.

3.3. Public Workshops

De Novo will organize and lead two public workshops with the purpose of engaging the community and obtaining participants' input on the Study's key concepts and ideas for supporting TOD, the characteristics of future development in the project area, and the draft Specific Plan. De Novo will tailor the workshops to obtain maximum community input, resulting in a specific plan that best represents the community's desires and expectations for future development in the project area.

Workshop 1 will be completed early in the process during the project's initial outreach phase. The purpose of the workshop is to introduce the project to the community and receive the participants' input on the Study's major concepts and ideas for supporting transit-oriented development, along with the characteristics of future development in the project area. The latter may include architectural styles, storefront design, open space, streetscape configuration and amenities, parking configuration, and wayfinding and signage. De Novo will use the workshop's input to prepare Task 4's planning concept alternatives and Task 5's draft Specific Plan.

Workshop 2 is proposed to occur following Task 5's publication of the Public Review Draft Specific Plan. The purpose of the workshop is to update the community on the project's progress and receive the participants' input on the Public Review Draft Specific Plan. The workshop will be conducted in an open house format. Following a brief introductory presentation, participants will be encouraged to peruse a series of stations that feature displays which describe and illustrate the specific plan's key contents. In addition, participants will be encouraged to provide input via comment cards.

This scope assumes that both workshops will take place in-person at City Hall or at another sufficiently large gathering space in the Downtown area. While De Novo staff will take the lead on facilitating the workshops, other members of the consultant team will be used as appropriate, and coordinate with City staff on supporting the events. In addition, to reach as many members of the public as possible the workshops will be complemented by an online virtual component. Both online workshops will feature an introductory slide show that introduces the event and appropriate interactive components to obtain

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participants' input. This will likely include some combination of surveys, visual preference surveys, and mapping activities.

If COVID restrictions preclude the community from gathering for one or both workshops, De Novo will present the workshop(s) in an enhanced virtual format. This can be accomplished by:

- » Hosting a live version of the workshop's introductory presentation and a question and answer session on a video call platform, or prerecording the introductory presentation as an animated video; and
- » At the end of the video call or prerecorded video, directing participants to complete interactive survey, visual preference survey, and/or mapping activities.

3.4. City Council and Planning Commission Study Sessions

De Novo will facilitate up to four study sessions with the City Council and/or Planning Commission with the purpose of obtaining the decisionmakers' input and direction on the community engagement and outreach process, Task 2's market analysis, Task 4's planning concept alternatives, Task 5's development of the draft Specific Plan.

The first two study sessions, conducted as separate sessions of the same study session for each body, would occur following the completion of Task 4's planning concept alternatives. During the sessions, the decision makers will review and discuss the results of the project's initial outreach phase and Task 2's market analysis, along with the planning concept alternatives. The decisionmakers' input and direction on these and any other topics will be used to prepare Task 5's draft Specific Plan.

De Novo proposes holding the final two study sessions, also conducted as separate sessions of the same study session for each body, following the publication of Task 5's Public Review Draft Specific Plan. During the sessions, the decision makers will consider the community's input on and review and discuss the document. The decisionmakers' input and direction on the document will be used to prepare Task 6's Public Hearing Draft Specific Plan.

This said, the scope, timing, and audience for the study sessions can be modified to best involve the decision makers in the project's planning process. Possible modifications may include, but are not limited to, hosting joint City Council/Planning Commission study session more frequently throughout the process and holding the first study session earlier in the process.

3.5. Project Website

De Novo will update the Study website to accommodate the project. This includes replacing references to the Study with the specific plan and organizing the website's pages to distinguish between the Study and the specific plan's meetings, activities, and deliverables. The website will continue to introduce the project to the community, provide regular updates regarding the status of the project's process, identify the schedule of upcoming meetings, serve as a library of project documents, and allow the public an opportunity to participate in online workshops and open houses and comment on the Project's process.

3.6. Public Information Resources

In coordination with the City staff, De Novo will prepare collateral materials and outreach tools to engage the news media throughout the project. Well-timed news releases and tip sheets will help introduce the project, generate the community's interest throughout the process, and apprise interested parties of participation opportunities.

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De Novo will also prepare a fact sheet and a “frequently asked questions” (FAQ) sheet for the project, which will draw upon the sheets prepared for the Study, and posters and flyers for all public meetings and workshops.

Meetings:

- » Meeting with City staff to discuss Community Engagement and Outreach Plan
- » Up to ten (10) stakeholder meetings
- » One (1) public workshop
- » One (1) open house
- » Up to four (4) meetings with the City Council and/or Planning Commission

Deliverables:

- » Public Engagement and Outreach Plan
- » Stakeholder meeting materials (i.e., agendas, presentations, worksheets, etc.) and summaries
- » Public workshop and open house agendas, presentation and activity materials, and summaries
- » Content for Project Website
- » Project Fact Sheet
- » FAQ Sheet
- » 3 Press Releases

TASK 4. PLANNING CONCEPT ALTERNATIVES

Based upon the input provided by key stakeholders and the public during the project’s initial outreach phase and Task 2’s Market Review and Development Feasibility Analysis, the De Novo team will refine the Study’s preliminary planning concept into the project’s planning concept alternatives. The planning concepts alternatives will comprise annotated land use maps, photographs, and written descriptions of key components, packaged in the Planning Concepts Alternatives Memorandum.

Because the Study focused on the development of the preliminary planning concept, which received the City Council’s support, it’s assumed that this task will present relatively limited deviations from the concept. This will likely amount to alternatives for select portions of, rather than the entire project area.

Following the documents’ completion, De Novo will distribute them to City staff for review, and incorporate the requested changes.

Meeting:

- » Meeting with City staff to discuss modifications to the Planning Concept Alternatives

Deliverables:

- » Draft and Final Planning Concept Alternatives

TASK 5. DRAFT SPECIFIC PLAN

5.1. Administrative Draft Specific Plan

The De Novo team will develop a clear, concise and user-friendly Administrative Draft Specific Plan to reflect the existing conditions, the market review and development feasibility analysis, the planning concept alternatives, and the input and direction provided in Task 2. The Specific Plan will include all State required components of a specific plan and Valley Link's TOD policy requirements for a station area plan. Collectively this includes:

- » Current and proposed land use, including the identification of the number of existing and planned housing units and jobs within the ½ mile station area radius (station area);
- » Access/Circulation for motorized and active/nonmotorized modes and transit throughout the project area and to the future Valley Link station, including estimates of transit riders walking from the station area to the transit station to use transit and strategies to provide universal access to the station;
- » Design policies and protocol (standards and guidelines) to:
 - » Achieve transit village development, comprising mixed-use and higher density residential projects, on opportunity sites within the station area that incorporate context-sensitive, pedestrian-oriented/scale design solutions; and
 - » Guide the development of attractive, well-connected, and livable mixed-density neighborhoods in UR-1;
- » Parking requirements, including TOD-oriented requirements for station area land uses that incorporate shared parking approaches;
- » Infrastructure assessment for wet and dry utilities and telecommunications;
- » Economic opportunities based on market demand and demand analysis for proposed development; and
- » An implementation plan that accounts for phasing and identifies capital infrastructure improvements and funding and financing strategies.

In addition to these required components, it is anticipated that the Specific Plan will:

- » Include street sections for major roadways that extend throughout the project area and key local streets that extend through the station area and Downtown;
- » Address social equity, environmental justice, and neighborhood stabilization/preservation through the support for a wide variety of housing types that broadly meet the project area's anticipated housing demand and the inclusion of anti-displacement and anti-gentrification policies;
- » Include enhanced conceptual designs that illustrate the application of the Specific Plan's development standards and design protocol for up to six (6) key opportunity sites.

It is also anticipated that specific plan will provide separate approaches to regulating development in the project area's incorporated portion and UR-1. Within the incorporated area, the document will provide a greater degree of specificity, primarily directing TOD within the station area as prescribed by Valley Link's TOD policy. Within UR-1, the document will provide a higher-level framework to guide the development of new neighborhoods, supporting commercial centers, and the local roadway network and infrastructure systems, networks, and facilities.

Based on experience preparing and working with specific plans, De Novo has presented a general outline as follows for City consideration. De Novo will support any preferences the City has in terms of consolidating sections or organization of the documents. The information provided here is for reference only and

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it is expected the final organization and content to reflect the input and direction received from the decisionmakers, City staff, and the community.

1. INTRODUCTION

- » Specific Plan Purpose and Requirements
- » Valley Link TOD Policy Requirements
- » Relationship to Other Documents
- » Background/Process

2. EXISTING CONDITIONS

- » Regional and Local Context
- » Project Area
- » Issues and Opportunities

3. VISION

- » Vision Statement
- » Vision Goals

4. ECONOMIC OPPORTUNITY

- » Introduction and Approach
- » Key Findings
- » Economic Development Strategies
- » Economic Development Goals and Policies

5. LAND USE

- » Introduction and Approach
- » Land Use Plan
- » Land Use Designations
- » Use Table
- » Nonconforming Uses
- » Land Use Goals and Policies

6. MOBILITY AND PARKING

- » Introduction and Approach
- » Circulation Plan
- » Automobile Circulation
- » Transit Circulation
- » Pedestrian Circulation
- » Bicycle Circulation
- » Rideshare
- » Parking and Loading

7. URBAN FORM

- » Introduction and Approach
- » Development Standards
- » Design Standards and Guidelines
- » Architectural Styles

8. INFRASTRUCTURE

- » Introduction and Approach
- » Water System
- » Sewer System
- » Stormwater System
- » Electrical System
- » Natural Gas System
- » Telecommunications System
- » Cable Television System

9. IMPLEMENTATION

- » Phasing Strategy
- » Capital Infrastructure Improvements
- » Implementation Action Plan
- » Funding and Financing Strategies
- » Plan Administration

10. GLOSSARY

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De Novo expects to collaborate with City staff on the development of the Administrative Draft Specific Plan. Following the completion of the Administrative Draft Design Standards and Guidelines, it is anticipated that staff will spend approximately one month reviewing the document.

5.2. Public Review Draft Specific Plan

Based upon City staff's comments on the Administrative Draft Specific Plan, the De Novo team will revise the document into the Public Review Draft Specific Plan.

Meeting:

- » Meeting with City staff to discuss modifications to the Administrative Draft Specific Plan

Deliverables:

- » Administrative Draft and Public Review Draft Specific Plan

TASK 6. ADOPTION

6.1. Public Hearing Draft Specific Plan

Based upon decisionmaker direction and public comments received on and environmental review of the Public Review Specific Plan, the De Novo team will coordinate with County staff on making the necessary revisions and prepare the Public Hearing Draft Specific Plan.

6.2. Planning Commission Public Hearing

The De Novo team will attend up to two public hearings with the Planning Commission, culminating with the commission's recommendation for the City Council determination on the possible adoption of the Specific Plan. The team will be available to attend additional public hearings upon request.

6.3. City Council Public Hearing

De Novo will attend up to two public hearings with the City Council, culminating with the board's Council's determination on the adoption of the Specific Plan. The team will be available to attend additional public hearings upon request.

6.4. Final Specific Plan

Following the City Council's action on the project, De Novo will make any final revisions to the Specific Plan. De Novo will provide the City all native files, graphics, final PDF documents, and references cited in document for inclusion in the administrative record.

Meetings:

- » Meeting with City staff to discuss modifications to the Public Review Draft Specific Plan
- » Up to two (2) public hearings with the Planning Commission
- » Up to two (2) public hearings with the City Council

Deliverables:

- » Public Hearing Draft and Final Specific Plan

TASK 7. ENVIRONMENTAL COMPLIANCE

7.1. Initial Study, Notice of Preparation

TECHNICAL STUDIES

De Novo Planning Group and its subconsultants will undertake a series of technical studies to support the findings of the Initial Study and allow for determination of the most appropriate CEQA document. This scope of work includes the following technical studies: Air Quality/Greenhouse Gas Analysis, Noise and Vibration Study, SB 610 Water Supply Assessment, and Transportation Analysis.

De Novo will prepare the Notice of Preparation (NOP) and associated Initial Study in accordance with the requirements of CEQA in order to define the scope of the environmental analysis. An administrative draft of the NOP and Initial Study will be prepared for City review. Following review by City staff of the NOP and Initial Study, De Novo will prepare the final NOP and Initial Study for public distribution. De Novo will submit 15 copies to the State Clearinghouse on behalf of the City.

SCREENCHECK DRAFT INITIAL STUDY

De Novo Planning Group will prepare an Initial Study in accordance with the CEQA Guidelines. The Initial Study report will provide an Introduction, Initial Study Checklist, Environmental Analysis, and graphic exhibits to support the text. The Initial Study will include detailed explanations of all checklist determinations and discussions of potential environmental impacts. The analysis shall be in accordance with Public Resources Code Section 21080(c) and CEQA Guidelines Section 15070. The intent of the Initial Study (and associated technical studies) is to provide the necessary information to determine the appropriate CEQA document for the proposed project (Draft EIR). Following the completion and review of the Initial Study, a conference call will be scheduled with City staff representatives to review the findings of the Initial Study and Determination.

NOTICE OF PREPARATION

De Novo Planning Group will prepare the Notice of Preparation (NOP) for the Draft EIR. A Draft NOP will be prepared and forwarded to City Staff for review and comment. The NOP will be finalized for distribution based on a City-approved distribution list prepared in consultation with City staff.

This task includes filing the NOP with the State Clearinghouse and the County Clerk. It is assumed the City will publish any required newspaper notices and radius mailings for the project, and pay for any filing fees.

7.2. Public Scoping Meeting

De Novo Planning Group will conduct one public scoping meeting during the 30-day NOP review period. The meeting will present the CEQA review process to the community. The presentation will be conducted in a manner that allows the community to gain a better understanding of the intent of CEQA, the process, and the key issue areas to be addressed in the EIR.

7.3. Administrative Draft Environmental Impact Report (EIR)

The Draft EIR will be a Program-level EIR prepared consistent with the requirements of CEQA, the CEQA Guidelines, and relevant case law. The Draft EIR will be a readable, useful document that can be used to streamline review of future planning, infrastructure, and development projects that are consistent with the Specific Plan. The Draft EIR will consist of the chapters described below.

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EXECUTIVE SUMMARY

This section will summarize the characteristics of the Specific Plan, describe areas of controversy, and provide a concise summary matrix of the project's environmental impacts and associated mitigation measures as required under State CEQA Guidelines Section 15123. The matrix will also identify proposed Specific Plan policies and actions that provide mitigation of identified environmental impacts. Alternatives to the proposed project will be summarized and the environmentally superior alternative will be identified.

CHAPTER 1: INTRODUCTION

This Section of the Draft EIR would provide an introduction and overview describing the intended use of the EIR and the review and certification process. This section will describe the purpose of the EIR, identify CEQA Guidelines and Public Resource Code requirements for a Project EIR, and describe how the Project EIR can be used to streamline environmental review of subsequent projects.

CHAPTER 2: PROJECT DESCRIPTION

This Section of the Draft EIR will be consistent with the requirements of State CEQA Guidelines Section 15124 and will describe project components (e.g., land use map, policies/actions, circulation diagram, planned roadway and infrastructure improvements, expected rate/extent of development under the Specific Plan including any phasing, utility and public service expansion (e.g., water, wastewater, solid waste, fire, law enforcement), and clear identification of what would be defined as a "subsequent project" under the Specific Plan. The City's objectives for the project will be described. In addition, graphics illustrating the proposed project and a description of anticipated actions associated with the project will be provided. The Project Description will support the anticipated development intensity and land uses envisioned for the Specific Plan, and will provide direction and specificity in regards to the evaluation of subsequent projects.

The Project Description will be provided to City staff for review and acceptance prior to impact analysis.

CHAPTER 3: ENVIRONMENTAL SETTING, IMPACTS AND MITIGATION MEASURES

This chapter will provide the baseline setting, general assumptions, and environmental analysis used in determining the environmental effects of the Specific Plan. This chapter will include an introductory section providing details on the "baseline conditions" assumptions for the analysis, land use forecasts for residential and non-residential uses, consideration of key components of the Specific Plan (e.g., location of future growth, continued highest and best use of resources, conservation of natural resources, circulation system modifications, risks associated with seismic and wildfire hazards), and definition of the cumulative setting (e.g., geographic extent) and impact analysis. This section will also describe how direct and indirect environmental impacts are addressed associated with implementation of the Specific Plan and the multiple actions that may occur associated with its implementation (e.g., adoption of infrastructure master plans, update of CIPs, revisions to the Zoning Code, development requests, public service improvements).

Population, housing units, and non-residential uses, including employment, will be projected for the Plan Area under buildout conditions. The Draft EIR will analyze impacts associated with buildout conditions. This section will describe the basis of and approach to the impact analysis in the Draft EIR.

The EIR will evaluate each of the following environmental issues in detail:

- » Aesthetics and Visual Resources
- » Agricultural and Forest Resources
- » Air Quality
- » Biological Resources
- » Cultural and Tribal Resources
- » Geology, Soils, and Seismicity
- » Greenhouse Gas Emissions
- » Hazards and Hazardous Materials
- » Hydrology and Water Quality
- » Land Use and Planning

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- » Mineral and Energy Resources
- » Noise
- » Population, Housing, and Employment
- » Public Services
- » Recreation, Parks, and Open Space
- » Transportation and Circulation
- » Utilities and Service Systems
- » Wildfires

For each issue area, the following key components will be discussed in detail:

- » Existing Setting – This component will describe the existing affected environment as it pertains to each issue area.
- » Regulatory Framework – This component will review federal, state, and local regulations and/or plans that apply to the specific issue area being discussed.
- » Impacts and Mitigation Measures – Adverse environmental impacts resulting from implementation of the Specific Plan will be identified, analyzed, and a determination will be made as to the significance of the impact. Any feasible mitigation measures and/or proposed Specific Plan policies that would reduce or eliminate potentially significant impacts will be identified. De Novo will work closely with City staff on crafting mitigation measure language and timing that is appropriate for inclusion in the Specific Plan and is suitable for use in the typical development review process.

CHAPTER 4: CUMULATIVE IMPACTS

De Novo will assess the impacts of Specific Plan implementation in combination with other known, approved or reasonably foreseeable development activity in the region. This analysis will be performed consistent with State CEQA Guidelines and be based on a list of known projects in the region as well as development forecasts contained in the City, as well as consideration of General Plan updates in the region. A table summarizing projected regional growth will be provided. A clear cumulative setting for each environmental topic will be described in the Draft EIR.

The cumulative analysis will address each topic covered in the environmental analysis (e.g., water supply, traffic, biological resources, etc.) and will identify appropriate mitigation measures for any significant impacts identified. The potential for the Specific Plan to induce growth, either through designation of land for growth, extension of services and infrastructure, or other project characteristics that may encourage and facilitate growth in the area, will be evaluated.

CHAPTER 5: OTHER CEQA REQUIREMENTS

The chapter will address other topics required by CEQA including significant irreversible environmental effects, a summary of significant and unavoidable impacts of the project, identification of environmental areas that would have no or less than significant impact, and an evaluation of the project related to each of the mandatory findings of significance identified at Section 15065 of the CEQA Guidelines.

CHAPTER 6: ALTERNATIVES ANALYSIS

De Novo will coordinate with City staff in the development of up to three alternatives to the proposed project, including the CEQA-required No Project Alternative. The alternatives analysis in the Draft EIR will focus on alternatives that avoid or minimize environmental effects as compared to the proposed Specific Plan. These alternatives will be described qualitatively and quantitatively, and contrasted with the proposed project in terms of the extent that the alternatives can achieve project objectives or reduce adverse impacts. It is anticipated that the alternatives analysis will be closely coordinated with Specific Plan planning work and will address issues of concern identified by the community.

This analysis will be presented in a separate chapter of the EIR and will include a comparative matrix of the alternatives to the proposed project based on the significant environmental effects identified in the Draft EIR. Based on this analysis, the environmentally superior alternative will be identified as required by CEQA.

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CHAPTER 7: REPORT PREPARERS AND REFERENCES

This chapter would identify all persons assisting in the preparation of the EIR as well as agencies and materials referenced for preparation of the EIR.

TECHNICAL STUDIES

De Novo Planning Group and its subconsultants will undertake a series of technical studies to support the findings of the Initial Study and allow for determination of the most appropriate CEQA document. This scope of work includes the following technical studies: Air Quality/Greenhouse Gas Analysis, Noise and Vibration Study, SB 610 Water Supply Assessment, and Transportation Analysis.

» Noise and Vibration Study

Saxelby Acoustics will complete a noise and vibration study that includes the following components:

- » Existing Noise Environment - Comprising:
 - » Transportation Noise, based upon continuous (24-hour) noise measurements to quantify the existing noise from railroad in the project area.
 - » Community Noise Survey, based upon a noise survey within the project area to quantify existing background noise levels at the nearest existing residential uses. The noise survey will consist of short-term noise level measurements and continuous noise level measurements for a minimum period of 24-hours.
- » Analysis of Traffic Noise Environment on Existing Uses - The analysis will evaluate increased traffic noise levels at existing sensitive receptors in the project vicinity. This task will be performed using traffic volumes provided by the traffic engineer. The team will provide traffic noise levels for existing, existing plus project, cumulative, and cumulative plus project scenarios. However, should additional scenarios be included in the traffic study, the team will also evaluate those scenarios.
- » Analysis of Transportation Noise Environment on the Project Site - The analysis will predict future (20-year) exterior and interior traffic and railroad noise levels on the proposed project. If necessary, the team will analyze appropriate exterior or interior noise control measures. Such measures may include site design features, sound walls, upgraded acoustic windows, etc.
- » Analysis of Stationary Noise Environment - The analysis will provide an analysis noise and vibration impacts associated with operation and construction of the project at existing sensitive receptors in the project vicinity. It is expected that this analysis will follow the assumptions used in the project air quality analysis, as applicable.

» SB 610 Water Supply Assessment

West Yost will calculate the estimated water demand for buildout of the Project based on land use-based water demand factors provided in the City's Citywide Water System Master Plan Update and recent WSAs for similar projects. Only the buildout water demand will be calculated; no water demands for phasing of the Project will be calculated or evaluated by West Yost. West Yost will then conduct an evaluation of available water supplies to meet the Project's water demands. West Yost will use the City's Citywide Water System Master Plan Update, and recently adopted WSAs for similar projects, as a basis for determining the available water supplies to meet the demands under normal, single dry, and multiple dry year conditions.

Based on the evaluation of supply availability, West Yost will identify whether the City has sufficient supplies and supply reliability to meet the water demand associated with the proposed Project. Because the proposed Project is within the City's planning area and outside the existing City limits, the proposed Project will require annexation into City limits. This proposed scope of services does

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assume that the City's water supply will be extended to areas within the planning area outside the existing City limits as those areas are approved for development and annexed into the City.

West Yost will then prepare a WSA for the Project in accordance with the requirements of SB 610 as adopted in the California Water Code as Sections 10910-10915. The WSA will be based on the projected water demands for buildout of the Project; the assumed water supplies for the Project; Project information provided by the City; the City's existing and future water supply and demand as documented in the City's Citywide Water System Master Plan Update; other identified supplies if required; and other existing data to the extent available. Although recycled water may be available to portions of the planning area in the future, such supply may not be available during the 20-year planning period. Therefore, it will be assumed that all Project water demands will be met through the City's potable water system.

In summary, the work will include the following:

- » A description of the Project, including location, overall area, number of parcels, type of proposed development, if applicable;
- » A description of the total estimated water demand associated with buildout of the Project;
- » A description of the City's current and future water supply and demand conditions, including supply entitlement and contractual amounts, supply reliability under varying hydrologic conditions, and existing and anticipated future water demands;
- » A description of the potential water supply impacts of the Bay-Delta Plan Amendment;
- » A description of determinations as required by SB 610, including:
 - » If the Project is subject to the requirements of the California Environmental Quality Act (CEQA),
 - » If the Project meets the SB 610 definition of a project,
 - » Identification of the City as the responsible water system, and
 - » If the City's 2015 UWMP includes the water demands for the proposed Project.
- » Preparation of a WSA for the Project that will include the following:
 - » Identification of existing water supplies for the Project and demonstration that said supplies exist,
 - » If inadequate supplies exist, identification of potential options to meet the water supply deficit,
 - » Evaluation of the sufficiency and reliability of the proposed supply for the Project,
 - » Identification of any potential conflicts that may arise from the exercise of water supply entitlements required for the Project, and
 - » Proposed use and sufficiency of groundwater supplies (based on existing available data and studies).
- » A determination of sufficiency of existing and future supply for the Project.
- » Transportation Analysis

Kimley-Horn will evaluate the vehicle-miles traveled (VMT) with and without the Downtown Specific Plan update for Cumulative conditions Only. The analysis includes the following considerations:

- » The City VMT Policy will use Big Data for all project VMT analysis and also establishing baseline VMT thresholds.

City of Tracy - Amendment 1 to Professional Services Agreement with De Novo Planning Group Exhibit A - Scope of Work

- » The analysis will utilize a spreadsheet-based tool developed by Kimley-Horn to analyze the Project's impact on the surrounding roadway network. While the project is a TOD, it is not surrounded by high quality transit and therefore cannot be screened out from a VMT analysis and per OPR guidelines. Origin-destination data provided by StreetLight Data will be used as the basis of the VMT tool developed for this project. Using a proprietary technique developed by Kimley-Horn to forecast vehicle routing in the future, Cumulative Conditions will also be able to be analyzed using this VMT tool. The tool is currently under development with close coordination with the City ongoing. The resultant tool will also be the basis of the City's CEQA thresholds. Note that the City's travel demand model (also under development by Kimley-Horn) will not be the appropriate principle tool used to complete VMT analysis within the City.
- » To be consistent with state guidelines, there is a need to evaluate all major land use categories that make up the project separately rather than presenting them in the aggregate. Using the VMT tool developed for this project, the resultant analysis will be evaluated against draft guideline thresholds to make a significant impact determination. In addition, total VMT produced by the project will also be produced, though this will be for informational purposes only.
- » This analysis will require additional off-model adjustments to account for TOD effect and localized ridership associated with the planned station. If feasible mitigation is necessary, Kimley-Horn will apply appropriate reductions representative of the effect of identified mitigations.
- » The results of the analysis will be described in text appropriate for CEQA documentation and be accompanied by the necessary graphics and tables to demonstrate the findings of the analysis.

De Novo will prepare an Administrative Draft EIR for City Staff review and comment.

In addition to the Environmental Analysis sections, the Administrative Draft EIR will include the necessary sections to meet the CEQA requirements, such as the Executive Summary; Introduction and Purpose; and Project Description, as well as tables and exhibits to support the text.

The De Novo team will participate in meetings with City staff during preparation of the Administrative Draft EIR. It is anticipated these meetings will primarily occur via conference call. For budgeting purposes, this scope assumes up to two (2) in-person meetings in addition to several conference calls up to the budget allocation.

7.4. Public Draft EIR and Public Review

Based upon City staff's comments on the Administrative Draft EIR, De Novo will revise the document into the Public Review Draft EIR for distribution. The Public Review Draft EIR will be released for 45 days for public comment. De Novo Planning Group will prepare the Notice of Completion (NOC) and Notice of Availability (NOA) for review by City Staff and submittal to the State Clearinghouse and the County Clerk. The EIR will be distributed to the City approved distribution list electronically. De Novo Planning Group will also prepare the public notices for City Staff to publish in the newspaper and for mailing. It is assumed the City will publish any required newspaper notices and radius mailings for the project, and pay any required filing fees. This scope of work assumes delivery of electronic copies of all environmental deliverables. Printing hard copies can be provided at-cost.

**City of Tracy - Amendment 1 to Professional Services Agreement with De Novo Planning Group
Exhibit A - Scope of Work**

7.5. Responses to Comments

Following the completion of the public review comment period on the Public Review Draft EIR, De Novo will prepare responses to the comments received on the Draft EIR in writing. The Draft Responses to Comments will be prepared for review by City staff. De Novo Planning Group will address one complete set of comments from City staff on the Draft Responses to Comments and will provide the revisions in track changes for ease of review. De Novo will respond to a second set of comments and finalize this section for inclusion in the Administrative Final EIR. At this time, the extent of public and agency comments that will result from the review process is unknown. This task assumes up to 40 hours of staff time for the preparation of responses by the De Novo Team. Should the level of comments and responses exceed the budget estimate, this work can be completed on a time and materials basis with prior approval from the City. The scope of work does not assume supplemental technical studies or extensive additional analysis will be required to provide responses to comments.

7.6. Draft and Final Mitigation Monitoring Program (MMP)

De Novo Planning Group will prepare an MMP that will identify required mitigation measures, responsible implementing departments, and timeframe for implementation. A Draft MMP will be prepared for City Staff review. Upon incorporation of City Staff comments, a final MMP will be provided.

7.7. Final EIR

The Final EIR will consist of the Response to Comments, MMP, and revised Draft EIR text, as necessary. The Draft EIR will be revised in accordance with the responses to public comments on the EIR. To facilitate review, the Final EIR will include bold/underline text for any new or modified text, and “strike out” text for any deleted text.

Meetings:

- » Meeting with City staff to discuss modifications to the Draft Initial Study
- » Public Scoping Meeting
- » Up to two (2) meeting with City staff to discuss modifications to the Administrative Draft EIR
- » Meeting with City staff to discuss modifications to the Draft MMP

Deliverables:

- » Draft and Final Initial Study with required technical studies and Notice of Preparation
- » Public scoping meeting agendas, presentation materials, and summary
- » Administrative Draft EIR
- » Public Draft EIR
- » Draft Response to comments for City staff review
- » Draft and Final MMP
- » Final EIR

TASK 8. PROJECT MANAGEMENT

Project management activities will include coordination between the De Novo management team and City staff, and will involve the:

- » Assignment of task roles;
- » Coordination and monitoring of the De Novo Team's efforts and insurance that all participants remain on-task, on-time, and on-budget;
- » Preparation of monthly progress reports;
- » Quality control review of all deliverables;
- » Preparation and distribution of summary notes following all meetings;
- » Participation in bi-weekly project status calls to discuss project status, critical issues, schedule, and budget;
- » Preparation and distribution of email summary following all project status calls; and
- » Confirming invoice formatting during the first project invoice period.

Meetings:

- » Up to 52 bi-weekly project status calls

Deliverables:

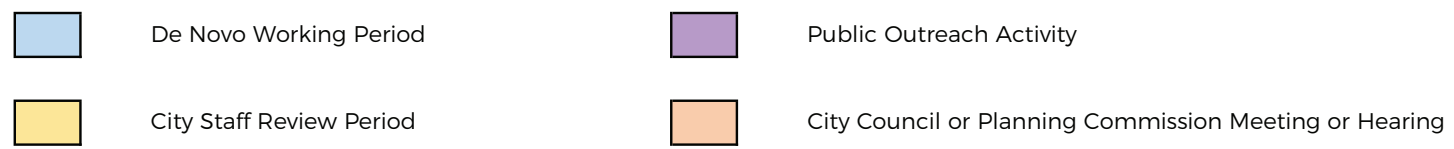
- » Project schedule, updated monthly
- » Bi-weekly project status updates
- » Monthly progress reports
- » Meeting Summaries

De Novo Planning Group will comply with all provisions and requirements for a "contractor" or "subcontractor" (including but not limited to record-keeping and hiring, Exhibit D) identified in the State of California, Standard Agreement, STD 213, executed by the City of Tracy related to the SB2 PGP Grant and the LEAP Grants Program.

SCHEDULE

The De Novo team understand that the Project’s schedule will be determined by City staff in coordination with City Council. Based upon our work on the Downtown TOD Study, discussions with City staff, familiarity with specific plans and similar long range planning processes, and capacity to complete the work, we propose completing the Downtown TOD Specific Plan according to the following 2-year/24-month timeline.

	Year 1												Year 2											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
TASK 1: PROJECT KICK-OFF AND EXISTING CONDITIONS ANALYSIS																								
TASK 2: MARKET AND FISCAL ANALYSIS AND IMPLEMENTATION PLAN																								
Task 2.1: Market Review and Development Feasibility Analysis																								
Task 2.2: Fiscal Impact Analysis																								
Task 2.3: Implementation Plan																								
TASK 3: COMMUNITY ENGAGEMENT AND OUTREACH																								
Task 3.1: Public Engagement and Outreach Plan																								
Task 3.2: Stakeholder Meetings																								
Task 3.3: Public Workshops																								
Task 3.4: City Council and Planning Commission Meetings																								
Task 3.6 Project Website																								
Task 3.7: Public Information Resources																								
TASK 4: PLANNING CONCEPT ALTERNATIVES																								
TASK 5: DRAFT SPECIFIC PLAN																								
Task 5.1: Administrative Draft Specific Plan																								
Task 5.2: Public Review Draft Specific Plan																								
TASK 6: ADOPTION																								
Task 6.1: Public Hearing Draft Specific Plan																								
Task 6.2: Planning Commission Public Hearing																								
Task 6.3: City Council Public Hearing																								
Task 6.4: Final Specific Plan																								
TASK 7: ENVIRONMENTAL COMPLIANCE																								
Task 7.1: Initial Study, Notice of Preparation																								
Task 7.2: Public Scoping Meeting																								
Task 7.3: Administrative Draft Environmental Impact Report (EIR)																								
Task 7.4: Public Review Draft EIR and Public Review																								
Task 7.5: Responses to Comments																								
Task 7.6 Draft and Final Mitigation Monitoring Program (MMP)																								
Task 7.7: Final EIR																								
TASK 8: PROJECT MANAGEMENT																								



BUDGET

City of Tracy - Amendment 1 to Professional Services Agreement with De Novo Planning Group Exhibit B-1 - COMPENSATION

PROJECT SUBTOTALS	Principal/Project Director		Senior Planner + Designer/Project Manager		Principal Environmental Planner		Senior Planner + Designer/Senior Planner		Associate Planner		Assistant Planner/ GIS and Graphics		De Novo Subtotal		Subconsultants					Direct Costs	ACTIVITY	
	hours	\$150	hours	\$120	hours	\$125	hours	\$115	hours	\$95	hours	\$85	TOTALS		EPS	Kimley Horn	Saxelby Acoustic	Urban Field	West Yost Associates	Printing	TOTALS	
													hours	Fee								FEE
TASK 1: PROJECT KICK-OFF AND EXISTING CONDITIONS ANALYSIS	6	\$900	40	\$4,800	0	\$0	40	\$4,600	24	\$2,280	24	\$2,040	134	\$14,620	\$2,045	\$7,000	\$0	\$500	\$0	\$0	\$0	\$24,165
TASK 2: MARKET AND FISCAL ANALYSIS AND IMPLEMENTATION PLAN	6	\$900	18	\$2,160	0	\$0	0	\$0	0	\$0	0	\$0	24	\$3,060	\$53,670	\$0	\$0	\$0	\$0	\$0	\$0	\$56,730
Task 2.1: Market Review and Development Feasibility Analysis	2	\$300	6	\$720	0	\$0	0	\$0	0	\$0	0	\$0	8	\$722	\$33,810	\$0	\$0	\$0	\$0	\$0	\$0	\$34,532
Task 2.2: Fiscal Impact Analysis	2	\$300	6	\$720	0	\$0	0	\$0	0	\$0	0	\$0	8	\$722	\$9,930	\$0	\$0	\$0	\$0	\$0	\$0	\$10,652
Task 2.3: Implementation Plan	2	\$300	6	\$720	0	\$0	0	\$0	0	\$0	0	\$0	8	\$722	\$9,930	\$0	\$0	\$0	\$0	\$0	\$0	\$10,652
TASK 3: COMMUNITY ENGAGEMENT AND OUTREACH	53	\$7,950	133	\$15,960	0	\$0	72	\$8,280	18	\$1,710	40	\$3,400	316	\$37,300	\$6,640	\$7,500	\$0	\$11,500	\$0	\$400	\$0	\$63,340
Task 3.1: Public Engagement and Outreach Plan	1	\$150	5	\$600	0	\$0	2	\$230	0	\$0	0	\$0	8	\$831	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$831
Task 3.2: Stakeholder Meetings	24	\$3,600	40	\$4,800	0	\$0	0	\$0	0	\$0	0	\$0	64	\$4,824	\$1,350	\$2,500	\$0	\$2,000	\$0	\$0	\$0	\$10,674
Task 3.3: Public Workshops	10	\$1,500	30	\$3,600	0	\$0	30	\$3,450	18	\$1,710	0	\$0	88	\$8,770	\$0	\$0	\$0	\$9,500	\$0	\$400	\$0	\$18,670
Task 3.4: City Council and Planning Commission Meetings	12	\$1,800	20	\$2,400	0	\$0	20	\$2,300	0	\$0	0	\$0	52	\$4,712	\$5,290	\$5,000	\$0	\$0	\$0	\$0	\$0	\$15,002
Task 3.5: Project Website	4	\$600	24	\$2,880	0	\$0	0	\$0	0	\$0	40	\$3,400	68	\$6,284	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,284
Task 3.6: Public Information Resources	2	\$300	14	\$1,680	0	\$0	20	\$2,300	0	\$0	0	\$0	36	\$3,982	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,982
TASK 4: PLANNING CONCEPT ALTERNATIVES	4	\$600	40	\$4,800	0	\$0	40	\$4,600	8	\$760	8	\$680	100	\$11,440	\$0	\$1,500	\$0	\$2,000	\$0	\$0	\$0	\$14,940
TASK 5: DRAFT SPECIFIC PLAN	24	\$3,600	190	\$22,800	0	\$0	180	\$20,700	72	\$6,840	32	\$2,720	498	\$56,660	\$3,845	\$7,000	\$0	\$43,000	\$0	\$200	\$0	\$110,705
Task 5.1: Administrative Draft Specific Plan	16	\$2,400	140	\$16,800	0	\$0	140	\$16,100	48	\$4,560	24	\$2,040	368	\$39,516	\$3,000	\$5,000	\$0	\$38,000	\$0	\$100	\$0	\$85,616
Task 5.2: Public Review Draft Specific Plan	8	\$1,200	50	\$6,000	0	\$0	40	\$4,600	24	\$2,280	8	\$680	130	\$13,568	\$845	\$2,000	\$0	\$5,000	\$0	\$100	\$0	\$21,513
TASK 6: ADOPTION	16	\$2,400	36	\$4,320	0	\$0	18	\$2,070	20	\$1,900	8	\$680	98	\$11,370	\$2,045	\$2,800	\$0	\$4,000	\$0	\$200	\$0	\$20,415
Task 6.1: Public Hearing Draft Specific Plan	6	\$900	12	\$1,440	0	\$0	10	\$1,150	12	\$1,140	4	\$340	44	\$4,076	\$1,200	\$700	\$0	\$3,000	\$0	\$100	\$0	\$9,076
Task 6.2: Planning Commission Public Hearing	4	\$600	8	\$960	0	\$0	0	\$0	0	\$0	0	\$0	12	\$964	\$0	\$700	\$0	\$0	\$0	\$0	\$0	\$1,664
Task 6.3: City Council Public Hearing	4	\$600	8	\$960	0	\$0	0	\$0	0	\$0	0	\$0	12	\$964	\$0	\$700	\$0	\$0	\$0	\$0	\$0	\$1,664
Task 6.4: Final Specific Plan	2	\$300	8	\$960	0	\$0	8	\$920	8	\$760	4	\$340	30	\$2,982	\$845	\$700	\$0	\$1,000	\$0	\$100	\$0	\$5,627
TASK 7: ENVIRONMENTAL COMPLIANCE	57	\$8,550	0	\$0	252	\$31,500	306	\$35,190	320	\$30,400	0	\$0	935	\$105,640	\$0	\$44,000	\$8,707	\$0	\$30,000	\$600	\$0	\$188,947
Task 7.1: Initial Study, Notice of Preparation	0	\$0	0	\$0	12	\$1,500	10	\$1,150	30	\$2,850	0	\$0	52	\$5,500	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$5,600
Task 7.2: Public Scoping Meeting	2	\$300	0	\$0	4	\$500	4	\$460	4	\$380	0	\$0	14	\$1,342	\$0	\$700	\$0	\$0	\$0	\$200	\$0	\$2,242
Task 7.3: Administrative Draft Environmental Impact Report (EIR)	45	\$6,750	0	\$0	164	\$20,500	200	\$23,000	180	\$17,100	0	\$0	589	\$60,645	\$0	\$33,800	\$8,707	\$0	\$30,000	\$100	\$0	\$133,252
Task 7.4: Public Review Draft EIR and Public Review	10	\$1,500	0	\$0	40	\$5,000	40	\$4,600	60	\$5,700	0	\$0	150	\$15,310	\$0	\$4,800	\$0	\$0	\$0	\$100	\$0	\$20,210
Task 7.5: Responses to Comments	0	\$0	0	\$0	20	\$2,500	24	\$2,760	20	\$1,900	0	\$0	64	\$7,160	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$9,660
Task 7.6 Draft and Final Mitigation Monitoring Program (MMP)	0	\$0	0	\$0	4	\$500	12	\$1,380	2	\$190	0	\$0	18	\$2,070	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$3,070
Task 7.7: Final EIR	0	\$0	0	\$0	8	\$1,000	16	\$1,840	24	\$2,280	0	\$0	48	\$5,120	\$0	\$1,200	\$0	\$0	\$0	\$100	\$0	\$6,420
TASK 8: PROJECT MANAGEMENT	60	\$9,000	60	\$7,200	24	\$3,000	0	\$0	0	\$0	0	\$0	144	\$19,200	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$20,700
PROJECT SUBTOTALS	216	\$32,400	459	\$55,080	276	\$34,500	616	\$70,840	454	\$43,130	104	\$8,840	2125	\$259,290	\$68,245	\$71,300	\$8,707	\$61,000	\$30,000	\$1,400	\$0	\$499,942

TOTAL FEE																					\$499,942
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Subconsultants and Direct Costs are billed at no markup.

De Novo Planning Group reserves the right to reallocate budget between various consulting team members and between tasks, provided the overall project budget does not change.

AGENDA ITEM 1.E

REQUEST

**APPROVE SCOPE OF WORK FOR PLACEWORKS, INC. REGARDING
WORKFORCE AND AFFORDABLE HOUSING POLICY AND ZONING ORDINANCE
AMENDMENTS, AND GROWTH MANAGEMENT ORDINANCE INITIATIVE, USING
STATE GRANT FUNDS FROM SB 2 AND LEAP GRANT PROGRAMS**

EXECUTIVE SUMMARY

This agenda item is to review and approve a scope of work from PlaceWorks, Inc. to lead and assist the City through adoption of policies and ordinances to help encourage workforce and affordable housing production. PlaceWorks costs will be paid by State SB 2 and LEAP grants.

DISCUSSION

On February 2, 2020, the City Council received a report regarding workforce and affordable housing options and directed City staff to prepare a work plan to pursue the items. The items include various policy and Zoning Ordinance amendments focused on providing for the production of housing and less expensive home construction, such as quicker permit times for multi-family housing; higher densities in medium and high density housing areas; modified setback, height or other zoning standards; amended accessory dwelling unit standards to make them easier to construct; and amendments to the Growth Management Ordinance to allow greater housing production.

Over the past two years, the State has developed planning grant programs to fund creation or modification of city plans, policies, and regulations that help streamline housing approvals and accelerate housing production.

In November 2019 (Resolution No. 2019-227) and July 2020 (Resolution No. 2020-120), the City Council authorized City staff to submit applications for two separate grants: the Senate Bill (SB) 2 Grant and Local Early Action Planning (LEAP) Grant. The SB 2 Grant has been awarded and the LEAP Grant approval is expected within a month. Combined, these grants provide a total of \$610,000.

Attachment A is a proposal, prepared by PlaceWorks, to perform many of the items considered by the City Council on February 2, 2020 that are eligible for funding by the two grants. PlaceWorks is one of six planning consulting firms with an existing Master Professional Services Agreement with the City to perform these professional consulting services. PlaceWorks is experienced and well suited to guide the City through development and adoption of these proposed items.

PlaceWorks' scope of work (Attachment A) includes the following items:

1. Amend the Zoning Ordinance to permit high-density housing "by right" in certain commercial zones.

2. Update Tracy Municipal Code with the most recent State law changes regarding accessory dwelling units.
3. Rezone two sites, currently zoned industrial, to accommodate the City's Regional Housing Needs Allocation.
4. Increase maximum densities in higher density residential zones.
5. Remove minimum lot size in favor of floor area ratio and/or units per acre in residential zones.
6. Modify City standards regarding building height, lot coverage and setbacks in medium and high-density residential zones.
7. Increase minimum densities in medium density residential zones.
8. Allow and encourage duplexes, triplexes, and fourplexes in new single-family home subdivisions.
9. Create and apply an overlay zone that allows clusters of tiny homes.
10. Amend the City's parking ordinance to reduce the number of off-street parking spaces required for new multi-family development projects.
11. Develop objective design standards for multi-family development.
12. Assist City staff to prepare a ballot initiative for voter consideration to amend the City's Growth Management Ordinance to allow additional market-rate dwelling units for projects that include a specified percentage of affordable units, and/or to count Residential Growth Allotments on a per-building basis rather than a per-unit basis for multi-family development.
13. Create up to four "off-the-shelf" accessory dwelling unit plans that property owners would be able to employ to building accessory dwelling units on their property.

Item number 10, above, reduce the minimum number of required, off-street parking spaces for multi-family development, is one item the City Council indicated, on February 2, 2020, they do not wish to pursue. However, testimony received on February 2nd, and City Council discussion, appeared to be concerned with limited parking of multi-family development(s) within existing neighborhoods. The proposed parking ordinance amendment could focus on larger multi-family projects with separate, independent parking areas.

The City Council and the public have been included over the past couple of years (and more for some items), in various settings, to develop the list of planning activities for funding by these grants, such as public workshops, hearings, flyers, and website/social media communication. Additionally, the City will seek public input as specific policies and ordinances are developed, and the Planning Commission and City Council will conduct public hearings before any final adoption.

State HCD expects the items funded by the grants to be adopted and states, on their grants webpage, "Localities that do not adopt the funded activity could be subject to repayment of the grant."

STRATEGIC PLAN

This agenda item is related to the City Council's Strategic Priorities, namely Quality of Life, Goal Number 2, promote public health, safety and community welfare throughout the community.

FISCAL IMPACT

PlaceWorks' proposal to complete the work includes a cost of up to \$200,000. The \$200,000 cost will be reimbursed through the State Planning Grants Program. Staff time to oversee the contract and participate in the work is included in the DS Department operating budget.

Funding for the consultant's work will come from two separate State grants: the SB 2 and LEAP (Local Early Action Planning) Grants Program, administered through the State Department of Housing and Community Development (HCD). State HCD has approved the City's SB 2 Grant application and approval of the LEAP Grant is expected within a month. The City Council authorized submittal of the SB 2 Grant application in November 2019 (Resolution No. 2019-227) and the LEAP Grant application in July 2020 (Resolution No. 2020-120).

The SB 2 Grant will provide \$310,000 and the LEAP Grant will provide \$300,000 for specific, housing-production related planning activities, for a total of \$610,000. The City applied for funding for the same work projects for both of the grants. State HCD staff has confirmed that the work items of the PlaceWorks proposal are aligned with the City's grant applications and therefore are eligible for reimbursement through the grants.

The remaining grants proceeds are anticipated to be used toward the City's proposed Transit Oriented Development Project (\$350,000) and the next required update, beginning later this year, of the City's Housing Element (\$60,000).

The SB 2 and LEAP grants (\$610,000 combined) projected use is summarized as follows:

Project	Funding Source	FY 21	FY 22	Totals
TOD	DS Operating Budget	\$100,000	\$50,000	\$150,000
	SB 2	\$150,000	\$50,000	\$200,000
	LEAP		\$150,000	\$150,000
Affordable Housing	SB 2	\$110,000		\$110,000
	LEAP		\$90,000	\$90,000
Housing Element Update	LEAP		\$60,000	\$60,000

RECOMMENDATION

Staff recommends that the City Council approve the scope of work for PlaceWorks, Inc. as indicated in Attachment A, for PlaceWorks to begin work on these items.

Prepared by: Alan Bell, Senior Planner

Reviewed by: Bill Dean, Assistant Development Services Director
 Andrew Malik, Assistant City Manager

Agenda Item 1.E
March 2, 2021
Page 4

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – January 18, 2021 Proposal, Including Scope of Work, from PlaceWorks, Inc.

January 18, 2021

Mr. Alan Bell, Senior Planner
City of Tracy
333 Civic Center Drive
Tracy, CA 95376

Proposal to Conduct Housing Implementation Tasks for the City of Tracy

Dear Alan:

Please accept this letter as PlaceWorks' proposal to prepare a series of zoning amendments and other actions for the City of Tracy to enhance construction and supply of workforce and affordable housing in the city.

Project Background

In 2019, PlaceWorks assisted the City of Tracy in identifying a series of actions that the City might take to enhance construction and supply of workforce and affordable housing in Tracy. The City subsequently received grants from the State of California under both Senate Bill 2 and the Local Early Action Planning (LEAP) grant programs, a portion of which are available to pay for implementation of some of these actions. This proposal lays out a work program by which PlaceWorks will assist the City of Tracy

Scope of Work

PlaceWorks will conduct the following tasks as part of this effort:

Task 1. Project Initiation

To start the project, PlaceWorks will meet virtually with City staff to discuss the approach to the various project components, including Public Input, Code amendments, objective design standards, the ballot measure, environmental review, the plans for accessory dwelling units, final review and adoption, and the project schedule. We will fine-tune our scope of work as necessary to reflect the results of this meeting.

Task 2. Public Input

PlaceWorks will assist the City to garner public input regarding the project through two efforts:

- PlaceWorks will develop a webpage that can be added to the City website to explain the project and solicit input. The website will include both a means to submit open ended feedback as well as a survey to garner responses to specific questions.
- PlaceWorks will design and run a one-time "virtual workshop" in which participants will be asked for input about each of the items covered in this scope of work.

Task 3. Zoning and Other Code Amendments

PlaceWorks will draft the following Zoning Ordinance and other code amendments:

- Permit high-density housing "by right" in commercial zones.

- Make the Zoning Code consistent with current State law regarding Accessory Dwelling Units (ADUs)
- Rezone two sets of sites to accommodate the City's RHNA:
 - Four adjacent lots, totaling approximately 31 acres, will be rezoned from Light Industrial to High Density Residential (the General Plan designation of these properties is Residential High, consistent with the High Density Residential Zone, so no GPA is necessary).
 - Rezone 10 adjacent lots from Light Industrial to Medium Density Residential (the General Plan designation of these properties is Residential Medium, consistent with the Medium Density Residential Zone, so no GPA is necessary).
- Increase maximum densities in higher density residential zones.
- Remove minimum lot sizes in favor of floor area ratio and/or units per acre.
- Allow taller buildings, greater lot coverage and reduced setbacks in moderate and higher density zones.
- Increase minimum densities in medium density residential zones.
- Allow and encourage duplexes, threeplexes and fourplexes designed to look cohesive with adjacent single-family homes in new subdivisions.
- Create and apply an overlay zone that allows clusters of tiny homes.
- Amend the City's off-street parking ordinance to reduce the number of off-street parking spaces required for multi-family development projects.

Task 4. Objective Design Standards

PlaceWorks will develop objective design standards for multi-family development in Tracy, consistent with the requirements of SB 330. and allowing the City to maintain high design quality without the use of subjective design guidelines. The standards will address a variety of architectural and design features, including massing, ornamentation, window and door placement, garages, parking, and landscaping, as agreed with City staff during the project initiation meeting. The standards will be paired with conceptual diagrams, elevations, plans, sections, axonometric views, and/or other illustration formats, as needed.

Task 5. Ballot Measure

PlaceWorks will assist City staff and legal counsel to prepare a ballot initiative for voter consideration to amend the City's Residential Growth Management Ordinance to allow additional market-rate residential dwelling units for projects that include a specified a percentage of affordable units, and/or to count Residential Growth Allotments on a per-building basis rather than a per-unit basis, thereby allowing a greater number of multi-family units to be constructed per year.

PlaceWorks will supply technical expertise regarding planning issues; drafting of the actual ballot measure will be the responsibility of the City's legal counsel.

Task 6. Environmental Review

PlaceWorks will prepare a simple Initial Study and Negative Declaration covering Tasks 3, 4, and 5, above. At this time, we believe that the content of these three tasks can be shown to have no significant environmental impact, so preparation of a Negative Declaration without technical studies should be sufficient. If this assumption proves to be incorrect and either technical studies or a full EIR are required, then a contract amendment and budget augmentation would be necessary.

Task 7. "Off-the-Shelf" ADU Plans

PlaceWorks and its subconsultant, Michael Wright, will create up to four sets of "off-the-shelf" building plans for ADUs that property owners would be able to employ to build ADUs on their properties. We will create a total of four plan sets: two for free-standing ADUs of two different sizes, and two for ADUs in standard 2- and 3-car garages.

Task 8. City Staff Review / Document Revisions

Drafts of the products of Tasks 2 through 7 will be submitted to City staff for review as they are completed. City staff will prepare a unified, consistent set of comments on each product. The PlaceWorks team will revise each product one time based on comments received. Additional revisions, if needed, would be completed under a contract amendment and budget augmentation.

Task 9. Planning Commission and City Council Presentation and Adoption

David Early of PlaceWorks will prepare for and present at one meeting of the City's Planning Commission and City Council to allow for review of all project components; adoption of the Negative Declaration, Code Amendments and Objective Design Standards; and potential placement of the measure on the ballot.

Project Schedule

Table 1 shows a proposed schedule for the project, assuming a start date of February 1, 2021.

Table 1. Proposed Schedule

TASK	START DATE	END DATE
Task 1. Project Kick-Off Meeting	NA	2/10/21
Task 2. Public Input	2/10/21	3/31/21
Task 3. Code Amendments	3/1/21	5/31/21
Task 4. Objective Design Standards	3/1/21	5/31/21
Task 5. Ballot Measure	3/1/21	5/31/21
Task 6. Environmental Review	4/1/21	5/31/21
Task 7. Off the Shelf ADU Plans	3/1/21	5/31/21
Task 8. City Staff Review / Document Revisions	6/1/21	7/15/21
Task 9. Planning Commission and City Council Presentation and Adoption	7/15/21	9/15/21

Cost Estimate

PlaceWorks will complete the above scope of work for a cost not to exceed \$200,000. Table 2 shows the basis for our fee estimate. Any work beyond the scope of work will be completed under a contract amendment and budget augmentation.

Other Terms and Conditions

This proposal shall remain valid for a period of 90 days from the time of submittal.

PlaceWorks will comply with all provisions and requirements for a “contractor” or “subcontractor” (including but not limited to record-keeping and hiring, Exhibit D) identified in the State of California, Standard Agreement, STD 213, executed by the City of Tracy related to the SB2 PGP Grant and the LEAP Grants Program.

We look forward to working with you to bring about the successful completion of this project. If you have any questions regarding the contents of this proposal, please feel free to contact me.

Respectfully submitted,

PlaceWorks

David Early
Senior Advisor

RESOLUTION 2021-_____

APPROVING A SCOPE OF WORK PREPARED BY PLACEWORKS, INC. REGARDING
WORKFORCE AND AFFORDABLE HOUSING POLICY AND ZONING ORDINANCE
AMENDMENTS, AND GROWTH MANAGEMENT ORDINANCE INITIATIVE, USING SENATE
BILL 2 AND LOCAL EARLY ACTION PLANNING GRANTS FUNDS

WHEREAS, On February 2, 2020, the City Council directed City staff to prepare a work plan regarding certain policy and ordinance amendments to help advance the production of workforce and affordable housing, and

WHEREAS, At the request of City staff, on January 18, 2021, PlaceWorks, Inc. prepared a proposal to lead and assist the City through adoption of policies and ordinances related to some of the City Council’s workforce and affordable housing initiatives, and

WHEREAS, The City Council authorized City staff (Resolutions No. 2019-227 and No. 2020-120) to apply for State Planning Grants (Senate Bill 2 and Local Early Action Planning grants) to fund preparation and adoption of some of the workforce and affordable housing initiatives, and

WHEREAS, The items in PlaceWorks, Inc.’s scope of work are eligible for funding through the SB 2 and LEAP grants, and

WHEREAS, PlaceWorks, Inc. and the City of Tracy have an existing Master Professional Services Agreement in place to perform professional services for the City;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves the January 18, 2021 PlaceWorks, Inc. scope of work, located within Attachment A of the March 2, 2021 City Council staff report.

* * * * *

The foregoing Resolution 2021-_____was adopted by the Tracy City Council on the 2nd day of March, 2021, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 1.F

REQUEST

APPROVE THE CITY OF TRACY 2021 REGIONAL TRANSPORTATION AND LOCAL PROJECT SUBMITTAL FOR CONGRESSIONAL APPROPRIATION REQUESTS DURING SAN JOAQUIN COUNCIL OF GOVERNMENTS' ONE VOICE TRIP TO WASHINGTON D.C.

EXECUTIVE SUMMARY

City Council's approval of the listed projects, in order or priority, will allow these transportation improvement projects to be eligible for inclusion in the San Joaquin Council of Governments' (SJCOG) One Voice trip to Washington D.C. legislative agenda and congressional funding appropriation requests. According to SJCOG staff, COVID-19 will likely limit in-person meeting for, at least, another six months, so two virtual meeting days are proposed in April and June (exact dates to be determined). In addition and assuming COVID-19 circumstances have improved, SJCOG staff is making preliminary plans for an in-person trip in October, tentatively scheduled for October 18 – 21.

DISCUSSION

Every year the City of Tracy submits a list of projects to SJCOG for consideration in their legislative agenda and congressional appropriation requests during the One Voice trip to Washington D.C. The One Voice trip includes representatives of San Joaquin County, SJCOG, and city elected officials. Each city is asked to submit a projects of regional significance, and projects for local improvements. Nominated regional projects must meet the following criteria:

- Projects should be regional in nature, meaning their impact extends beyond the immediate location of the project to other jurisdictions within the region.
- Project readiness should be key to selection, meaning any request should be able to utilize funding, or whatever authority is granted, within two years.
- A project must be eligible to receive federal funding at the time of request.
- SJCOG will limit the number of regional projects to no more than three total.

For the 2021 One Voice program, SJCOG staff is recommending that projects be aligned based on thematic concepts, which are expected to be approved at the February 25, SJCOG Board meeting:

- Environmental Sustainability – projects whose core features improve air quality, reduce vehicle miles traveled, and are responsive to climate change/resiliency goals.
- Trade Corridors – projects which foster goods movement, commerce, or enhance / eliminate barriers to trade.
- Innovation and Technology – strategies/projects that capture cutting edge technology investments.

- Growth Management – projects which strengthen connections to housing and have strong, direct connectivity to economic development.
- Social Equity and Mobility – investments that provide options for disadvantaged communities.

While the SJCOG has not adopted these themes for the 2021 program, SJCOG staff strongly recommend local agencies do not delay identifying projects that are regionally significant and that align with these thematic concepts. The deadline for submittal of the priority projects is March 15, 2021.

Staff has reviewed various regional transportation projects and is recommending the following three projects, in order of priority, for the 2021 One Voice trip. The following regional projects best meet the themes as outlined by SJCOG.

Valley Link (Connecting BART and ACE Rail System)

Total Construction Cost (estimate) - \$2.5 billion (2020 dollars)
Requested Appropriation - \$25 million (BUILD Grant)

The growth of Northern San Joaquin Valley commuters to the Bay Area on the I-205 and I-580 have been particularly dramatic, increasing from 31,670 in 1990 to 64,930 in 2013 to 94,500 in 2019, with traffic anticipated to increase another 75% by 2040. Additionally, nearly 14,000 trucks per day slowly travel over the Altamont Pass causing further congestion and bottlenecks.

The Metropolitan Transportation Commission ranks the I-580 among the Bay Area freeway corridors with the highest commuting delays.

To ease congestion, Valley Link is proposed to extend initially from the planned ACE Lathrop Station in San Joaquin Valley through the Altamont Pass, then readily connect with the Dublin/Pleasanton BART terminus station in the Tri-Valley, with additional Phase 1 stations in River Islands, Downtown Tracy, and Mountain House.

International Park of Commerce (IPC): Interchange Improvements and Parkway Improvements connecting the two Interchanges

Total Construction Cost (estimate) - \$122 million
Cost for Interchanges - \$85.6 million
Requested Appropriation - \$17.12 million (for interchanges only)

The International Park of Commerce (IPC) is an office, retail and industrial park comprised of approximately 1,700 acres and is generally located on the west side of Tracy bounded by I-205, the former Mountain House Parkway, Schulte Road and just east of Hansen Road. The Project is expected to create over 30,000 jobs at build-out and will include over 28 million square feet of building. The IPC project is of national significance as it directly accesses 2 routes on the National Freight System. It is also within 50 miles of the Port of Oakland, the third largest port in California, and a Port with known rail congestion issues, making truck transport a necessary option for national goods movement. In order to facilitate efficient goods movement in the region and

nationally, two interchanges and a key access parkway between the interchanges are necessary for construction.

The total construction cost for the two Interchanges is approximately \$85.6 million. The requested federal appropriations of \$17.12 million dollars (from the INFRA Grant Program) will be used for the construction.

The I-580 / International Parkway Interchange was recently awarded a \$24 million State Trade Corridor Enhancement Program (TCEP) Grant. Leveraging local funds with state grant funding is expected to enhance our chances of secure federal grant funding. The project is also a strategic regional asset for movement of goods between the Port of Oakland and the Greater San Joaquin Mega Region.

Lammers Road/I-205 Interchange Project

Total Construction Cost (estimate) -	\$63 million
Requested Appropriation	- \$5 million (Phase 1)

Residents in San Joaquin County have one of the longest commute times in the nation. The construction of a new interchange at Lammers Road and I-205 is necessary to relieve traffic congestion from the I-205 corridor to the City of Tracy and Mountain House areas. The Project will provide connectivity to both east and westbound ramps from Eleventh Street and Byron Road. It will also provide access to the International Park of Commerce, the County's largest planned industrial park. The total construction cost for the interchange is approximately \$63 million. The requested federal appropriations is \$5 million.

Due to the regional nature of the SJCOG project criteria, past projects have typically included various interchange improvements, including the New Macarthur Drive crossing over UPRR. This current list of projects, after approval from City Council, will be submitted to SJCOG for inclusion in the legislative agenda for the One Voice trip to Washington D.C. and congressional funding consideration. Submittal of projects to the SJCOG's One Voice effort does not necessarily mean continued participation in the program. Other alternatives can also be considered in the future to advocate for Tracy projects.

STRATEGIC PLAN

This agenda item is consistent with the Council's adopted Economic Development Strategy to ensure the availability of infrastructure necessary for development in Tracy.

FISCAL IMPACT

Approving the proposed projects for the One Voice trip will not impact the General Fund. The City is requesting approximately \$22.12 million in congressional appropriations and \$25 million as part of a future BUILD Grant Award. In addition to this funding, the proposed projects will be supported through other sources, including SJCOG Measure K Sales Tax and development impact fees.

RECOMMENDATION

That City Council approve, by resolution, the City of Tracy 2021 regional transportation and local project submittal for congressional appropriation requests during San Joaquin Council of Governments' One Voice trip to Washington D.C.

Prepared by: Veronica Child, Management Analyst II

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

RESOLUTION 2021-_____

APPROVING THE CITY OF TRACY 2021 REGIONAL TRANSPORTATION AND LOCAL PROJECT SUBMITTAL FOR CONGRESSIONAL APPROPRIATION REQUESTS DURING SAN JOAQUIN COUNCIL OF GOVERNMENTS' ONE VOICE TRIP TO WASHINGTON D.C.

WHEREAS, The City of Tracy submits a list of projects for congressional appropriation consideration at the annual One Voice trip to Washington D.C., by the San Joaquin County Council of Governments and city elected officials, and

WHEREAS, Staff reviewed the existing needs of various regional transportation projects and is recommending the following three projects, in order of priority, be submitted for congressional funding consideration as part of the One Voice trip:

Valley Link (Connecting BART and ACE Rail System)

Total Construction Cost (estimate) - \$1.8 billion
Requested Appropriation - \$25 million (BUILD Grant Request)

International Park of Commerce (IPC): Interchange Improvements

Total Construction Cost (estimate) - \$85.6 million
Requested Appropriation - \$17.12 million

Lammers Road/I-205 Interchange Project

Total Construction Cost (estimate) - \$63 million
Requested Appropriation - \$5 million (phase 1)

WHEREAS, In addition to the requested congressional appropriations, funding for the above projects will be shared by a variety of sources including Measure K Sales Tax and development impact fees;

NOW, THEREFORE BE IT RESOLVED, That the City Council of the City of Tracy hereby approves the aforementioned City of Tracy 2021 regional transportation and local project submittal for congressional appropriation requests during San Joaquin Council of Governments' One Voice Trip to Washington D.C.

* * * * *

The foregoing Resolution 2021-_____ was introduced and adopted at a regular meeting of the City of Tracy City Council on the 2nd day of March, 2021 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 3.B

REQUEST

ACCEPT CITY OF TRACY FISCAL IMPACT ANALYSIS REPORT OF SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY (SSJCFA) PERSONNEL TRANSITION AND PROVIDE DIRECTION TO STAFF

EXECUTIVE SUMMARY

On September 1, 2020, South San Joaquin County Fire Authority (SSJCFA) Fire Chief Randy Bradley provided an update to the City Council about the status of its Fire Personnel Transition Plan, a plan to transition the SSJCFA to a semi-autonomous agency with full authority over fire service and fire employees, including labor negotiations.

In February 2018, the City Council and Tracy Rural Fire District dissolved the South County Fire Authority (SCFA) and formed the South San Joaquin County Fire Authority (SSJCFA). This change created a new governance structure, which would facilitate the Authority's future transition to a "standalone" agency, while helping to preserve the Authority's partnership with Tracy Rural Fire District and create an equitable decision making authority between the member agencies.

As a follow up to the update, Council directed the City Manager to engage a third party to conduct a comprehensive fiscal impact analysis of the transition plan and its impact on the Authority and City of Tracy.

DISCUSSION

In 1999, the City of Tracy (City) and the Tracy Rural Fire Protection District (District) entered into a joint powers agreement forming the South County Fire Authority (SCFA), with the City providing nearly all administrative and management support. In 2018, the District and the City determined that they would benefit by dissolving the SCFA and creating a new Joint Powers Authority (JPA) that would operate more autonomously (Attachment A).

In February 2018, the City and the District formed the South San Joaquin County Fire Authority (SSJCFA) via a Joint Powers Agreement ("JPA Agreement"), with the future desire to transition the SSJCFA to a semi-autonomous agency with full authority over fire service and fire employees, including labor negotiations.

The transition began with a first phase, in which the SSJCFA would operate under a new governance structure. Under the new structure, the Fire Chief serves as the Authority's Executive Officer in lieu of the City Manager, the Treasurer-Controller is an

employee of the SSJCFA instead of the City Finance Director, and the Authority employs its own legal counsel. The composition of the Authority Board is the same as the previous governance structure; it includes two representatives from the City Council, two representatives from Tracy Rural Fire District, and an option for a 5th at-large Board member. Additionally, the role of the elected officials transitioned from an advisory capacity to one with authority to enter into contracts, leases, and purchases, and collect fees/payments. This phase (Phase 1) has been completed.

The second phase, which is still in process, involves the development of a Personnel Transition Plan that details how SSJCFA will implement the transition of City fire employees to the Authority. The development of a Personnel Transition Plan is required by Section 1.6 of the SSJCFA JPA Agreement. This process requires that the City of Tracy transition its employer of record status of sworn and non-sworn fire employees to the SSJCA. As a result, SSJCFA would become an employer of more than 80 staff and the SSJCFA Board will have full authority over fire service and fire employees, including labor negotiations. The City and the District will continue to fund their share of costs based on an agreed-upon formula and, as future stations and staffing are added outside the City limits, these funding ratios will change, and the City's share reduced.

On September 1, 2020, SSJCFA provided Council with an update about the status of the Fire Personnel Transition Plan (Attachment B). As part of that discussion, Council directed City staff to engage a professional consultant to conduct a comprehensive fiscal impact analysis of the transition plan and its impact on the Authority and City of Tracy. Upon completion of the fiscal analysis, staff indicated it would schedule the Personnel Transition Plan for a future Council meeting. It is anticipated that the Plan will be agendaized for Council consideration by late Spring.

Personnel Transition Plan Fiscal Impact Analysis Report

In response to Council's request for a fiscal analysis, the City of Tracy engaged Municipal Resource Group, LLC (MRG) to provide an independent and comprehensive review of the fiscal impacts associated with the personnel transition. The attached report and presentation provides the City with an inventory of potential costs, and suggestions for additional analysis (Attachment C & D). It is important to note that the report does not address revenue projections for the City or its member agency partner.

That being said, as part of its fiscal sustainability efforts, the City developed a 10-year financial forecast, which projects significant challenges for both future revenue and expenditures. Additionally, according to SSJCFA, Tracy Rural recently completed a fiscal assessment which indicated that the District's current situation is stable; however, the study does not address future revenues and expenditure projections.

MRG's report found that the transition could have significant fiscal impacts for the City in three broad categories:

1. Operational costs incurred by the Authority and shared between the District and the City
2. Operational costs incurred directly by the City
3. Long-term liabilities (for both the City and the District)

The fiscal impact analysis report provides a background of the methodology used and provides an overview of the fiscal impact of operational costs and long-term liabilities. Expense categories that were assessed include, but are not limited to the following:

- Authority Health Care Insurance Costs and Long-Term Liabilities
- Administrative & Support Services
- Classification & Compensation
- CalPERS Contribution Rates
- Future City Health Care Expenses
- General Liability and Workers Compensation
- Stations, Apparatus & Equipment Operational Costs and Long Term Liabilities
- CalPers Unfunded Accrued Liabilities
- Retiree Medical Leave Bank

Personnel Transition Plan Fiscal Impact Analysis Report Findings

MRG found that the transition, as it is currently envisioned, will initially increase operating costs for the Authority and City, which may also increase over time. The majority of these costs relate to the discontinuance of the City's more cost-effective provision of health insurance, administrative services, and similar costs. According to MRG, some of the cost increases could be reduced and recommends that the City consider three areas for discussion or additional analysis:

- *CalPERS Unfunded Liability:* The City and the District will need to confer and agree on a methodology for allocating the existing and future CalPERS UAL. This is a substantial liability that will grow over time, and the City and District would be wise to agree on a funding strategy before the transition.
- *Health Insurance Benefits for Employees:* While the proposal to provide CalPERS health insurance benefits provides new options for employees, it also triggers a requirement for contributions to retiree medical insurance. In the long run, this will increase expenses and, most notably, add considerable liability. Higher annual premium costs from non-CalPERS providers might be justified to avoid this long-term liability.
- *Administrative and Support Services:* The transition to a semi-autonomous Authority will create the need for administrative, legal, technical, fiscal and similar

services that are, to some extent, duplicative of services provided by the City. In the long run, the Authority will experience costs in excess of those charged by the City for these services. As new stations and fire personnel are added outside the City's boundaries, the City's proportionate share of costs will be reduced from the current amount of 72%, reducing the City's burden for Authority administrative and overhead costs.

Additionally, as outlined in MRG's report, many details of the transition remain to be resolved; however, as transition details are created, additional impacts may be identified, while others may be resolved. The Authority previously planned to transition to the employer of record by 1Q or 2Q 2021. However, it is MRG's recommendation that the Authority delay this implementation date until the details of the transition are further developed and/or has explored the suggested areas for additional analysis.

STRATEGIC PLAN

This agenda item aligns with the 2021-2023 Council's Strategic Plan, including Multi-Year and Short-Term Priorities under Public Safety: (1) SSJCFA to complete Phase 2 of the Personnel Transition Plan and (2) Complete and Present Fiscal Analysis of the SSJCFA Personnel Transition Plan (Phase 2).

FISCAL IMPACT

There is no fiscal impact associated with accepting the Fiscal Impact Analysis Report of the SSJCFA Phase 2 Personnel Transition.

RECOMMENDATION

It is recommended that City Council accept the Fiscal Impact Analysis Report completed by MRG, LLC and provide direction to staff.

Prepared by: Jennifer D. Haruyama, City Manager

Reviewed by: Leticia Ramirez, City Attorney
Karin Schnaider, Finance Director

Approved by: Jennifer D. Haruyama, City Manager

ATTACHMENTS

- A. SSJCFA Joint Powers Agreement
- B. September 1, 2020 Staff Report – Receive Update from the SSJFCA on the Employee Transition Plan and Provide Direction to Staff
- C. Fiscal Impact Analysis Report of the South San Joaquin County Fire Authority Phase 2 Personnel Transition by MRG, LLC.
- D. City of Tracy Fiscal Impact Analysis of SSJCFA Power Point Presentation by MRG, LLC

AMENDMENT NO. 1 TO THE JOINT POWERS AGREEMENT OF THE SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

THIS AMENDMENT is entered into by an between the City of Tracy, a municipal corporation ("City"), and the Tracy Rural Fire Protection District, a fire protection district formed pursuant to Health and Safety Code sections 13000 and following ("Fire District"). City and Fire District are collectively referred to as "Member Agencies."

RECITALS

WHEREAS, City and Fire District entered into a "Joint Powers Agreement of the South San Joaquin County Fire Authority" (the "Agreement") on February 20, 2018, and

WHEREAS, The parties wish to amend the Agreement to align with requirements of the California Government Code sections 6508.1-6508.2 regarding joint powers agreements that participate in or contract with a public retirement system and the liability of member agencies upon termination.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:


1. **Incorporation by Reference.** This Amendment incorporates by reference all terms and conditions set forth in the Agreement, unless specifically modified by this Amendment. All terms and conditions set forth in the Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

2. **Terms of Amendment.**

A. Section 1.7 "Obligations of Authority" of the Agreement is amended to read as follows:

"Section 1.7 Obligations of Authority

The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of any Member Agency unless otherwise specified in Section 2.11 of this agreement.

B.  Subsection (b) "Continued Liabilities" of Section 2.11 of the Agreement is amended to read as follows:

"Section 2.11 Termination of Authority; (b) Continued Liabilities.

Upon termination of this Agreement, unless otherwise determined by a court of competent jurisdiction, any continuing obligations of the Authority shall be borne by the Member Agencies in proportion to their total monetary responsibility for costs of maintenance and operations for the life of the Authority, except as otherwise stated herein.

Each Member's Agency's proportionate share of CalPERS liability is determined by the cost allocation formula defined in Section 5.4 and in effect at the time the Authority is dissolved or insolvent. In the event the Authority is dissolved or becomes insolvent, or the agreement with CalPERS is terminated, each Member Agency is responsible for its


Amendment No. 1 to the Joint Powers Agreement of the South San Joaquin County Fire Authority
Page 2 of 2

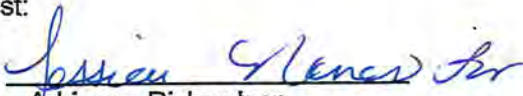
proportionate share of all other outstanding Authority liabilities and obligations incurred during the Member Agency's membership in the Authority, allocated in accordance with the formula defined in Section 5.4 and in effect at the time of said dissolution or insolvency, so that the Member Agencies together have fiscal responsibility for 100% of the Authority's outstanding liabilities and obligations upon dissolution or insolvency."

3. **Modifications.** This Amendment No. 1 may not be modified orally or in any manner other than by agreement in writing signed by both parties, in accordance with the requirements of the Agreement.
4. **Severability.** In the event any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in full force and effect.
5. **Signatures.** The individuals executing this Amendment No. 1 represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Amendment No. 1 on behalf of the District and the City. This Amendment No. 1 shall inure to the benefit of and be binding upon the parties thereto and their respective successors and assigns.


IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY


By: 
Robert Rickman
Title: Mayor
Date: 10-17-19


Attest:
By: 
Adrienne Richardson
Title: City Clerk
Date: 10/18/19

Approved as to form


By: 
Leticia Ramirez
Title: Interim City Attorney
Date: 10/16/19

TRACY RURAL FIRE PROTECTION DISTRICT

By: 
Title: Board Chairperson
Date: 10-15-19

Attest:
By: 
Natalie Bowman
Title: Clerk of the Board
Date: 10-15-19

Approved as to form

By: 
Mark C. Bowman
Title: Attorney at Law, District Counsel
Date: 10-15-19

**JOINT POWERS AGREEMENT OF THE SOUTH
SAN JOAQUIN COUNTY FIRE AUTHORITY**

THIS AGREEMENT is entered into on this 20th day of February 2018, by and between the City of Tracy, a municipal corporation (“City”) and the Tracy Rural Fire Protection District, a Fire Protection District (“District”).

RECITALS

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California the City and District (“**Initial Member Agencies**”) previously entered into an agreement for the joint exercise of any power common to them; and

WHEREAS, the Initial Member Agencies desire to enter this Agreement to exercise the power to provide fire protection services within their jurisdictions under a new joint powers authority (hereinafter “**the South San Joaquin County Fire Authority**” or “**Authority**”); and

WHEREAS, this Agreement sets forth the terms and conditions by which they will exercise their powers for the purpose of improving the provision of fire service with the Authority’s jurisdiction.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual advantages to be derived therefrom and in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto as follows:

SECTION 1. PURPOSE AND POWERS

1.1 Authority.

South San Joaquin County Fire Authority (“Authority”) is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code of the State of California (“Act”). As provided in Government Code section 6507, the Authority shall be a public entity separate from the parties hereto and its debts, liabilities and obligations shall not be the debts, liabilities and obligations of its Member Agencies. The terms “Members” or “Member Agencies” shall mean any public entity or agency that has agreed to this Agreement, including Initial Member Agencies. The term “Initial Member Agencies” shall only mean City and District.

1.2 Purpose.

The purpose of this Agreement is to provide for the joint exercise of powers to provide a full range of fire services (“Fire Protection Services”) within the Authority’s jurisdictional area including:

- (a) Administer and direct the personnel that provides the Fire Protection Services and provide the necessary administrative support for its programs and operations, which shall include, but not be limited to,
 - (i.) Provide fire safety plan checks and inspections for all commercial, residential and industrial buildings.
 - (ii.) Coordinate abatement activities for hazardous materials and nuisances.
 - (iii.) Promote fire prevention.
 - (iv.) Respond to fire and emergency calls to provide fire suppression, rescue, emergency medical advanced life support, and hazardous materials response services.
 - (v.) Provide and manage a training program involving all facets of departmental functions and operations, for career, reserve, and volunteer personnel.
 - (vi.) Contract for or provide fire dispatch services (“Fire Dispatch Services”) within the Authority’s jurisdictional area.
- (b) Adopt performance objectives of the Authority.

1.3 General Powers.

The Authority shall exercise in the manner herein provided the powers common to each of the Member Agencies, and/or inherent to any one Member Agency, as provided by the laws of the State of California, e.g. Fire Protection District Law of 1987, and all incidental, implied, expressed, or necessary powers for the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in this Agreement and shall have the power to manage, maintain, and operate facilities.

1.4 Specified Powers.

The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including but not limited to, any of the following:

- (a) Initiate, alter and otherwise exercise the common powers of its Members in providing fire suppression, protection, prevention and related services, and those powers that may be conferred upon it by subsequently enacted legislation, and to be the exclusive

body to make policy concerning the administration of the provision of fire service by the Authority for Member Agencies including determining if, when and where to place facilities and staff said facilities within the Authority's jurisdiction for services.

- (b) Make and enter into contracts, including contracts with its Members; provided, however, the Authority may not enter into real property development agreements pursuant to Government Code Section 65865.
- (c) To hire and employ personnel or to contract for personnel to fulfil its mission.
- (d) Assume existing contracts relating to fire suppression, protection, prevention and related services.
- (e) Lease, acquire, hold and dispose of real and personal property.
- (f) Invest reserve funds.
- (g) Incur debts, liabilities, or obligations, provided that all long term bonded indebtedness, certificates of participation or other long-term debt financing require the prior consent of the Member Agencies.
- (h) Sue and be sued in its own name.
- (i) Apply for grants, loans, or other assistance from persons, firms, corporations, or governmental entities.
- (j) Use any and all financing mechanisms available to the Authority, subject to the provisions of this Agreement.
- (k) Prepare and support legislation related to the purposes of the Agreement.
- (l) Lease, acquire, construct, operate, maintain, repair and manage new or existing facilities, apparatus and equipment as well as to close or discontinue the use of such facilities, apparatus and equipment.
- (m) Levy and collect payments and fees for Fire Protection Services.
- (n) Impose new special taxes or assessments as authorized by law to the extent allowed by law, and in coordination with the underlying jurisdiction(s).
- (o) Provide related services as authorized by law including, but not limited to, emergency medical services, emergency preparedness, mitigation of hazardous materials incidents and confined space rescue.

- (p) Contract for the services of attorneys, accountants, consultants and other services as needed.
- (q) Purchase insurance or to self-insure and to contract for risk management services.
- (r) Adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority, including the determination of compensation of Directors.
- (s) Exercise the power of eminent domain.
- (t) Advise its Members of the impact of land development on the provision of fire suppression, protection, prevention and related services.
- (u) Recommend approval of an annual fire department budget to the Member Agencies, including, but not limited to, staffing levels at each fire station and all related costs for each fire station and the administrative, training and fire prevention budget activities.
- (v) Develop finance, procurement and conflict of interest policies.
- (w) Establish fire department operational policies for fire protection.
- (x) Receive, accept, and utilize the service of personnel offered by the Member Agencies, or their representatives or agents and to receive, accept and utilize real or personal property from the Member Agencies.
- (y) Mitigate fire protection impacts caused by development within the jurisdiction of the Authority.

1.5 Restrictions on Exercise of Powers.

The power of the Authority shall be exercised in the manner provided in the Act and, in accordance with §6509 of the Act, shall be subject to the restrictions upon the manner of exercising such powers that are imposed upon general law cities in the State of California in the exercise of similar powers.

1.6 Employment of Personnel and Administration of Services.

Initially, the Authority will contract with a Member Agency to serve as the “Employer of Record” and provide all employees and employee services to the Authority. The Initial Member Agencies desire to transition to having the Authority employ its own personnel to provide any or all of the services the Authority elects to provide. In the event that the Authority elects to employ its own personnel, the Chief Executive Officer shall, with the assistance of the staffs and consultants of the Member Agencies, prepare a personnel plan (“the Personnel Plan”) detailing how the Authority would employ its own personnel. The Personnel Plan shall detail the treatment of matters such as transfer of employees from the Member Agencies to the Authority (and the transfer’s effect on

existing collective bargaining agreements, the allocation of pension liabilities and obligations, the treatment of accrued leave, civil service and seniority rights, and other employee benefits and rights), risk management, and other administrative matters required at the start-up of new organizations. The Personnel Plan shall be presented to the legislative bodies of the Member Agencies. Upon their receipt of the Personnel Plan, the Member Agencies agree to meet in good faith and negotiate the terms of the Authority employing personnel. Thereafter, Member Agencies and Authority shall enter into an agreement regarding the terms of employing personnel (“the Personnel Agreement”).

Until such time as personnel are transferred to the Authority, the Authority’s Chief Executive Officer shall be hired as the Fire Chief of the Member Agency that is the “Employer of Record.” Until such time as personnel are transferred to the Authority pursuant to this Section, Employer of Record shall assign the functions of its personnel to the Authority.

All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all wages and benefits, disability, workers compensation, and other benefits which apply to the activities of the officers, agents, or employees of the Member Agencies when performing their respective functions shall apply to them to the same degree and extent while engage in the performance of any of the functions or duties under this Agreement.

1.7 Obligations of Authority.

The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of any Member Agency.

1.8 Conflict of Interest.

The Authority Board shall adopt and, thereafter, maintain a conflict of interest code in compliance with applicable provisions of the Political Reform Act (Gov. Code, §87300 et seq.) and the regulations adopted by the Fair Political Practices Commission (Cal. Code Regs., Title 2, §1870 et seq.).

1.9 Identification.

The Authority’s fire stations fire apparatus, vehicles and personnel will be identified as “South County Fire.”

SECTION 2. GOVERNANCE.

2.1 Governing Board.

The Authority shall be administered by a Board of Directors (hereinafter, “**Authority Board**” or “**Board**”) consisting of members of the legislative bodies of the Member Agencies. The initial Member Agencies, as identified in this agreement, shall each indefinitely be allocated a minimum of two Board positions. Any additional Member Agency that becomes party to this agreement shall be allocated a minimum of one Board position and may not exceed two Board positions.

Each Legislative Body shall appoint an alternate Board member from the Legislative Body who may act in the absence of a member appointed by that Legislative Body. The Board of Directors shall be called the “Board of Directors of the South San Joaquin County Fire Authority.” All voting power of the Authority shall reside with the Board of Directors who shall be responsible for setting policy for the Authority including the provision of all Fire Protection Services for its Member Agencies.

All Board members shall serve at the pleasure of the Member Agency that appointed such Board member.

All vacancies on the Board of seats appointed by Member Agencies shall be filled by the appointing Member Agency within thirty (30) calendar days of the vacancy. Each board member shall cease to be member of the Board of Directors when such member ceases to hold office as a member of the Legislative Body appointing entity.

2.2 Officers.

(a) Chief Executive Officer.

The Authority Board of Directors shall select an Chief Executive Officer and the Chief Executive Officer shall serve as the Authority Fire Chief and shall serve at the will of the Authority Board. The Chief Executive Officer shall be responsible for implementing the Authority’s policies as well as administration of the Authority’s affairs and property as directed by the Authority’s Board of Directors.

Initially, as stated in Section 1.6, a Member Agency shall serve as the “Employer of Record” of the Authority’s and the Chief Executive Officer shall be employed by the said Member Agency. Although employed by a Member Agency, the Chief Executive Officer shall be selected by and serve at the “will” of the Authority Board of Directors.

The Chief Executive Officer shall have the power:

- To prepare and submit, in consultation with the Member Agencies, to the Board of Directors, an annual budget for the succeeding Fiscal Year;
- To expend funds of the Authority whenever authorized by the Authority’s annual budget or the Member Agencies for additional services;
- To retain any consultants, or contractors, as authorized in the Authority’s budget, or as may be directed by the Board of Directors;
- To supervise the operation of the Authority’s Fire Protection Services and Leased Facilities;

- To make recommendations to the Member Agencies for the purchase or construction of new fire station(s) apparatus and equipment, the replacement of existing property and/or the acquisition of new property; and
- To perform such other duties as directed by the Board of Directors.

The Chief Executive Office shall provide the Authority's Board of Directors a report each quarter of the staffing levels at each fire station and such other details of operational performance of the Authority's services as well as any other reports concerning the Authority as may be requested by the Board of Directors.

(b) Secretary/Clerk.

The Secretary/Clerk shall be appointed by the Board. The Secretary shall countersign all contracts signed by the Chairperson, Vice-Chairperson and/or the Chief Executive Officer on behalf of the Authority, as well as perform such other duties as may be imposed by the Board of Directors.

The Secretary/Clerk shall be responsible for providing notice of, preparing and posting agendas after consulting the Member Agencies, and keeping minutes of regular, adjourned regular, and special meetings of the Board, and shall cause a copy of the minutes to be forwarded to each Director. The Secretary/Clerk shall have charge of, handle and have access to all other records of the Authority. The Secretary/Clerk shall be directed by the Chief Executive Officer.

(c) Controller/Treasurer.

The Controller Treasurer shall be appointed by the Board. The Controller/Treasurer shall be depository and shall have custody of all of the accounts, funds and money of the Authority from whatever source. The Controller/Treasurer shall have the duties and obligations set forth in §§6505 and 6505.5 of the Act, and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority.

The Controller/Treasurer shall provide monthly reports of Member Agencies' expenditures and revenue for fire prevention and fire protection services and of the Authority to the Board of Directors in such form as may be specified by the Board.

(d) Officers in Charge of Property.

Pursuant to §6505.6 of the Act, the Controller/Treasurer shall have charge of, handle, and have access to all accounts, funds, and money of the Authority and all records of the Authority relating thereto; the Secretary shall have charge of, handle and have access to all other records of the Authority; and the Chief Executive Officer shall

have charge of, handle, and have access to physical properties of the Authority, in such a manner as may be specified by the Authority's Board of Directors.

(e) Official Bonds.

The Chief Executive Office, Secretary/Clerk, and Controller/Treasurer shall each file an official bond in the penal sum of \$25,000 pursuant to §6505.1 of the Act.

(f) Legal Counsel.

The Board of Directors shall have the power to appoint one or more general and/or special legal counsel to the Authority who shall perform such duties as may be prescribed by the Board of Directors. Neither legal counsel, nor his/her firm, shall represent any Member Agency, unless a conflict waiver has been granted by the Authority.

2.3 Meetings of the Board of Directors.

The Board of Directors shall provide for regular meetings at a date, time, and place fixed by resolution of the Board of Directors which shall occur at least monthly. All meetings of the Board of Directors shall be called, noticed, held, and conducted in accordance with the provisions of §§54950, et seq. of the California Government Code (The Ralph M. Brown Act). A proposed agenda shall be sent to all Member Agencies prior to a board meeting, as directed, by resolution of the Board.

A minimum of half of the Board of Directors, plus one Board member, shall constitute quorum for purposes of conducting meetings and transacting business.

2.4 Chairperson and Vice-Chairperson.

The Board of Directors shall elect a Chairperson and Vice-Chairperson from among its members. The Chairperson and Vice-Chairperson shall rotate from each Member Agency annually such that the Chairperson and Vice-Chairperson shall not be appointed from the same Member Agency. In the event of the disqualification or permanent inability to serve as the Chairperson during the year, another member from the same Agency shall be appointed Chairperson to fulfill the one-year term.

The Chairperson shall preside at all Authority Board meetings, may sign all contracts on behalf of the Authority and shall perform such other duties as may be imposed by the Board of Directors.

The Vice-Chairperson shall act, sign contracts, and perform all of the Chairperson's duties in the temporary absence of the Chairperson.

2.5 Required Votes.

The affirmative votes of a majority of members of the Board of Directors shall be required to take any action, provided however, that any vote to incur a debt or to issue bonds respectively, shall require a unanimous vote of all Board members.

2.6 Voting.

Each member of the Board of Directors shall have one vote.

2.7 Minutes.

The Secretary/Clerk shall keep minutes of the meetings of the Board of Directors and forward a copy of the minutes to each Member Agency following board approval.

2.8 Bylaws.

The Board of Directors may adopt Bylaws for the conduct of its meetings and affairs as are necessary for the purposes herein.

2.9 Appointment of Officers/Employees.

Initially, an officer or employee of a Member Agency as specified in Section 2.2(c) may hold the office of Controller/Treasurer of the Authority. Within one (1) year of the Effective Date of this Agreement, the Authority shall select an independent Controller/Treasurer who shall assume the responsibilities within a reasonable period of time. Such person or persons shall possess the powers of and shall perform the Controller/Treasurer functions for the Authority required by Government Code Sections 6505, 6505.5, and 6505.6, including any subsequent amendments thereto. The Controller/Treasurer shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of Authority.

2.10 Expenditures for the Approved Budget.

All expenditures within the amount of the approved general budget shall be made in accordance with the authorization of the Board. Expenditures in excess of any amount approved in the general budget by the Board shall not be made without the approval of a majority of all of the Directors of the Board. A Member Agency incurring obligations to the Authority without Board approval shall be fully liable for said obligation and shall indemnify the Authority and the other Member Agencies from said obligations.

2.11 Termination of Authority.

(a) Notice Required.

This Agreement may be terminated by an affirmative vote of Member Agencies constituting 50% or more of the membership of the Authority. A written Notice of

Termination shall be sent all other Member Agencies following that vote and shall state that the termination date is effective at least twenty four (24) months from the date of the Notice.

(b) Continued Liabilities.

Upon termination of this Agreement, unless otherwise determined by a court of competent jurisdiction, any continuing obligations of the Authority shall be borne by the Member Agencies in proportion to their total monetary responsibility for costs of maintenance and operations for the life of the Authority.

(c) Disposition of Leased Facilities.

Upon termination of this agreement, Authority shall return all Leased Facilities, including any replacements, to the Member Agency on title, reasonable wear and tear excepted.

(d) Surplus Money.

Upon termination of this Agreement, any surplus money on hand shall be returned to the Member Agencies in accordance with the proportion to their total monetary responsibility for costs of maintenance and operations for the life of the Authority

(e) Obligations Survive Termination.

The obligations of Section 2.11 survive termination of this Agreement.

2.13 Dispute Resolution.

In the event the Member Agencies disagree regarding the interpretation or application of this Agreement or cannot agree on the distribution of Leased Facilities and/or other assets of the Authority upon termination, they shall meet during a ninety (90) day period in a good faith effort to resolve the disagreement informally. If the Member Agencies cannot informally resolve the dispute, they shall then attempt to resolve such dispute through either non-binding mediation or arbitration for a period not to exceed sixty (60) calendar days. If the Member Agencies cannot mutually agree upon a mediator, then the presiding judge to the San Joaquin County Superior Court shall designate a mediator. The Member Agency shall contribute equally to the cost of mediation. If mediation is unsuccessful, the disputing Member Agency may pursue litigation or any other remedies to resolve the dispute.

The arbitration shall be conducted in accordance with the California Arbitration Act (Code of Civil Procedure §1280 et seq.). The costs of mediation or arbitration (excluding each Agency's own costs) shall be borne by the Agencies equally.

2.14 Cooperation and Disclosure.

Unless and until the Authority employs its own personnel, the Employer of Record shall keep the Authority informed of any negotiations, agreements or other circumstances that have a significant impact on the operations and/or jurisdiction of the Authority. Member Agencies shall keep the Authority informed of their negotiations with developers and, prior to entering into any agreements with same, shall advise the Authority of any significant impacts to the Authority. Members shall promptly notify the Authority of all annexation or new land development applications that impact the Authority's jurisdiction before filing with any city or county. Members shall consult with the Authority other Members before seeking to raise new revenue (ballot, tax or bond) that impact the provision of fire services. Upon written request, Member Agencies shall, within a reasonable time period, provide the Authority with records necessary to conduct audits of funds used for the provision of fire services.

All Member Agencies shall be notified before any Member Agency approves a formal action by any Member Agency to pursue, financing, purchasing and/or building facilities to be used for Fire Protection Services.

SECTION 3. LEVEL OF SERVICE.

3.1 Basic Services.

A. *List of Services.* The Authority shall provide a uniform, minimum set of basic services to each Member Agency, which shall consist of the following:

1. Responding to fire and emergency calls to provide fire suppression, rescue, emergency medical, and hazardous materials response service.

2. Providing a fire prevention program that includes fire safety plan checks, issuance of fire safety permits and inspections as required by the California Fire Code.

a. The Member Agencies will each adopt the California Fire Code with such modification and amendments deemed appropriate by each Agency. As part of the code adoption process, each Agency will assign the Authority as the "Authority Having Jurisdiction" for all fire protection matters within the Member Agency jurisdictions.

b. The Authority by Member agreement may charge user fees for its fire protection program to the greatest extent possible to fully recover its cost for services. By agreement with the Authority, a Member Agency may elect to fund the aspects of the Authority fire protection program otherwise required to be funded by Authority user fees, in which case the Authority user fees shall not be charged in the territory of the Member Agency as specified in the agreement between the Authority and the Member Agency.

3. Coordinating abatement activities for hazardous materials and nuisances. So as to avoid the inequitable use of Authority resources, the Authority and Member Agencies shall

take commercially reasonable steps to recover the costs of abatement from the parties responsible for the conditions requiring abatement.

4. Ensuring that personnel are trained to provide all facets of Authority functions and operations.

5. Provide or contract for dispatch services within the Authority's jurisdiction area.

B. *Level of Service.* The Member Agencies will indirectly control the level of services, in terms of response times, through their station siting and staffing level decisions. Member Agencies shall also retain the right to elect to close stations within their jurisdictions. Nothing in this Agreement is intended to or shall limit or control the land use power of a municipal corporation or any other Member Agency that is a party to this Agreement.

3.2 Additional Services.

So long as it would be consistent with the Authority's powers set out in Section 1 above, the Authority may perform additional or higher level services within the territory of all or a particular Member Agency, pursuant to an agreement between the Authority and the Member Agencies.

SECTION 4. FACILITIES AND EQUIPMENT.

4.1 Member Agency Ownership

Member Agencies shall, as a condition of membership, make available all its stations, apparatus and equipment to provide fire protection services. Member Agencies shall be responsible for constructing and replacing fire stations within their respective jurisdiction.

Member Agencies that have overlapping jurisdictional boundaries shall enter into a separate agreement to establish ownership of facilities within the overlapped areas.

4.2 Lease of Facilities.

Each Member Agency hereby agrees to lease, by separate agreement, in consideration of the services provided herein, to the Authority the following real and personal property, together with any replacements or new property of a similar nature.

(a) All existing operational fire stations, together with all furniture, computers and furnishings in such stations.

(b) All fire apparatus, together with all equipment located on the apparatus, , which consists of existing fire trucks, engines, and vehicles together with all equipment physically located on each piece of apparatus;

- (c) All personal protective equipment listed, such as turnout gear and all other personal protective equipment.

Each Member Agency warrants that its property provided is in good and workable condition.

4.4 New Facilities.

All new station constructed by a Member Agency that are within the Member Agency's jurisdictional boundaries shall be leased to the Authority upon being placed in service in accordance with this Section. Such leases shall be separately negotiated between the Authority and the Member Agency.

4.5 Improvements and Maintenance of Facilities and Apparatus.

A. *Maintenance and Repair.* The Authority shall be responsible for maintenance and ordinary repair of all facilities leased in the provision of services pursuant to this Agreement.

B. *Station Structural Repairs; Replacement.* Members Agencies shall be responsible for capital improvements to the real property owned by each, as used herein, "capital improvements" refers to structural repairs and similar improvements which are the type of improvements that would be added to the tax "basis" if the property were owned by a non-governmental entity. Member Agencies shall be responsible for ensuring that the facilities are replaced at the end of the facility's useful life, including ensuring that financial resources are available for replacement. To facilitate the Member Agencies' duty to replace facilities, the Authority shall maintain and annually update a replacement schedule for all of the leased facilities.

C. *Property Insurance.* The Authority shall maintain in full force and effect, fire insurance and a standard "all risk" policy covering all Leased Facilities. This coverage must (i) name the titled Member Agencies as an additional insureds, (ii) contain a waiver of subrogation endorsement in favor of the titled Member Agencies, (iii) cover loss or damage to the station and any Member Agency-owned personal property in the amount of the full replacement value, (iv) include a deductible no greater than \$25,000. Covered perils are to include fire, all risk, vandalism, malicious mischief and sprinkler leakage. The Parties intend that insurance proceeds paid as a result of real property damage be passed through the Authority to the effected Member Agency.

4.6 Authority-Owned Facilities.

With the approval of the legislative bodies of all of the Member Agencies, the Authority may acquire by lease or purchase real and personal property such as administration buildings, training, and other facilities as necessary..

4.7 Authority's Assumption of Liability.

The Authority shall assume responsibility for any and all loss, litigation, liability, injury, damage, claim, demand, and tort or workers compensation incidents that occur for any personnel or contracts assigned to and accepted by the Authority. The Member Agency shall retain responsibility and liability for any and all such incidents not assigned or accepted by the Authority and shall retain all risk management reserves that have been set aside for such prior incidents. The Authority may contract to receive risk management services on such terms as agreed to by the Authority.

4.8 Indemnification and Insurance.

Pursuant to Government Code section 820.9, as may be amended, members of the Board of Directors of the Authority are not vicariously liable for injuries caused by the act or omission of the Authority or any of its Members.

Except as provided herein, the Authority shall defend, indemnify and hold harmless Member Agencies and their officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to the performance of services pursuant to this Agreement or an agreement assumed by or otherwise transferred to the Authority or any Member assets to be transferred to the Authority, including but not limited to real property, personal property, equipment and apparatus.

Notwithstanding this Agreement the Members agree that no immunity or defense available to the Member Agencies under State or federal law or regulation shall be waived with respect to any third party claim.

SECTION 5. FINANCES.

5.1 Accounting Procedures.

Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Authority's auditor and treasurer shall comply strictly with requirements governing joint powers agencies, Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government of Code of the State of California.

The Authority shall keep accurate and correct books of account, showing the cost of providing Fire Protection Services and Fire Dispatch Services within the jurisdictional area, broken down by: jurisdictional areas; Member Agency; locations of calls; number of units sent; cancellation of units; and the identity of responding stations. Said books and records shall be open to inspection at all times during normal business hours by a Member Agency or its designee.

The Controller/Treasurer shall provide monthly reports of expenditures and revenue of all Member Agencies relating to the fire protection and fire prevention services and of the Authority to

the Authority Board and Member Agencies in such form as may be specified by the Board or requested by a Member.

5.2 Audits.

The Controller/Treasurer shall cause the books of account and other financial records of the Authority to be audited by an independent public accountant or certified public accountant in accordance with §§6505 and 6505.6 of the Act.

The records and accounts of the Authority shall be audited annually by an independent certified public accountant and copies of the audited financial reports, with the opinion of the independent certified public accountant, shall be filed with the County Auditor, the State Controller and each Member Agency within six (6) months of the end of the fiscal year under examination.

5.3 Annual Budget.

It shall be the policy of the Authority to approve only those budgets that do not exceed available revenues and neither the Authority nor the Employer of Record shall disburse funds outside of approved budgets or without the prior written approval of all Member Agencies.

At least sixty (60) days prior to the commencement of each fiscal year, the Chief Executive Officer shall meet with each Member Agency to prepare a preliminary budget for the Authority based on the formula identified in Section 5.4. Each Member Agency must approve the preliminary budget prior to May 15th of each year. On or before May 15th, of each year, the Authority Board of Directors shall adopt a preliminary annual budget for maintenance and operation costs of the Authority. On or before September 1, of each fiscal year, the Authority Board shall adopt a final annual budget for maintenance and operation costs of the Authority.

Following approval of the annual budget by the Authority, Member Agencies shall pay their pro rata share 120 days in advance of their expenses as estimated within the current approved budget.

The Chief Executive Officer and the Treasurer shall provide quarterly budget updates to the Authority Board.

5.4 Responsibility for Maintenance and Operations Costs.

The Member Agencies shall share responsibility for the annual costs of maintenance and operations for Fire Protection Services, Fire Dispatch Services, any expenses of the Member Agency pursuant to this Agreement, and any insurance premiums paid by the Member Agency to insure itself against liability arising out of the contract with the Authority for the provision of fire services. Based on the formula in the paragraph below, each Member Agency shall be responsible for all such costs within their jurisdictional fire protection boundaries. Member Agencies with overlapping boundaries shall enter into a separate agreement that establishes fire protection responsibilities.

Prior to December 31 of each year, the Chief Executive Officer and Treasurer shall meet with each Member Agency to provide an accounting of the previous fiscal year. Except as otherwise provided in this Agreement, or pursuant to a resolution adopted by each Member Agency, the cost allocation shall be determined by the following formula:

Divide the total number of daily staffed positions within each Member Agency by the total number of daily staffed positions within the Authority.

Example: If the Authority has a total number of seven (7) daily staffed fire companies, each staffed with three (3) personnel, the total staffed positions for the Authority would be twenty-one (21). If a Member Agency had four (4) companies within their jurisdictional boundaries, the Member Agency would be responsible for twelve (12) daily staffed positions of the total twenty-one (21) daily staffed positions. Twelve (12) divided by twenty-one (21) equals 57.14 percent. The Member Agency with four (4) of the seven (7) companies would be responsible for 57.14 percent of the operating cost of the Authority.

The formula used for cost allocation shall be used for all fire protection and fire prevention services provided by the Authority. Formula shall not apply to:

Station Repairs; Replacement. Members Agencies shall be responsible for capital improvements to the real property owned by each Member Agency. As used herein, “capital improvements” refers to structural repairs and similar improvements which are the type of improvements that would be added to the tax “basis” if the property were owned by a non-governmental entity. Member Agencies shall also be responsible for all facility repairs and replacements costs that exceed \$5,000 per occurrence.

5.5 Limitations on Exceeding Budget Allocations

Unless and until such time as the Authority employs its own personnel, expenditures by the Employer of Record, shall not exceed the approved Authority annual budget without prior written consent of all Member Agencies. Any expenditures not pre-approved in writing by all Member Agencies, shall be an expense paid by the Member Agency incurring the unauthorized expenditure and shall not be a debt owed by the other Member Agency(s) of the Authority.

5.6 Funding.

Unless otherwise agreed, the Member Agencies agree to each be responsible to fund the replacement of the apparatus and facilities owned by Member Agency, respectively.

The Authority Board shall adopt an “emergency funding” policy for the funding of unforeseen emergencies that must be addressed prior to formal Board approval.

To the extent authorized by law, the Member Agencies agree to impose fire impact fees and/or special taxes necessary to provide funding for the Member Agency’s obligations under this Agreement.

5.7 Additional Services.

Either Member Agency may request the Authority to perform additional services in addition to Fire Protection Services, provided such Member Agency provides funding for such additional services or other agreement between the Members.

SECTION 6. MEMBERSHIP.

6.1 Adding Member Agencies.

Any “public agency,” as that term is defined in Section 6500 of the Government Code, that is authorized to provide the common powers jointly exercised pursuant to this Agreement is eligible to become an additional party to this Agreement. Member Agencies other than the Initial Member Agencies are referred to herein as “Additional Member Agencies.” Eligible agencies may become members by executing this Agreement, satisfying any terms and conditions established by the Board, and upon unanimous approval of the membership of the Board. Upon such approval, this Agreement will then become effective as to that signatory.

6.2 Withdrawal of a Member Agency.

This Agreement shall remain in effect as to all Member Agencies, unless and until it is terminated as to a particular Member Agency by written notice (“Withdrawal Notice”) to all other Members. The Withdrawal Notice must be given by the withdrawing Member at least two (2) years in advance of the effective date of such withdrawal. A withdrawing Member Agency shall not be liable for commitments made by the Authority after the Withdrawal Notice is given except that the departing Member Agency shall be liable for its pro rata share up to the Date of Withdrawal. A withdrawing Member Agency shall also be liable for its pro rata share of the Authority’s approval contractual commitments made prior to the Withdrawal Notice, excluding automatic renewals, amendments or restatements made subsequent to the Withdrawal Notice. The withdrawing Member Agency may pay the Authority the present value of its pro rata share of all obligations as of the Date of Withdrawal or otherwise refinance its obligations, but in no event pay less than owed at the time payment is due under agreements made before the Withdrawal Notice. Upon termination of this Agreement as to a withdrawing party, the Authority shall return to the Member Agency all of the leased facilities identified in Sections 4.2 above, unless otherwise specified in an agreement between Member Agencies that share territory. A withdrawing agency shall not be entitled to any agency funds upon withdrawal.

SECTION 7. MISCELLANEOUS.

7.1 Conflict of Interest.

The Authority Board shall adopt and, thereafter, maintain a conflict of interest code in compliance with applicable provisions of the Political Reform Act (Gov. Code, §87300 et seq.) and the regulations adopted by the Fair Political Practices Commission (Cal. Code Regs., Title 2, §1870 et seq.).

7.2 Recitals.

The foregoing recitals are true and correct and are made a part hereof.

7.3 Effective Date of Agreement.

This Agreement shall become effective when signed and executed by both Member Agencies.

7.4 Operational Date of Authority.

This Agreement shall become operational on March 1, 2018, following approval and execution by the Initial Member Agencies.

7.5 Term.

This Agreement shall be effective on the effective date and shall continue in effect until terminated pursuant to Sub-section 2.11.

7.6 Headings.

All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing language in the section referred to or to define or limit the scope of any provision of this Agreement.

7.7 Consent.

Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

7.8 Law Governing.

This agreement is made under the Constitution and laws of the State of California.

7.9 Amendments.

This Agreement may not be amended or modified except by vote of all Members.

7.10 Severability.

In the event any provision of this Agreement is determined to be illegal or invalid for any reason, all other provisions and sections of this Agreement shall remain in full force and effect unless and until otherwise determined. The illegality of any provision of this Agreement shall in no way affect the legality and enforceability of any other provisions of this Agreement.

7.11 Non-Liability of Agents.

None of the officers or agents of the Authority shall be deemed, by reason of such status, to be officers, agents or employees of either Member Agency or to be subject to any of the requirements of either Member Agency.

7.12 Successors.

This Agreement shall be binding upon and all inure to the benefit of the successors of the Member Agencies. Member Agencies may not assign any right or obligation hereunder without written consent of the Authority.

7.13 Notice.

All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party at the mailing or electronic addresses listed herein.

To City: City of Tracy
333 Civic Center Plaza
Tracy, California 95376
Manager@cityoftracy.org

With copy to: City Attorney
333 Civic Center Plaza
Tracy, California 95376
attorney@cityoftracy.org

To District: Bowman & Berreth
Tracy Rural Fire Protection District
1820 Kettleman Lane, Suite F
Lodi, California 95242

Communications shall be deemed to have been received on the first to occur of: (1) actual receipt at the physical address designated above, or (2) three working days after the deposit of a written

7.14 No Continuing Waiver.

No waiver of any term or condition of this Agreement shall be considered a continuing waiver thereof.

7.15 No Third Party Beneficiary.

The Members agree that the provisions of this Agreement are not intended to directly benefit, and shall not be enforceable by, any person or entity not a party to this Agreement.

7.16 Entire Agreement.


This Agreement contains all the terms agreed to by the Parties relating to its subject matter.

7.17 Construction of Agreement.

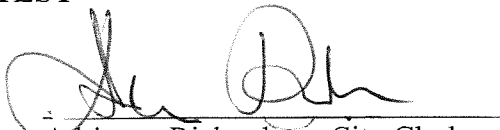
Each Member Agency has had an equivalent opportunity to participate in the drafting of this Agreement and to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

[SIGNATURES ON NEXT PAGE]

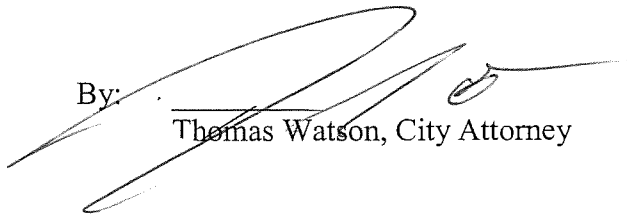
CITY OF TRACY

By: 
Robert Rickman
Mayor

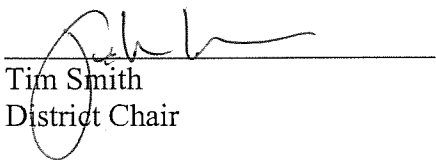
ATTEST

By: 
Adrienne Richardson, City Clerk

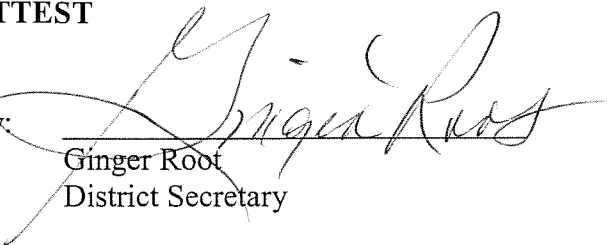
APPROVED AS TO FORM

By: 
Thomas Watson, City Attorney

TRACY RURAL FIRE PROTECTION DISTRICT

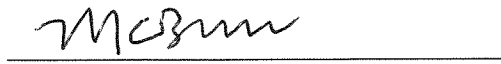
By:  *Vice Chair for*
Tim Smith
District Chair

ATTEST

By: 
Ginger Root
District Secretary

APPROVED AS TO FORM

BOWMAN & BERRETH, LLP

By: 
Mark Charles Bowman
District Counsel

September 1, 2020

AGENDA ITEM 3.C

REQUEST**RECEIVE UPDATE FROM THE SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY
ON THE EMPLOYEE TRANSITION PLAN AND PROVIDE DIRECTION TO STAFF**EXECUTIVE SUMMARY

The City Council will receive an update on the status to the fire employee transition plan to stand alone with South San Joaquin County Fire Authority (SSJCFA).

DISCUSSION

During the May 19, 2020 Council items, Mayor Rickman requested a status update on the employee transition plan from the South San Joaquin County Fire Authority. This request was seconded by Council Member Ransom. The attached report will be presented by the SSJCFA Fire Chief. The report provides information and action steps taken to date by SSJCFA and provides an update on pending information needed to complete a full assessment of the transition.

STRATEGIC PLAN

This agenda item relates to Council's Public Safety Strategy.

FISCAL IMPACT

The fiscal impacts of the fire transition plan are under review by the City. Further information is anticipated from SSJCFA to determine the short-term and long-term costs associated with the transition.

RECOMMENDATION

Receive a report from Fire Chief Randall Bradley.

Prepared by: Karin Schnaider, Finance Director

Reviewed by: Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

A - South San Joaquin County Fire Authority Staff Report



SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

Fire Administration

In 1999, the City of Tracy (City) and the Tracy Rural Fire Protection District (District) entered into a Joint Powers Agreement (JPA) that formed the South County Fire Authority (SCFA). On the same date SCFA contracted with the City to provide fire protection services within the jurisdictional boundaries of SCFA (City of Tracy and Tracy Rural Fire Protection District). Two Tracy City Council Members and two District Board Members made up the SCFA Board with the Tracy City Manager serving as the Chief Executive Officer for the SCFA. The City of Tracy's Finance Director also served as the Treasurer-Controller of the SCFA. The SCFA was formed to accomplish the following goals:

- To improve fire protection services within the region through improved efficiencies by the elimination of redundant administrative and operational services.
- To limit the impact of annexations to the residents that live in the unincorporated areas.
- To maintain the District ad valorem tax allocation increment (average of approximately 11% of each property tax dollar) and the special fire tax (\$0.03 per square foot) in areas that are annexed into the City.

These goals were accomplished through the following administrative agreements between the City and the District:

- Future City annexations would not detach from the District.
- All employees would work for the City and redundant administrative staff would be eliminated through attrition, increasing efficiencies and overall service levels.
- The City would provide administrative services (Human Resources, Budget/Finance/Risk Management and Legal) to SCFA.
- The City would fund any District financial shortfalls (with a reimbursement agreement) until revenues increased to sustainable funding levels through the annexation and development of land that would remain in the District.

In 1999, the expectation was the City of Tracy would continue to grow and the District and the City of Tracy would benefit by securing fire protection property tax revenues through the non-detachment strategy. Limited growth initiatives and economic downturns slowed growth projections through 2014. In 2014, the City of Tracy began to realize extensive growth in the twelve annexed areas that did not detach from the District. Over 30 million square feet of commercial and industrial facilities and over 8,000 residential units have now been built or are entitled to be built in those annexed areas. With the growth in the annexed areas, the District revenues have seen unparalleled growth since 2014 and are expected to triple their 2014 total within the next five to six years.

With extensive growth, additional responsibility and increased revenues, the District Board of Directors requested that the original JPA be revised to allow the District to have

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SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

Fire Administration

an equal governance footing with the City of Tracy. In 2017, staff completed a study concerning the JPA governance. Staff utilized two previous consultants' studies and developed four different governance options to evaluate. The following were the four options with brief summaries:

1. Dissolving the current JPA and returning to a two-agency model. Under this option revenues would be lost to the County and fire protection efficiencies would be lost and service levels would suffer.
2. The District could contract with the City to provide fire protection services. This option is very similar to the model that was in effect at the time the study was completed. This model was unacceptable to the District due to a lack of budgetary oversight, collective bargaining influence and a desire for responsibilities to be commensurate with their authorities over fire protection within their jurisdictional boundaries.
3. Annex the City into the District for fire protection. The City would be required to enter into a new tax sharing agreement with the County to fund the newly created District. The outcome of the agreement is unknown and therefore a thorough analysis is not possible. Also, because the District has a special tax that was implemented in 1982, it would be difficult to overlay a special tax on City residents without a vote that would require two-thirds approval. Last, the City would give up control and budgetary flexibility over the portion of the City that is not within the Rural District.
4. Create a strong JPA that operates as an autonomous agency.

Option number four was chosen because it addressed the District's concerns while protecting the City's ability to maintain fire protection revenues and continue to influence public policy and prioritization of fire protection services within the City limits. In 2017, the JPA agreement was reevaluated and in March of 2018 (effective date July 1, 2018) a new agreement was adopted by both agencies. Implementation of the new agreement was divided into two phases:

Phase 1 (complete): Create a stronger semi-autonomous governance and fire protection organization through the implementation of structural, organizational and financial elements. The following are the Phase 1 elements that were completed upon initiation of the new JPA and the associated dissolution agreement:

- Entered into an agreement with the City of Tracy to continue to serve as the employer of record until the new JPA is able to transition all employees to the new JPA.
- The JPA's Board of Directors was provided oversight responsibility for fire protection within the JPA boundaries based on the service levels determined by the member agencies.





SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

Fire Administration

- The Board appointed the Fire Chief who serves as the JPA's Chief Executive Officer at the will of the Board. Prior, the Tracy City Manager served as the JPA's Chief Executive Officer.
- Amendments to the previous JPA were removed and incorporated into the new document. The amendments were difficult to interpret, implement and track. The Supplemental Services Agreement (Amendment 3), Smoothing Agreement, and the Pre-paid Services Agreement (Amendment 4 and 6), were all eliminated and replaced with an intuitive, fair and equitable cost allocation model.
- The JPA appointed a Finance Manager with budgetary responsibility and hired an independent auditor. The JPA is in the process of hiring an independent Controller/Treasurer. Previously, the City of Tracy provided these services on behalf of the JPA.
- The JPA has hired an independent Counsel with responsibility to provide legal advice to the JPA independent of member agencies.
- The proposed JPA is designed to add additional member agencies to improve overall service levels by reducing overhead costs through economies of scale.
- With the corresponding dissolution agreement, the proposed JPA addressed fire station ownership concerns.

Phase 2: Transition employees to become employees of the South San Joaquin County Fire Authority (Authority) and the Authority would become a full standalone agency. Phase 2 of the transition plan was codified in Section 1.6 of the new JPA agreement:

"The Initial Member agencies desire to transition to having the Authority employ its own personnel to provide any or all of the services the Authority elects to provide. In the event the Authority elects to employ its own personnel, the Chief Executive Officer shall, with the assistance of the staffs and consultants of the Member Agencies, prepare a personnel plan detailing how the Authority would employ its own personnel. The personnel plan shall detail the treatment of matters such as transfer of employees from the Member Agencies to the Authority (and the transfers effect on existing collective bargaining agreements, the allocation of pension liabilities and obligations, the treatment of accrued leave, civil service and seniority rights, and other employee benefits and rights), risk management, and other administrative matters required at the start-up of new organizations".

For the past 18 months the JPA staff has worked with staff and consultants of the member agencies to develop an employee transition plan. Below is the status and a timeline for implementation of the plan.





SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

Fire Administration

Transition Plan Timeline

Date	Milestone
August 15, 2020	Provide completed "Draft" transition plans to staff of member agencies for review and comment.
September 15, 2020	Present transition plan to elected bodies of member agencies for consideration of approval.
October 31, 2020	JPA Board reviews and considers ratification of labor contracts, approval of CalPERS contracts, employee benefits and personnel policies and procedures (including EERR)
November 30, 2020	Lease agreements and liability insurance contract approvals
January 1, 2021	Employees transition to South San Joaquin Fire Authority

Transition Plan Overview

CalPERS Retirement	<p>The Authority submitted an application for a new CalPERS contract on February 1st, 2019. A few months after submitting the application the Authority was advised by CalPERS that the joint powers agreement language would need to be amended. Staff worked with legal counsel from both member agencies to make the necessary amendments which were approved by both elected bodies in October of 2019. Once that language was amended CalPERS conducted a thorough CalPERS Financial Analysis of the Authority. The Authority was given the approval to move to the next stage of contract formation from the CalPERS financial team in February of 2020. Where the COVID-19 pandemic has slowed the final stage of actuarial analysis, progress continues to be made, and we are hopeful to have contract formation complete in September of 2020.</p> <p>The new retirement plan will transition to a Public Employee Pension Reform Act (PEPRA) plan. While all current employees that transfer will maintain their current retirement status (classic or PEPRA) future employees hired will all fall under the PEPRA pension status with reduced pension benefits. The new pension contract will begin with no unfunded liabilities. Current pension liabilities will remain with the member agencies. The District will be required to pay their pro-rata share of the</p>
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SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

Fire Administration

	<p>City's unfunded liabilities that were created during the time that the City acted as the employer of record.</p>
<p>Workers Compensation / General Liability</p>	<p>Staff worked with the Special District Risk Management Association to obtain comprehensive quotes for both workers' compensation and general liability insurance. The quotes will be codified into coverage policies by the JPA Board when the transition agreement has been approved by member agencies.</p>
<p>Employee Health Benefits</p>	<p>A Health Benefits Committee was established and all fire authority employees were invited to participate. The committee initially met in May of 2019. Staff worked with the committee, CalPERS Health, Keenan Insurance Brokerage and Macleod Watts, Inc. actuarial firm to determine the most cost effective and comprehensive benefit packages available. Those plans have been identified and staff is ready to begin enrollment once the transition plan is approved by the member agencies and the JPA Board approves the Health benefit plans.</p>
<p>Payroll</p>	<p>Denali Fund, the Authority's current financial software, offers a comprehensive payroll module which the Authority will utilize as our payroll platform. This platform is utilized by hundreds of public agencies and non-profit organizations. The Authority's staffing software will be utilized for timekeeping and electronically interfaced with the payroll module. Existing staff will manage the payroll module and bi-weekly payroll processing. Payroll and timekeeping modules and interfaces will begin running in parallel with the City payroll and timekeeping systems within the next 60 days.</p>
<p>Human Resources</p>	<p>Staff has completed a comprehensive review and subsequent transfer of all City personnel policies and procedures that are relevant to the Fire Authority. Fire Administration staff has been working with an HR consultant and City Human Resources personnel to facilitate the personnel transition process. It is the intent of the Authority to utilize the City Human Resources Department to continue to support the Authority post-transition and have the Authority continue to pay the City for that service provision. If the City HR elects not to continue to support the Authority post-transition, then staff will work with the HR consultant to bridge the gap utilizing the existing funding paid to the City for HR services. There is no anticipated cost increase or savings for the provision of HR services.</p>





SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY

Fire Administration

<p>Labor Agreements</p>	<p>Staff has undergone significant discussions with two bargaining groups that will be transitioning to the Authority. The Authority has worked with the represented labor groups and a City recommended labor attorney to develop labor agreements that mirrors existing pay and benefits for the employee groups. Non-represented employees will be provided pay and benefits that are equivalent to current pay and benefits. The discussions with the employee groups have been one of mutual respect with a focus on long-term sustainability which has yielded a verbal consensus that can be implemented after approval of the transition. The Authority will create a finance oversight committee that will include the Fire Chief, Authority Finance Manager, City Manager (or designee) and a representative from the District.</p>
<p>Financial Policies and Procedures</p>	<p>The Authority created independent financial policies and practices in 2018 once the standalone JPA was created and implemented (Phase 1). Transitioning employees and payroll processing will be the final step in the Authority operating independently from either of its member agencies. As stated above, a finance oversight committee will be developed that will include the Fire Chief, Authority Finance Manager, City Manager (or designee) and a representative from the District.</p>
<p>City/District Financial Impacts</p>	<p>JPA staff completed an analysis of potential City financial impacts from transitioning employees from the City to the JPA. The City continues to evaluate potential impacts and the JPA will continue to support that process.</p> <p>JPA staff has completed a significant analysis of the long-term sustainability of the District. The analysis confirms that the District will have the resources to support future fire protection requirements in the unincorporated areas and the areas that have been annexed but not detached from the District. That analysis has been provided to the Council.</p>



CITY OF TRACY

Fiscal Impact Analysis South San Joaquin County Fire Authority Phase 2 Personnel Transition



Prepared by:

Mike Oliver, President
Dana Shigley, Consultant
Brian Kelly, Consultant
Municipal Resource Group, LLC

February 2021

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I. EXECUTIVE SUMMARY

In 1999, the City of Tracy (City) and the Tracy Rural Fire Protection District (District) entered into a joint powers agreement forming the South County Fire Authority (SCFA), with the City providing nearly all administrative and management support. In 2018, the District and the City determined that they would benefit by dissolving the SCFA and creating a new joint powers authority that would govern more autonomously. In February 2018, the City and the District formed the South San Joaquin County Fire Authority (Authority), with the Fire Chief serving as the Authority executive officer. The composition of the Authority Board did not change with the creation of a new JPA. The new agreement calls for the Authority to, over time, provide administrative, legal counsel, and other services separate from the City.

Notably, the Authority plans to become the employer for more than 80 employment positions, transitioning them from the City. The City and the District will each continue to fund their share of costs based on an agreed-upon formula and, as future stations and staffing are added outside the City limits, these funding ratios will change, and the City's share reduced.

This transition could have significant fiscal impacts for the City in three broad categories:

1. Operational costs incurred by the Authority and shared between the District and the City,
2. Operational costs incurred directly by the City, and
3. Long-term liabilities (for both the City and the District).

The City requested that Municipal Resource Group, LLC (MRG) provide an independent and comprehensive review of the fiscal impacts it may face as a result of the transition in order to minimize their potential impact. This report provides the City with an inventory of potential costs, and suggestions for additional analysis the City may consider. This report does not address City nor Authority revenue projections. In evaluating overall fiscal impacts, the City would need to compare projected costs to anticipated revenues. Cost increases may be justified as necessary to support an organization that could generate new revenues and provide expanded and/or improved services.

Operational Costs Incurred by the Authority and shared between the District and City

Authority Health Insurance Costs

The Authority plans to offer employee health insurance through CalPERS. The cost to provide health insurance benefits will increase after the transition, potentially significantly. In the first year, the direct cost for health insurance benefits will be about the same as the City would have incurred; future costs will vary depending on employee enrollment and rates offered by CalPERS. It is likely that, over time, new employees may select more expensive non-Kaiser plans, and fewer may choose to opt out of coverage, increasing costs up to \$160,000 per year. The Authority could offer incentives to encourage employees to select less expensive plans and moderate this potential increase. Because additional employees will opt out of insurance coverage and the *Flores* ruling which requires cash in lieu of payments to be factored into overtime rates, the Authority will incur an additional \$29,000 in overtime costs in the first year, varying from year to year. Most significantly, the plan to provide medical benefits through CalPERS will result in a requirement to contribute toward retiree health insurance premiums. This will generate significant annual costs as well as long-term liabilities. In the first year, the Authority will incur approximately \$124,000 in annual costs to fund required contributions; this amount will increase annually as additional personnel are hired.

First Year: Increased Costs of \$153,000

Future Years: Increased costs \$153,000 or more, plus up to \$160,000 in the long-term

Administrative and Support Services

The Authority currently pays approximately \$466,500 to \$501,500 for certain administrative, legal, IT and related support costs, including \$175,000 paid to the City. The Authority anticipates using existing staff for all finance functions, including payroll. However, we believe the Authority will require additional staff for to perform finance functions, consistent with comparable fire agencies. Adding staff to perform finance and human resources functions could increase costs by an additional \$229,000 to \$364,000 per year. These costs can be reduced by continuing to contract with the City for some services, including payroll. The Authority and its members would be best served by taking a comprehensive look at how the Authority will provide administrative services in the future so that members can plan for the costs necessary to provide professional administrative support.

First and Future Years: Increased Costs of \$229,000 to \$364,000

Classification and Compensation

The Authority is proposing the same number of employees as currently employed by the City. However, certain changes to positions and benefits will result in an increase of \$50,000 to \$75,000 per year.

First and Future Years: Increased Costs of \$50,000 to \$75,000

Total First Year: Authority Increased Costs of \$432,000 to \$592,000; City share (72%) of \$311,000 to \$426,200

Total Future Years: Authority Increased Costs up to \$592,000 to \$ 752,000; City share (72%) of \$426,200 to \$541,000

Operational Costs Incurred Directly by the City
--

CalPERS Contribution Rates

For fiscal year 2021/22, the City will likely experience an increase in total CalPERS costs of approximately \$149,000. This increase is attributable to the City's higher employer Normal Cost after removal of fire personnel from the blended rate. However, this analysis looks at a single year and is not reflective of cost differences in future years. Depending on CalPERS actuarial assumptions, benefit changes, and other factors, future Normal Cost rates may be more or less.

First Year: Increased Costs of \$149,000.

Future Years: Costs could be more or less, depending on CalPERS contribution rates.

Future City Health Insurance Costs

The City will experience an increase in health insurance rates for its remaining employees after the transition date, as the City's employee pool will be smaller. The City will need to consult with Kaiser and other providers to determine the potential impact on health insurance rates in the future.

First and Future Years: Increased Costs TBD

General Liability and Workers' Compensation Insurance

The Authority expects to realize substantial one-time cost savings in its insurance program in the first year of operation, saving JPA members \$282,000. This cost savings is mostly the result of the Authority

insurance provider's lack of claims experience with the Authority, and the cost will increase in the future to levels more consistent with the City's experience. The City will also experience savings with its own insurance bringing the total savings in the first year to \$700,000 for the City.

First Year: Decreased Costs of \$700,000 (one-time)

Future Years: Over time, Authority costs will increase and this savings will be reduced or eliminated.

Stations, Apparatus and Equipment

Although the lease terms are not yet resolved, it appears that the City and District will largely continue with current practices for facility maintenance with no significant change in maintenance costs. The proposed insurance requirements might result in increased costs as a result of duplicate coverage. This cost could range from \$150,000 to \$350,000 per year, depending on coverage levels. The potential impacts on costs for insurance coverage should be investigated as the terms of the proposed leases evolve, and the lease terms could be amended to minimize these duplicate costs.

First and Future Years: Increased Costs of \$150,000 to \$350,000

Total *First Year: Savings of \$201,000 to \$401,000, and unknown impacts from health insurance costs*

Total *Future Years: Increased Costs up to \$499,000, depending on CalPERS rates, plus health insurance costs TBD*

Long-term Liabilities

CalPERS Unfunded Accrued Liabilities

The City and the District are each responsible for their share of the City's current \$22 million CalPERS unfunded liability for fire personnel, as well as future liabilities that will accrue to the Authority. The City and the District will need to jointly determine an appropriate methodology for allocating the current liability. In the future, the Authority should provide annual actuarial analyses to allocate future liabilities among its members. The transition of employees to the Authority, on its own, does not change the overall amount of the liability. However, decisions made by the Authority in the future can impact the amount of the liability prior to the transition date. For example, if the Authority offers improved retirement benefits to employees who were formerly employed by the City, the City's UAL will increase, along with the City's and the District's share of this liability.

First and Future Years: This is an existing liability; current amount not impacted by transition, unless changes are made to benefits.

Retiree Medical Leave Bank

The City and the District jointly fund their share of the retiree medical leave bank. Current liabilities are fully funded in a trust account, and the City and the District each pay their required share as additional employees retire. While the City and the District will need to plan for these future deposits the contributions do not represent an increase in costs beyond current obligations resulting from current and continuing employee benefits. The medical leave bank program does result in an implicit subsidy of retiree health insurance premiums and, therefore, represents a long-term liability. The present value of these benefits is \$4.9 million. After the transition date, future employees will retire from the Authority and this liability will increase.

First and Future Years: This is an existing liability; current amount not impacted by transition.

Authority Health Insurance Costs

The Authority's plan to provide medical benefits through CalPERS will result in a requirement to contribute toward retiree health insurance premiums. This will generate significant annual costs as well as long-term liabilities. The liability for current employees who will retire in the future is estimated to increase from the current liability of \$4.9 million to \$10.1 million, increasing further as new employees are hired.

First and Future Years: The current liability of \$4.9 million will increase to \$10.1 million immediately when CalPERS health benefits are contracted, increasing further as new employees are hired.

Stations, Apparatus and Equipment

Additionally, the Authority and its members would benefit by a robust capital improvement plan for long-term replacement of apparatus, vehicles and equipment.

First and Future Years: This is an existing liability; current amount not impacted by transition.

Conclusion

The transition, as it is currently envisioned in the transition plan, will initially increase operating costs for the Authority and City over time. The majority of these costs result from the discontinuance of the City's more cost-effective provision of health insurance, administrative services, and similar costs. However, some of the cost increases can be reduced through careful planning and implementation. For example, the City and the Authority could consider more affordable options for employee health plans and administrative support services.

We are recommending three areas the City may want to prioritize for additional discussion or analysis.

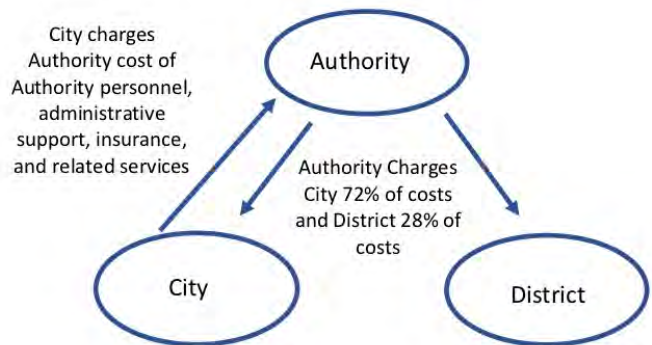
- The City and the District funding of current and future CalPERS liabilities;
- Long-term liabilities associated with switching to CalPERS medical insurance, and further consideration of alternatives; and
- A broad look at how the Authority will provide human resources, finance and other administrative support services, and the associated costs and options.

The 2018 JPA Agreement provides a platform for increased independence of the Authority from the City and a reasonable and well-considered solution to long-term fiscal and operational challenges facing the City and the District. However, the devil is in the details, and many details of the transition remain to be resolved, as outlined in this report. As these transition details are created, additional impacts may be identified, while others will be resolved. Additionally, future costs will be impacted by Authority Board actions that cannot be predicted at this time.

The Authority previously planned to transition to the employer of record on January 1, 2021. However, we recommend that the Authority delay this implementation date until the details of the transition are further developed.

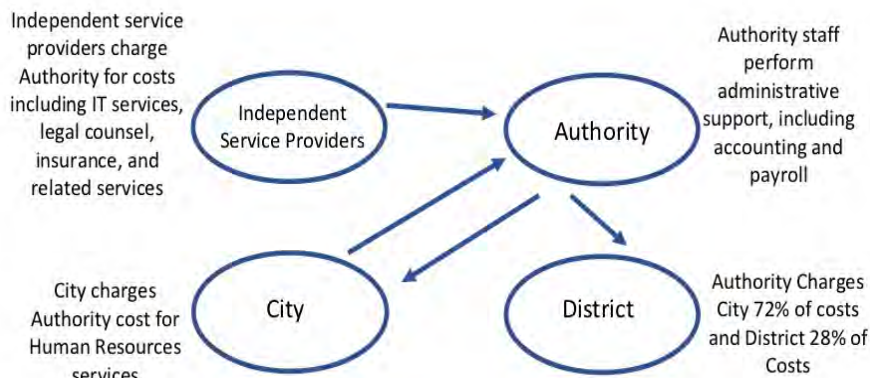
II. BACKGROUND

In 1999, the City and the District entered into a joint powers agreement forming the South County Fire Authority. In order to improve efficiencies, the City and the District agreed that the City would serve as the employer of record for fire personnel, providing compensation and benefits as negotiated in various labor agreements, and through contracts with CalPERS and other providers. The City Manager served as the SCFA executive officer and the City provided all administrative support to the JPA, including finance, human resources, legal counsel, information technology, insurance, and similar support services. In this model, the Authority paid the City for all direct costs, including Authority personnel, finance, human resources, legal counsel, IT support, fleet and facilities support, and related costs. The Authority then charged the City and the District for their shares of the costs, 72% to the City and 28% to the District. The arrangement successfully provided services to City and District customers for many years. However, as growth in the unincorporated area increased revenues to the District, and new fire stations were planned outside the City limits, the District sought a more equal role in governance and administration.



The City Manager served as the SCFA executive officer and the City provided all administrative support to the JPA, including finance, human resources, legal counsel, information technology, insurance, and similar support services. In this model, the Authority paid the City for all direct costs, including Authority personnel, finance, human resources, legal counsel, IT support, fleet and facilities support, and related costs. The Authority then charged the City and the District for their shares of the costs, 72% to the City and 28% to the District. The arrangement successfully provided services to City and District customers for many years. However, as growth in the unincorporated area increased revenues to the District, and new fire stations were planned outside the City limits, the District sought a more equal role in governance and administration.

In 2018, the District and the City determined that they would benefit by dissolving and creating a new JPA with a governance structure allowing the Authority to operate more autonomously. In February 2018, the City and the District formally dissolved SCFA and created a new Joint Powers Agreement of the South San Joaquin County Fire Authority (JPA Agreement). The composition of the Authority Board did not change with the creation of a new JPA, and the City and the District continue to each have equal ability to influence policy choices made by the Authority Board. The Fire Chief serves as the Authority executive officer, and the new JPA Agreement calls for the Authority to, over time, provide administrative, legal counsel, insurance and other services separate from the City. Notably, the Authority plans to become the employer of record for the Authority's more than 80 employment positions. As with the former model, the City will fund 72% of Authority costs, and the District will fund 28% of costs. However, as future stations and staffing are added outside the City limits, these ratios will change.



The transition to the new JPA was planned in two phases. Phase 1, which is largely complete, included creating structural, organizational and fiscal changes that shifted responsibilities away from the City and to the Authority. This includes hiring legal counsel, an independent auditor and a controller/treasurer; transitioning

accounting functions and financial systems to the Authority; adopting a standalone budget; hiring a Fire Chief reporting directly to the Authority Board; and adopting various policies and ordinances. Fire stations and apparatus will remain in the ownership of the City and the District and will be leased to the Authority.

During this interim period between the first and second phase, the City continues to serve as the employer of record for Authority personnel.

The second phase is to transition the Authority as the employer of record. This is no small task, and requires extensive preparation and planning. For example, the transition requires:

- New labor agreements with unions and unrepresented employee groups;
- New classification and compensation plans;
- New agreements with CalPERS for retirement benefits;
- New contracts with insurance providers for medical and related insurance benefits;
- New workers' compensation, liability, and related insurance coverage; and
- Creating resources and processes for payroll and human resources support.

Each of these steps involves considerable planning and coordinating with the City, labor groups, CalPERS, legal counsel, contractors and other providers. The Authority created a Phase 2 Personnel Transition Plan and anticipates asking the City Council, District Board, and Authority Board to consider and adopt the plan at future meetings.

This transition could have significant fiscal impacts for the City. While the Authority has provided some analysis of potential fiscal impacts, the City requested that MRG provide an independent review of the fiscal impacts it may face as a result of the transition, identifying key assumptions and areas where additional study is needed.

III. METHODOLOGY AND OVERVIEW OF FISCAL IMPACTS

In order to assist MRG with this analysis, City and Authority staff provided MRG with an extensive array of documents that describe the history, transition plans, and potential fiscal impacts of the new JPA. The City and the Authority also provided supporting information in emails and other correspondence. City and Authority staff were very accommodating with their time, and participated in several phone calls and meetings to answer questions and provide additional information.

In this report, we quantify fiscal impacts where possible. However, quantifying some of the fiscal impacts will require analyses beyond the scope of this study. This report attempts to provide the City with a comprehensive inventory of potential costs, and suggestions for how costs might be quantified. Additionally, while most impacts can be reasonably estimated, ultimately some impacts depend on future actions that are not currently known.

This report does not address City or Authority revenue projections. The City and Authority have completed several reports and analyses that address Authority revenue projections based on anticipated growth. In evaluating overall fiscal impacts, the City would need to compare projected costs to anticipated revenues. Cost increases may be justified as necessary to support an organization that could generate new revenues and provide expanded and/or improved services. However, fiscal prudence is always wise and this report analyzes costs in order to minimize their potential impact.

In our analysis, we found fiscal impacts in three broad categories: Operational costs incurred by the Authority and shared between the District and the City, operational costs incurred directly by the City, and long-term liabilities (for both the City and the District).

Operational Costs Incurred by the Authority and Shared Between the City and the District

The composition of the Authority Board did not change with the creation of a new JPA, and the City and the District continue to each have equal ability to influence policy choices made by the Authority Board. However, the new, semi-autonomous structure will shift administrative decision making, as well as labor negotiations, away from the City and to the Authority. This will shape recommendations to the Board as well as administrative decisions that don't require Board direction. To the extent that the Authority actions are different than the City would have taken, costs could be either more or less than the City would have incurred. Additionally, because the Authority will have fewer employees than the City, it may not receive the same prices for certain benefits. Because the Authority will need to employ its own administrative staff, there may be some duplication of services with City staff in the areas of finance, human resources, legal counsel, and others.

Currently, the City pays 72% of Authority costs, and the District pays 28%. To the extent costs for the Authority are more or less than would have been incurred by the City, the City and the District will either bear or benefit from those cost changes.

Operational Costs Incurred by the City

As a result of the transition to a new JPA, 77 current full-time employees will no longer be employees of the City, and instead will be employees of the Authority. The City organization will be "smaller" than it was, and, as a result, some City costs will either increase or decrease. For example, this could include changes to workers' compensation, liability, health, and property insurance; pension rates; and staffing/contract services for administrative functions that cannot easily be reduced to meet the new, reduced demand for services.

Long-Term Liabilities for the City and the District

The City and the District each have long-term liabilities associated with the employment of personnel, including CalPERS retirement benefits, other post-employment benefits (health insurance), and leave accruals. Prior to 1999, the City and the District were separate entities, and each responsible for their own long-term liabilities. Between 1999 and the transition date for the new JPA, the City is the employer of record, and the City and District liabilities are blended together under the City's purview. The City and the District will need to jointly determine their respective shares of these liabilities and develop a plan to fund associated costs in the future. Finally, after the transition date, the Authority will be responsible for managing the long-term liabilities. The Authority, with the City and the District as Board members, will need to similarly develop a long-term plan for funding the long-term costs associated with CalPERS, health insurance and leave accruals.

Most of these liabilities have existed for many years, and the transition to a new JPA doesn't necessarily impact the amount of the liability. However, dissolution of the previous JPA and creation of a new JPA do bring the issues to the forefront and require the City and the District to develop a funding strategy. Going forward, decisions made by the Authority will impact the amount of these liabilities.

The City and the District also have individual long-term obligations related to facility and apparatus maintenance and replacement. These are managed individually by the City and the District.

This report addresses potential fiscal impacts in each of these three categories.

IV. CalPERS UNFUNDED ACCRUED LIABILITIES

A CalPERS retirement is a tremendous benefit for employees and helps employers attract and retain qualified staff. However, that benefit does not come without substantial cost. Broadly speaking, the amount an agency pays for its CalPERS retirement programs falls into two categories: The Normal Cost and the Unfunded Accrued Liability (UAL). The Normal Cost represents the annual cost of service accrual for the current year for active employees. The Normal Cost is paid as a percentage of payroll, and a portion of the Normal Cost is paid by the employee. Anticipated changes in Normal Cost rates are discussed in detail in the next section.

The Unfunded Accrued Liability is an amortized dollar amount, determined through actuarial analysis, that is needed to fund past service credit earned for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The UAL is expressed as a dollar amount, and the member agency is required to make minimum contributions to the UAL annually. Generally, the payment against the UAL is applied as a percentage of payroll, although it is paid in a fixed sum. This section of the report addresses the anticipated changes in CalPERS Unfunded Accrued Liability as a result of the transition of employees from the City to the Authority.

In 1999, the City and the District entered into an agreement regarding employment of personnel for the provision of fire services. This agreement provides that the City, as the employer of record for the then-new SCFA, would offer employment to the employees of the District. At the time, the District was a CalPERS member providing retirement benefits to its employees. As a result of the agreement, these employees became part of the City's CalPERS plan, including long-term liability for any retirement benefits provided to them. The District's long-term liability associated with its employees prior to 1999 remained with the District and the District continues to pay against this liability when required by CalPERS. Any subsequent employees hired by the City, on behalf of the SCFA, to serve areas outside of the City's jurisdiction, became members of the City's CalPERS plan and received appropriate retirement benefits.

On February 20, 2018, the City and the District entered into a dissolution agreement terminating the 1999 JPA and related agreements, and entered into the new JPA Agreement. This new JPA Agreement indicates that, while the City will continue to serve as employer of record initially, the members intend to transition employees to the Authority, with the Authority serving as employer of record in the future. In anticipation of the transition of employees to the Authority as employer of record, the Authority prepared a proposed Phase 2 Personnel Transition Plan that includes, among other topics, a discussion of future CalPERS benefits. This plan indicates,

The new CalPERS agreement will require all member agencies to pay their respective share of any future retirement liabilities regardless of Authority status. This required language change identifies and addresses an inequitable liability exposure that exists from the previous JPA. Although an argument can be made that all members have an obligation to fund the pension unfunded accrued liabilities that are created by the employees whom are allocated to service their respective areas, there is no current contract language that codifies such an obligation.

In a report to the Authority Board dated August 18, 2020, the Fire Chief notes that the Authority's "new contract with CalPERS will begin with no unfunded liabilities. However, current unfunded pension liabilities will remain with the member agencies and the District will be required to pay its pro-rata share of the City's unfunded liabilities that were created during the time that the City acted as the employer of

record.” Going forward, the Authority will accrue a liability for costs incurred by current and future employees after the transition date, which will be split between the City and District based upon the agreed upon formula.

Allocating Current and Future Liabilities

A portion of the City’s current UAL for pension costs is a direct result of the City’s employment of personnel serving areas outside the City’s jurisdiction. The City’s unfunded liability will remain a component of the City’s CalPERS contract and will not shift to the Authority with the employee transition. As such, in the future, even after fire personnel are transferred to the Authority, the City will make annual contributions toward this unfunded liability, as required by CalPERS, including costs associated with employees who served within the District’s jurisdiction. Just as the District remains responsible for its UAL from benefits provided prior to 1999, the District would share in the responsibility for the long-term liability incurred by the City, which will continue for many years.

After the transition, the Authority will begin with a \$0 balance in its UAL, and the current liability will remain with the City. Over time, as employees are hired and actuarial assumptions change, the Authority will also accrue a liability. For example, in the 18-year period from 2001 to 2019, the City’s UAL for their safety employees (police and fire) grew by 900%, from \$6 million to \$54 million. However, the Authority’s future liability will represent costs incurred by current and future employees *after* the transition date, while the City’s UAL will change as a result of changes in actuarial assumptions and benefits provided to current employees for their service *before* the transition date. Thus, while both the City and the Authority may see their unfunded liabilities grow, there will not be any duplication of unfunded liabilities. The overall long-term liability will not be impacted by the transition alone; however, the liability will be separated into two different accounts (City and Authority).

As employees receive raises in the normal course of employment, the cost of their retirement benefits increases and the liability for both the City (for service before the transition) and the Authority (for service after the transition) increases. If the Authority offers improved retirement benefits to employees who were formerly employed by the City, the City’s UAL will increase, along with the City’s and the District’s share of this liability.

The City has one contract with CalPERS for all its safety employees, including both police and fire personnel. CalPERS combines both unfunded liabilities and contribution rates into one amount for all safety employees, and CalPERS does not determine how much of the unfunded liability is attributable to police and fire personnel. As of June 30, 2019, the City’s total combined UAL for safety employees was \$53,898,486 and, in the 2021/22 fiscal year, the City will contribute an estimated \$4,122,136 toward this liability.

The City will need to complete a two-step calculation to determine the amount of the liability resulting from City versus District operations. The first step is to separate the City’s unfunded liability between police and fire personnel. The City recently contracted with Bartel Associates to complete this task. The Bartel Associates analysis indicates that, as of June 30, 2019, 40.8% of the UAL is attributable to fire personnel, or \$21,990,582. The relative proportions will change over time based on CalPERS actuarial assumptions, investment results, the number of police and fire personnel, and employee demographics for both police and fire personnel. It will be necessary to update this analysis annually to ensure continued accuracy.

The second step would be to determine how much of this \$22 million liability would be the result of City versus District service. One approach might be to apply the 72%/28% ratio; however, there may be other

factors to consider before finalizing a methodology. For example, the UAL includes City service prior to 1999, but does not include the District’s similar service liability. It would be beneficial for the City and the District to meet and agree on a methodology for allocating the \$22 million liability, consulting with Bartel Associates during the process to assist with education and clarification of issues. Once the City and the District agree on the allocation, they can each make annual contributions based on the annual update from Bartel Associates.

It is important to also recognize that the unfunded liability continues to accrue during this interim period while the City remains the employer of record. The liability is still accruing currently by the City for the benefit of District personnel, and the City and the District should include this interim period in any future discussion about the disposition of the City’s unfunded CalPERS liability.

As indicated in the Authority’s new CalPERS agreement, the individual JPA members are each responsible for their share of any future liability accrued by the Authority. Going forward, the Authority would be wise to ensure that, after it becomes the CalPERS employer of record, it obtains an annual actuarial report identifying how much of the Authority’s CalPERS liability is obligated to each member so each jurisdiction is aware of its share. The Authority could plan carefully to fully fund this obligation, setting aside funds in addition to making required CalPERS contributions, avoid benefit increases or reducing plan liabilities by reducing benefit costs. Before the Authority considers any improvements to retirement benefits offered to current employees, a cost analysis that includes impacts on both the Authority’s and the City’s (including the District’s share) unfunded liability should be considered by the City and the District as members of the Authority Board. The JPA Agreement notes that the personnel plan will “detail the treatment of such matters as...the obligation of pension obligations and liabilities.” The proposed Phase 2 Personnel Transition Plan does not provide any details regarding the allocation of these future liabilities, and we recommend the JPA members work out details for addressing these future liabilities before the transition plan is adopted.

Summary

For the period from 1999 to the transition date, the City and the District are each responsible for their share of the City’s current \$22 million CalPERS unfunded liability for fire personnel. The City and the District will need to meet and discuss how to develop a cost allocation methodology and make payments to CalPERS each year. The transition of employees to the Authority, on its own, does not change the overall amount of the liability. However, decisions made by the Authority in the future can impact the amount of the liability prior to the transition date.

Beginning with the transition date, the Authority will need to obtain annual actuarial reports that establish each member’s share of the new liability and make plans to fund this liability over time. To minimize the liability, Authority members could set aside funds in addition to making required CalPERS contributions and avoid offering increased benefits.

V. CALPERS CONTRIBUTION RATES

The City currently provides the following retirement benefits to its employees:

	Tier 1	Tier 2	PEPRA (hires after 1/1/13)
Miscellaneous	2.5%@55 single highest year	2@%55 highest 3 years (hires after 12/17/10)	2@%62 highest 3 years
Safety Police	3%@50 single highest year	3@55 single highest year (hires after 7/2/10)	2.7%57 highest 3 years
Safety Fire	3%55 single highest year	n/a	2.7%@57 highest three years

For purposes of this analysis, we are focusing on fire safety personnel. Safety personnel represent 89% of the full-time employees transitioning to the Authority, and 94% of total salary cost. The weighted average employer contribution rate for City non-safety employees is 9.84% for 2020/21 and 9.83% for the Authority, not significantly different. The transition will not significantly change pension costs for non-safety employees.

The proposed Memoranda of Understanding between the Authority and the South County Fire Chief's Association and the Firefighters Association do not propose any changes to these benefit levels.

For fiscal year 2021/22, the City will pay the following CalPERS Normal Cost contribution rates:

	Police and Fire
Total Normal Cost	31.65%
Less: Employee Contributions	9.76%
Net Employer Normal Contribution Rate	21.89%
City Contribution Amount	\$4,499,771

This is in addition to contributions toward the unfunded liability, addressed previously.

As noted previously, the City's safety plan includes both police and fire personnel, and CalPERS does not provide total contribution rates separately for each benefit tier or group. However, the CalPERS actuarial report does include rates for the Total Normal Cost for each benefit group, and the weighted average rates for fire and police personnel are shown below.

	Police	Fire
Weighted Average Normal Cost	33.62%	29.11%
Employee Contribution	9.00%	13.00%
Weighted Average Employer Normal Cost	23.89%	19.37%

After the Authority transitions to the employer of record, the City and the Authority will each have separate contribution rates. For fiscal year 2021/22, the Authority will pay the following weighted average Normal Cost rates:

	Fire
Weighted Average Normal Cost	31.71%
Employee Contribution	9.73%
Weighted Average Employer Normal Cost	21.97%

As noted in the previous discussion concerning CalPERS unfunded liabilities, the Authority will start with a \$0 unfunded liability, so, for 2021/22, the above Normal Cost rates are also the total rate paid by the Authority. This will change in the future as the Authority accrues a CalPERS liability.

Anticipated Changes in Normal Cost rates

The Authority’s Normal Contribution rate for 2021/22 after employee contributions is 21.97%, approximately equal to the City’s current blended rate of 21.89%. Thus, the City’s contribution toward fire personnel in the future will be approximately the same as it is currently. However, because the weighted average rate for fire personnel is lower than police personnel, the City’s Normal Cost rate for police personnel in the future will be higher after fire personnel are removed from the City’s plan.

CalPERS will pool employers with fewer than 100 covered employees together and determine Normal Cost rates based on the pool, rather than each individual employer separately. After the fire personnel are transitioned to the Authority’s CalPERS contract, the City will have fewer than 100 employees in its safety contract and it is likely that CalPERS will combine the City into a similar risk pool. The Authority, with fewer than 80 covered employees currently, will also be included in a risk pool with other employers. Although CalPERS has not yet selected a specific risk pool for the City’s contract, Bartel Associates estimates the City’s employer Normal Cost rate will be 23.23% after the fire personnel transition to the Authority. This rate is 1.34% greater than the City’s current rate of 21.89%. The following table summarizes the potential for changes in City costs in the 2021/22 fiscal year.

	Employer Normal Cost	Covered Payroll as of June 30, 2019	Total Normal Cost	City Share (72% or 100%)
<u>Current</u>				
Police	21.89%	10,735,373	2,349,973	2,349,973
Fire	21.89%	8,214,191	1,798,086	1,294,622
				3,644,595
<u>After Transition</u>				
Police	23.23%	10,735,373	2,493,827	2,493,827
Fire	21.97%	8,214,191	1,804,658	1,299,354
				3,793,181
				148,585

For fiscal year 2021/22, the City will likely experience an increase in total CalPERS costs of approximately \$149,000. This increase is attributable to the City’s higher rate after removal of fire personnel from the blended rate. This analysis looks at a single year, and may not be reflective of cost differences in future years.

Summary

For fiscal year 2021/22, the City will likely experience an increase in total CalPERS costs of approximately \$149,000. This increase is attributable to the City’s higher employer Normal Cost after removal of fire personnel from the blended rate. However, this analysis looks at a single year and is not reflective of cost differences in future years. Depending on CalPERS actuarial assumptions, benefit changes, and other factors, future Normal Cost rates may be more or less.

VI. HEALTH INSURANCE AND LEAVES

Future City Health Insurance Costs

Public agencies in California have options for providing medical insurance to their employees, which include contracting directly with insurance providers, working with a broker, and joining insurance pools. One of the largest insurance pools for public agencies in California is offered by CalPERS. The City provides medical, vision and dental insurance to its employees directly from insurance providers, not through the CalPERS health insurance program. For medical insurance, the City offers only Kaiser sponsored HMO, POS, and PPO plans that range in cost (for 2021) from \$786 to \$1,707 monthly for employee only, to \$2,044 to \$4,438 monthly for employee and family. In 2020, the City contributed a maximum of approximately \$2,900 toward the employee's cost of medical, dental and vision insurance; any cost for insurance in excess of that amount is paid by the employee. Nearly all employees have selected plans with costs that are fully covered by the City; only a few employees pay for insurance in excess of the City contribution. In very limited situations, an employee may opt out of the insurance plan and instead receive a monthly stipend ranging from \$904 to \$996 per month. The City negotiates rates for medical insurance with Kaiser and its rates are based on many factors, including the number of insured employees.

The City currently has approximately 533 employees, including 77 employees planned for transition to the Authority. The City's insurance broker has indicated that the City will experience an increase in insurance rates for its remaining employees as a result of the smaller employee pool; the amount of this increase is unknown at this time. Prior to the transition of employees to the Authority, the City could obtain updated pricing from Kaiser and other providers.

Summary

The City will experience an increase in health insurance rates for its remaining employees after the transition date, as the City's employee pool will be smaller. The City will need to consult with Kaiser and other providers to determine the impact on health insurance rates in the future.

Retiree Medical Leave Bank

The City allows fire personnel, under certain circumstances, to convert their unused accumulated sick leave into cash upon retirement. This cash is held by the City in a medical leave bank and used to pay the premiums for the retiree's health insurance coverage. The City does not contribute directly to the medical leave bank and the retiree is responsible for payment of insurance premiums after the balance in their leave bank is expended. The Authority proposes to continue the same program with employees after the transition.

The dissolution agreement identifies the balance in the medical leave bank, including the City and District shares, as of February 20, 2018 and requires the City and District to pre-fund this liability in cash. Subsequent to the dissolution agreement, additional employees have retired and the City and the District have made the required cash deposit into this fund. Note that, even if the Authority does not continue to offer this benefit to active employees, the current retirees have accrued this benefit and it must be paid pursuant to previous agreements. These funds are held for the benefit of employees who have already retired from the City, and it would likely be easiest for the City to continue to provide their medical insurance and manage their medical leave bank. There may be exceptions, and the City and the Authority will need to discuss and agree on a specific procedure for managing the existing medical leave bank.

After the transition, the Authority will set up a new trust fund and deposit the value of sick leave accruals when employees retire in the future. In order to ensure the cash is available to fund retiree health insurance premiums, the City and the District could consider pre-funding the employee medical leave bank upon each retirement, as they do now. The City indicates that active fire employees have a current sick leave balance of approximately \$6.8 million; however, not all employees will retire from the City, nor will all employees be eligible to participate in the medical leave bank program. Nonetheless, the City and the District will each have an obligation to fund a significant cost for this program in the future. While the City and the District will need to plan for these deposits, which could be substantial, the deposits do not represent an increase in costs beyond current obligations.

Although the City does not offer a direct subsidy of retiree health insurance premiums, the current medical leave bank program does result in an implicit subsidy of retiree health insurance premiums and, therefore, represents a long-term liability. An actuarial report prepared by MacLeod Watts dated February 27, 2020 estimates the present value of these benefits to be \$4.9 million for employees as of June 30, 2019. This represents the projected value of benefits for current employees who retire. After the transition date, future employees will retire from the Authority and this liability will increase.

Summary

For retirees prior to the transition date, the City and the District jointly fund their share of the retiree medical leave bank. Current liabilities are fully funded in a trust account, and the City and the District each pay their required share as additional employees retire. After the transition, this arrangement may not need to change.

For retirees subsequent to the transition date, the Authority will establish a new trust account to fund the retiree medical leave bank and will make arrangements with member agencies to fund the account as each employee retires.

While the City and the District will need to plan for these future deposits, which could be substantial, the contributions do not represent an increase in costs beyond current obligations.

Authority Health Insurance Costs

The Authority solicited proposals to provide health insurance to its employees and received several price quotes. Because the Authority has relatively few employees, it does not attract the lowest rates and, with the exception of the CalPERS medical insurance plans, all the proposals were considerably more costly than the rates currently paid by the City. As a result, the Authority is proposing to offer medical insurance benefits through CalPERS. CalPERS offers several medical plans for employees, including Kaiser, as well as others. CalPERS rates in 2021 range from \$567 to \$1,308 monthly for employee only to \$1,473 to \$3,400 monthly for employee and family. It is difficult to compare the medical plans offered by the City to the plans offered by CalPERS. The City offers Kaiser HMO, POS, and PPO plans only, while CalPERS offers Kaiser HMO (no Kaiser POS or PPO), plus another 13 plans from other providers. Exact benefits vary among plans and providers. For 2021, the Kaiser HMO rate (the only plan offered by both the City and CalPERS) is higher for CalPERS than for the City; however, that may not always be the case in the future.

The overall cost for an employee health insurance program will cost more for the Authority to provide under the CalPERS health program than the City's current cost, for several reasons.

Insurance rates

60% of fire employees are enrolled in the Kaiser HMO plan. The CalPERS rate for this plan in 2021 is 3.5% more than the rate available to the City. The remaining employees are enrolled in the Kaiser POS plan or opt out of insurance coverage. However, employees will have new choices in plans and an increased opportunity to opt out of coverage; comparing costs based on current enrollment may not reflect actual experience. In order to more accurately project costs for the first year, the Authority surveyed employees to determine which plans employees are most likely to choose if given new options from the CalPERS plan. The survey responses indicate that most employees will remain in the Kaiser HMO plan, while additional employees have access to other health care plans and will opt out of Authority coverage altogether, obtaining coverage through a spouse's plan. Based on the employee survey responses, and factoring in the 2021 insurance rates, costs for medical insurance will be approximately equal for the City and the Authority in 2021. Although rates are higher for the Authority, leaving the City's Kaiser plan creates an option for additional employees to opt out of coverage altogether, reducing costs and offsetting the rate increase. The cost savings from an increased number of employees choosing to opt out should be considered a one-time savings; additional opt outs will not likely be sufficient to offset future cost increases.

Looking forward, the costs for health insurance will vary each year depending on the plan each employee selects, how many opt out, and rates negotiated by CalPERS. Because all currently insured employees are enrolled in Kaiser plans, they are more likely to remain with their Kaiser doctor after the transition. As new employees are hired, they are not necessarily loyal to Kaiser and may select a non-Kaiser plan. Kaiser HMO plans are low-cost compared to other plans, and if more employees select non-Kaiser plans, costs will increase over time. Non-Kaiser HMO plans offered by CalPERS cost between \$3,600 and \$7,200 more per year per employee than Kaiser HMO plans. If employees switch to these plans, insurance costs will increase. (Note that the City also offers more expensive Kaiser POS plans and it is possible that, in the future, employees could switch to these plans, similarly increasing costs.) Additionally, the Authority projects that 25% of the employees will opt out of coverage and receive an in-lieu payment. For single employees, the cost to provide insurance or an in-lieu benefit are approximately equal. However, the cost of insurance for a family exceeds the in-lieu benefit by \$14,000 to \$24,000 per year, depending on the plan. If fewer employees opt out of coverage than anticipated, costs could increase significantly. Although future costs are difficult to estimate, if 20% of the employees opt out of coverage (rather than 25%) and enrollees are evenly split between Kaiser HMO and other plans, costs could increase by \$160,000 per year. The Authority could offer incentives to encourage employees to select less expensive plans and moderate this potential increase.

The Flores Ruling

As noted, the Authority plans to allow employees to opt-out of medical insurance coverage and receive a monthly stipend in lieu of insurance. According to the employee survey, 8 additional employees will opt out of coverage and receive a stipend of \$904 each month in lieu of insurance. As a result of the ruling in *Flores v. City of Gabriel*, the amount of the stipend must be included in employees regular pay for purposes of calculating overtime pay rates, increasing overtime costs. The Authority has calculated this additional cost at \$29,000 per year (split between the City and the District). In the future, this additional cost will vary depending on the number of employees choosing to opt out of insurance, and overtime hours worked.

Retiree Medical Insurance

By joining the CalPERS medical program, the Authority will be required to make certain agreements related to retiree medical insurance. Currently the City does not contribute directly toward the premiums for retiree medical insurance. CalPERS regulations require that employers participating in the CalPERS medical insurance program contribute an amount toward retiree medical insurance premiums, creating both an annual expense as well as a long-term liability for the Authority. Currently, the amount required by CalPERS is \$139 per employee per month, and this amount will increase by approximately 4% each year. However, CalPERS allows a lengthy phase-in of these costs. Authority costs would equal only \$1 per month per employee in the first year, increasing each year until the minimum (currently \$139/month) is reached in 20 years.

In addition to the monthly payments, the Authority will accrue a long-term liability as a result of the new benefit offered to retirees. Currently, the City provides retirees access to discounted group insurance rates, creating an implicit liability for future discounted insurance rates. If the Authority also directly contributes toward retiree health insurance premiums, as would be required by CalPERS, it will also accrue an explicit liability for these future contributions. The Authority contracted with MacLeod Watts to estimate the amount of this liability. The report from MacLeod Watts indicates that the present value of projected benefits in the current plan of \$4.9 million will increase to \$10.1 million after the transition to CalPERS medical insurance plans. This value reflects the projected value of benefits for *current employees when they retire; it does not include liability for employees hired in the future*. Existing retirees will not participate in the plan. If the Authority chooses to prefund this liability over a 20-year period, the annual payment would be approximately \$124,000 in the first year (shared between the City and the District). This amount will increase as new employees are added, if the usage rate increases, if employees switch to more expensive medical plans, as the required minimum contribution increases, and other factors.

Similar to the CalPERS unfunded liability, the Authority would be wise to ensure that it obtains an annual actuarial report that quantifies the current liability, identifies each member's share, and evaluates options for funding this plan. Because the change to CalPERS medical benefits creates this significant long-term liability, the Authority Board should carefully consider the long-term fiscal implications to its member agencies before making a final decision.

Summary

The cost to provide health insurance benefits will increase after the transition, potentially significantly. In the first year, the direct cost for health insurance benefits will be about the same as the City would have incurred; however, future costs will vary depending on employee enrollment and rates offered by CalPERS. Because all insured employees are currently enrolled in Kaiser plans, they are more likely to remain with Kaiser after the transition. However, over time, new employees may select more expensive non-Kaiser plans, increasing future costs by as much as \$190,000 per year. Additionally, because additional employees will opt out of insurance coverage and the impacts of the *Flores* ruling, the Authority will incur an additional \$29,000 in overtime costs in the first year, and varying from year to year.

Most significantly, the plan to provide medical benefits through CalPERS will result in a requirement to contribute toward retiree health insurance premiums. This will generate significant annual costs as well as long term liabilities. In the first year, the Authority will incur approximately \$124,000 (split between the City and the District) in annual costs to fund required contributions; this amount will increase annually as additional personnel are hired. The liability for current employees who will retire in the future is estimated to increase from \$4.9 million to \$10.1 million, increasing further as new employees are hired.

Higher annual insurance premiums from non-CalPERS providers might be justified to avoid this long-term liability. Because the change to CalPERS medical benefits creates this significant long-term liability, the Authority Board should carefully consider the long-term fiscal implications to its member agencies before making a final decision.

Leave Accruals

The City currently provides fire personnel with certain leave benefits, including vacation and sick leave. If not used, these leaves can be accrued to certain maximum amounts. The Authority proposes to offer the same leave benefits to employees as offered by the City, and to credit each employee with the same leave balance they accumulated while employed by the City. While the normal use of accrued leave is budgeted and paid as part of the ongoing salary expense, in some situations, employees are allowed to cash out portions of their leave bank (either during the year or at termination).

These accumulated leaves represent a liability to the City and the District. The dissolution agreement dated February 20, 2018 indicates that “the City and District shall jointly fund the cost of accumulated leave and any other accruals due to District’s Former Employees who separate from the City.” This statement only addresses employees who were employed by the District prior to 1999, are still employed by the City, and transition to the Authority (or otherwise leave the City). This section of the dissolution agreement does not indicate the value of the accumulated leave, nor the amounts owed by the City and the District, beyond the expectation that they will jointly fund the costs. Additionally, the dissolution agreement does not address accrued leave for employees working in the District’s service area that were hired after 1999. During the term of the 1999 JPA, the District was billed for its share of current salary and benefit costs, including leave taken by employees. However, the District did not contribute toward the long-term liability associated with leave accrued but not yet paid. It is common for agencies to fund employee leave taken on a pay-as-you-go basis and not have funds set aside to fund all future leave.

Upon transition, the Authority will credit each employee with existing leave balances, and will pay employees as they use the leave over time or cash out the leave. The District and the City could jointly determine the value of accumulated leave for all the employees and develop a funding plan for leave balances that are cashed out by the employee. Alternately, the Authority could continue the pay-as-you-go model and invoice each agency for its share of leaves cashed out as part of the normal billing process. The value and cost for these accrued leaves will not increase as a result of the transition unless the Authority changes policies related to use of leave balances.

VII. GENERAL LIABILITY AND WORKERS’ COMPENSATION INSURANCE

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) and acquires both liability and workers’ compensation insurance as part of its overall insurance program. The coverage for the Authority has been a constituent part of the insurance costs and the City charges the Authority its pro-rata share each year. For fiscal year 2020/21, the City’s total cost (for all employees) for workers’ compensation insurance is \$3.4 million, and \$1.4 million for liability insurance. For the 2020/21 fiscal year, the Authority expects to pay approximately \$900,000 (or 26.5%) of the City’s workers’ compensation premium and \$122,440 (8.6%) of its liability insurance premium.

As part of the planning for the transition of these insurance coverages, the Authority obtained quotes for liability and workers' compensation insurance from the Special District Risk Management Authority (SDRMA), a statewide insurance risk management joint powers agency. The cost comparison below outlines the cost for the existing and proposed insurance coverages for the first fiscal year.

Current City Workers' Compensation	\$900,000
Proposed SDRMA Workers' Compensation	<u>\$578,883</u>
Difference	-\$332,375
Current City Liability Insurance	\$122,440
Proposed SDRMA Liability Insurance	<u>\$172,363</u>
	+\$ 49,923
Net Insurance Cost Change Year 1 (split between City and District – one time savings)	-\$282,452

The cost reduction in workers' compensation insurance is primarily due to the lack of any loss experience with the Authority operations. After the first year, these rates will return to levels more consistent with the City's rates. The liability insurance rate increase is likely due, in part, to the "stand alone" insurance profile the Authority will assume going forward. In addition, the insurance costs may increase further after lease terms between the City and the Authority are fully resolved. The liability rates will also be dependent on the insurer's experience with the Authority.

Comparing rates is difficult because the City is able to obtain rates for the entire organization, and may benefit from the economies of scale. We are unable to confirm that the proposed coverage for liability and workers' compensation insurance are the same for the CSJVRMA and SDRMA, including limits of liability and impacts of self-insured retention. While the insurance proposed by the Authority may be sufficient, it may reflect different coverage levels than the City provides. If a more detailed comparison is needed, the City will need to consult with insurance professionals.

Both the City's insurance provider (CSJVRMA) and the Authority's provider (SDRMA) are large and experienced risk management pools. The CSJVRMA has more than 50 members in its worker's compensation and liability pools, and total revenues of \$53 million annually. The SDRMA has 440 members in its workers' compensation pool and more than 500 in its liability pool, with \$74 million in annual revenues. The two pools will be able to provide competitive rates to the City and the Authority, and, in the long run, the differences between the rates the City can offer the Authority and the rates the Authority obtains from SDRMA are not likely substantial.

With the transition of employees to the Authority, the City's workers' compensation and liability insurance costs will be reduced. Worker's compensation insurance rates for fire personnel are among the highest of all employees, and the City should see a significant decrease in workers' compensation premiums. The City contacted CSJVRMA and received an initial estimate that premiums for workers' compensation will decrease by \$1.154 million and premiums for liability insurance will decrease by \$389,000, for a total cost reduction of \$1.55 million. While this estimate is subject to change, it does indicate that the City may see significant savings in overall insurance costs. The table below shows current City insurance and anticipated costs for the first year after the transition.

	Workers' Compensation Insurance	Liability Insurance	Total
Current			
City Insurance Cost with CSJVRMA	3,393,636	1,420,255	4,813,891
Less: Amount Reimbursed by Authority	900,000	122,440	1,022,440
Net City Direct Insurance Cost	2,493,636	1,297,815	3,791,451
Plus: City Share of Authority Cost	648,000	88,157	736,157
Total City Insurance Cost	3,141,636	1,385,972	4,527,608
After Transition, Initial Cost			
New City Insurance Cost with CSJVRMA	2,239,746	1,030,984	3,270,730
New Authority Insurance Cost	578,883	172,363	751,246
City share of Authority Cost	416,796	124,101	540,897
Total City Insurance Cost	2,656,542	1,155,085	3,811,627
Savings	485,094	230,886	715,981

In the first year, the City may see a reduction in costs in excess of \$700,000. However, this savings should be considered a one-time savings. As the Authority's cost for workers' compensation insurance increases as expected, this savings will be reduced or eliminated.

Although not directly related to future costs, the City and the Authority will need to determine how to handle claims that are received and paid for incidents prior to the transition date.

Summary

The Authority expects to realize substantial cost savings in its insurance program in the first year of operation, saving JPA members \$282,000. Savings the City will experience with its own insurance will increase the savings in the first year to more than \$700,000 for the City. However, this cost savings is a one-time benefit. As the Authority's cost for workers' compensation insurance increases as expected, this cost savings will be reduced or eliminated.

VIII. STATIONS, APPARATUS AND EQUIPMENT

City and District-Owned Assets

Under the terms of both the former and current joint powers agreements, the District and the City retain ownership of their respective fire stations, buildings and fire apparatus. Each agency has, and will continue to have responsibility for repairs of fire stations and buildings as well as replacement of fire apparatus when needed. In addition to the City and District fire stations and apparatus, the Authority occupies two City-owned properties; one serves as the Authority's administrative offices and the other, a former fire station, is used for equipment and materials storage. Pursuant to the JPA Agreement, the City and the District will lease their fire stations to the Authority, as well as City-owned administrative and storage facilities, to permit continued use by the Authority.

The Authority has prepared two draft leases for review by the City and the District. The City lease includes stations 91, 92, 96 and 97, plus fire the administration building and the storage facility. Similarly, the District will lease its stations 93 and 94 to the Authority. The primary purpose of the leases is to permit

the Authority to use the facilities owned by the City and the District and establish terms and conditions for the performance of the lessor and lessee. The draft leases are currently under review by the City and the District. The Authority proposes the following lease provisions:

- The Authority will have full operational control of the facilities;
- The Authority will continue to pay the City facility maintenance charges (currently \$50,000 per year) as rent (presumably for the administration and storage facilities only); the Authority will not pay the District or the City any cash rent for the fire stations;
- For all properties, the Authority will be responsible for routine maintenance and repair in the interior of the buildings, to include plumbing, heating, cooling and electrical systems. The City/District will be responsible for all other maintenance, including capital repairs and maintenance of the building exteriors;
- The City/District are responsible for payment of utilities;
- Both the City/District and the Authority will carry general liability insurance;
- The Authority will provide workers' compensation insurance coverage;
- Fire insurance will be carried by the City/District and the Authority for their own property (i.e., owners cover the buildings, Authority covers contents); and
- The City/District and the Authority mutually indemnify each other and list each other as additional insured on insurance policies.

Some of these lease terms may change after the City and the District complete their reviews. The District and City fire operations have operated as a fully integrated unit for more than 20 years and have an established method of sharing service costs and retained ownership of their stations and apparatus. Leasing the properties to the Authority will not significantly modify longstanding practices nor significantly impact facility maintenance costs.

While the draft leases provide a reasonable framework to articulate responsibilities and document current practices, some of the proposed lease terms could benefit from additional clarity. The leases only directly address the real property; no mention is made of leasing fire apparatus as is required by the JPA Agreement. Clarification regarding City/District and Authority facility maintenance responsibilities could help staff implement the leases. Additionally, there appears to be some inconsistencies in the proposed lease terms in the area of property insurance coverage. Some of these changes should be made directly in the leases; however, a number of related issues could be addressed in memoranda of understanding rather than directly in the lease, as it can be more easily modified as circumstances change.

As noted previously, the act of leasing the properties to the Authority does not change maintenance costs. The City will pay certain maintenance costs directly for its own facilities, and will pay its share of maintenance costs for Authority-performed work. The Authority will pay rent to the City for the administration and storage facilities, which will be shared between the City and the District as a normal operating cost. (It is important that all maintenance costs for the Administration and storage facilities, such as utilities and landscaping, are paid directly by the Authority so they may be split appropriately between the City and District as normal operating expenses.) The Authority currently maintains the apparatus and no change is planned. Insurance costs may increase for the City and the District, as the proposed leases require the City/District and the Authority to provide duplicate liability coverage. This cost could range from \$150,000 to \$350,000 per year, depending on coverage levels. The potential

impacts on costs for insurance coverage should be investigated as the terms of the proposed leases evolve, and the lease terms could be amended to minimize these duplicate costs.

There are some long-term fiscal planning matters that could benefit from additional discussion and resolution. Fire apparatus purchases represent a significant capital outlay, which occurs on an infrequent basis. Typical engines cost approximately \$700,000 each and a ladder truck would cost between \$1 and \$1.4 million. Apparatus often require a one to two-year lead time for specification development, assembly and delivery. The significant costs associated with this equipment and the projected increase in the number of District stations (and associated apparatus) presents a future liability for the City and the District. The City currently has an equipment replacement reserve to help assure funds are available for timely replacement of these important apparatus, and both the City and the District acquire fire apparatus using a lease-purchase strategy.

Although ultimate responsibility lies with the City and the District for managing their fleet of apparatus, best practice would suggest the Authority could develop a unified master schedule for apparatus replacement and recommend adequate reserves or long-term budget strategies to assure that timely replacements will be provided in the future. In fact, in other joint power fire authorities, ownership of the apparatus is often transferred to the JPA to ensure maintenance and replacements are comprehensively managed. The JPA Agreement requires the Authority to maintain a replacement schedule for all of the leased facilities (both buildings and apparatus). The Authority has prepared an initial equipment replacement schedule for the apparatus only; however, it does not include current fund balances, lease options, or all scheduled replacements. A more comprehensive and integrated approach to planning for apparatus replacement needs is an important element in developing accurate and sustainable long term fiscal stability.

Authority Owned Property

The Authority plans to take ownership of the vehicles and equipment to support fire operations. Equipment such as firefighter pickup trucks, SUVs, turnout gear, defibrillators, breathing apparatus and extraction tools have been purchased over the years, with the cost shared between the City and the District. The City has title to some of these assets, although functionally the Authority controls their usage. The City and the Authority would be best served by developing a schedule of these assets and formally transferring ownership, where appropriate, to avoid any misunderstanding about ownership.

The City maintains a replacement reserve program to depreciate the vehicles used by the Authority staff and provide replacement funding through vehicle use charges. The funding for the replacement reserve is provided by the City and the District in the established formula. As the Authority will take ownership and responsibility for replacing these vehicles, the City should transfer the current reserve funds to the Authority to fund its own replacement reserve.

In addition to vehicles and apparatus, the Authority uses specialized equipment to support fire operations. Most notably these include firefighter turnout gear, defibrillators, breathing apparatus and other expensive items, including extraction (Hurst) tools. The costs for these items are shared between the City and the District, but it is unclear if there are funds set aside for future replacement costs. We recommend the Authority and the City review the City's current capital outlay reserve program to determine whether these items are currently included in the City's capital outlay program and, if so, transfer any funds set aside for replacement to the Authority for its own replacement reserve. Going forward, best practices would suggest the Authority develop a capital replacement plan and set aside funds for replacement of the more expensive items (typically more than \$5,000 - \$10,000) in the future.

Although the Authority and its members will benefit by a more robust capital replacement plan for equipment, vehicles and apparatus, none of these planning efforts will result in costs that do not currently exist, as the City and the District already have responsibilities to fund replacement of these assets in the future.

Summary

Although the lease terms are not yet resolved, it appears that the City and the District will largely continue with current practices for facility maintenance with no significant change in maintenance costs. The proposed insurance requirements might result in increased costs as a result of duplicate coverage. This cost could range from \$150,000 to \$350,000 per year, depending on coverage levels. The potential impacts on costs for insurance coverage should be investigated as the terms of the proposed leases evolve, and the lease terms could be amended to minimize these duplicate costs. Additionally, the Authority and its members would benefit by a robust capital improvement plan for long-term replacement of apparatus, vehicles and equipment.

IX. ADMINISTRATIVE AND SUPPORT SERVICES

One of the primary benefits embraced by the City and the District in 1999 when the SCFA was formed was the opportunity to improve efficiency by eliminating redundant administrative and operational services. By combining operations, the City and the District did not need to each hire staff to provide administrative, legal, technical, fiscal and related functions; the City was able to use its existing staff to provide this support to the District. The creation of the new, independent Authority could reverse some of those efficiencies by creating the need for administrative, legal, technical, fiscal and similar services separate from the City. The new JPA model seeks to create a more autonomous government agency, with leadership able to make day-to-day decisions independent of influence from any one Authority member. This would necessitate the creation of separate executive leadership and legal services. However, other joint powers agencies frequently rely on one or more member agencies for professional and technical support services, including human resources, payroll, accounting, information technology, and other support services. From a City perspective, the costs to for the Authority to develop some of its own support services are duplicative with costs to provide service for all City functions; the City will pay 72% of these costs incurred by the Authority, even if City staff could provide the service. As new stations and fire personnel are added outside the City's boundaries, the City's proportionate share of costs will be reduced from 72%, reducing the City's burden for Authority administrative and support costs.

The Authority currently pays the City \$175,000 per year for finance, human resources and administrative services support. To the extent the Authority shifts services away from the City, these revenues to the City will be lost and the City may not be able to reduce its staffing costs to offset the reduction in revenues. However, the City may use the newly-available staff capacity to pursue other administrative needs in the City.

At this time, the Authority has pursued a plan to provide these services as follows:

Administrative Function	Currently (or Previously) Performed by...	To Be Performed by After Personnel Transition...
Accounting/Finance	Controller/Treasurer – contract for services with private firm in process (not yet implemented) Payroll – City staff Accounts Payable, Accounts Receivable, Miscellaneous Accounting – Authority staff	Controller/Treasurer – contract for services with private firm Payroll – Authority staff Accounts Payable, Accounts Receivable, Miscellaneous Accounting – Authority staff
Human Resources	Contract with City of Tracy	Contract with City of Tracy
Information Technology Support	City until March 2020, then contract with private firm	Contract with private firm
Legal Counsel	Contract with private firm for both general and special counsel	Contract with private firm for both general and special counsel

Fire agencies, either independent districts or joint powers authorities, can employ different models for providing support services, with varying levels of contracting with cities, contracting with outside firms, and use of agency staff. Joint powers authorities will often rely on member agencies for various support services to avoid duplication of costs. Regardless of how each service is provided, there needs to be sufficient resources committed to be sure the Authority’s needs are met. The Authority has indicated it does not anticipate the immediate need for additional support staff after the employee transition. Currently, the Authority has two Division Chiefs and one Executive Assistant assigned to administration. However, one of the Division Chief positions is working only on transition-related projects and the Authority plans to eliminate the position after the transition is complete. This would leave one Division Chief and one Executive Assistant to provide administrative functions. Recognizing this is likely insufficient to provide all needed services, the Authority has indicated an interest in adding a management analyst or similar position in the future, although no plans have been finalized and this position is not reflected in the proposed classification and compensation plan or budget.

Information Technology

Previously, the City’s IT Department provided support to the Authority, as it does with all City departments, and the Authority was paying \$222,000 annually to the City for these services. As of March 1, 2020, the Authority has contracted with a private firm to provide similar IT support services. The Authority pays \$62,400 for these services annually, plus an additional \$34,300 for line and network access charges. These costs do not include some equipment replacements that were included in the City’s services. The Authority estimates these costs to range from \$10,000 to \$20,000 per year. The Authority anticipates a total of \$107,000 to \$117,000 per year in IT-related costs, a savings of \$105,000 to \$115,000 per year.

Legal Services

Previously, the City Attorney’s Office provided general legal support to the Authority, as it does with all City departments. The cost for this service was a component of the City’s overhead charge, which included other services, and the specific amount charged for legal services is not available. The Authority has contracted with independent legal counsel on an hourly basis to provide this service and no longer relies on the City Attorney. The Authority’s cost for general counsel is approximately \$15,000 to \$25,000 per

year. In addition, the Authority hires special counsel for labor issues, litigation, and similar needs. The Authority has budgeted \$49,500 for legal services in the 2020/21 fiscal year.

Finance and Administration

The City's Finance Department provides payroll services for the Authority, along with administration services, including risk, grant and property management, insurance, audit and general administration. The Authority's need for these services from the City will be reduced over time, but some level of City support for administration is likely to continue for the next year or two.

The Authority has contracted with a private firm to provide financial Controller/Treasurer services at a cost of \$36,000 annually. The final scope of work for this contract has not been completed and the Controller/Treasurer's work has not yet begun. For the price contracted, the Authority will receive approximately 120 to 300 hours of support annually, less than 15% of a full-time employee. Additionally, the City's annual audit previously included Authority financial transactions. The Authority has contracted with a CPA firm to complete an annual audit at a cost of \$11,500 annually. This low cost reflects the Authority's relatively modest number of financial transactions and could increase after the transition, when the Authority takes on more robust fiscal responsibilities, by an additional \$5,000 to \$10,000. The Authority has purchased and is installing Cougar Mountain's Denali financial management software, with an ongoing cost of \$12,000 per year.

The Authority already uses its own staff (including some sworn staff) to manage banking and cash, revenue and accounts receivable, accounts payable, reporting, and general accounting, and plans to use its own staff to process payroll. Agencies similar in size to the Authority after the transition, including cities and other fire agencies, typically require more staff to provide financial oversight than the Authority currently anticipates. For example, the Novato Fire District has a Finance Director and an Accountant and Purchasing specialist¹, and the Central Fire District (Santa Cruz) has a Finance Director, an Accounting Specialist, and a part-time Administrative Assistant in its Finance Department. The Authority's Controller/Treasurer will provide some of the functions that these two comparable Districts provide in-house; however, these examples are provided to demonstrate that the Authority is likely to need additional staffing for its finance function. While we are not able to make specific staffing recommendations without further study, generally speaking, a full-time accounting assistant or similar position would cost \$110,000 including benefits; an analyst or manager-level position would cost approximately \$150,000 or more. If the Authority required staffing similar to Novato Fire and Central Fire, it would hire one accounting manager/analyst position and one accounting assistant or specialist, for a total cost of approximately \$360,000 annually.

As noted above, the Authority plans to use existing staff to process payroll. Payroll for fire personnel is complex, regulated by numerous state and federal regulations, and, as with all payroll, the consequences of error are severe. Although the use of technology can facilitate the payroll process, it cannot replace the need for human decision making, data entry and processing, and a thorough understanding of applicable laws and regulations. The payroll and human resources functions must be kept distinct, but the two functions must closely and regularly coordinate in order to ensure the accuracy of payroll and compliance with applicable laws. Human resources and payroll staff both need restricted access to the payroll system. The Authority is aware that, in the future, additional staff may be needed for payroll, however, initially no additional resources or expertise are planned.

¹ Note that Novato Fire has several additional finance related employees due to their extensive billing operation. Billing and related staff have been excluded from this analysis, as the Authority does not provide similar services.

The Authority might be best served by reevaluating how it will provide payroll for its employees. For example, it could consider contracting with a payroll service that can provide the necessary expertise. Alternately, it could consider continuing to contract with the City for payroll services. This could be particularly efficient, as the City will also be providing human resources services. Currently, the process of reconciling payroll information each month between the Authority and the City is tedious and time consuming, largely because the City and the Authority have adopted very different charts of accounts and accounting procedures. Because the current process is temporary, staff from the City and the Authority have not actively sought to develop procedures and processes that could streamline the reconciliation process. If the City were to continue processing payroll, the City and the Authority could reevaluate the reconciliation process and develop techniques to improve the process, which may include limited sharing of access to financial information systems. The Authority might consider focusing its attention on other areas of the transition and continue to contract with the City for payroll services until the Authority can better evaluate and implement administrative staffing needs.

Regardless of the option selected, the costs and implementation details need to be addressed thoroughly before the transition. Payroll conversions are complex; require repeated parallel payrolls, adjustments and proofing; and often take many months to complete. If the authority proceeds to accept responsibility for processing payroll in-house, it would be wise to ensure that developing and completing a payroll transition plan is a high priority, and could benefit from the assistance of its new Controller/Treasurer.

Human Resources

The Authority currently contracts with the City for human resources services. The City provides a wide range of general personnel services, including benefits administration; classification and compensation management; disability, leaves, and worker's compensation case management; recruitment and selection; employee relations; discipline; and related services. In addition, the Authority pays separately for investigations, physicals, litigation, recruitment, special counsel, labor negotiators and other services provided by consultants and legal counsel. While it is impossible to predict from year to year, these additional costs could easily reach \$75,000 to \$100,000 per year. The Authority plans to continue this contract with the City for human resources services.

Similar to finance departments, Agencies comparable in size to the Authority after the transition, including cities and other fire agencies, typically require more staff to provide personnel services than the Authority is currently funding. For example, the Novato Fire District and the Central Fire District (Santa Cruz) each have a full-time Human Resource Manager and administrative support for human resources services. While we are not able to make specific staffing recommendations without further study, generally speaking, a full-time human resources assistant or similar position would cost \$110,000 including benefits; an analyst or manager-level position would cost approximately \$150,000 or more. If the Authority required staffing similar to Novato Fire and Central Fire, it would hire, at a minimum, one human resource manager/analyst position and one part-time assistant, for a total cost of at least \$205,000 annually.

The City is providing services to more than 80 full- and part-time Authority employment positions. In addition to typical personnel services noted earlier, with completion of the employee transition to the Authority, the City may need to provide additional services. For example, human resources staff will fully implement new classification and salary plans, new benefit options, and new employee Memoranda of Understanding. Open enrollment each year will require two different sets of enrollment procedures and forms, payroll may be coordinated with Authority staff rather than City staff, and, if the Authority chooses a worker's compensation plan different than the City's, case management will be through a different plan administrator. As the Authority staff grows, additional employees will increase the need for services. The

City may not be currently recovering its costs to provide human resources services, and, as a result, the Authority's current costs do not realistically reflect actual costs.

The City charge of \$175,000 for finance, administration and human resources services was negotiated between the City and the Authority and has not been supported by staffing studies to document actual time spent on Authority services. The City and the Authority will need to better define the services to be provided by the City and renegotiate this agreement, to be documented in a memorandum of understanding, as part of the personnel transition. However, before this effort can proceed, the specific role of the City in the payroll process needs clarification. (Even if the Authority processes payroll, the human resources/payroll integration process will require City staff time). Additionally, the City's role in other administrative tasks may change.

In order to keep costs low for JPA members, the Authority is planning on providing most administrative functions with existing staff. However, after the transition, the need for professional accounting and human resources staff will become apparent and we are concerned that the Authority's plans do not reflect realistic costs for professional administrative support. The following table shows the Authority's currently anticipated cost for administrative services and a more realistic cost, assuming full transition of accounting and human resources functions.

Administrative Function	Authority Anticipated Service Cost	Potential Costs After Transition to Authority
Accounting/Finance Human Resources Administration	<ul style="list-style-type: none"> • \$175,000 paid to City • Additional Human Resources costs of potentially \$75,000 to \$100,000 per year • Auditor: \$11,500 • Controller/Treasurer: \$36,000 • Financial Management Software: \$12,000 <p>TOTAL: \$309,500 to \$334,200</p>	<ul style="list-style-type: none"> • \$360,000 Finance Department staffing needs • \$205,000 Human Resources Department staffing needs (or continue to contract with City, amount to be negotiated, estimated \$75,000 - \$100,000) • Additional Human Resources costs of potentially \$75,000 to \$100,000 per year • Auditor: \$16,500 - \$21,500 • Financial Management Software: \$12,000 • TOTAL: \$538,500 to 698,500
Information Technology Support	Pay private firm for support, with total costs of approximately \$107,000 to \$117,000	Same
Legal Counsel	Contract with legal counsel at a cost of approximately \$50,000 per year	Same

For both finance and human resources services, the City and the Authority would be best served by completing a thorough review of the Authority's administrative needs going forward and evaluating options for providing those services. Rather than taking an incremental approach to this analysis, we recommend a more holistic view, including a review of how comparable fire agencies provide these services, their staffing levels and budgets for administrative support. While the Authority might be able to provide services for a short time with its own staff, costs could quickly increase as the need for additional staff becomes apparent. The City and the Authority would be wise to plan for these needs now, rather than wait until the needs become apparent after the transition.

Transition Plans

The Phase 2 Personnel Transition Plan prepared by the Authority takes a broad look at many aspects of the employee transition and includes considerable analysis of the Authority's plans to date. In the area of administrative services, however, there are many details yet to be worked out. The City and the Authority might consider an additional document that includes details of how administrative and finance functions will be implemented and managed after transition. Not only would this set a solid foundation to ensure success after the transition, it would identify any potential costs, and opportunities for reducing costs.

Examples of plans to be addressed might include:

- Details on the billing and reconciliation process between the City and the Authority. When will the JPA members make advances, and how will those advances be reconciled to actual expenses? How can the City and the Authority adjust their accounting procedures to facilitate this process? Can custom programming facilitate reconciliation, reporting and journal entries?
- For payroll processing, who will complete payroll and how will the process integrate with human resources? How will time cards be processed and personnel information entered into the payroll system?
- Who will have access to City and Authority financial management systems, business license software, and development services software? What controls are needed?
- What non-depreciated equipment will be transferred to the Authority (telephones, desk top computers, and so forth)? Will the Authority acquire its own user licenses for software?

Raising these questions, and many others now will help the Authority evaluate options for providing these administrative support services, resolve problems before they occur, and ensure costs are minimized.

Summary

The Authority currently pays approximately \$466,500 to \$501,500 for identified administrative, legal, IT and related support costs, in addition to the costs of Authority staff. This includes \$175,000 paid to the City. Administrative details related to the employee transition need to be worked out, most notably how payroll will be provided and how it will integrate with human resources. The amount the Authority pays to the City could be reevaluated based on proposed services, and documented in a memorandum of understanding. While the amount paid to the City for services will decrease over time, the need for additional administrative support staff could easily exceed this cost savings. If the Authority needs to add staff similar to comparable agencies, costs for finance and human resources services could increase by \$229,000 to \$364,000 per year.

The Authority and its members would be best served by taking a broader, more comprehensive look at how the Authority will provide administrative services in the future so that members can plan for the costs necessary to provide professional administrative support.

Additionally, the City and the Authority should continue discussions regarding the employee transition, evaluate options for payroll services, and create a detailed transition plan that addresses not only payroll integration, but access to financial and other information systems, the billing and reconciling, and many other details.

X. CLASSIFICATION AND COMPENSATION

As the new employer of record, the Authority will need to adopt compensation and benefit plans and develop a position control roster to track authorized positions. The Authority's proposed classification plan, salary schedule and position control roster are included in the Phase 2 Personnel Transition Plan.

In addition, the Authority will need to work with the Tracy Firefighters Association and the South County Fire Chief Officers Association to develop proposed new memoranda of understanding. The Authority will employ approximately eight employees who are currently members of other bargaining groups and will be unrepresented after the transition. The Authority has created a proposed Unrepresented Compensation and Benefit Plan for these positions.

The Authority's proposed classification plan, salary schedule and position control roster are consistent with the City's current position control roster, with a few exceptions noted below.

Position (excludes part time positions)	Proposed Authority Number of Positions	Current City Number of Positions	Proposed Authority CalPERS Safety or Misc.	Proposed Authority Bargaining Unit
Fire Chief	1	1	Safety	Contract
Division Chief	3	3	Safety	Unrepresented
Fire Marshall	1	1	Safety	Unrepresented
Battalion Chief	3	3	Safety	SCFCOA
EMS Manager (Notes 1 and 2)	1	1	Safety	Unrepresented
Fire Captain	22	22	Safety	TFFA
Fire Engineer	21	21	Safety	TFFA
Firefighter	24	24	Safety	TFFA
Executive Assistant	1	1	Miscellaneous	Unrepresented
Administrative Assistant II	2	2	Miscellaneous	Unrepresented
Plans Check Examiner	1	1	Miscellaneous	Unrepresented
Fire Inspector (Note 3)	4	3	Miscellaneous	Unrepresented
Permit Tech (Note 3)	0	1	Miscellaneous	Unrepresented
Project Specialist (Note 4)	1	1	Miscellaneous	Unrepresented
	85	85		

The Authority proposes the following changes or adjustments:

1. The EMS Manager is currently provided a CalPERS Miscellaneous retirement. However, the Authority proposes to move this position to the Safety group. This represents an increase in costs of approximately \$13,000 to \$17,000 per year.
2. The Unrepresented Compensation and Benefit Plan includes several changes in benefits for the EMS Manager. These include an increase in vacation accrual after 20 years of service, an increase in management leave accrual, and an increase to the maximum leave that may be accrued. At a minimum, this will cost an additional \$1,000 to \$1,300 per year, or as much as \$10,000 to \$12,000 per year, depending on leave usage and tenure of the employee.
3. The Authority plans to eliminate the Permit Technician position and add an additional Fire Inspector. This represents approximately \$27,000 to \$33,000 in additional costs per year.

4. The Project Specialist position has been filled only on a part-time/temporary basis in the past. The Authority plans to continue to fill the position only as needed on a temporary basis.
5. The Authority has included three new positions in its Unrepresented Compensation and Benefits Plan: Management Analyst, Human Resources Analyst, and Accounting Assistant. These positions are not included in the classification plan nor in the salary schedule. The cost for these additional positions could range from \$110,000 to \$150,000 each, including benefits. (This cost is addressed in more detail earlier in this report).
6. Fire Inspectors will be provided a uniform allowance of \$915 per year. Currently, the City provides the Fire Inspectors with shirts and a jacket as needed, but no uniform allowance. The change to an allowance will not likely result in a notable change in overall costs.
7. The Authority plans to offer up to 5% matching funds for employee contributions to a 457 deferred compensation plan for all unrepresented employees. This is consistent with current benefits offered to these employees, except Teamsters who currently receive 2.5%. This will increase costs up to \$12,000, depending on the employee pay and amount of voluntary deferral.
8. The Fire Marshall position was omitted from the Unrepresented Compensation and Benefits Plan and the Authority is in the process of adding the position to the Unrepresented – Safety Management group.

The Authority may have implemented some of these changes, and associated costs, regardless of the personnel transition. As noted, there are some inconsistencies between positions and benefits as described in the classification and compensation plans and the Unrepresented Compensation and Benefits Plan. The above list does not represent a comprehensive review of all possible changes. The Authority might consider a more thorough comparison of the current and proposed plans to identify additional differences, if any, and amend the proposed documents as needed to ensure consistency and clarity.

Summary

The Authority is proposing the same number of employees as currently employed by the City. However, certain changes to positions and benefits will result in an increase of \$50,000 to \$75,000 per year. Changes in classification and compensation, either during the transition process or afterward, will result in additional costs, both in direct salary and benefits, and in long-term liabilities. Some of these costs may have been incurred regardless of the personnel transition.

In order to facilitate additional analysis of the proposed compensation and benefit plans by all stakeholders, the Authority might create worksheets, strikeout versions, or other documents that identify current benefits by group and proposed benefits, as well as proposed changes in compensation and benefits by position, when applicable.

XI. CONCLUSION

The transition, as it is currently envisioned in the transition plan, will initially increase operating costs for the Authority and City over time. The majority of these costs result from the discontinuance of the City's more cost-effective provision of health insurance, administrative services, and similar costs. However, some of the cost increases can be reduced through careful planning and implementation. For example,

the City and the Authority could consider more affordable options for employee health plans and administrative support services.

We are recommending three areas the City may want to prioritize for additional discussion or analysis.

CalPERS Unfunded Liability: The City and the District will need to confer and agree on a methodology for allocating the existing and future CalPERS UAL. This is a substantial liability that will grow over time, and the City and District would be wise to agree on a funding strategy before the transition.

Health Insurance Benefits for Employees: While the proposal to provide CalPERS health insurance benefits provides new options for employees, it also triggers a requirement for contributions to retiree medical insurance. In the long run, this will increase expenses and, most notably, add considerable liability. Higher annual premium costs from non-CalPERS providers might be justified to avoid this long-term liability.

Administrative and Support Services: The creation of the new, independent Authority will create the need for administrative, legal, technical, fiscal and similar services that are, to some extent, duplicative of services provided by the City. In the long run, the Authority will experience costs in excess of those charged by the City for these services. As new stations and fire personnel are added outside the City's boundaries, the City's proportionate share of costs will be reduced from 72%, reducing the City's burden for Authority administrative and support costs.

The 2018 JPA Agreement provides a platform for increased independence of the Authority from the City and a reasonable and well-considered solution to long-term fiscal and operational challenges facing the City and the District. However, the devil is in the details, and many details of the transition remain to be resolved, as outlined in this report. As these transition details are created, additional impacts may be identified, while others will be resolved. Additionally, future costs will be impacted by Authority Board actions that cannot be predicted at this time.

As required by the JPA Agreement, the City and the Authority are meeting to discuss the details of the employee transition. This report might help provide insight into the different impacts facing the City, the District and the Authority to help inform implementation and negotiations. The Authority previously planned to transition to the employer of record on January 1, 2021. However, we recommend that the Authority delay this implementation date until the details of the transition are further developed.

We appreciate the opportunity to work with the City of Tracy and the South San Joaquin County Fire Authority. City and Authority staff were very helpful and insightful, providing considerable information for our review. If we can be of further assistance, please let us know.



City of Tracy Fiscal Impact Analysis South San Joaquin County Fire Authority

Fiscal Impact Analysis South San Joaquin County Fire Authority

Mike Oliver, MRG Partner

Dana Shigley, MRG Consultant

Brian Kelly, MRG Consultant





PROJECT OBJECTIVE

- ✓ Evaluate the potential fiscal impacts which may affect the City of Tracy resulting from the transition of City Fire employees to the Authority.



PRIMARY FOCUS AREAS

- ✓ Operational costs incurred by the Authority and shared between the District and the City
- ✓ Operational costs incurred directly by the City
- ✓ Long-term liabilities for the City and the District



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ **Authority Health Insurance Costs**

The Authority plans to offer employee health insurance through CalPERS. This will increase costs for the Authority and the City.

- Cost for health insurance plans will initially be about the same, but could increase by as much as \$160,000 per year over time depending on plans selected and number of employees electing to opt out
- Overtime costs from the *Flores* Ruling will increase costs by \$29,000 per year with future costs contingent upon the number of employees electing to opt out.



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ **Authority Health Insurance Costs (cont.)**

- CalPERS will require the Authority provide health insurance coverage to retirees, a new benefit. This will create a long-term liability requiring contributions of \$124,000 per year that will rise year over year.
- Summary
 - First year cost increases: \$153,000
 - Future year cost increases of \$153,000 plus up to \$160,000 per year over the long term



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ Authority Health Insurance Costs Possible Options to Consider

- Reconsider insurance plans from other providers or insurance pools. Even if the premiums are a little more than CalPERS plans, they might be a better option to avoid the costly long-term liability from the requirement to provide retiree health insurance benefits.
- Create policies and incentives that encourage employees to select less expensive plans to moderate cost increases over time.
- Continue to partner with the City for Kaiser health insurance plans



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ Administrative and Support Services

- The Authority currently pays approximately \$466,500 to \$501,500 for administrative, legal, IT support costs—including \$175,000 per year to the City.
- The Authority will require additional financial and administrative support positions to provide essential payroll and fiscal support, increasing the Authority's costs.
- The cost increases are estimated to range between \$229,000 and \$364,000 per year, for up to 3.5 additional support staff.



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ Administrative and Support Services Possible Options to Consider

- The Authority and its members would be best served by taking a comprehensive look at how the Authority will provide administrative services in the future so that members can plan for the costs necessary to provide professional administrative support.
- It is possible to continue to contract with the City for some administrative support functions while still maintaining the independence desired by the JPA.



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ Classification and Compensation

The Authority is proposing to modify classification and compensation for certain designated employees.

We estimate the increased costs for these changes will range between \$50,000 and \$75,000 per year



AREA ONE: OPERATIONAL COSTS INCURRED BY THE AUTHORITY AND SHARED BETWEEN THE DISTRICT AND THE CITY

✓ Summary for Area One

We estimate the Authority's increased costs will be approximately:

- First year between \$432,000 - \$592,000
- Future years between \$592,000 - \$752,000

The City will pay 72% of these costs increases currently, with their share reducing when the new Tracy Rural station opens.



AREA TWO: OPERATIONAL COSTS INCURRED DIRECTLY BY THE CITY

✓ **CalPERS Contribution Rates**

Withdrawal of the Authority employees from the City's CalPERS blended rate will increase the City's CalPERS contributions. This analysis looks at a single year, future years may be more or less.

- First Year estimated costs: \$149,000
- Future Years estimated costs may be more or less



AREA TWO: OPERATIONAL COSTS INCURRED DIRECTLY BY THE CITY

✓ **Future City Health Insurance Costs**

The City will experience an increase in health insurance rates for its remaining employees due to reductions in the size of the employee pool.

- 1st and Future Years: To Be Determined
- Continuing to provide these benefits to Authority employees after the transition would eliminate this concern.



AREA TWO: OPERATIONAL COSTS INCURRED DIRECTLY BY THE CITY

✓ **General Liability & Worker's Compensation Insurance**

The Authority's withdrawal from the City's insurance coverages will initially result in substantial one time cost savings for the City.

- Authority first year savings: \$282,000
- City first year total savings \$700,000
- In the future, these savings will be significantly reduced or eliminated.



AREA TWO: OPERATIONAL COSTS INCURRED DIRECTLY BY THE CITY

✓ **Stations, Apparatus & Equipment**

The lease terms between the District and City are not complete, but the current draft agreement could result in duplicate insurance coverage.

- First and future years' cost increase: \$150,000 to \$350,000
- Option to review the leases and reduce the requirement for duplicate coverage.



AREA TWO: OPERATIONAL COSTS INCURRED DIRECTLY BY THE CITY

✓ **Summary for Area Two**

We estimate the City's costs will be approximately:

- First year *savings* between \$201,000 - \$401,000 with unknown health insurance impacts
- Future years increased costs up to \$499,000 depending on CalPERS rates and TBD health insurance rates



AREA THREE: LONG-TERM LIABILITIES

✓ **CalPERS Unfunded Accrued Liabilities**

- The City and District are each responsible for their respective shares of the CalPERS unfunded liability. The District and City should agree on the allocation of this liability and develop plans to fund it. However, the transition of the employees to the JPA will not modify these liabilities.
- If the Authority changes retirement benefits to employees formerly employed by the City, the City's UAL will also change, along with their share of the Authority's liability in the future. The District and City, as governing members of the JPA, could develop policies to address changes to benefit levels in the future that would moderate cost increases.



AREA THREE: LONG-TERM LIABILITIES

✓ **Retiree Medical Leave Bank**

The City and the District jointly fund their share of the retiree medical leave bank.

This is an existing liability not impacted by the transition unless benefits change.



AREA THREE: LONG-TERM LIABILITIES

✓ **Authority Health Insurance Costs**

- The Authority's plan to provide medical benefits through CalPERS will result in increased liabilities due to the mandatory contributions to retiree health insurance costs.
- The current liability of \$4.9m will increase to \$10.1m immediately when benefits are contracted, then continue to increase as employees are hired.
- Selecting a non-CalPERS health insurance would eliminate this additional liability.



AREA THREE: LONG-TERM LIABILITIES

✓ **Stations, Apparatus & Equipment**

The Authority and its members would benefit from a robust capital improvement program to ensure timely replacement of apparatus, vehicles and equipment.

This is an existing liability not impacted by the transition.



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March 2, 2021

AGENDA ITEM 3.C

REQUEST

RECEIVE UPDATE ON HOMELESSNESS AND PROVIDE DIRECTION ON TEMPORARY EMERGENCY HOUSING FACILITY PROJECT, INCLUDING FUNDING STRATEGIES

EXECUTIVE SUMMARY

The effects of homelessness on people and communities is a growing regional and state-wide crisis, with homelessness in Tracy increasing from 90 unsheltered individuals in 2017 to 155 in 2019¹. Understanding the importance of this issue, the City Council has supported local efforts and projects to address this challenge, and has identified it as one of its top strategic priorities for 2021-2023. Unfortunately, the global COVID-19 pandemic has exacerbated this issue, creating a more acute need around homelessness response and intervention.

This report provides an update on the City's efforts to address homelessness and quality of life issues and legal impacts of homeless-related Ninth Circuit court decisions. The report also includes a status update about the Arbor Road Temporary Emergency Housing project, including resources needed to complete the design and construction, and operate and manage the facility on an ongoing basis.

DISCUSSION

Homelessness is a growing regional and state-wide crisis. From 2017 to 2019, homelessness across San Joaquin County increased by 170%, and in Tracy, the homeless population grew from 90 unsheltered individuals in 2017 to 155 in 2019. Further, many individuals and families have experienced or will experience sudden income loss due to COVID-19, leaving them vulnerable to eviction and homelessness.

This report provides a comprehensive update about the following homeless-related topics:

- Homelessness in San Joaquin County and Resource Constraints
- Legal Implications of Homeless Related Court Decisions
- Homelessness and City Parks
- City Approach to Safety and Maintaining Quality of Life
- City of Tracy Homelessness Strategic Plan Implementation - Arbor Road Temporary Emergency Housing Project

¹ San Joaquin Continuum of Care Report on the Point in Time County of the Sheltered and Unsheltered Homeless (April 22, 2019)

Homelessness in San Joaquin County and Resource Constraints

The federal Department of Housing and Urban Development (HUD) requires that, every two years, each Homeless Continuum of Care conduct a point-in-time (PIT) count of individuals and families experiencing homelessness, using HUD-approved methodology in order to qualify for Continuum of Care (CoC) funds. During the last ten days of January 2019, through a massive volunteer effort including 401 people representing 91 separate organizations, the San Joaquin Continuum of Care counted 1,558 unsheltered homeless individuals living within the geographic region of San Joaquin County. Of those, 59% were in Stockton, 14% in Manteca, 10% in Tracy, 9% in Lodi, with the rest scattered around Lathrop, Ripon and Escalon. (Note: due to constraints caused by COVID-19, the San Joaquin Continuum of Care (SJCoC) requested and received a waiver to postpone the 2021 count until a later time).

City	Unsheltered Individuals
Stockton	921
Manteca	218
Tracy	155
Lodi	139
Lathrop	14
Ripon	7
Escalon	4
Unincorporated	100
County Total	1,558

The City actively coordinates with a team of key stakeholders to address homelessness and impacts to Tracy's quality of life. This coordination includes a partnership led by the Tracy Police Department Neighborhood Resource Officers (NRO), the SJCoC, Housing Authority of San Joaquin County, County Behavioral Health and support operations like Operation Helping Hands, a multi-agency outreach that takes city, county, and homeless service provider resources to the homeless where they live, to address the needs of the Tracy unsheltered community and transition individuals to more permanent housing. The City also works closely with several local partners including Interfaith Ministries and Tracy Community Connections Center (TCCC) to connect the unsheltered with needed resources, such as food, shelter, and clothing.

While the partnerships in the City are extremely valuable and impactful, Tracy has a limited social service and non-profit infrastructure, which makes it challenging to address the complex needs of the unsheltered in a comprehensive way. This limitation became more evident when the City took steps to implement a safe parking and warming center service program in February 2020. While comprehensive outreach was conducted, the issuance of a Request for Proposal (RFP) resulted in zero responsive proposals for both safe parking and warming center services. Eventually, the City was able to secure a local partner to provide warming center services in December 2020.

Consistent with its Strategic Homelessness Plan, the Council gave direction to move forward with plans to design and construct a temporary emergency housing facility on Arbor Road. However, given potential constraints around securing homeless-related resources, staff will begin its outreach process in advance of any construction to ensure adequate responses to the City's RFP for homeless facility operational and management services.

Legal Implications of Homeless-Related Court Decisions

California has the nation's largest population of people experiencing homelessness (150,000+ people). It also has the country's lowest rates of shelter beds for homeless individuals. Throughout the state, just 30% of people experiencing homelessness have access to emergency shelter on any given night.

Within this context, the 2018 *Martin v. Boise* Ninth Circuit Court of Appeals ruling, one of the most significant court cases about homelessness exacerbated an already difficult situation for communities throughout the state. In September 2018, a panel of the Ninth Circuit ruled on a case called *Martin v. City of Boise*, where the enforcement of ordinances that prohibit sleeping or camping on public property against homeless individuals is considered unconstitutional when those individuals do not have a meaningful alternative, such as shelter space.

The Ninth Circuit subsequently amended its opinion slightly in April 2019 but denied a petition for rehearing by the full court. In December 2019, the U.S. Supreme Court denied a petition for review filed by the City of Boise, which meant that *Martin* is binding authority in the Ninth Circuit (which includes California) for the foreseeable future.

The *Martin* case dates back to 2009, when the plaintiffs, six currently and formerly homeless Boise, Idaho residents, alleged that laws prohibiting them from sleeping outdoors within city limits amounted to cruel and unusual punishment and violated their rights under the Eighth Amendment. The local court ultimately ruled in favor of the plaintiffs, but the City of Boise appealed. It would be another nine years of litigation until the case finally received a ruling in the 9th Circuit. Once again, the court found for the plaintiffs, not the city. According to Judge Marsha S. Berzon:

"Turning to the merits, the panel held that the Cruel and Unusual Punishments Clause of the Eighth Amendment precluded the enforcement of a statute prohibiting sleeping outside against homeless individuals with no access to alternative shelter. ...As long as there is no option of sleeping indoors, the government cannot criminalize indigent, homeless people for sleeping outdoors, on public property, on the false premise they had a choice in the matter."

In short, the decision in *Martin* prohibits the government from criminalizing homeless individuals for sleeping outdoors on public property when there is no option of sleeping indoors. As a result, many communities have significantly reduced enforcement efforts given the legal implications of the Court's ruling. This reluctance has further exacerbated the homeless situation and created challenges when trying to address informal living arrangements in areas not intended for residential living.

This situation is further complicated by State COVID-19 orders and Center for Disease Control (CDC) guidance which generally state that the unhoused should not be moved from their locations because of the increased risk of spreading the disease. This issue has presented even more complicated challenges to a serious problem where there are no easy answers or quick solutions.

The City, not unlike many other areas in California, has experienced an increase in the number of unsheltered homeless over the past several years. This increase has had a pronounced impact on City operations and resources, including, but not limited to: Police, Public Works, Code Enforcement, Park and Recreation, legal services and general administration. As a result, resources are re-deployed and re-assigned on a daily basis to address homelessness, often at a cost because of other competing priorities.

In addition to operations, the fiscal cost to manage and address safety and quality of life issues has also increased. In less than three years, the Public Works Department has recorded 1,924 additional labor hours dedicated solely to encampment/homeless related clean-ups resulting in almost 196 tons of debris being hauled off at a cost of over \$104,000 for the debris disposal alone. Additionally, Public Works expended approximately \$45,000 in contracted biohazard removal services in 2021 alone. (Administrative support, equipment and other associated costs are not included.) It is important to note that these figures do not include other blight abatement tasks such as the clean-up of illegal dumping or abandoned shopping cart collection. This data does not quantify the impacts on the City facilities or their conditions. Additionally, it does not capture the impacts of diverted resources from other maintenance and repairs functions such as street and sidewalk repair in order to perform these large-scale encampment clean-ups.

Homelessness and City Parks

While there is evidence of homelessness throughout the community, the City's unsheltered community tends to reside at City parks and detention basins. At one point the City had two large encampments; one adjacent to Clyde Bland Park, behind the I-205 sound wall on Caltrans property and the other at El Pescadero Park. Last year, residents from the Clyde Bland Park encampment relocated to various locations in the City (including El Pescadero Park) due to increased heat exposure, allowing the City and Caltrans to clean and remove remaining debris and litter. Since then, the area has been free of encampments.

However, the encampment at El Pescadero Park continues to average 55 unsheltered residents at any point in time. El Pescadero is an appealing location for the City's unsheltered community given its proximity to the recycling center, two convenience stores, Tracy Interfaith Ministries (a source of food), and mobile showers temporarily provided by Tracy Community Connections Center.

Since the late 1990's, El Pescadero Park has experienced a broad range of challenges, including blight, vandalism, and other safety issues. Some of the landscaping was made up of very densely planted foliage with pine trees with low branches – providing heavy

cover and casting deep shade in many parts of the park, while other areas were devoid of trees. The layout and landscape of the park provided the necessary cover to facilitate various levels of undesirable activity. The park also suffered from maintenance issues including but not limited to restroom facility closures, skate park graffiti, vehicle vandalism, broken dog park fences, deteriorating playground equipment and irrigation systems and poor park turf.

Since 1998, several park initiatives were implemented to address some of the maintenance and safety issues at El Pescadero. Improvements included the removal of dozens of old, dense and hazardous trees and regular thinning of remaining trees to provide better sight lines and fewer hiding places. The irrigation system was repaired to improve the park turf and the existing restroom was demolished and replaced with a new facility. Skate park damage and vandalism was regularly addressed, including graffiti removal.

The park has benefitted from several recent improvements, including a new restroom and basketball court, and improved park lighting. Additionally, the turf within the large dog area of the dog park was heavily renovated in 2020 and earlier this year security cameras were installed.

Additionally, the Public Works Department, in coordination with the Tracy Police Department and Code Enforcement Division, perform twice-weekly posted encampment clean-ups – with encampment debris removal efforts on all other regular workdays. At El Pescadero Park alone, this inter-disciplinary team spends more than 36 hours per week on coordinating and noticing encampment clean ups and removes an average of six tons of debris per week in addition to their regular duties. The Police Department actively works to ensure abandoned vehicles are cleared and implements strategies to enhance safety at the park. In addition to clean up and enforcement duties, these teams of City employees have cultivated working relationships with the unsheltered individuals who call Tracy home. These relationships allow staff to leverage cooperation and gain voluntary compliance with the least amount of risk of conflict or unnecessary escalation.

City Approach to Safety and Maintaining Quality of Life

In FY 2018/19, Council approved the formation of a Community Preservation Unit (CPU), comprised of a two-person crew to address blight on City property and in the City right-of-way. At the time of creation, the CPU's primary tasks were to address illegal dumping throughout the City, collect and process abandoned shopping carts, remove illegal garage sale signs from traffic signs and poles, and to perform homeless encampment clean-up duties as needed.

Within two years, the responsibilities of the CPU expanded to include posting of the encampment clean-ups following established policies, coordination of clean-ups with the Code Enforcement Unit and Tracy Police Department Neighborhood Resource Officers (NROs), comprehensive data collection of site locations and off haul amounts to name a few. In just a few years, the amount of illegal dumping and tonnage has significantly increased, coupled with the size and scope of encampment clean-ups. This change has resulted in reallocation of resources, time, and staff, and additional costs to implement biohazard remediation services for more extreme encampment clean-ups.

Understanding the importance of preserving and maintaining the City's quality of life, the Tracy Police Department through its Code Enforcement Division, Neighborhood Resource Officers (NROs), and Special Enforcement Team (SET) has partnered with city stakeholders and community organizations to comprehensively address safety impacts and resident concerns regarding homelessness. The ultimate objective is to prevent blight and improve quality of life for residents and the unsheltered through a collaborative approach focused on education, enforcement, restorative policing and humanized dealings with the unsheltered. While compliance is preferred, enforcement will be an equal part of this plan as a means to leverage cooperation from our unsheltered population.

Code Enforcement and Neighborhood Resource Officers (NRO's)

NRO's will typically lead all police related matters regarding park/public blight issues, while serving as the point of contact for other City partners related to this operation. NRO's deploy weekly with Code Enforcement Officers in a proactive education and enforcement operation; to include patrols of known problem areas and calls for service at known problem areas. They also serve as an enforcement and security force, as needed and requested, for Public Works and Code Enforcement during cleaning or enforcement events. As mentioned previously, NRO's partner with Operation Helping Hands (OHH), to coordinate and facilitate wraparound services twice a month for unsheltered individuals wanting support and access to resources.

They also work with Public Works to advise on environmental elements with respect to crime prevention strategies pertaining to building design and landscaping. This partnership is particularly valuable in areas impacted by blight and crime.

Patrol and Special Enforcement Team (SET) Officers

The primary role of Patrol officers is to help identify problems as soon as they appear in public places. They will provide immediate, short-term solutions to problems when possible, and engage with others (e.g. NRO's) for longer term solutions. Patrol and SET officers may occasionally have to deal with park/public quality of life matters that require enforcement action by utilizing the Tracy Municipal Codes (TMC), Penal Codes, and Vehicle Codes for enforcement considerations. Additionally, they may occasionally be utilized during focused overt enforcement operations addressing park/public quality of life issues.

Homelessness Strategic Plan

To address the issues surrounding homelessness strategically, both regional and Tracy-specific strategic plans were drafted in Fall 2019, Tracy City Council's Homelessness ad-hoc committee provided guidance to inform the development of the Tracy Homelessness Strategic Plan (Attachment A) specific to the needs of Tracy, while being complimentary to regional homelessness efforts. In May 2020, the Tracy City Council adopted the Tracy Homeless Strategic Plan. Following the adoption of its Plan, the Council subsequently adopted the San Joaquin Community Response to Homelessness – 2020 San Joaquin Strategic Plan (Attachment B) in October 2020.

The Tracy Plan established both short and long term goals to address housing issues and bolstering support services to those experiencing homelessness within the City.

City of Tracy Homelessness Strategic Plan Implementation Status – Arbor Road Temporary Emergency Housing Facility

One of the priority (short term) goals in the City's Homelessness Strategic Plan is to identify temporary emergency housing options. The importance of addressing the impact of homelessness is evident as Council declared a shelter crisis in March 2020 which makes the City eligible for certain grant funding and provides flexibility in meeting State building code regulations when housing homeless individuals. In addition, the Council recently took action to increase the number of emergency shelter beds in the County when it unanimously approved a site and construction of one of the County's first low barrier shelter. The temporary emergency housing facility will not only provide temporary shelter and respite to Tracy's unsheltered, but also a location for a service providers to assist and connect clients with resources, including permanent housing.

In September 2020, Council approved a location for the temporary emergency housing facility, preliminary funding for the project and authorized staff to pursue grant opportunities. The project, located at 500 W. Arbor Road, includes both the construction of a new temporary housing facility to increase the number of shelter beds in the County, procurement or rental of restroom, shower and laundry facilities, and the selection of a service provider(s) to operate the facility and provide case management to connect people experiencing homelessness to health, employment and housing resources.

Funding Shortfall

The total construction costs are estimated at \$2,787,253. The City has been awarded, \$1,408,400 with another \$388,000 in pending grants; for a total funding of \$1,796,400.

The project requires development of currently unimproved City property. Preparing the site will include constructing and installing infrastructure (grading, paving, utility stumps and connections), securing the site and erecting the structure. Additionally, start-up funding will be needed to furnish the facility and secure an experienced service provider to manage and operate the facility.

In late fall of 2020, the City applied for \$1.5 million in Homeless Housing, Assistance and Prevention (HHAP) grant funding through San Joaquin County and the San Joaquin Continuum of Care. Through that process, the City was awarded a total of \$329,000, which could not be appealed. Most of the available funding was awarded to support homeless housing services in the Stockton area. Staff also recently applied for the City's CDBG Public Facilities grant and is being recommended for approximately \$388,000. Final approval of the CDGB recommendation for this grant will come before Council at its March 16, 2021 meeting.

As noted in the table below, the estimated project costs to construct funding shortfall is approximately \$1,378,853 (Table One) However, this shortfall will be reduced by

\$388,000 if Council approves the Parks and Community Services Commission’s CDBG allocation recommendations, leaving a funding shortfall of approximately \$990,853 Council’s funding in this amount would allow the project to progress into design and construction and enable staff to move forward with the RFP or Request for Interest (RFI) process to vet and secure experienced service providers and operators to manage the facility and programs once constructed.

In addition, staff has estimated the costs to open and run the facility is \$1,200,000 annually (or \$600,000 for six months for FY 2021-22). The estimates listed on the following table are engineering estimates for the design and construction of the facility including a 15% contingency and other start-up costs. This brings the potential projected shortfall for project completion and operations to \$1.98 million in FY 2021-22; with the additional on-going annual commitment of \$1.2 million to run the facility year round thereafter.

Arbor Road Temporary Emergency Housing Facility Construction Project Funding

Secured Project Revenue	Amount
City of Tracy - Project Location/Land (est. \$5/sq. ft)	\$ 180,000
Homeless Prevention and Rapid Rehousing Services	\$ 500,000
Housing Asset Funds (Other)	\$ 190,000
Community Development Block Grant	\$ 100,000
CARES Act Coronavirus Relief Funds (committed for Unsheltered Support)	\$ 109,000
HHAP San Joaquin County Funds	\$ 329,400
SECURED FUNDING TOTAL	\$ 1,408,400
Project Expenses	
Construction	\$ 1,775,802
Design Support during Construction (5%)	\$ 88,790
Inspection and Construction Management (5%)	\$ 88,790
Contingency (15%)	\$ 266,370
Bathroom/shower/laundry/kitchen units/furnishings	\$ 567,500
City owned land value	\$ 180,000
PROJECT EXPENSE TOTAL	\$ 2,787,253
Project Funding Shortfall	\$ 1,378,853
Potential CDBG Funding Allocation	\$ 388,000.00
Project Funding Shortfall with CDBG Allocation	\$ 990,853

Given that the City will be establishing its own temporary emergency housing facility, it will be responsible for providing the necessary resources for this new City core service. At a minimum, additional services will include the need to procure one or more service providers to operate and manage the new facility. It should be noted that while external grants may be available to offset expenses associated with homeless services, they will likely be limited and/or one-time monies. As a result, the City will likely have to budget

for future associated operational facility expenses using General Fund dollars. That being said, given overall impact of homelessness on staff resources and operations coupled with the introduction of a new core services of homelessness response and prevention, Council, in the near future, may need to consider directing additional resources to support a small housing and human services division to provide support and services in a more efficient manner.

To help offset costs, the city continues to seek out and applying for grant funding opportunities. If Council decides to allocate Measure V funds to close the project shortfall as part of the FY 2021/22 CIP budget process, this direction will be presented to Council as part of its Council CIP Workshop scheduled for April 2021.

STRATEGIC PRIORITY

This agenda item supports the Public Safety Strategic Priority, Implement the adopted Homelessness Strategic Plan

FISCAL IMPACT

This agenda items is intended to provide an update on the City's homelessness efforts, including the status of the Arbor Road Temporary Emergency Housing Facility. The total construction costs are estimated at \$2,787,253. The City has been awarded, \$1,408,400 with another \$388,000 in pending grants; for a total funding of \$1,796,400. The estimated construction shortfall is \$990,853. The first year operation costs are estimated at \$600,000 for six months; annualized at \$1.2 million for a full year of operations.

Staff is seeking direction from City Council on its desire to fund the remaining construction costs and the on-going operational costs. This direction will be reflected in the upcoming Council Capital Improvement Project Workshop scheduled for April 2021 and incorporated into the FY 2021-22 Operating and Capital Budget. Based on the development of the FY 2021-22 proposed budget, the City's General Fund operating budget is still heavily impacted by COVID and the current structural deficit. The City Council's only discretionary funds available for this project would come from Measure V. Staff will continue to seek grants to mitigate both the construction costs and operating costs whenever possible.

RECOMMENDATION

It is recommended that the City Council:

1. Receive the update on City's homelessness efforts, including the status of Arbor Road Temporary Emergency Housing Facility project.
2. Provide direction regarding the allocation of funds through the FY operating and capital budget process to the close Arbor Road Temporary Emergency Housing Facility project shortfall.
3. Provide other direction to staff as necessary.

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Reviewed, and Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

- A - City of Tracy – Homelessness Strategic Plan
- B – San Joaquin Community Response to Homelessness – 2020 San Joaquin Strategic Plan
- C – City of Tracy – Homelessness Strategic Plan Summary Page
- D - San Joaquin Continuum of Care Report on the Point in Time County of the Sheltered and Unsheltered Homeless (April 22, 2019)



CITY OF TRACY

HOMELESSNESS STRATEGIC PLAN

As approved and amended May 5, 2020

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Last Revised: 05-05-2020

EXECUTIVE SUMMARY

This Homelessness Strategic Plan outlines an ongoing comprehensive strategy to make homelessness rare, brief, and non-recurring in the City of Tracy. The direction and goals included in this plan build upon the recent progress the City has made towards ending homelessness while also recognizing new practices, emerging challenges, and opportunities to develop a system that uses all available resources to house people experiencing homelessness.

In response to the growing number of people experiencing homelessness within the City of Tracy, a collaboration of stakeholders, local service providers, community members and elected officials have mobilized to address the challenges related to homelessness. These stakeholders include a collective of various organizations including those with educational, legal, business, and faith-based interests; local homeless service providers; city, county, and state agencies; private businesses and non-profit organizations; as well as private individuals and consumer advocates. This strong collaboration represents one of the greatest tools within the City of Tracy to combat homelessness.

Trends in homelessness in the City of Tracy speak to the need for a comprehensive, coordinated community effort to address the issue. The 2019 biannual point in time count reports that there are 155 unsheltered persons living on the streets, cars, or places not meant for human habitation and 21 sheltered persons within city limits. The number of people experiencing unsheltered homelessness has increased dramatically (520%) since 2011. This large increase is attributable to under counting in previous years. Service providers working in Tracy reported that a change in the count methodology—including the establishment of a homeless outreach project on the day of the count and an increase in the number of volunteers—has helped to produce a more accurate count of people experiencing homelessness in the City.

While conversation and ideas are being discussed within the City of Tracy, the experience of homelessness continues to affect many individuals and families, while others live one pay-check or unforeseeable circumstance away from falling into homelessness, *i.e.* at-risk of homelessness. These realities propel city and county officials, nonprofit service providers, local businesses, faith-based organizations, and other stakeholders to continually strive to address the issue of homelessness.

This plan proposes a series of steps to strategically utilize existing resources and place the City in a position to access new resources. It intentionally builds upon the strengths of the community, namely the City and the San Joaquin County Continuum of Care, and the capacity of its individual stakeholders; to leverage existing resources to address challenges—such as the shortages of affordable housing and permanent supportive housing. However, the first priority of the City must be to create emergency shelter.

Specific strategies are organized under four primary goals:

STRATEGIC PLAN GOALS

GOAL 1: Increase Housing Options in Tracy

GOAL 2: Increase Access to Coordinated Support Services for People Experiencing Homelessness

GOAL 3: Develop Action Plans for Engaging with People Experiencing Homelessness

GOAL 4: Enact Specific Strategies for Vulnerable Subpopulations Experiencing Homelessness

As the City of Tracy embarks on the implementation of this plan, the City must communicate and promote this vision and strategy for implementation; update the plan as needed; continuously identify and seek out resources; and provide the leadership to make mid-course adjustments. The plan identifies outcomes that should be measured to ensure constant and consistent attention to the action steps and to measure success. Success will depend on the willingness and commitment of key stakeholders to embrace innovation and adopt a culture open to change.

BACKGROUND

In January of 2019, California’s Department of Housing and Community Development (HCD) presented the opportunity for Continuums of Care (CoC) and counties across the State of California to request technical assistance in three different areas of focus: capacity building, housing first, and housing stability. Eligible recipients of the technical assistance included those CoCs and counties that were direct recipients or administrators of California’s Emergency Solutions Grant Program (ESG) or No Place Like Home funding. In July of 2019, the City of Tracy, as a member of the San Joaquin Continuum of Care, submitted a request for support in developing a strategic plan to end homelessness. HCD approved the City of Tracy’s request as an exception—as the only city provided direct assistance—and it did so with the understanding that the City would coordinate with the CoC to compliment efforts.

The Technical Assistance Collaborative (TAC) was retained by HCD to engage with CoCs and Counties that submitted requests for “capacity building” technical assistance. TAC worked with HCD and the City of Tracy to develop a work plan, and engagement began in August of 2019. The goal of the public process was to enhance transparency and help the City of Tracy establish intentional and meaningful strategies to end homelessness, which culminated in a written plan.

Prior to this engagement, much of the planning around homelessness occurred at the CoC and county level. While the City of Tracy is unique in their capacity and needs, the city has expressed a commitment to collaborate efforts with the county to address homelessness within the framework of the San Joaquin CoC. Therefore, the planning process which produced this document focused on a more systemic-level approach to prevent and end homelessness within the city. As such, TAC conducted a thorough document and resource review. In addition to remote planning sessions and communication with the City, TAC facilitated an on-site strategic planning meeting in November 2019. Subsequently, three community forums were held in

December and January to obtain public input and promote transparency. Throughout the process, it was important to include the voice of those with lived experiences by inviting persons currently living on the streets or in places not meant for human habitation in Tracy to the community meetings.

In developing the plan, TAC drafted initial goals and objectives, based on the community planning session and additional feedback from the community workshops. The public comments were incorporated into the plan and, subsequently, the City's Ad Hoc Committee on Homelessness revised the draft goals and objectives. This collaborative effort produced the goals, objectives, and action steps outlined in this plan to end homelessness in the City of Tracy.

OVERVIEW OF HOMELESSNESS IN TRACY

The State of California is in the midst of an unprecedented homelessness and housing crisis. The number of individuals and families experiencing homelessness far exceeds any other state in the country. As of the January 2019 point in time count, the number of persons experiencing homelessness in California was 151,278. Nearly half of all people experiencing homelessness in the country were in three states: California (27% or 151,278 people); New York (16% or 92,091 people); and Florida (5% or 28,328 people). While the highest counts of homelessness exist in some of California's larger metropolitan areas, Tracy is not untouched by the crisis.

COST OF HOMELESSNESS IN TRACY

Nationally, a chronically homeless person costs the tax payer an average of \$35,578 per year. Costs on average are reduced by 49.5% when they are placed in supportive housing. Supportive housing costs on average \$12,800, making the net savings roughly \$4,800 per year.

Key findings from a study in Santa Clara, California found "overall, clients connected to permanent housing showed greater reduction in both emergency department use and charges compared to those who remained homeless or in less stable housing arrangements (a 34% reduction compared to a 12% reduction in emergency department visits, a 31% reduction compared to a 2% reduction in emergency department charges)." "The group connected to housing showed significantly greater reductions in the inpatient charges (a 27% decrease for those connected vs. a 49% increase for those not connected)."

Regarding the specific needs of the City of Tracy, there is a cost to the city as people continue to experience homelessness. The City is working to document the costs of the following services:

- Hospital Emergency Room Services
- Emergency Medical Resources
- Law Enforcement and Prosecution Resources
- County Jail, Court, and Criminal Justice System Resources

Often, these costs are actually higher than the cost of dedicating resources to provide people with permanent housing.

EXISTING RESOURCES IN TRACY

The strategic planning process requires the identification of existing resources to households experiencing or at-risk of homelessness, as well as any gaps in resources and those that may require strengthening or refining. The effort to prevent and end homelessness in Tracy must also take into considerations the state and federal funding climates and evolving policy priorities. No community can address homelessness by relying solely on dedicated homeless resources, but must access and leverage other more mainstream housing and service resources.

- **HUD RESOURCES**

The San Joaquin CoC has successfully obtained competitive federal homeless assistance funds through the Continuum of Care Program. In Fiscal Year 2018 the CoC received \$4,490,004 and, of that amount, 67% is for permanent supportive housing, 28% is for rapid rehousing, 2% is for the Homeless Management Information System, and 3% is for planning CoC activities. At the time of publication of this report the FY19 CoC Program awards were not fully announced.

- **CALIFORNIA RESOURCES**

The State of California, through inter-state agency partnerships and collaboration, has created and funded programs to complement federal and local/philanthropic funding for county and CoC crisis response systems. **TABLE A** outlines some of the funding opportunities available to support CoCs in California. The San Joaquin CoC currently receives funding through several of these opportunities.

- **TRACY RESOURCES**

There are 28 local service providers that make up the Tracy Community Homeless Task Force. The services offered include shelters; subsidized housing; community meals; food delivery to encampments; food pantries, markets, and produce; and hygiene programs.

IDENTIFIED GAPS & CHALLENGES

The City of Tracy faces significant challenges in its work to prevent and end homelessness. These difficulties and resource gaps have been identified in an effort to inform the goals and objectives included in this plan. They have been outlined below in four categories.

- **CRISIS RESPONSE**

This resource gap relates to the city's crisis response system and capacity for assisting households at-risk of and currently experiencing homelessness. It is imperative that people understand the risk of homelessness, and the relative fragility of many households' housing situations. Households at risk of homelessness are often one paycheck, utility bill, or medical bill away from an episode of homelessness. Those with

untreated behavioral health needs may be forced to leave housing due to related behaviors and risks. For those households that do enter the homeless crisis response system, the availability and access to safe shelter and outreach services are essential.

➔ **CURRENT RESOURCE GAPS AND CHALLENGES RELATED TO CRISIS RESPONSE**

- Not enough family shelters
- Lack of low barrier shelters
 - Need to allow families to stay together (without restrictions on the age of children)
 - Need to allow people to shelter with their pets
 - Need to have a place for people to store their possessions
- Need more behavioral health services and quick access to the services while people are in crisis
- Need for access to services after normal business hours/evening and weekends

• **HOUSING**

This resource gap relates to the availability of both public and private housing resources. The City is experiencing a severe lack of affordable housing for households at-risk of and experiencing homelessness, particularly those extremely and very low income households. The long term success in addressing homelessness in the City will involve both increasing the affordable housing stock and obtaining rental subsidies.

➔ **CURRENT RESOURCE GAPS AND CHALLENGES RELATED TO HOUSING**

- Lack of affordable housing
- No local provider funded to provide permanent supportive housing
- Huge deficit of landlords
- Existing housing stock is limited and unaffordable

• **SUPPORTIVE SERVICES**

This resource gap relates to the availability and access to services and other supports that aid households in their ability to successfully maintain housing. Supportive services are often the key to ensuring that households at-risk of homelessness are able to maintain their housing and avoid the need for crisis services. Similarly, supportive services also serve as the primary mechanism for ensuring that formerly homeless households are able to successfully maintain housing.

➔ **CURRENT RESOURCE GAPS AND CHALLENGES RELATED TO SUPPORTIVE SERVICES**

- Need for employment services
- Lack of transitional age youth resources
- No South County service center

- **SYSTEM LEVEL**

This resource gap relates to challenges experienced at the systems or community level that likely expand beyond the homeless services system. These challenges may involve systems of care other than the homeless crisis response system, and are likely bigger than any one project or resource.

➔ **CURRENT RESOURCE GAPS AND CHALLENGES RELATED TO SYSTEM LEVEL**

- Need for increased participation in Homeless Management Information System (HMIS) to help inform data-driven systemic level decisions
- Feeding schedules need to be coordinated to reduce waste of resources
- Lack of transportation throughout the City and connections with other cities within San Joaquin County

THEMES IDENTIFIED VIA COMMUNITY INPUT

TAC identified the following themes based on discussions regarding goals from the community planning session and additional feedback from the community workshops. The four identified themes include:

1. Move people who are experiencing homelessness into permanent housing as quickly as possible
2. Increase understanding regarding issues people experiencing homelessness face and/or increase the general understanding of homelessness
3. Strengthen capacity to increase resources for the homeless crisis response system
4. Prevent and divert new households from becoming homeless

GOALS & OBJECTIVES

Homelessness ends with a crisis response system that is able to provide housing and ensure that the root causes of homelessness are rare, brief, and non-reoccurring. These goals and objectives should maximize “housing first” principles. “Housing First” is a best practice and a requirement of many funding sources at both the state and federal levels. This approach should be implemented both at the systemic-level as well as at the local project level.

GOAL 1: INCREASE HOUSING OPTIONS IN TRACY

Objectives for GOAL 1:

- (1) SHORT-TERM: Identify immediate temporary “Emergency Housing” options and integrate crisis support services.
- (2) MID-TERM: Identify “Transitional Housing” options and integrate wrap-around support services with Navigation Center.
- (3) LONG-TERM: Increase affordable housing stock and assist in securing “Permanent Housing” with continued support services from Case Managers.
- (4) CONTINUOUS: Proactively pursue local, state, and federal funding to support housing options and support services.
- (5) Create property-owner economic initiative to increase the number of private housing options to support housing for people transitioning out of homelessness.

GOAL 2: INCREASE ACCESS TO COORDINATED SUPPORT SERVICES FOR PEOPLE EXPERIENCING HOMELESSNESS

Objectives for GOAL 2:

- (1) Create a centralized location to serve as a “Navigation Center” where people experiencing homelessness can gain access to appropriate services and resources based on their immediate needs.
- (2) Secure access to addiction, mental health, family reunification, job training, and other appropriate support services at the Navigation Center.
- (3) Enhance coordination between local service providers and county agencies.
- (4) Evaluate effectiveness of current spending and consider reallocating resources, while continuing to pursue other funding options.

GOAL 3: DEVELOP ACTION PLANS FOR ENGAGING WITH PEOPLE EXPERIENCING HOMELESSNESS

Objectives for GOAL 3:

- (1) Establish “Law Enforcement Protocol” for initiating contact with people experiencing homelessness that complies with the recent *Martin v. Boise* decision.
- (2) Establish “Crisis Response Protocol” for local service providers to render rapid crisis support — including after-hour services for people experiencing or at-risk of homelessness.
- (3) Partner with county agencies (including the District Attorney’s Office and the San Joaquin County Jail) to evaluate opportunities for diversion programs or other alternatives to incarceration for people experiencing homelessness—including a warm “hand off” to service providers to render immediate crisis support services or emergency housing.

GOAL 4: ENACT SPECIFIC STRATEGIES FOR VULNERABLE SUBPOPULATIONS EXPERIENCING HOMELESSNESS

Objectives for GOAL 4:

- (1) Identify people experiencing or at-risk of homelessness in vulnerable subpopulations within the City of Tracy—including, but not limited to, veterans, youth, the LGBTQ community, victims of crime, and people with behavioral health needs.
- (2) Ensure access to “Case Managers” for vulnerable subpopulations who will educate and provide connections to appropriate support services and housing options.
- (3) Identify and apply for funding opportunities to secure resources that are specifically available to support people from vulnerable subpopulations.
- (4) Develop a targeted initiative program to prevent “new” individuals in vulnerable subpopulations from becoming homeless.

CONCLUSION

For a community the size of the City of Tracy, the City must prioritize the need to prevent and end homelessness. While there are significant challenges ahead—due both to local circumstances and national trends—the City is working to meet these challenges, and is fortunate to have a team of committed organizations and agencies.

This Strategic Plan provides a framework to target resources to manage and decrease homelessness. The City of Tracy, with the cooperation of local elected officials and stakeholders, will oversee implementation of this plan.

The following key metrics should be used to evaluate the effectiveness of this Plan:

- Increase in the number of affordable housing units dedicated to people who are experiencing homelessness
- Decrease in homelessness in the community—including in key subpopulations such as families, veterans, and people who are chronically homeless
- Decrease in the number of persons who become homeless for the first time
- Decrease in the average and median length of time persons remain homeless
- Decrease in the percentage of persons who return to homelessness
- Increase in the percentage of adults who gain or increase employment or non-employment cash income over time
- Increase in the percentage of persons who exit to or retain permanent housing

To be successful, this Strategic Plan will require broad community support for expanding data collection, sharing data, and using accurate data as a planning tool. The City of Tracy and its elected officials should continue to sponsor community meetings to build public support, consensus, and commitment to the plan and to create a sense of urgency about these time-sensitive strategies. Since it is a perennial plan, quarterly meetings to report on progress and challenges will keep momentum going and allow for mid-course adjustments as needed. The community's support will be vital in affirming the Strategic Plan so that all stakeholders understand and fulfill their specific roles.

IMPLEMENTATION PLAN

GOAL 1: INCREASE HOUSING OPTIONS IN TRACY

OBJECTIVE 1: [SHORT-TERM] Identify immediate temporary “Emergency Housing” options and integrate crisis support services.

TASKS:

EMERGENCY SHELTER

- Identify local facility to use as Emergency Shelter for short-term *temporary* housing option
 - Prioritize low-barrier entry qualifications to Emergency Shelter
 - Access should be 24 hours a day, 7 days per week
 - Facility should include: beds/lofts, bathrooms, showers, heat/air-conditioning
 - Designate goal for number of beds at facility
 - Consider time-restraint to encourage transitioning to more permanent housing options
- **Consider re-purposing newly approved “Warming Center” as “Emergency Shelter”**
- Identify partners to manage daily operations at Emergency Shelter
- Draft RFP/MOU for organization to manage operations at Emergency Shelter
- Ensure access to local support services at Emergency Shelter
- Evaluate funding options [*See GOAL 1:4*]

SAFE PARKING AREA

- Identify local private/public parking lot to use as Safe Parking Area for individuals not amenable to entering Emergency Shelter
 - Prioritize low-barrier entry qualifications to Safe Parking Area
 - Designate time limitations on access to Safe Parking Area (*e.g.*, between 7:00pm and 7:00am)
 - Facility should include: bathroom access, security
- **Consider continuing newly approved “Safe Parking Area” through December 2020.**
- Draft RFP/MOU for organization to manage operations at Safe Parking Area
- Ensure access to local support services at Safe Parking Area
- Evaluate funding options [*See GOAL 1:4*]

CRISIS SUPPORT SERVICES

- Provide access to “Crisis Support” services to individuals experiencing crisis at Emergency Shelter
- Outreach and partner with local hospitals and institutions to collaborate on housing-focused discharge plans from hospitals and medical facilities
- Utilize “Crisis Support Protocol” [*GOAL 3:2*]
- Evaluate funding options [*See GOAL 1:4*]

OBJECTIVE 2: [MID-TERM] Identify “Transitional Housing” options and integrate wrap-around support services with the Navigation Center.

TASKS:

TRANSITIONAL HOUSING OPTIONS

- Identify local facilities to use as “Transitional Housing” for mid-term *transitional* housing option
 - Facilities should include: individual rooms, bathrooms, showers, heat/air-conditioning
 - Designate goal for number of beds at facility

- Designate goal for percentage of people transitioned into permanent housing each year
 - Consider time-restraint to encourage transition to permanent housing options
 - Consider use of “tiny homes” development and zoning
- Draft RFP/MOU for organization to manage operations at Emergency Shelter
- Ensure access to any previous local “case management” resources
- Ensure access to local support services at Navigation Center
- Evaluate funding options [*See GOAL 1:4*]
 - Consider requiring residents to pay percentage of income towards rent

ACCESS TO SUPPORT SERVICES

- Provide access to local support services to residents at Transitional Housing facilities
 - Consider requiring regular check-ins and evaluations with a case manager
 - Provide aftercare services to people experiencing homelessness who have secured housing to ensure they remain housed
 - Ensure that case management from partner organizations includes support for households attempting to leave shelters and enter permanent housing
- Evaluate funding options [*See GOAL 1:4*]

OBJECTIVE 3: [LONG-TERM] Increase affordable housing stock and assist in securing “Permanent Housing” with continued support services from Case Managers.

TASKS:

INCREASE AFFORDABLE HOUSING STOCK

- Increase available “Affordable Housing” stock in the City of Tracy
- **Consider adopting the “Affordable Housing” strategies reviewed at previous City Council Affordable Housing workshop**
- Outreach and partner with a local housing provider) to consider the following opportunities:
 - Identify projects and opportunities that will result in more “Affordable Housing” units
 - Provide treatment-based housing for people with physical and behavioral health needs
 - Creating affordable housing policies that may encourage developers to build units that would support people experiencing or at-risk of homelessness

PERMANENT HOUSING

- Identify “Affordable Housing” facilities to use as long-term *permanent* housing option
 - Designate goal for percentage of people transitioned into permanent housing each year
 - Increase the number of “Affordable Housing” units dedicated to people experiencing homeless
- Ensure access to any previous local “case management” resources
- Ensure access to local support services at Navigation Center

ACCESS TO SUPPORT SERVICES

- Provide access to local support services to residents at Transitional Housing facilities
 - Consider requiring regular check-ins and evaluations with a case manager
 - Provide aftercare services to people experiencing homelessness who have secured housing to ensure they remain housed
 - Ensure that case management from partner organizations includes support for households attempting to leave shelters and enter permanent housing
- Evaluate funding options [*See GOAL 1:4*]

OBJECTIVE 4: [CONTINUOUS] Proactively pursue local, state, and federal funding to support housing options and support services.

TASKS:

FUNDING OPPORTUNITIES

- Compile information related to funding opportunities for addressing homelessness
 - Identify local, state, and federal agencies that distribute funding to address homelessness
 - Identify grants that distribute funding to address homelessness
- Create list of funding sources that the City of Tracy may be qualify for to address homelessness
 - Create calendar of dates for applying to funding sources
 - Consider assigning dedicated individual or organization to complete funding applications

REDISTRIBUTION OF RESOURCES

- Evaluate current resources spent on homelessness and consider reallocation [*See GOAL 2:4*]

OBJECTIVE 5: Create property-owner economic initiative to increase number of private housing options to support housing for transitioning homeless people.

TASKS:

LANDLORD INCENTIVE PROGRAM

- Create outreach efforts to link landlords with low-income tenants and tenants with rapid re-housing or housing vouchers
- Consider a local funding source to create gap financing to:
 - Make a rapid re-housing and housing voucher support match market rental rates
 - Provide finance support for permanent affordable housing developments
 - Provide eviction prevention services, including rental assistance and landlord mediation

GOAL 2: INCREASE ACCESS TO COORDINATED SUPPORT SERVICES FOR PEOPLE EXPERIENCING HOMELESSNESS

OBJECTIVE 1: Create a centralized location to serve as a “Navigation Center” where people experiencing homelessness can gain access to appropriate services and resources based on their immediate needs.

TASKS:

NAVIGATION CENTER

- Identify location and secure facility to serve as a Navigation Center
- Partner with local service providers, non-profit organizations, and faith-based groups to coordinate procurement of services and resources at the Navigation Center
- Retain “Case Managers” to ensure that people experiencing homelessness are supported in accessing addiction, mental health, family reunification, job training, and other appropriate support services
- Ensure that resources and services are available to people who have formerly experienced homelessness to maintain their stable housing

OBJECTIVE 2: Secure access to addiction, mental health, family reunification, job training, and other appropriate support services at the Navigation Center.

TASKS:

ACCESS TO SUPPORT SERVICES

- Identify service providers and county agencies that provide necessary support services for some people experiencing homelessness
 - Identify service providers/agencies for alcohol and narcotics addiction services
 - Identify service providers/agencies for mental and behavioral health services
 - Identify service providers/agencies for family reunification services
 - Identify service providers/agencies for job training services
 - Identify other appropriate service providers/agencies as needed
- Work with providers/agencies to bring access to such services directly at the Navigation Center

OBJECTIVE 3: Enhance coordination between local service providers and county agencies.

TASKS:

COORDINATION EFFORTS

- Invite local service providers, county agencies, non-profit organizations, and faith-based groups to coordinate providing services to people experiencing homelessness at the Navigation Center
- Ensure access to services for people at-risk of homelessness and people exiting homelessness
- Strengthen partnerships between the City, county agencies, and local service providers by coordinating access, collection, analysis of data; using HMIS & CoC data programs; and enhancing data cross-checking
- Partner with other agencies to evaluate how to leverage resources and pursue funding opportunities.
- Commit to actively participating with the Continuum of Care

OBJECTIVE 4: Evaluate effectiveness of current spending and consider reallocating resources, while continuing to pursue other funding options.

TASKS:

RESOURCE ASSESSMENT

- Conduct an audit and create a report that identifies all city resource allocations currently used to address homelessness within the City of Tracy
- Identify opportunities and adopt a plan to effectively reallocate funds that are used on repetitive temporary tasks—such as posting notices for cleaning of encampment debris

GOAL 3: DEVELOP ACTION PLANS FOR ENGAGING WITH PEOPLE EXPERIENCING HOMELESSNESS

OBJECTIVE 1: Establish “Law Enforcement Protocol” for initiating contact with people experiencing homelessness that complies with the recent *Martin v. Boise* decision.

TASKS:

LAW ENFORCEMENT PROTOCOL

- Request memorandum defining the requirements of the recent *Martin v. Boise* decision from the Tracy City Attorney
- Direct City Attorney and City Manager to work collaboratively with law enforcement partners to develop protocol for law enforcement officers to utilize while engaging with people experiencing homelessness that considers the strategies and goals of the Tracy Homelessness Strategic Plan
- Develop report for transparency purposes that defines the protocol and the legal compliance required
- Educate law enforcement officers in utilization of the protocol

OBJECTIVE 2: Establish “Crisis Response Protocol” for local service providers to render rapid crisis support — including after-hour services for people experiencing or at-risk of homelessness.

TASKS:

CRISIS RESPONSE PROTOCOL

- Invite local service providers to convene and develop a “Crisis Response Protocol” based on best practices and in consideration of the strategies and goals of the Tracy Homelessness Strategic Plan
- Identify qualified partners to render the crisis support services as identified within the protocol
 - Consider the use of peer support specialist to provide after-hour support services
- Provide access to “Crisis Support” services to individuals experiencing crisis at Emergency Shelter

OBJECTIVE 3: Partner with county agencies (including the District Attorney’s Office and the San Joaquin County Jail) to evaluate opportunities for diversion programs or other alternatives to incarceration for people experiencing homelessness — including a warm “hand off” to service providers to render immediate crisis support services or emergency housing.

TASKS:

OPPORTUNITIES WITH COUNTY AGENCIES

- Invite San Joaquin County agencies (including the District Attorney’s Office, the County Jail, Superior Court, Continuum of Care, Human Services Agency, and Behavior Health) to convene and assess opportunities for serving people experiencing homelessness in the City of Tracy
- Consider opportunities for diversion programs or alternatives to incarceration for people experiencing homelessness that have pending criminal charges
 - Consider programmatic solutions including: LEAD (Law Enforcement Assisted Diversion); Community Prosecution; Collaborative Courts (including Drug Court, Mental Health Court, Homelessness Court, and Veterans Court)
- Consider partnership/MOU with County Agencies to facilities such alternatives

GOAL 4: ENACT SPECIFIC STRATEGIES FOR VULNERABLE SUBPOPULATIONS EXPERIENCING HOMELESSNESS

OBJECTIVE 1: Identify people experiencing or at-risk of homelessness in vulnerable subpopulations within the City of Tracy — including, but not limited to, veterans, youth, the LGBTQ community, victims of crime, and people with behavioral health needs.

TASKS:

VULNERABLE SUBPOPULATIONS

- Invite organizations that serve similar subpopulations to convene together and collaborate with the City of Tracy to support subpopulation-specific needs
- Coordinate with HMIS to track progress of individuals from vulnerable subpopulations

OBJECTIVE 2: Ensure access to “Case Managers” for vulnerable subpopulations who will educate and provide connections to appropriate support services and housing options.

TASKS:

CASE MANAGEMENT

- Ensure that partners’ “Case Management” program includes linkage to navigation, healthcare, and mainstream benefit programs—such as:
 - CalFresh, CalWORKs, General Assistance, Medi-Cal, Supplemental Security Income (SSI), Social Security Disability Income (SSDI), and Veteran’s Benefits
 - Assistance in obtaining important identification documents, including identification cards and birth certificates to ensure that people experiencing homelessness are able to apply for benefits, employment, and housing
 - Education regarding the use of public transportation systems to empower people experiencing homelessness to transport themselves independently
- Ensure that partners have resources to link homeless individuals to primary care, urgent and emergency care, detox, residential and outpatient substance use treatment, and mental health services

OBJECTIVE 3: Identify and apply for funding opportunities to secure resources that are specifically available to support people from vulnerable subpopulations.

TASKS:

FUNDING FOR VULNERABLE SUBPOPULATIONS

- Work with organizations that serve subpopulations to collaborate on funding opportunities with the City of Tracy to support subpopulation-specific needs
- Create a list of opportunities and qualification (such as HEAP, ESG, CDBG) that may be available to specific vulnerable subpopulations

OBJECTIVE 4: Develop a targeted initiative program to prevent “new” individuals in vulnerable subpopulations from becoming homeless.

TASKS:

PUBLIC AWARENESS CAMPAIGN

- Create a public awareness campaign around homelessness issues and available local resources.

- Develop awareness and understanding of the issues that people experiencing homelessness face
- Sponsor a community campaign on literal homelessness, risk of homelessness, and prevention of homelessness
- Distribute information on the risk of homelessness, key indicators of possible risk, and available resources to schools, faith-based organizations, and county agencies frequented by the public

AMENDMENT 1
To Tracy Homelessness Strategic Plan
Approved May 5, 2020

The Tracy Homelessness Strategic Plan was developed and drafted in late 2019 to early 2020, just prior to the emergence of the global COVID-19 pandemic health crisis in the U.S. This section was added to recognize the unique circumstances and potential opportunities presented by the COVID-19 pandemic.

IMPLEMENTATION PLAN

GOAL 1: INCREASE HOUSING OPTIONS IN TRACY

OBJECTIVE 1: [SHORT-TERM] Identify immediate temporary “Emergency Housing” options and integrate crisis support services.

TASKS:

“PANDEMIC” EMERGENCY SHELTER

- Consider re-purposing previously approved “Warming Center” as temporary “Pandemic Emergency Shelter” during COVID-19 pandemic
- Communicate information to the public and local organizations to support/access this temporary shelter

“PROJECT ROOMKEY” HOUSING OPPORTUNITY

- Investigate whether City of Tracy may access “Project Roomkey” temporary housing resources from State of California for people experiencing homelessness
- If opportunity is unavailable, then evaluate the viability of partnering with local hotels to provide temporary shelter during COVID-19 pandemic

UNAUTHORIZED SETTLEMENT IN PUBLIC SPACES

- Identify locations where significant unauthorized settlement is occurring in public spaces
- Provide access to temporary restroom facilities near these unauthorized settlements to reduce spread of COVID-19 during the pandemic
- Provide access to temporary hygiene stations near these unauthorized settlements to reduce spread of COVID-19 during the pandemic
- Provide information for individuals to transition to “Pandemic Emergency Shelter” once established

DONATION CENTER

- Identify location/organization for donations of essential items for people experiencing homelessness
 - Including: Sanitizer, Face masks, Soap, Shampoo/Conditioner, Feminine hygiene items
- Communicate information to the public and local organizations to support/access these donations

OBJECTIVE 4: [CONTINUOUS] Proactively pursue local, state, and federal funding to support housing options and support services.

TASKS:

CENTRALIZE COMMUNICATIONS RELATED TO HOMELESSNESS

- Create specific contact resources for communications related to homelessness in the City of Tracy
 - Including: Email, Phone number, Informational webpage, Social media platforms

“PANDEMIC” FUNDING OPPORTUNITIES

- Identify local, state, and federal funding opportunities to address homelessness support services during COVID-19 pandemic
- Assign department to evaluate and complete applications for any available funding opportunities specific to COVID-19 pandemic

REDISTRIBUTION OF RESOURCES

- Monitor amount of resources spent on COVID-19 pandemic (including staff hours) for potential reimbursement by future funding opportunities
- Evaluate current resources spent on homelessness and consider reallocation to homelessness support services during COVID-19 pandemic

GOAL 2: INCREASE ACCESS TO COORDINATED SUPPORT SERVICES FOR PEOPLE EXPERIENCING HOMELESSNESS

OBJECTIVE 3: Enhance coordination between local service providers and county agencies.

TASKS:

PRIORITIZE COORDINATION EFFORTS RELATED TO COVID-19 PANDEMIC

- Partner with other agencies to evaluate how to leverage resources and pursue funding opportunities.
- Commit to actively coordinating support services and funding opportunities with local service providers, and local, state, and federal government agencies.

GOAL 4: ENACT SPECIFIC STRATEGIES FOR VULNERABLE SUBPOPULATIONS EXPERIENCING HOMELESSNESS

OBJECTIVE 1: Identify people experiencing or at-risk of homelessness in vulnerable subpopulations within the City of Tracy — including, but not limited to, veterans, youth, the LGBTQ community, victims of crime, and people with behavioral health needs.

TASKS:

IDENTIFY VULNERABLE SUBPOPULATIONS DURING COVID-19 PANDEMIC

- Identify vulnerable subpopulations during COVID-19 pandemic

- Suggested subpopulations include:
 - Veterans of Armed Forces
 - Youth (Aged 17 and below)
 - LGBTQ Community
 - Victims of Crime
 - People with Mental/Behavioral Health Needs
 - People with Disabilities
 - Non-Native English Speakers
 - Undocumented Immigrants

OBJECTIVE 3: Identify and apply for funding opportunities to secure resources that are specifically available to support people from vulnerable subpopulations.

TASKS:

IDENTIFY SUPPORT SERVICES DURING COVID-19 PANDEMIC

- Identify organizations & government agencies that generally provide support to these identified groups

CONTACT ORGANIZATIONS/AGENCIES FOR SUPPORT DURING COVID-19 PANDEMIC

- Contact government agencies & organizations that support these identified groups for possible collaboration of services, and information about potential funding opportunities related to the COVID-19 pandemic
- Create a list of funding opportunities that may be available to offer support services for these identified groups during the COVID-19 pandemic
- Apply for available funding opportunities to support identified groups during the COVID-19 pandemic

TABLE A: California State-Funded Resources

Program	Eligible uses	Eligible Applicants
Multifamily Housing Program- Supportive Housing (SHMHP)	Provides construction, rehabilitation, or acquisition of permanent supportive housing.	Nonprofits and/or for-profit developers and organizations.
California Emergency Solutions and Housing Program (CESH)	Provides housing relocation and stabilization services (including rental assistance), operating subsidies for permanent housing, flexible housing subsidy funds, operating support for emergency housing interventions, systems support for homelessness services and housing delivery systems, and can support homelessness planning.	Administrative Entities -- local governments, nonprofit organizations, or unified funding agencies -- designated by the Continuum of Care to administer CESH funds in their service area.
Housing for a Healthy California	Provides construction, rehabilitation, or acquisition of affordable housing; operating assistance (including long-term rental assistance and operating costs); administrative costs.	Counties and/or developers.
Emergency Solutions Grant Program (ESG)	Provides street outreach; emergency shelter; homelessness prevention; rapid re-housing; data collection; administrative costs.	Local government and private non-profit organizations.
No Place Like Home (NPLH)	Provides acquisition, design, construction, rehabilitation, or preservation of supportive housing.	Counties and counties in partnership with the development sponsor.
Permanent Local Housing Allocation (PLHA) (SB 2)	70 percent of the proceeds will be allocated to local governments (through both over-the-counter and competitive processes) for specified local projects or programs. Ten percent to assist the development of farmworker housing and five percent HCD to administer a program to incentivize the permitting of affordable housing. Fifteen percent will be allocated to CalHFA to assist mixed-income multifamily developments.	Local governments, eligibility of other entities TBD

Program	Eligible uses	Eligible Applicants
Veterans Housing and Homelessness Prevention Program (VHHP)* *Also a project with CalVet and CalHFA	Provides acquisition and/or construction or rehabilitation of an Affordable Rental Housing Development or Transitional Housing, or the conversion of an existing structure into one of these housing types.	Counties and nonprofits.
Affordable Housing and Sustainable Communities (AHSC)	Transportation stop required. Offers 3 types of grants, one specifically for rural projects.	Govt. agencies, localities, project sponsors.
Transformative Climate Communities (TCC)	Limited to projects, or planning for projects, that reduces GHG or VMT. Requires reporting of GHG/VMT progress. Offers two types of grants, including a planning option that could lead to future TCC grant approvals.	Businesses, organizations, stakeholders.
Homeless Emergency Aid Program (HEAP)	Provides one-time funding to enable local governments to respond to homelessness through the following eligible activities; emergency housing vouchers, rapid rehousing, emergency shelter construction and use of armories to provide temporary shelters.	City, county or joint power must declare an emergency shelter crisis (waiver processes for smaller cities/counties that do not declare a shelter emergency). CoC must demonstrate collaboration with other city, county or nonprofit partners.
Homeless Housing and Assistance Prevention (HHAP)	Provides one-time block grant funding to local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges.	Continuums of Care; Largest Cities, with populations of 300,000 or more (as of January 2019); and Counties

The San Joaquin Community Response to Homelessness

2020 SAN JOAQUIN COUNTY STRATEGIC PLAN



ACKNOWLEDGEMENTS

This strategic plan was drafted by Homebase on behalf of the San Joaquin Continuum of Care. Homebase would like to thank the membership of the CoC's Strategic Planning Leadership Committee for their partnership throughout the process of developing this plan. Special thanks to San Joaquin County, the City of Stockton, the Housing Authority of San Joaquin County, and Central Valley Low Income Housing Corp. for their assistance with gathering information and providing feedback, and to the many service providers, local government staff, and people experiencing homelessness who were interviewed for this plan, for sharing their experiences and providing invaluable insight.

EXECUTIVE SUMMARY



The San Joaquin community is able to address the homelessness crisis it faces. It will require a collaborative effort to develop a formal coordinated system that functions throughout the region. It will require a focus on solutions that can be measured and impactful. It will require significant investment in housing-first focused services that increase shelter beds and provide successful transitions to long-term permanent housing.



San Joaquin has already done a great deal to address homelessness. Since 2015, the community has adopted a Housing First approach in many programs, working to ensure households can access low-barrier housing and services. The region has also increased shelter capacity and initiated dedicated outreach efforts to support unhoused residents through coordination with police departments, County Behavioral Health, the faith-based community, and local businesses and residents. In addition, local legislation has been amended to encourage innovative solutions to building permanent housing, such as permitting and providing “off the shelf” Accessory Dwelling Unit projects. Each of the many jurisdictions in San Joaquin, including the County, the Continuum of Care, and the cities within, have aggressively pursued new resources and opportunities to collaborate. Scheduled to open in October, Turnpike Commons represents a creative solution to develop manufactured homes with wraparound services for nine families through a partnership between the Housing Authority of San Joaquin, STAND Affordable Housing, Central Valley Housing, and Stockton Shelter for the Homeless. Efforts like these have established a strong foundation upon which the community can build.

Yet, homelessness continues to increase in San Joaquin County and across California. The need is urgent. Homelessness is a community priority; it impacts everyone, from our neighbors who are unstably housed to those who have already fallen into homelessness, to our first responders and business community, to all who will benefit from community-wide strategies that systemically and effectively resolve homelessness. Together we must coordinate key resources available across all sectors of the community. We are on a precipice and now is the time to focus on meaningful solutions, rather than simply addressing the symptoms.



The Strategic Plan: “The San Joaquin Community Response to Homelessness,” provides a set of goals tailored for our community that have been proven to be successful. It is a roadmap of how to address homelessness, based on local needs and strategies and tactics that work. To effectively address the crisis, the entire community — every corner of the county — needs to participate in solutions and build on the collaborative effort that produced this comprehensive plan. Proactive and evidenced-based solutions are far less costly, far more humane, and the only way to create a system that effectively responds to homelessness.

The Goals for the Community are Clear:



Goal 1: Establish a Coordinated and Engaged Regional System



Goal 2: Increase Access and Reduce Barriers to Homeless Crisis Response Services



Goal 3: Ensure Households Experiencing Homelessness Have Access to Affordable and Sustainable Permanent Housing

As the housing crisis in California deepens, more and more San Joaquin County residents are just one paycheck or medical crisis away from losing their housing. This reality has only magnified in the wake of the COVID-19 global pandemic, which took a greater toll on San Joaquin County than many other communities in California. Building on what is already working well, the community is poised to take further steps to reduce and prevent homelessness. In some circumstances, it may only require a small intervention to prevent hundreds more people from becoming homeless — whether it is one-time financial resources to provide a security deposit, legal assistance to prevent eviction, or help learning to balance a budget. In other situations, it will require a concerted effort to provide shelter, supportive services, and a path to long-term permanent housing. The timing is ripe to invest in San Joaquin to ensure we have a robust and responsive system that can lift up individuals and families as they confront housing, health, and employment instability. We must ensure that our neighbors can find their way back to safe, secure, and thriving homes.

Adopters of the 2020 San Joaquin County Strategic Plan include:

- San Joaquin Continuum of Care Board of Directors (June 11, 2020)

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INTRODUCTION

In August 2015, San Joaquin County’s Homeless Task Force began its critical work to address the regional issue of homelessness. In 2016, it officially became a countywide taskforce and commenced meeting on a monthly basis. The Task Force meetings were widely attended, with over 50 organizations actively participating. By the end of 2016, the Task Force proposed a suite of policy recommendations to the County Board of Supervisors, which adopted the recommended strategic priorities early in 2017. One year later, the Board of Supervisors adopted a set of final policy recommendations from the Task Force, and by 2019, a formal governance structure was put in place to continue this critical work. During that time, local partners have made great strides in developing a system to respond to homelessness and reduce its impact on the community, but there is much work to be done.

While homelessness continues to be an evolving challenge in the San Joaquin region and across California, local accomplishments since 2017 have established an invaluable foundation for continued progress in addressing homelessness.

ACHIEVEMENTS

- ✓ *Grew collaboration among cities and the County regarding homelessness issue*
- ✓ *Provided over 1,000 units annually of permanent supportive housing and rapid rehousing*
- ✓ *Founded the Ready to Work program as a nonprofit*
- ✓ *With the addition of the City of Stockton to the top 13 Cities in California, secured more than \$7 million to support homelessness efforts, including trailers*
- ✓ *Stockton City Council prioritized homelessness and affordable housing, adopting ordinances supporting accessory dwelling units (ADUs) and creating a housing pipeline with over 500 units*
- ✓ *Submitted through San Joaquin County, a Continuum of Care grant request to support a Homelessness Initiatives staff position*

✓ Secured \$18.5 million over 5 years for the County's Whole Person Care initiative and collaborated with key health care and community partners (including Gospel Center Rescue Mission, Dignity Health, Kaiser Permanente, Sutter Health, and Community Medical Centers) to advance initiatives aimed at addressing homelessness, including:

- Funding new beds at Gospel Center Rescue Mission;
- Creating a County Housing Pool that can accept donations; and
- Developing a recuperative care program.

✓ Fostered a collaboration between San Joaquin County Behavioral Health Services and the Housing Authority of San Joaquin in which \$3.5M in Mental Health Services Act funds were dedicated to acquire, construct, and renovate housing units for seriously mentally ill individuals, plus an additional \$500k for a capitalized operating subsidy reserve, including:

- 39 new units at Crossway Residences
- A long-term partnership between the County and the Housing Authority to develop new project-based housing units under the "No Place Like Home" program

✓ Fostered a collaboration between San Joaquin County Behavioral Health Services and Sacramento Self-Help Housing which dedicated \$6.5M in Mental Health Services Act funding over five years to:

- Create housing opportunities for adults with serious mental illnesses
- Develop 12 to 18 scattered site houses via master leases (with an average of four consumers per unit)

✓ Supported a collaborative program between San Joaquin County Behavioral Health Services and Community Medical Centers to engage and serve 1,000 at-risk individuals with mental illness and/or substance use disorders, including:

- \$6.0M over 3 years to support substance withdrawal management services and medication-assisted treatment
- \$8.2M Mental Health Services Act Innovation funding for behavioral health assessments and services
- Coordination with law enforcement to deflect public inebriates and others away from jail and into program services.

Initiated public health efforts, including:

- ✓
 - *Dedicated \$100k for Public Health Services to perform rapid syphilis testing at homeless encampments SECURED*
 - *A minimum of 200 unduplicated clients will be tested along with follow-up treatment services*
 - *City of Stockton has added two new positions to the Housing and Homelessness Division*

✓ *Added 100 Emergency Shelter Winter beds in 2019*

Despite these significant steps forward, homelessness in San Joaquin County – and across California – is continuing to rise, due to high rates of poverty and escalating costs of housing. Without meaningful, coordinated action, homelessness will continue to grow, as more of our community members lose their housing and are unable to overcome the barriers to exiting homelessness.

On a given night in 2019, there were 2,631 men, women and children experiencing homelessness in San Joaquin County, with 1,558 of those people living unsheltered on the streets, in vehicles, or in encampments. More than 83% of these individuals had their last stable residence in San Joaquin County.

While there are many reasons San Joaquin County residents may fall into homelessness – reduced work hours, medical bills or an unexpected expense, loss of a relative, or mental health issue – these members of the community are living without stable housing or the support to regain it.

The Strategic Plan is based on the latest in available data and established best practices to provide an ambitious but achievable roadmap for meaningfully addressing homelessness in San Joaquin County. It represents the input of numerous stakeholders, including the private and public sectors, homeless service providers, public health and behavioral health experts, and representatives of law enforcement, among many others.

OUR SHARED LANGUAGE: A GLOSSARY OF TERMS

At risk of homelessness is a status given to individuals and their families who do not meet HUD definitions of homelessness but have unstable housing and inadequate income and resources, or that are a child or youth defined as a homeless under other federal statutes.¹

Chronically Homeless is when a person has been homeless for at least a year, either 12 months consecutively or over the course of at least 4 separate occasions in the past 3 years. To be chronically homeless, the individual or head of household must also have a disability.

Community Development Block Grant (CDBG) is a flexible program run by the federal Department of Housing and Urban Development (HUD) that provides communities with resources to address a wide range of unique community development needs.

Continuum of Care (CoC) is the group organized to carry out the responsibilities prescribed in the CoC Program Interim Rule for a defined geographic area. A CoC is composed of representatives of organizations including: nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons. Responsibilities of a CoC include operating the CoC, designating and operating an HMIS, planning for the CoC (including coordinating the implementation of a housing and service system within its geographic area that meets the needs of the individuals and families who experience homelessness there), and designing and implementing the process associated with applying for CoC Program funds.

CoC Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and state and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

CoC Program Interim Rule focuses on regulatory implementation of the CoC Program, including the CoC planning process. The CoC Program was created through the McKinney-Vento Homeless Assistance Act as amended by the HEARTH Act of 2009.

¹ See 24 C.F.R. § 576.2 for complete definition of “at risk of homelessness” under the Emergency Solutions Grant Program.

Coordinated Entry System (CES) provides a centralized approach to connect the region's most vulnerable homeless residents to housing through a single community-wide assessment tool and program matching system.

Congregate Shelters are facilities with overnight sleeping accommodations, in shared quarters, the primary purpose of which is to provide temporary shelter for the homeless.

Diversion is a strategy that prevents homelessness for people seeking shelter by helping them identify immediate alternate housing arrangements and, if necessary, connecting them with services and financial assistance to help them return to permanent housing.

Emergency Shelter is any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.

Emergency Solutions Grants (ESG) provides funds to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

Functional zero is when the number of homeless households, whether sheltered or unsheltered, is no greater than the monthly housing placement rate of homeless households.

Homeless is defined in four categories: (1) individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided; (2) individuals and families who will imminently lose their primary nighttime residence; (3) unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; and (4) individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

Homeless Housing, Assistance and Prevention (HHAP) Program is a \$650 million one-time block grant that provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges.

Homeless Management Information System (HMIS) is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Each CoC is responsible for selecting an HMIS software solution that complies with HUD's data collection, management, and reporting standards.

Housing First is a well-accepted, national, evidenced-based best practice that eliminates barriers to housing, ensuring individuals and families can exit homelessness as quickly as possible. Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to

permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

Low-barrier shelters include fair and equitable policies that provide the greatest access to residents, while still protecting the safety of staff and other residents. Low-barrier shelter has a minimum number of expectations placed on people who wish to stay there. The aim is to have as few barriers as possible to allow more people access to services. For example, residents are allowed to bring their pets and possessions, to live with their partners, and do not have to exit the shelter each morning. They are not expected to abstain from using alcohol or other drugs, so long as they do not engage in these activities in common areas of the shelter and are respectful of other residents and staff. Low-barrier facilities follow a harm reduction philosophy.

Navigation Centers are “housing-focused” facilities that provide shelter and comprehensive onsite services to support participants to exit homelessness permanently. See [below](#) for more information.

No Place Like Home is a California-based funding program that supports communities as they develop permanent supportive housing for individuals living with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness.

Non-congregate shelters are sheltering solutions that provide overnight sleeping accommodations with individual quarters, such as hotels, motels, and dormitories.

Permanent Supportive Housing (PSH) provides long-term housing with intensive supportive services to persons with disabilities. These programs typically target people with extensive experiences of homelessness and multiple vulnerabilities and needs who would not be able to retain housing without significant support.

Prevention is a strategy intended to target people who are at imminent risk of homelessness (whereas diversion usually targets people as they are initially trying to gain entry into shelter).

Rapid Rehousing (RRH) provides housing subsidies and tailored supportive services for up to 24-months, with the goal of helping people to transition during that time period to more permanent housing. RRH is funded primarily through CoC and ESG programs, CalWORKs, CDBG, HOME, and SSVF.

Supportive Services include assistance applying for benefits, mental health and substance use services, outpatient health services, information and referral services, child care, education, life skills training, employment assistance and job training, housing search and counseling services, legal services, outreach services, transportation, food assistance, risk assessment and safety planning (particularly for individuals and families experiencing domestic violence), and case management services such as counseling, finding and coordinating services, and monitoring and evaluating progress in a program.






Transition Age Youth (TAY) are persons between age 18 and 24 who are transitioning from childhood to adulthood.

Transitional Housing (TH) provides temporary housing accommodations and supportive services. While many households benefit most from direct connections to permanent housing programs such as RRH or PSH (which are often more cost-effective over the long term), transitional housing can also be an effective support. In particular, certain subpopulations, such as people fleeing domestic violence and transitional age youth, can meaningfully benefit from a transitional housing environment.

STRATEGIC PLAN OVERVIEW

PLANNING PROCESS

This strategic plan reflects feedback and input from hundreds of community members, developed over a six-month community process. The strategic planning process included:

-  An **environmental scan** of existing reports, data and research about San Joaquin County, the cities in the region and the health and economic well-being of the community, including homelessness and the system of care;
-  **Stakeholder interviews** with representatives from cities, County agencies, federal agencies (including VA), health care systems, law enforcement, community-based organizations, service providers, and faith-based organizations;
-  **Focus groups** with direct service providers and people with lived experience of homelessness;
-  A **Community Summit** with more than 130 elected officials, County staff, City staff, service providers, community-based organizations, law enforcement, faith-based organizations, and individual community members;
-  **CoC Strategic Planning Leadership Committee meetings** focused on increasing housing, solutions to addressing unsheltered homelessness, public communications and engagement, and strengthening supportive services for people experiencing homelessness; and
- A series of **presentations and discussions** at public meetings.

VISION STATEMENT

Through the planning process, the community developed the following **vision statement**:

.....
We envision a future in which homelessness in San Joaquin County will be rare, brief, and non-recurring, supported by a robust homeless crisis response system. People experiencing homelessness will be empowered through a responsive, nimble, housing-focused system that provides effective, supportive, and humane services and housing, efficiently leveraging public and private resources.
.....

The goals and strategies in this plan are all designed to put San Joaquin County on the path to achieving this shared vision, inspiring action and guiding overall long-term thinking and decision-making.

PARTNERS IN ENDING HOMELESSNESS

The San Joaquin County region benefits from a strong network of formal and informal partnerships to address homelessness. Key partners, all of whom were involved in developing this Strategic Plan, include people with lived experience of homelessness, service providers, and local leaders who worked together to set the vision for shared goals and strategies.

Planning Coordination and Leadership. The development of this plan has been guided by the leadership of the San Joaquin County Continuum of Care (CoC) Strategic Planning Committee, in partnership with the City of Stockton and San Joaquin County.

Strategic Planning Partners. Together, the San Joaquin community has leveraged invaluable partnerships and cross-community coordination to respond to homelessness and develop the next steps described in this Strategic Plan.

The following is a non-exhaustive list of partners actively engaged in addressing homelessness in San Joaquin County:

AmeriCorps
Bags of Hope
Breakthrough Project for
Social Justice
Builders Industry Association
Business Council San Joaquin
County
California Department of
Motor Vehicles
Calvary Living Well Ministries
Care Link
Catholic Charities of the
Diocese of Stockton
Central Valley Low Income
Housing Corporation
City of Escalon
City of Lathrop
City of Lodi
City of Manteca
City of Ripon
City of Stockton
City of Tracy
Civic Pride Independent
Academy
Community Medical Centers
County of San Joaquin
Delta Humane Society

Dignity Health St. Joseph's
Medical Center
Disabled American Veterans
Charities of San Joaquin
County
Downtown Stockton Alliance
Episcopal Church of St. John
the Baptist
Family Promise of San
Joaquin County
Gleason House
Golden Valley Health Centers
Gospel Center Rescue Mission
Grace Point Church
Grace Presbyterian Church
Gravity Church
Greater Stockton Chamber of
Commerce
Haven of Peace
Hope Family Shelters
Housing Authority of the
County of San Joaquin
Helping Urban Bicyclists
(HUB)
Inner City Action
Knights of Columbus
League of Women Voters of
San Joaquin County

Lodi Committee on
Homelessness
Lodi Community Foundation
Lot of Love and Giving
Love, Inc.
Lutheran Social Services
Manteca Gospel Rescue
Mission
Manteca Unified School
District
Police Departments
Public Works
Ready to Work
Refuge Church
Rotary Club of North Stockton
Rotary Club of Stockton
Salvation Army
San Joaquin County
Behavioral Health Services
San Joaquin Community Data
Co-Op
San Joaquin County
Administrator's Office
(CAO)
San Joaquin County District
Attorney's Office
San Joaquin County
Environmental Health Dept

*San Joaquin County Health
Care Services (HCS)
San Joaquin County Human
Services Agency (HSA)
San Joaquin County Sheriff's
Office
San Joaquin County Whole
Person Care Program
San Joaquin Regional Transit
District
San Joaquin Valley Veterans
Second Harvest
Showered with Love
St. Anne's Church*

*St. John the Evangelist
Episcopal Church
St. Mary's Dining Room
St. Paul Lutheran Church
Stocktonians Taking Action to
Neutralize Drugs (STAND)
Stockton Fire Department
Stockton Host Lion's Club
Stockton Shelter for the
Homeless
The Office of Senator
Cathleen Galgiani
Tracy Community
Connections Center*

*Tracy Interfaith Ministries
U.S. Department of Housing
and Urban Development
U.S. Department of Veteran
Affairs
United Veterans Council of
San Joaquin County
United Way of San Joaquin
County
Venture Academy
Westcare
Women's Center Youth and
Family Service*

HOMELESSNESS IN SAN JOAQUIN COUNTY

HOW MANY PEOPLE ARE EXPERIENCING HOMELESSNESS IN SAN JOAQUIN COUNTY?

Every other year, the San Joaquin County Continuum of Care (CoC) conducts a “Point-in-Time” (PIT) Count of people experiencing homelessness on a single night in January. This count includes those who are unsheltered and living on the street or places not meant for habitation. The PIT Count provides the best data available on the size and characteristics of the homeless population over time.² In 2019, volunteers identified 2,631 individuals experiencing homelessness in San Joaquin County on the night of the count.

The number of people who experience homelessness in San Joaquin County over the course of a year, however, is likely much higher. This is because the PIT Count only measures the number of people who are homeless on a given day and does not account for the many people who fall in and out of homelessness during the remaining 364 days of a given year.

Homelessness in San Joaquin County is an ever-present challenge. Like much of the rest of the State of California, from the 2015 to 2019, the number of people identified as experiencing homelessness has increased dramatically. In San Joaquin County, it has grown from 1,708 to 2,631 individuals, an increase of 56%.

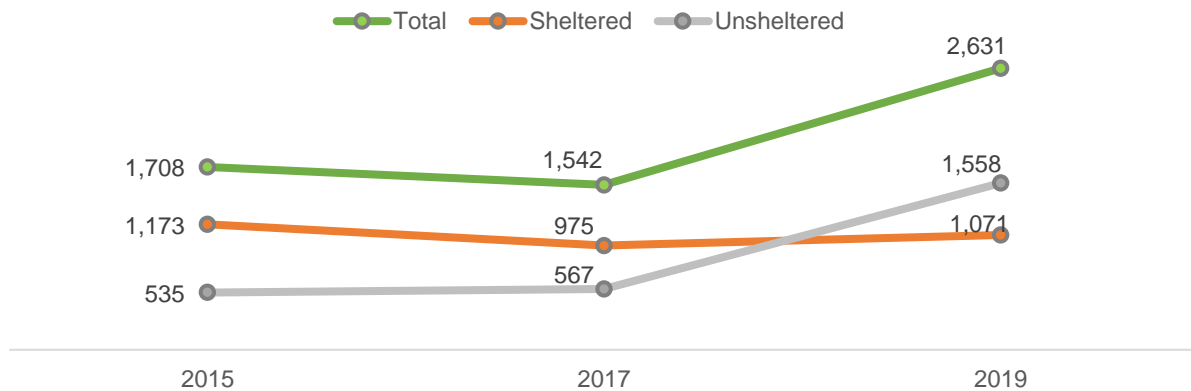
Most troubling of all is the changing distribution of homelessness since 2015. Five years ago, almost 70% of people experiencing homelessness in San Joaquin County were sheltered (1,173), while only 30% (515) were living without a safe place to sleep at night – on the streets, in parks, in cars, and by the river. In 2019, however, more than three times as many people experiencing homelessness are now living without a safe place to sleep at night (1,558 or almost 60% of the total population) and the percent of individuals and families living in shelters has decreased to only 40% (down from almost 70% in 2015).

² All population data in this report is taken from the PIT Counts unless otherwise specified. PIT Count reports can be found on the U.S. Department of Housing and Urban Development website here: <https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/>, or through the San Joaquin County Continuum of Care website here: <http://www.sanjoaquincoc.org/point-in-time-sic/>. The Point-in-Time Count uses a definition of homelessness mandated by the U.S. Department of Housing and Urban Development (HUD). This definition counts people as homeless when they are living in a place not meant for human habitation (such as an encampment, tent, or vehicle), emergency shelters, or transitional housing. People who are doubled up or couch surfing are not counted as homeless under this definition. Except where otherwise noted, the Homeless Management Information System (HMIS) data is consistent with PIT Count data.

However, these numbers cannot be viewed in isolation. Significant improvements to counting methodology greatly improved outreach efforts to locations where those living unsheltered often congregate.

In 2017, the CoC used a census approach, through connection events and limited outreach by approximately 35 volunteers, counting 567 unsheltered homeless individuals. By contrast, in 2019, the decision was made early on to employ more volunteers (401 people from 91 organizations) with a much greater emphasis on outreach to locations where people were living outside. While the results cannot wholly be attributed to an increase in the unsheltered population, or an improved methodology, the outcome remains the same. There are more unsheltered households in San Joaquin than the system can possibly handle in its current state. Creating additional space for those who want to come inside, while increasing access and exits to permanent housing solutions, is essential to support those experiencing homelessness at present and those who may lose housing in the future.

Figure 1. San Joaquin CoC 2015-2019 Homelessness Point-in-Time Count



Source: 2015 CA-511 HUD PIT Report, 2017 CA-511 HUD PIT Report, 2019 San Joaquin CoC Point-in-Time Count

The number of people who are experiencing unsheltered homelessness is highest in Stockton (921 individuals, representing 59% of the community’s unsheltered population). This is not surprising given that Stockton is the largest city in the county and is also the hub for many of the services available in San Joaquin. Manteca has the second highest number of people experiencing unsheltered homelessness (218 or 20%), followed by Tracy (155 or 10%), and Lodi (139 or 9%).³

While homelessness has increased in San Joaquin County, it is not likely due to individuals moving to the area in order to obtain services. In fact, the vast majority – 83% – of those experiencing homelessness were living in San Joaquin County prior to experiencing homelessness.⁴

³ San Joaquin Continuum of Care, 2019 Homeless Census and Survey, Data Dashboard. <http://www.sanjoaquincoc.org/wp-content/uploads/2019/09/2019-SJCoC-Point-in-Time-Count-Data-Dashboard.pdf>.

⁴ San Joaquin Continuum of Care, 2019 Homeless Census and Survey, Data Dashboard.

Demographic and Subpopulation Trends

Gender

According to the 2019 PIT Count, 63% (1,660) of those experiencing homelessness identified as male, 37% (966) as female, and less than 1% as transgender. Housing and service program data from 2018 shows a slightly different composition by gender identity. Of those identified in the CoC's HMIS, 52% identified as male (6,652), 48% as female (6,147), and less than 1% as transgender (18).⁵ Both the PIT and HMIS data indicate that men make a slightly larger share of those experiencing homelessness in the community. The current capacity to provide men supportive services while in shelter or on the street is extremely limited. Supportive services are critical at every phase of the homeless response system to ensure access to new housing and employment opportunities.

When it comes to families, however, the ratio changes such that females comprise 63% of members of families with children and males comprise only 37% of the population. While households with children led by women have slightly more access to supportive services, the need remains immense.

Households with Children and Unaccompanied Youth

The 2019 PIT count found that 13% of people experiencing homelessness in San Joaquin County were children under 18 years of age (342 out of 2,631), with an additional 5.6% of people experiencing homelessness transition age youth (TAY) between the ages of 18 and 24 years (148 out of 2,631).

The majority of children (98%) were sheltered – living in emergency shelters (88%) or transitional housing (10%). One hundred percent of parenting youth were sheltered, as well. The statistics are quite different, however, for unaccompanied youth. While all parenting youth were able to obtain shelter, more than 6 out of 10 unaccompanied youth (62%) were living without a safe place to sleep. The majority of unaccompanied youth were male (67%). Of those youth living without shelter, close to 1 in 4 were chronically homeless.

Over the course of a year, many more San Joaquin County children experience homelessness than are captured in the PIT Count. Under the federal McKinney-Vento Act, schools are also required to track students experiencing homelessness, using a definition of homelessness that also includes youth who are couch surfing or doubled-up (e.g., with multiple families sharing the same space).⁶ In the 2017-18 school year, San Joaquin County schools reported 4,330 school age children experiencing homelessness under that definition.⁷ Similarly, the PIT count may undercount the number of young adults facing homelessness. The HMIS data for 2018 showed that 8% (1,000) of individuals tracked in the homeless

⁵ San Joaquin Continuum of Care, 2019 Homeless Census and Survey, Data Dashboard and HMIS Clarity Data.

⁶ 42 U.S.C. §11434(2)(B), McKinney-Vento Act, U.S. Department of Education.

⁷ See excel spreadsheet, County Office Homeless Liaison Contact List with 2017–18 Enrollment information, line 58, "Homeless Enrolled," California Department of Education, April 25, 2019.

system of care were between the ages of 18 and 24 years old,⁸ many more than were counted as homeless on one night in January 2019.

Older Adults

Consistent with national patterns, the homeless population in San Joaquin County is rapidly aging. Close to 1 out of every 4 people experiencing homelessness in 2019 were at least 55 years old. This number is expected to continue to increase, due in part to the high costs of housing and health care that are increasingly unaffordable.⁹

Older adults who are homeless face unique challenges and often require special support. People experiencing homelessness age more rapidly than others who are housed and older adults with extensive histories of homelessness typically present as much older than their biological age reflects.¹⁰ They may be more challenged with activities of daily living, poor eyesight, balance, and hearing. Older adults are also more likely to suffer from cognitive impairments and are more likely to present with depression. They may require more medical interventions, compared to the general population of people experiencing homelessness. The capacity to serve older adults is also insufficient, as many seniors find themselves facing the outdoors on weekends and other hours when shelters are not accessible. This significantly exacerbates any existing health conditions and only makes it more difficult to find stability.

Race and Ethnicity

Research in California and around the country shows that people of color are more likely to experience homelessness in the U.S. compared to White people; and that Black/African Americans are in particular more likely to experience homelessness.¹¹ San Joaquin's data bears this out. While Black/African Americans make up roughly 8% of San Joaquin's population, they represent 25% of those experiencing homelessness in the 2019 PIT count. They also comprise 38% of the individuals living in families with children who are homeless (202 out of 525). And they make up a striking 50% of parenting youth (8 out of 16) experiencing homelessness. In contrast, while White people are represented in the PIT Count similar to their proportion of San Joaquin's general population, that is not the case when it comes to homeless families with children. Only 46% of individuals from families with children identified as White, compared to 67% of the general population.

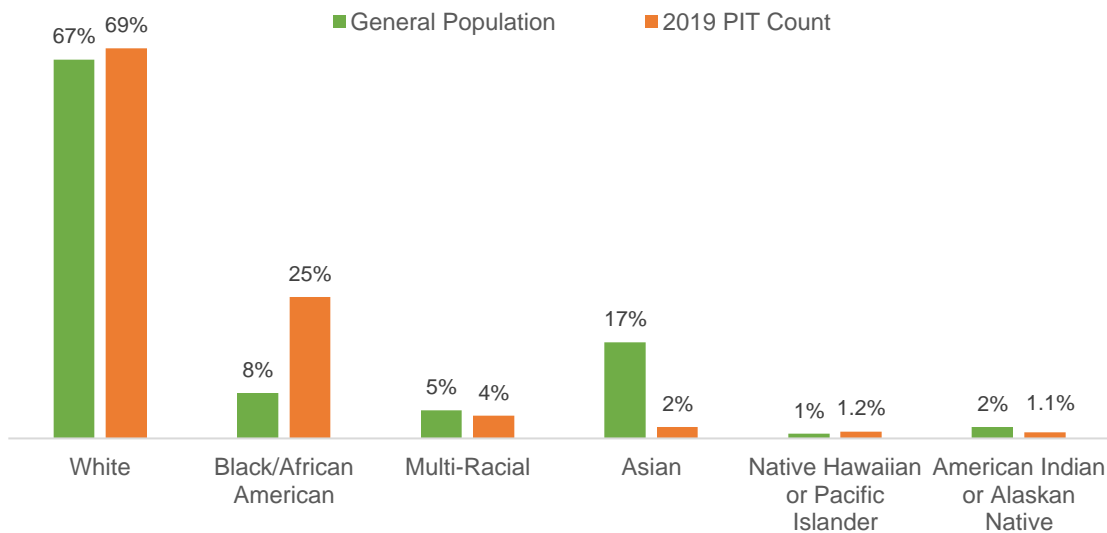
⁸ San Joaquin Continuum of Care, 2019 Homeless Census and Survey, Data Dashboard and HMIS Clarity Data.

⁹ Demographics of Homelessness Series: The Rising Elderly Population, April 2010.

¹⁰ Homeless people suffer geriatric conditions decades early; UCSF study shows, UCSF, February 2016.

¹¹ Center for Social Innovation, SPARC: "Phase One Study Findings, March 2018. <https://center4si.com/wp-content/uploads/2016/08/SPARC-Phase-1-Findings-March-2018.pdf>.

Figure 2. Number of People in San Joaquin CoC Experiencing Homelessness by Race



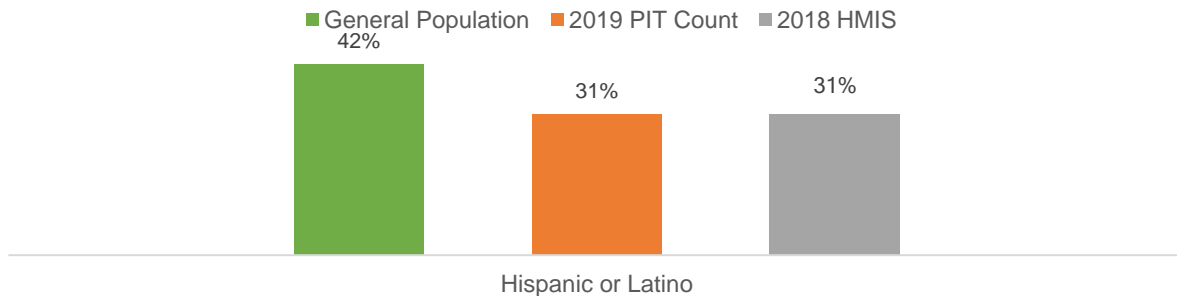
Source: U.S. Census Bureau, QuickFacts San Joaquin County:

<https://www.census.gov/quickfacts/fact/table/sanjoaquincountycalifornia/PST045218>. San Joaquin 2019 PIT Count Dashboard. HMIS Clarity Data, Accessed October 17, 2019.

Note: Percentages will not total 100 due to excluding numbers for “Did Not Answer” or “Refused.”

Similarly, while 42% of San Joaquin County residents identify as Hispanic/Latino, this group makes up 31% of the homeless population. A slightly higher margin (36%) of families with children experiencing homelessness identify as Hispanic/Latino.

Figure 3. Number of People in San Joaquin CoC Experiencing Homelessness by Hispanic/Latino Identity



Source: U.S. Census Bureau, QuickFacts San Joaquin County:

<https://www.census.gov/quickfacts/fact/table/sanjoaquincountycalifornia/PST045218>. San Joaquin 2019 PIT Count Dashboard. HMIS Clarity Data, Accessed October 17, 2019.

Mental Illness or Substance Use Disorders

The 2019 PIT count found that 2 out of 3 San Joaquin homeless adults (66%) identified as having a serious mental illness or substance use disorder. Due to the stigma associated with behavioral health issues, this self-reported data may be an undercount. Of those individuals, only 36% had a serious

mental illness, while the remaining 64% experienced a substance use disorder. Contrary to public perceptions, only 24% of homeless individuals indicated that they had a serious mental illness. The San Joaquin demographics are consistent with state level statistics, where 26% of individuals experiencing homelessness throughout California indicate they have a serious mental illness.¹²

For homeless individuals who suffer from a serious mental illness or substance use disorders, more than 8 out of 10 were living without shelter. 84% of those with a serious mental illness had no safe place to sleep, while 83% of those with substance use disorders were also on the street, in the park, or otherwise with no place to go. This demographic only emphasizes the need for supportive services to be maintained at each level of the homeless response system or the same individuals will continue to rely on emergency services rather than receive the targeted care they require.

Chronic Homelessness

A person is considered chronically homeless when they have been homeless for at least a year, either 12 months consecutively, or over the course of at least 4 separate occasions in the past 3 years. To be chronically homeless, the individual or head of household must also have a disability (physical, mental, developmental or living with HIV/AIDS).

Of those counted in the San Joaquin 2019 PIT count, 704 were chronically homeless (27%). Of the 704 chronically homeless, 86% (605) had no place to sleep at night.

People who are considered chronically homeless have often experienced extensive trauma and have severe service needs. While interventions such as Permanent Supportive Housing have been proven to be extremely effective in supporting people experiencing chronic homelessness to regain stable housing, people with extensive histories of homelessness often require intensive service engagement and relationship-building with street outreach and other providers to establish a foundation of trust and rapport to successfully exit homelessness.

Veterans

In the 2019 PIT Count, 153 veterans were identified as experiencing homelessness and 47% of these individuals were unsheltered. In the 2017 Count, 112 veterans were counted as homeless

This is a 37% increase in homeless veteran numbers from 2017. HMIS data for 2018 indicates that 8% of those receiving housing and services in the homeless system of care identified as veterans.¹³ While there are often services dedicated to serving veterans, especially from the federal government and the County, increased coordination with the homeless response system is essential going forward.

¹² San Joaquin County Behavioral Health Services in partnership with the Homeless Initiatives Division of the County Administrator's Office. No Place Like Home Plan. November 2018.

¹³ San Joaquin Continuum of Care, 2019 Homeless Census and Survey, Data Dashboard and HMIS Clarity Data.

WHAT HOUSING RESOURCES ARE AVAILABLE?

San Joaquin, like the rest of California, is in dire need of more affordable housing — particularly housing that is available to individuals and families who are most vulnerable and/or earning little to no income. Households in the extremely low-income range, earning 30% or less of Area Median Income (AMI), or roughly \$18,000 per year,¹⁴ are considered the most vulnerable and at risk of homelessness. In San Joaquin County, 36% of occupied housing units are rented, as opposed to owner-occupied. Additionally, the most recent census information indicates that more than 93% of San Joaquin housing was occupied. Moreover, only 1.6% of current housing was built in 2014 or after.¹⁵

Economic conditions for people living in San Joaquin County, are worse than other parts of the State. The unemployment rate in San Joaquin County is 5%, higher than the State unemployment rate.¹⁶ Nearly 1 in 5 of San Joaquin residents were living below the federal poverty line in 2017 (for 2019, that means income of less than \$25,750 for a family of four).¹⁷ In 2017, the average family of four in San Joaquin spent close to \$12,000 a year (\$990 per month) on housing.¹⁸ For 1 in 5 families in San Joaquin County living below the federal poverty level, housing costs made up more than 45% of their income.¹⁹

Across all income levels, 38% of households pay more than 30% of their income toward housing.²⁰ For individuals with the lowest income (known as “Extremely Low Income” or ELI), 76% spend *more than half* of their income on housing. The median monthly asking rent in the county is \$1,532, which requires renters to earn \$29.46 per hour – 2.5 times more than the State minimum wage – to afford rent. Meanwhile, the Public Housing Authority payment standard for a one bedroom (which also covers Section 8 and VASH) is now \$912, and many vouchers are issued for below that amount.

In 2014, the San Joaquin Council of Governments’ Regional Housing Needs Assessment determined that 40,360 housing units were needed by 2023, of which, 23.5% (9,485) would be necessary for very-low income households.²¹ More recently, in May 2019, California Housing Partnership declared that the county needs 25,489 more affordable rental units to meet the increasing demand for affordable housing.²² Affordable housing broadly has not kept up with needs in the county and neither have homelessness housing resources. According to the Housing Inventory Count (HIC), the number of homelessness housing beds in the community (shelter, PSH, and RRH beds) has increased only slightly

¹⁴ Selected Housing Characteristics, San Joaquin County, California, 2013-2017 American Community Survey 5-Year Estimates, American FactFinder, U.S. Census Bureau.

¹⁵ Selected Housing Characteristics, San Joaquin County, California, 2013-2017 American Community Survey 5-Year Estimates, American FactFinder, U.S. Census Bureau.

¹⁶ Stockton-Lodi Metropolitan Statistical Area (MSA), San Joaquin County, California Employment Development Division, November 15, 2019.

¹⁷ Selected Economic Characteristics, San Joaquin County, California, 2013-2017 American Community Survey 5-Year Estimates, American FactFinder, U.S. Census Bureau.

¹⁸ Family Budget Fact Sheets, San Joaquin County, Economic Policy Institute.

¹⁹ San Joaquin County’s Housing Emergency Update, California Housing Partnership, May 2019. <https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2019/05/San-Joaquin-HNR-2019.pdf>

²⁰ Selected Housing Characteristics, San Joaquin County, California, 2013-2017 American Community Survey 5-Year Estimates, American FactFinder, U.S. Census Bureau.

²¹ San Joaquin County Council of Governments’ Regional Housing Needs Plan 2014-2023. Adopted August 28, 2014.

²² California Housing Partnership, San Joaquin County’s Housing Emergency Update. May 2019. <https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2019/05/San-Joaquin-HNR-2019.pdf>.

since 2015 (6.5% or 139 beds). The slight increase in HIC beds (139) falls far short of serving the more than 900 additional individuals who newly experienced homelessness during that same time period.

During this time, due to changing federal funding priorities, the number of beds available for transitional housing (TH) decreased (or were converted into rapid rehousing), while board and care facilities shut down, leaving fewer facilities to provide more intensive supportive housing and services for highly vulnerable populations. Board and Care capacity has decreased by 40% since 2015, leaving only 158 beds for all mental health consumers.²³

Creating, rehabilitating, subsidizing, and incentivizing permanent and affordable housing solutions is a central pillar of the San Joaquin regional response. Expanding low-barrier shelters on the front end is a critical and necessary piece of homeless crisis response but building a housing pipeline to create exits from shelter is the solution.

THE CURRENT HOMELESS SYSTEM OF CARE

While there are dozens of organizations throughout San Joaquin that are providing services and support to people experiencing homelessness, there are only two organizations that receive federal funding from HUD through the Continuum of Care (CoC): Central Valley Low Income Housing Corp. and Lutheran Social Services. They provide rental assistance, permanent supportive housing, transitional housing and case management for youth, adults, families, seniors, and veterans. Federal Emergency Solutions Grant (ESG) funding through the City of Stockton and San Joaquin County supports emergency shelter, rapid rehousing, homelessness prevention, HMIS, and other critical services.

These programs serve as an important foundation for the San Joaquin homeless system of care, but the population data above underscores the need to expand capacity of programs through additional resources – a challenge given federal funding constraints that requires investment of local resources.

Figure 4. Housing Inventory Count 2019 - Unit/Bed Capacity

Emergency Shelter (year-round beds)	Transitional Housing	Rapid Rehousing	Permanent Supportive Housing	Total Units/Beds
883	346	262	769	2260

²³ San Joaquin County Behavioral Health Services, No Place Like Home Plan. November 2018.

San Joaquin CoC Supportive Housing Programs



- Permanent supportive housing (PSH) provides housing and supportive services for homeless persons with disabilities; primarily those with serious mental illness, chronic problems with alcohol and drug abuse, or those with acquired immunodeficiency syndrome (AIDS). PSH is established in apartments and scattered sites throughout the County, with supportive services offered and provided by a network of more than 20 community providers.
- The C.A.R.E. Program (Coordinated Agency Response Effort) supports smaller family shelters as they provide continuing supportive services to clients who have moved from shelters to permanent housing. The primary focus is on households with dependent children. Continuing case management services are often, but not always, provided by the shelter where the families previously resided.



- The C.H.A.R.M. Program (Communitywide Homeless Assessment & Resource Management) is the CoC's Homeless Management Information System.
- Hermanas I & II Programs provide rapid rehousing to homeless households with significant substance abuse problems. The focus is on single mothers with dependent children.
- The Homeless to Homes and Horizons Programs provide rapid rehousing and supportive services to homeless families. The programs put an emphasis on the transition from emergency shelter to stable housing.



- Project HOPE Is a program geared towards former foster youth at high risk of homelessness. The program uses scattered site apartments throughout the cities of Stockton and Lodi and offers educational and life skills training.
- The S.P.I.C.E. (Supporting People in a Community Environment) Program offers permanent housing for people with disabilities.

Human Services Agency

San Joaquin County's Human Services Agency (HSA) operates 14 community centers, which provide hot lunch and socialization programs for vulnerable and/or socially isolated adults, many of whom are homeless. HSA also works with homeless and indigent individuals to help them secure health coverage, cash-aid, and/or food assistance. HSA programs include California Work Opportunity and Responsibility to Kids (CalWORKs), Foster Care, CalFresh, General Assistance, Medi-Cal, Adoptions, Child Protective Services, Adult Protective Services, In-Home Supportive Services (IHSS), Refugee Assistance, and the Mary Graham Children's Shelter.

First 5 San Joaquin

In partnership with HSA, First 5 San Joaquin exists to serve and improve the community by fostering the active participation of parents, caregivers, educators and community members. First 5 develops and offers programs benefiting children ages 0 to 5 years old. First 5 San Joaquin provides financial support for critical programs such as health, preschool and literacy programs, to ensure programs effectively meet the needs of families through the following programs: preschool, health education, parent education, home visitation, kindergarten bridge, health and developmental screenings, breastfeeding support services, and health insurance screening and referral.

Behavioral Health Services

The County's Behavioral Health Services provides housing support services for individuals with serious mental illness through rental subsidies, board and care supplemental patches, motel vouchers, and placement in supported residential facilities. MHSAs funds were used to develop 53 permanent housing units in Stockton and Lodi that are restricted to residents with serious mental illness. Two Mental Health Services Act innovation projects focus on homeless mentally ill individuals: Progressive Housing (45 new scattered-site beds to date) and the Assessment and Respite Center, serving as a friendly front door to behavioral health services for homeless individuals. Mental Health Services Act funds were used to develop 39 new units of project-based housing for the seriously mentally ill adults. Behavioral Health Services also provides a number of homeless outreach and engagement services: the Project for Assistance in Transition from Homelessness (PATH) team, Whole Person Care Behavioral Health Navigation Team, Inspire team, Allies team, and the Law Enforcement Assisted Diversion (LEAD) team, which partners with the District Attorney's Office and the Stockton Police Department. Through these services, people experiencing homelessness are connected to housing and services whenever possible.

Whole Person Care

Whole Person Care (WPC) is a pilot program intended to more effectively coordinate the physical health, behavioral health, and social services needs of the most vulnerable Medi-Cal beneficiaries who are high users of multiple publicly-funded health care systems and who continue to have poor health outcomes. In addition, the program seeks to build and sustain relationships, develop infrastructure allowing data to be shared between various clinical information systems and demonstrate a reduction in publicly funded costs.

WPC specifically targets adult Medi-Cal beneficiaries that are homeless or at-risk of homelessness upon release from the County Jail, a psychiatric health facility, or hospital, as well as high utilizers of emergency department services and individuals with a mental health and/or substance use disorder. Health Care Services (HCS) is the lead County entity and single point of contact with the State Department of Health Care Services (DHCS) for the County's WPC Program.

Law Enforcement

Law enforcement plays a key role in addressing homelessness throughout the region, as they are often the first point of contact for those living on the street. Each of San Joaquin's major cities have at least one dedicated officer to act as a homeless liaison. Stockton's Law Enforcement Assisted Diversion (LEAD)

program serves as an example of a successful model for using law enforcement as a partner and a bridge to services. Officers regularly foster community and connection with unhoused individuals, often knowing a person's circumstances better than other community supports.

Housing Authority

The Housing Authority of the County of San Joaquin (HACSJ) established a preference to provide permanent affordable housing for individuals and families participating in a Supportive Housing Program, Shelter Plus Care Program, Emergency Solutions Grants program, or homeless program. Since the inception in 2017, 91 households transitioned from homelessness and are receiving permanent rental assistance. Multiple agencies throughout San Joaquin County participated in identifying and referring clients through this preference. The leading referral agencies include the Stockton Shelter for the Homeless, Haven of Peace, and Central Valley Low Income Housing Corp., among others.

The Housing Authority received Mental Health Services Act funds to repurpose its former administrative buildings into 26 affordable rental units for Behavioral Health clients. An additional 11 units are being rehabilitated from another HACSJ owned property for the same purpose. Units will be available for lease up as early as August 2020. Supportive services will be available for all residents provided by Behavior Health Services.

The Housing Authority, in partnership with STAND Affordable Housing, Central Valley Low Income Housing Corp., and Stockton Shelter for the Homeless have broken ground on a new project referred to as Turnpike Commons. Turnpike Commons is the first phase in this project currently under construction consisting of nine homes to individuals and families experiencing homelessness. Phase two will consist of three homes on two separate parcels as infill development within the City of Stockton.

Centralized Assessment and Coordinated Entry System

San Joaquin is committed to providing a "no wrong door" approach to access housing and services. Currently, there are two organizations that contribute to the operation of the local Coordinated Entry System: Central Valley Low-Income Housing Corp., which serves as the HMIS Lead Agency, and Family Resource and Referral Center, which operates the local 211 system and provides support for housing and services referrals. Those presenting as homeless, typically through a shelter provider, but also through street outreach and the local 211 system, are referred to Central Valley Low Income Housing Corp., where an assessment is conducted and HMIS entry is completed. Central Valley Housing staff then determines the availability of permanent housing programs based on the needs of the client.

Emergency Shelter

There are over a dozen site-based shelter programs operating in the county. Some serve women and children surviving domestic violence, while others are affiliated with religious institutions, and still others focus on providing support to families with children. Most of the shelters provide a place to sleep, food, hygiene services, and clothing for residents. Some provide job readiness and life skills training (e.g., Family and Youth Services, Gospel Center Rescue Mission, McHenry House, Haven of Peace, and the Women's Center Youth and Family Services). Limited providers offer on-site health care services (e.g., Gospel Center Rescue Mission and St. Mary's Dining Room) or counseling services (e.g.,

Family and Youth Services, McHenry House, and Lodi House). In addition to the many services noted, the Women's Center also offers case management, parenting classes, domestic violence and self-esteem support groups, financial literacy, and services for employment preparation. They also operate the Just for Kids Program and an aftercare support group.

Most of the shelters impose conditions on their residents, requiring people to be abstinent or sober, prohibiting residents from bringing possessions, pets, or partners into the shelter, and requiring residents to exit each morning. There remains a real need for additional low-barrier shelters that screen people in, rather than out. Combined with insufficient housing vouchers and affordable units, the system stalls at shelter. Households continue to cycle in and out rather than move on to permanent housing solutions. Additional shelter capacity must be coupled with additional housing. All must have supportive services.

Figure 5. Housing Inventory Count 2019 – Emergency Shelter Beds²⁴

Organization Name	Project Name	Bed Type	Target Pop.	Beds HH w/ Children	Beds HH w/o Children	Beds HH w/ only Children	Year-Round Beds	PIT Count	Total Beds	Utilization Rate
Chest of Hope	Hope's House	Facility-based	DV	12	8	0	20	20	20	100%
Gospel Center Rescue Mission	Men's Lodge	Facility-based	NA	0	70	0	70	63	70	90%
Gospel Center Rescue Mission	New Hope Shelter	Facility-based	NA	16	22	0	38	35	38	92%
Haven of Peace	Haven of Peace	Facility-based	NA	22	13	0	35	35	35	100%
HOPE Ministries	HOPE Shelter	Facility-based	NA	35	0	0	35	16	35	46%
HOPE Ministries	Raymus House	Facility-based	NA	36	0	0	36	6	36	17%
Lodi House	Lodi House	Facility-based	NA	20	4	0	24	11	24	46%
McHenry House	McHenry House	Facility-based	NA	32	0	0	32	20	32	62%
Salvation Army-Lodi	Hope Harbor	Facility-based	NA	12	59	0	71	62	71	87%
San Joaquin County	TANF Homeless Assistance	Voucher-based	NA	190	1	0	191	191	191	100%
Stockton Shelter	Family Shelter	Facility-based	NA	92	22	0	114	142	142	100%
Stockton Shelter	Singles Shelter	Facility-based	NA	0	160	0	160	189	189	100%
Women's Center - YFS	DAWN House	Facility-based	DV	27	8	0	35	37	37	100%
Women's Center - YFS	Safe House	Facility-based	NA	0	0	10	10	4	10	40%
Women's Center - YFS	Serenity House	Facility-based	DV	8	4	0	12	14	14	100%
Totals				502	371	10	883	845	944	79%

²⁴ The "Utilization Rate" column is determined by dividing the PIT Count number by the "Total Beds." PIT Count numbers and Total Beds include *Overflow* and *Seasonal* beds that are available either temporarily, or only during high-demand seasons of the year, respectively. Overflow and Seasonal beds are not included in Year-Round Bed totals.



Veterans Administration

The VA offers a variety of emergency and longer-term shelter options for eligible veterans. The Health Care for Homeless Veteran's (HCHV) program, operated by Stockton Shelter, offers stays of 60 days; the Grant Per Diem program, operated by Dignity's Alcove, offers shelter, meals, and other services for up to 2 years; and the HCHV program, operated by Compassionate Residio, offers limited respite care for veterans with medical necessity.

St. Mary's Dining Room and Stockton Shelter together provide a place for people to get food and shelter or seek respite during the day under a roof. Stockton Shelter has 111 beds for single adults and can accommodate 30 families. Yet, it was running at 175% of capacity on the men's side, and 120% of capacity on the family side, during 2019. Both organizations lack sufficient case management staff (Stockton Shelter only recently hired a case manager to support the hundreds of single adults they shelter).

Local Financial Investment

The primary source of funding to support efforts to reduce homelessness in the county are federal and state funds (e.g., CoC, ESG, VA). While local police, fire, transportation, and sanitation provide services to

people experiencing homelessness, until very recently, no local funding was dedicated to support homeless services specifically. Local investment is increasingly necessary, especially as federal and state funding require matching contributions. Given the matching requirement, local investment results in an exponential increase in total funding for the homeless response system.

HOW IS THE SYSTEM PERFORMING?

"All agencies that serve homeless households within the San Joaquin Continuum of Care have a responsibility to positively contribute to the elimination of homelessness in San Joaquin County."²⁵ As such, the CoC's System-Wide Performance and Evaluation Committee ("the Committee") established performance measures to guide individual project performance evaluation thresholds for various funding sources. In order to develop these measures and the strategies to achieve them, the Committee adopted HUD's core System Performance Measures (SPM), examined local HMIS data, assessed external conditions specific to San Joaquin County, and incorporated best practices from the United States Interagency Council on Homelessness, National Alliance to End Homelessness, and National Homeless Information Project. The San Joaquin CoC Board of Directors adopted as policy the Committee's work and recommendations.

²⁵ San Joaquin Continuum of Care System-Wide Performance Measures, Goals, and Strategies, updated February 2020.



The specific performance measures for the local community are:



1. *Reduction in the average and median length of time persons remain homeless;*
2. *Reduction in the percent of persons who return to homelessness from permanent housing;*
3. *Reduction in the total number of persons who are homeless;*
4. *Increase in the percent of adults who gain or increase employment or non-employment cash income over time;*
5. *Reduction in the number of persons who become homeless for the first time;*
6. *Placement in housing of households that are homeless under other laws;*
- 7a. *Increase in the percent of persons who exit from the streets to an ES, SH, TH, or permanent housing destination;*
- 7b. *Increase in the percent of persons who exit to or retain permanent housing from PSH;*
8. *Increase in the percent of persons who exit to permanent housing from RRH;*
9. *Reduce the number of people living unsheltered in our community; and*
10. *Increase the number of units available to those exiting homelessness.*²⁶

For the most part, CoC system performance reflects a region that is seeing increases in first-time and returns to homelessness. SPM 5, which looks at first time homeless, increased substantially between 2015 and 2017, particularly over a single year between 2016 and 2017. In 2016, there were 2,736 people in San Joaquin emergency shelters, transitional housing, or permanent supportive housing who were experiencing homelessness for the first time. By 2017 that number more than doubled to 5,913.²⁷ Additionally, SPM 2, which measures returns to homelessness over 2 years, increased between 2015-2017 from 16% to 21%. It is important to note that this data only looks at San Joaquin and does not take into account if someone returned to homelessness in a different county or CoC. Given the above, the Committee has endorsed the work of the Coordinated Entry Committee in establishing a no wrong door approach to coordinated assessment and access to prevention and diversion programs.²⁸

Some performance measures appear to indicate success in decreasing how long a person experiences homeless. SPM 1, which assesses the average length of time someone is homeless, showed a decreased in the average length of stay in emergency shelters and transitional housing programs from 103 days (2015) to 54 days (2017). However, this data likely reflects the inclusion of new hotel stay data in HMIS

²⁶ System Performance Measures 1 through 7b are established by the Housing and Urban Development Department to evaluate the success of local efforts related to addressing homelessness. Measures 8, 9, and 10 are locally identified Performance Measures. These measures are calculated on a calendar consistent with the HUD calendar for System-wide Performance Measure reporting (Oct. 1 through Sept. 30).

²⁷ HUD Exchange, System Performance Measures Data Since FY 2015, CA-511. <https://www.hudexchange.info/resource/5691/system-performance-measures-data-since-fy-2015/>.

²⁸ San Joaquin Continuum of Care System-Wide Performance Measures, Goals, and Strategies, updated February 2020.

skewing the overall numbers.²⁹ As such, the Committee determined there needs to be an ongoing effort to move people from shelter and transitional housing programs through comprehensive supportive services to permanent housing solutions, such as rapid rehousing.³⁰

Ensuring accurate and widespread data collection, from program entry to exit, is essential for ongoing evaluation of these critical federal and local performance measures.

²⁹ HUD Exchange, System Performance Measures Data Since FY 2015, CA-511. <https://www.hudexchange.info/resource/5691/system-performance-measures-data-since-fy-2015/>.

³⁰ San Joaquin Continuum of Care System-Wide Performance Measures, Goals, and Strategies, updated February 2020.

PRIORITIES AND GOALS FOR EFFECTIVELY ADDRESSING HOMELESSNESS

While the San Joaquin community has made meaningful progress in setting up a homeless response system that has prevented or ended homelessness for hundreds of residents, significantly more coordination, investment, and focus is needed to fully address the impacts of homelessness across the county.

The increasing number of people experiencing homelessness who are living without shelter is a major concern for the community. The lack of low-barrier shelters throughout the county exacerbates the problem. While many organizations support people experiencing homelessness, only a small handful receive federal or state funding, and many do not fully participate in HMIS. Coordination across programs and agencies is insufficient to meet the current need. Looking ahead, the increases in first-time homelessness and returns to homelessness, are a strong call for the community to invest more in prevention and diversion, wrap around supportive services, and affordable permanent housing solutions.

The strategic planning process has involved extensive community engagement, a review of local data, and research to better understand the San Joaquin region's current homelessness system of care. Based on data, community feedback, and evidenced-based practices, San Joaquin has identified **three goals** that will be critical to effectively address homelessness over the next five years.



GOAL 1: ESTABLISH A COORDINATED AND ENGAGED REGIONAL SYSTEM OF CARE

San Joaquin County needs to deepen coordination to establish a community-wide response to homelessness. There are many organizations actively engaged in serving people experiencing homelessness. The region needs to strengthen the homeless crisis system it has in place and develop a fully coordinated and transparent system that can help obtain greater funding, identify shared priorities, and establish a formal coordinated entry system to identify, assess, and connect individuals to housing and services. Collaboration will expand understanding of the causes of homelessness and support the most effective approaches to address it. A stronger network can also celebrate success, reflect and course correct, and monitor and evaluate to ensure continued progress.

GOAL 2: INCREASE ACCESS & REDUCE BARRIERS TO HOMELESS CRISIS RESPONSE SERVICES



Connecting and building rapport with people experiencing homelessness is critical in a region where nearly 60% live without shelter – on the streets, in cars, under bridges, or by the river. By expanding outreach, increasing services, and developing low-barrier shelters, the community can target resources to those living in places not meant for human habitation. At the same time, San Joaquin must be better positioned to support those at-risk of becoming homeless. While a small number of people require more intensive services, most people facing housing instability need a minimal amount of help to stay housed. Whether it is one-time financial resources to provide a security deposit, legal assistance to prevent eviction, or help learning to balance a budget, the more the system can provide supports and services to prevent homelessness in the first place, the more the community will be able to use the limited resources on hand to end homelessness altogether – while at the same time protecting additional individuals and families from the traumas associated with homelessness.



GOAL 3: ENSURE HOUSEHOLDS EXPERIENCING HOMELESSNESS HAVE ACCESS TO AFFORDABLE & SUSTAINABLE PERMANENT HOUSING SOLUTIONS

Permanent housing – and the supportive services needed to obtain and maintain it – is the solution to homelessness. By expanding permanent housing options, such as Permanent Supportive Housing and Rapid Rehousing, hundreds more people in San Joaquin County will have a home that provides security and comfort – hand-in-hand with case management and job support services many residents require to achieve stability and long-term self-sufficiency. To do so not only requires more investment in new housing, but engagement with landlords and others to increase access to housing that already exists.

1

GOAL 1: ESTABLISH A COORDINATED AND ENGAGED REGIONAL SYSTEM OF CARE



Measure 1.1: All housing and homelessness agencies and programs are trained and participate in HMIS.

Measure 1.2: A formal Coordinated Entry System (CES) is in place, including a robust HMIS that is fully populated with data countywide.

Measure 1.3: HMIS collects intake, assessment, and exit data to allow for coordination and tracking as people exit homelessness and/or return to homelessness.

Measure 1.4: All stakeholder groups – the County, cities, Continuum of Care, service providers, and community-based organizations – have adopted the Strategic Plan.

Measure 1.5: Stakeholders are working together communitywide to implement a shared set of strategies to address homelessness in line with the Strategic Plan.

Measure 1.6: A shared funding process/advisory board has been put in place, with representatives from the County, cities, Continuum of Care, health care systems, VA and other federal partners, service providers, and community-based organizations.

Strategy 1.1: Establish a Cross-jurisdictional Effort to Create Shared Processes to Access Funding Streams, Identify Community Priorities, and Coordinate the Countywide Homeless System of Care

Homelessness is a countywide challenge that requires partnership between numerous jurisdictions, agencies, and sectors. Communities that are making headway in addressing homelessness have invested in effective, centralized leadership to coordinate efforts and implement shared strategies, ensuring that community resources are being used as effectively as possible. While the San Joaquin community has strongly indicated that there is a desire for coordination across jurisdictions and funding streams, greater focus, planning, investment, and collaboration is needed to collectively achieve the shared goals.

- **Strengthen Coordinated Entry System:** Stakeholders in San Joaquin County have expressed the desire to have a robust Coordinated Entry System (CES) to better prioritize and serve those struggling with housing instability and homelessness. CES is a process developed to ensure that all people experiencing a housing crisis have fair and equal access to housing and supportive services. Individuals should be quickly identified, assessed for, referred, and matched to housing and assistance based on their strengths and needs. An effective CES can reduce the time it takes to get services to participants and ensure that resources are used efficiently.

The steps to strengthen San Joaquin’s CES include:

- ✓ *Centralize access points to administer coordinated assessment tool (VI-SPDAT), incorporating San Joaquin 2-1-1 and existing community/resource centers (e.g., HSA Community Centers);*
- ✓ *Expand CES to ensure that all homeless response programs – shelters, Rapid Rehousing, Permanent Supportive Housing, and Prevention – are included in the system, to ensure placements are tracked and documented, and success can be measured;*
- ✓ *Increase CES coverage and participation to include the full spectrum of services that are available in San Joaquin, including mobile teams, satellite offices, rotating staff, and co-located services;*
- ✓ *Consider integrating related systems of care, such as re-entry from criminal justice or hospital discharge to further improve coordination; and*
- ✓ *Once widely adopted, evaluate the effectiveness of the coordinated assessment tool (VI-SPDAT) in identifying the best intervention (e.g., RRH, PSH) according to vulnerability, and analyze any disparities between subpopulation access to services and placement into housing.*

Strengthening and centralizing the CES process will enhance San Joaquin’s capability to expand, track, and analyze how effective the community is at serving people in need. It will help ensure people with the greatest needs are prioritized while those facing an immediate housing crisis are diverted from the homeless response system altogether.



VI-SPDAT

Vulnerability Index - Service Prioritization Decision Assistance Tool. The VI-SPDAT is a commonly used, pre-screening, or triage tool, that is designed to be used by all providers within a community to quickly assess the health and social needs of homeless persons and match them with the most appropriate support and housing interventions that are available. The VI-SPDAT is designed to determine the presence and acuity of an issue and identify clients to refer for assessment for specific housing interventions, but it is not intended to provide a comprehensive assessment of each person’s needs. The tool is designed to measure acuity and risks to housing instability.

- **Establish countywide priorities:** Throughout the process of developing the strategic plan, stakeholders expressed a clear sense of priorities for the region: invest in prevention efforts to keep households from becoming homeless from the outset (and diversion when they do), expand low-barrier shelters to ensure those living on the street can quickly gain access to services, and increase the availability of affordable permanent housing. For example, there was strong feeling that they system needs to prioritize vouchers for people with mental illness, “People with mental illness need vouchers immediately. They must be prioritized, and this cannot just be based on whether the person has SSI or SSDA.”

- **Design a shared process around funding and allocation:** With only two organizations currently receiving federal CoC funds, but a broader set of organizations working to end homelessness, the community needs to focus attention on increased planning to ensure adequate and strategic coordination is in place to support priority initiatives and to reduce duplicative efforts. The additional state funding opportunities that are available for the region provide even greater incentive to take the time to establish a coordinated and cross-jurisdictional process to apply for, prioritize, and distribute funding effectively across the region. To effectively collaborate and maximize funding opportunities, the community can:
 - ✓ Explore establishing a Funding Advisory Group comprised of officials from the county’s three HUD Entitlement Jurisdictions, which may include members of the CoC Board, Board of Supervisors, city executive and legislative branches, community-based organizations, and other relevant stakeholders with authority. (This must include a full-time staff position, which could be funded by a trusted community-based organization, or the County, to provide support on data requests, administrative functions, and staffing.)

 - ✓ Design a single Request for Funding Proposal (RFP) mechanism that permits applicants to submit a shared application for multiple funding streams and be responsible for the same reporting and fiscal duties.

 - ✓ Offer more comprehensive technical assistance to providers who have not previously sought funding to establish a new project pipeline and provide infrastructure for programs to help alleviate administrative burdens.



Example Roles and Responsibilities of a Funding Advisory Group

1. *Seek to achieve functional zero homelessness in San Joaquin County, using this Strategic Plan as the initial guiding document;*
2. *Support the goals and duties of the San Joaquin Continuum of Care;*
3. *Own the issue of homelessness within the county;*
4. *Align homelessness-related funding and policies throughout the county;*
5. *Promote and invest in Housing First strategies;*
6. *Ensure adherence to evidenced-based solutions;*
7. *Represent rural, urban, and suburban communities;*
8. *Monitor local system performance measures;*
9. *Focus on high-level decisions, not technical aspects of issues related to homelessness;*
10. *Create ongoing or ad hoc Task Groups, so long as there is sufficient staff capacity;*
11. *Approve the submission of applications to Notices of Funding Availability (NOFAs) published by HUD and the State, ideally through a single Request for Funding Proposal;*
12. *Establish San Joaquin County's homelessness funding priorities and make funding-related decisions (e.g., project types to fund, subpopulations to target);*
13. *Ensure that organizations serving the county's homeless population receive the technical assistance and training they need to achieve system performance measures through a Housing First model;*
14. *Communicate with the public on issues related to homelessness; and*
15. *Designate a Chair for the Funding Advisory Group who will act as the official spokesperson to the public and stakeholders.*



Single Request for Funding Proposal

The purpose of the Single Request for Funding Proposal is to streamline the project application process while encouraging creative program design to respond to homelessness through one or more available funding streams. This process should support the implementation of comprehensive housing programs that include robust supportive services and adhere to shared principles and systems, such as Housing First, Coordinated Entry, and HMIS. Federal and state priorities compound the need to coordinate and align resource allocation in order to maximize impact. Any funds offered by HUD, the State, or the County should be included in the single RFP, such as CoC, ESG, California Emergency Solutions and Housing (CESH), Homeless Emergency Aid Program (HEAP), and HHAP. To increase efficiency and reduce the burden to apply, a standard budget template is used regardless of funding source.

With a streamlined funding process in place, the community can expand the outreach process for federal and state funding opportunities to provide the ability for more stakeholders to access these resources. This would require that there is increased information and transparency regarding funding streams, administrators, and award processes. Additionally, the CoC (and Funding Advisory Group if implemented) could offer more comprehensive technical assistance to providers who have not previously sought funding in order to help them overcome administrative and reporting burdens.

Strategy 1.2: Improve Data Collection, Measurement, and Analysis

Stakeholders in San Joaquin County have expressed the need for improved data collection, measurement, and analysis in order to better understand the needs of those facing housing instability and the effectiveness of program interventions. There was strong consensus from stakeholders that the number one priority would be to ensure every entity that is part of the homeless system of care provides data into HMIS.

While there is widespread interest in participating in HMIS, stakeholders indicated that one of the biggest hurdles to effective data collection is the capacity of the agencies serving the homeless population. Many organizations do not have the ability to complete data entry in a timely manner and often the information that is entered into the data system is limited or out of date.

Currently the primary agencies that participate in HMIS are those that provide shelter and housing. Many of the agencies that provide supportive services are not connected into HMIS, or their staff are not sufficiently well trained to use HMIS. Without a robust HMIS system that everyone commits to participating in, which effectively engages and trains all organizations and their staff throughout the region, the ability for the community to respond to the greatest needs will continue to fall short. In order to ensure the system is accountable and all organizational activities are known and tracked, the CoC should ensure that all housing and homelessness organizations actively participate in data entry and quality.

To do so, the CoC should:

- Ensure all housing and homeless programs are trained and participate in HMIS (condition funding on participation);
- Establish HMIS Policies and Procedures with agreed upon definitions, standards for data integrity, and timeliness expectations for data entry;
- Require that participating organizations track individuals returning to homelessness, attend free trainings offered to them, and seek technical assistance when necessary;
- Assess data to drive community action (e.g., measure if outputs meet inputs, effectiveness of interventions);

- Hire dedicated administrative staff to manage the day-to-day operations of HMIS to improve data quality, provide support to partner organizations, and enable real-time data collection;
- Improve ability for agencies/system to capture client exit destinations, including from shelter;
- Increase coordination between mainstream resources and homeless assistance data systems to ensure identification of those eligible for benefits, such as SSI and CalWORKs; and
- Engage in a robust review of the HMIS Lead, including soliciting other agencies interested in acting as the HMIS Lead.

Opportunities to better coordinate around Veterans' services illustrates ways to enhance the effectiveness of San Joaquin's homeless system of care. Stakeholders expressed a desire for increased coordination between the VA, the CoC, and the community-at-large in order to achieve a functional zero for veteran homelessness. The system as it currently functions is not sufficiently maintained, with client lists that include people who are deceased, unreachable, or ineligible for services. Strategies to consider include:

- ✓ *Use a VA-managed "By-Name" List as the organizing document for housing and serving veterans;*
- ✓ *Expedite, through CES and HMIS, the identification of those eligible for VA programs (which is dependent on discharge status), so that veterans ineligible for VA programs may more readily access CoC and other housing and services;*
- ✓ *Increase coordination with the VA on PIT Count methodology and implementation; and*
- ✓ *Partner with the County Veterans Advisory Commission (VAC) to bridge veterans and services by connecting unhoused veterans with veteran peers in the community.*

Strategy 1.3: Educate and Engage the Community

While homelessness is growing across the State of California, so are the many myths and misconceptions around why people are homeless and the programs and services that work best in solving the problem. Rising costs of housing, combined with wages that do not keep pace, are driving increased rates of homelessness in San Joaquin County and across the State. A deeper understanding of homelessness and its solutions will strengthen community support for critical next steps.

Stakeholders in San Joaquin County have expressed the need for increased engagement and education of the members of the Continuum of Care and the community-at-large. A community that speaks the same language and supports the same mission can collectively address homelessness more efficiently and effectively.

Stakeholders also prioritized a focus on demystifying who is actually living on the street and in shelters. We know that in many communities there is a misconception that the majority of people experiencing homelessness have mental health or substance use disorders. The most common causes of homelessness in many communities, however, are unemployment and unpaid rent. While many people experiencing homelessness do have a disability that creates a barrier to regaining stable housing, the disability is often the result of their homelessness rather than its cause. Only a small percentage of the total number of people experiencing homelessness became homeless because of mental health issues or substance use disorders.

“When you first become homeless, you try your hardest to get your housing back. But then as the weeks go by, it becomes harder and harder. You get buried deeper and deeper. People do not look at you the same. Even a brief respite from living on the street can allow you to recharge – as little as two weeks can be enough to help reset your motivation.”

In addition to demystifying who is homeless, there are numerous ways to build a common understanding of the homeless system of care and the strategies to address it.

San Joaquin should prioritize the following:

- Educate the public on the need to implement evidence-based best practices (e.g. Housing First, Coordinated Entry, prevention and diversion, trauma-informed care, low-barrier programming, and voluntary services);
- Publicize success stories of individuals and strategies;
- Work with the business sector to address their concerns about blight and use data to show the results of efforts that have already been undertaken;
- Initiate messaging that better explains Housing First that highlights what has worked in San Joaquin and other similar communities;
- Undertake community education to encourage willingness for affordable development in our neighborhoods; and
- Incorporate the voice of the consumer/client through focus groups, surveys, and listening meetings.

2

GOAL 2: INCREASE ACCESS AND REDUCE BARRIERS TO HOMELESS CRISIS RESPONSE SERVICES



Measure 2.1: By 2025, 200 new housing-focused low-barrier shelter beds are available to people experiencing homelessness in San Joaquin County (The beds may be in congregate or non-congregate shelter settings, as public health needs dictate).

Measure 2.2: By 2025, an additional 200 total rental assistance eviction prevention grants are available.

Measure 2.3: The 2025 Point-in-Time Count will show that the number of unsheltered households in San Joaquin County is less than 50% of the 2019 Count.

Measure 2.4: More than 50% of households who were housed in Transitional Housing and Rapid Rehousing programs will exit to permanent housing destinations between 2020 and 2025.

Measure 2.5: Beginning 2021, the number of people experiencing homelessness for the first time will be reduced by 5% each year, achieving a 20% annual reduction by 2025.

Measure 2.6: Annually reduce by 10% the number of households that return to homelessness in 6 months after exiting to permanent housing from a Transitional Housing, Rapid Rehousing, or Permanent Supportive Housing program.

Strategy 2.1: Expand Low-Barrier Shelter Capacity, Hours, and Services

Emergency shelters and warming centers provide safe places for people to stay at night and help connect people to services and housing opportunities. When the programs are housing-focused and low-barrier, they are an important part of the system to engage people and help them exit homelessness to permanent housing.



Housing First

The Housing First approach has been extremely successful in reducing the length of time households are homeless, preventing returns to homelessness, and supporting participants' long-term stability and well-being. Research suggests Housing First program participants are 2.5 times more likely to be housed after 18-24 months than other programs.³¹

³¹ Baxter AJ, Tweed EJ, Katikireddi SV, et al. Effects of Housing First approaches on health and well-being of adults who are homeless or at risk of homelessness: systematic review and meta-analysis of randomized controlled trials. J Epidemiol Community Health 2019; 73.

Stakeholders in San Joaquin County have expressed the need to expand low-barrier shelter capacity. Current space, hours, structure, and services are insufficient to meet the needs of those facing housing instability, especially in the winter. This has been greatly exacerbated by the COVID-19 health crisis, increasing the need for non-congregate shelter settings. (For more guidance on best practices for non-congregate shelter settings in light of COVID-19, see HUD's "[Non-Congregate Approaches to Sheltering for COVID-19 Homeless Response](#)," in the Appendices.)

Members of the community have proposed lowering many barriers to entry that may discourage a household from moving indoors. Some of the barriers and challenges most commonly encountered are: ID requirements; restrictions against pets, possessions, and partners; rules based on sobriety rather than behavior; and curfews or exit times that eliminate education and employment opportunities. These can be life or death decisions.

There is currently only one congregate emergency shelter in the entire county that ascribes to a low-barrier approach, attempting to reduce burdensome requirements. However, clients remain unable to bring pets or store possessions, and must exit each morning. These issues persist in non-congregate settings where pets and many possessions are often not permitted. Moreover, the Stockton Shelter has insufficient capacity to accommodate the demand during each winter throughout the year. This past winter, the City of Stockton and San Joaquin County ensured expanded winter capacity by funding 100 additional beds for four months. However, with thousands of San Joaquin residents living on the streets, in cars, in parks, and by the river, a temporary expansion of 100-beds is insufficient to meet the growing need.



Navigation Centers

New legislation in California defined Navigation Centers as facilities that provide “temporary room and board with limited barriers to entry while case managers work to connect homeless individuals and families to income, public benefits, health services, permanent housing, or other shelter.”³² Navigation Centers are “housing-focused” facilities that provide shelter and comprehensive onsite services to support participants to exit homelessness permanently. While they help people stay safe from the dangers of living outside, they are also a valuable link to permanent housing, especially for people who have been homeless for an extended period of time and might be reluctant to engage in services.

Navigation Centers are “housing focused” because they are low-barrier and tailor their services to support the goal of exiting homelessness. They screen-in, rather than screen-out, potential participants with the greatest barriers to housing. They do not require participation in services as a condition of stay. They impose minimal rules and restrictions that focus on behavioral expectations to help ensure client and staff safety, i.e., few rules, not “no rules.” They provide flexible access to shelter and services, including extended hours of operation, arrangements for late arrivals, non-restricted mealtimes, and lenient curfew policies. They offer CES assessments on-site, voluntary case management, and other supportive services that assist households to create an action plan to help them obtain permanent housing.

In order to improve the community’s capacity to respond to the current and ever-growing need for shelter in San Joaquin County, stakeholders should explore the following:

- Expand low-barrier shelter capacity, incorporating Housing First principles to existing emergency shelters, and to any new or expanded congregate or non-congregate shelters (e.g. allow partners, pets, possessions; not require sobriety or mental health counseling to enter) – even consider a Navigation Center when appropriate;
- Standardize policies throughout all shelters, so they are predictable and equitable;
- Ensure that voluntary support services are accessible at all shelters through coordinated on-site case management, mobile multi-disciplinary teams, or rotating support staff;
- Obtain city, County, and private investment to support winter shelter capacity; and
- Provide financial support to expand hours of “Night-by-Night” shelters or to secure other 24-hour accommodations in order to provide continuity of care and increased case management support.

³² California Senate Bill 850 50490.4(a)(4)(A).

Persons with lived experience also highlighted that current policies and service offerings at different shelter sites, dedicated to different subpopulations, were inequitable or misaligned with the needs of residents. Many single adults and adults with partners (with no children) are interested in accessing more supportive services and abiding by behaviorally-based rules – similar to approaches taken in shelters serving households with children – to improve the shelter environment and support exits to permanent housing. With the increased need for non-congregate shelter settings, sufficient supportive services and equitable policies are even more crucial as individuals become more isolated and face new challenges in new environments.

A true low-barrier shelter model is grounded in fair and equitable policies that provide the greatest access to residents, while still prioritizing the protection and safety of staff and other residents.

Shelter residents suggested the following changes:

- Eliminate alcohol and drug testing via invasive practices, instead monitoring conditions based on a behavioral standard;
- Allow partners to live together;
- Allow pets;
- Create smaller, or individual, rooms within shelters to allow people to better manage their health and safety;
- Eliminate restrictive curfews and limited mealtime hours; and
- Improve access to self-care services, like showers and hygiene products.

Strategy 2.2: Invest in Prevention and Diversion

Living without stable housing, even briefly, is a traumatizing experience, and many never recover from the physical, emotional and financial impacts. By diverting households from shelter and preventing imminent homelessness, we can help individuals and families avoid the economic, social, mental, and physical challenges that result from homelessness – often at a much lower cost than it takes to serve people after they lose their housing.

With more and more San Joaquin households spending higher percentages of their income on rent, there are an increasing number of people falling into homelessness. Once somebody has fallen into homelessness, it can be extremely difficult to return to housing.

Prevention

Stakeholders in San Joaquin County have voiced a great need for investment into prevention services that will help struggling households maintain their housing rather than enter the homeless response

system. Prevention services have often been presented as one of the three largest community needs (along with shelter and permanent housing).

Steps to address prevention include:

- Invest in eviction prevention rental assistance funds to pay rental arrears (back rent);
- Establish an emergency eviction prevention fund that can quickly respond to needs (e.g., within 7-10 days);
- Increase access to free legal services and assistance (representation greatly increases tenant victories);
- Establish funds to address the gap created by ESG income limitations (30% AMI);
- Fund short-term rental subsidies to increase household housing stability;
- Advocate to the State the need for expedited access to Emergency Solutions Grant (ESG) funds, as there have been significant delays;
- Connect people to mainstream resources and benefits;
- Enact rent control legislation that considers both tenants and landlords by preventing rent increases of exorbitant amounts while providing government subsidies or tax credits to help renters absorb price increases; and
- Re-envision the Homeless Prevention & Rapid Rehousing (HPRP) project model to fund rental assistance up to 18 months, including security deposits, utility assistance, moving costs, and/or hotel vouchers.



Preventing Homelessness by Connecting People to Mainstream Resources

One of the key strategies to prevent homelessness is to maximize services that people are already eligible for, such as CalFresh, CalWORKS, Medi-Cal, Social Security Disability Insurance, and SSI. Communities can also fund dedicated support staff who are experienced at helping connect people to such benefits. In addition, communities can hire staff who can help people access rental assistance, conduct housing searches, and problem-solve collaboratively.

Diversion

Diversion programs provide a variety of interventions to help prevent people from entering shelter. Services are tailored to meet the needs, strengths, and preferences of each client, which ensures that

each person receives the minimum amount of support necessary to regain permanent housing, while conserving limited resources and serving as many people as possible. Diversion programs decrease the likelihood of a household entering a shelter and are less expensive than providing assistance once a household becomes homeless.

Services that support diversion include:

- Limited financial, utility, and/or rental assistance;
- Short-term case management;
- Housing search assistance;
- Credit repair;
- Landlord mediation;
- Tenant and/or financial education;
- Employment assistance; and
- Connection to mainstream benefits and resources.

Strategy 2.3: Improve and Expand Outreach and Engagement

Throughout the process of developing the strategic plan, stakeholders expressed a clear sense of priorities for the region: invest in prevention efforts to keep people housed, expand access to low-barrier shelter and services for those living on the street, and increase the availability of affordable permanent housing solutions.

While long-term solutions to homelessness require community-wide investment in permanent housing, housing-focused *services* help people connect to these long-term solutions and address the barriers that keep them from becoming housed. The goal is to help people exit homelessness as soon as possible. Once housed, people can work on the underlying challenges that undermine their stability.

Yet, stakeholders also identified that there is a real lack of information about services and housing opportunities that are available, and that those providing outreach often had difficulty understanding their lived experience. There was a strong desire from those affected by homelessness to have people with lived experience of homelessness provide any outreach services. There was also a strong sense that the efforts to do outreach, while admirable, fall far short of the level of effort needed to reach people. The average outreach attempt in San Joaquin is only two encounters or “touches.” Creating trust and rapport, as anyone can attest to, likely requires more.

Individuals who are formerly or currently homeless continue to raise outreach as an important area in need of improvement. They indicate that few people are effectively made aware of locations where services are located or are made aware of the breadth of services that are available. Clients feel that they are “chasing their own tails,” as they seek out services at one location only to be told that they must travel elsewhere or that they have missed their chance altogether.

- **Outreach by People with Lived Experience:** Like many other communities in California, people experiencing homelessness prefer to work directly with outreach staff who have direct experience with homelessness. As one stakeholder eloquently expressed, outreach staff with experience of homelessness “... don’t look down on me. They don’t just ask, ‘What happened?’ It is so important that the wording used by outreach workers is appropriate to the person being approached.”
- **Street and Encampment Outreach:** Street and encampment outreach teams meet people where they are to provide connections to services. Many people with extensive histories of homelessness are disconnected from the network of services that could help them return to housing. They often have deep-seated trauma and negative experiences with the safety net system that may make them reluctant to engage with providers. Outreach specialists should be trained to use proven engagement techniques, such as Trauma-Informed- Care, Critical Time Intervention, and Motivational Interviewing, to build trust and help people connect to the services and support they may need to find and keep housing.



Trauma-Informed Care (TIC)

Trauma-Informed Care (TIC) offers a framework for working with people experiencing trauma, including individuals who are homeless. Traumatic experiences can lead to stress and other long-lasting impacts, “interfering with a person’s sense of safety, ability to self-regulate, sense of self, perception of control and self-efficacy, and interpersonal relationships,”³³ TIC ensures that service providers adopt an approach to working with people experiencing homelessness by employing some degree of trauma awareness; placing an emphasis on safety; providing opportunities for individuals they work with to rebuild control; and adopting a strengths-based approach (identifying people’s skills and helping them to develop coping mechanisms).³⁴



Critical Time Intervention (CTI)

Critical Time Intervention (CTI) is a case management model designed specifically to prevent homelessness in people living with mental illness. It is used in a time-limited manner to work with people following discharge from hospitals, shelters, and prisons/jails – situations when it is extremely challenging for people to obtain stable housing and needed supports. Case managers provide emotional and practical support during the transition while also helping individuals develop long-term ties to services, family, and friends.³⁵

³³ E. Hauper, E. Bausuek, J. Olivet, “Shelter from the Storm: Trauma-Informed Care in Homelessness Services Settings,” *The Open Health Services and Policy Journal*, 2009.

³⁴ *ibid*

³⁵ *Critical Time Intervention: Preventing Homelessness in the Transition from Institution to Community*, [criticaltime.org](https://www.criticaltime.org/wp-content/uploads/2009/04/cti-handout4.pdf). Available at <https://www.criticaltime.org/wp-content/uploads/2009/04/cti-handout4.pdf>



Motivational Interviewing (MI)

Motivational Interviewing (MI) is a client-centered, evidence-based approach used by direct service providers working with people experiencing homelessness. It focuses on allowing individuals to direct their own path toward the change they seek, rather than trying to convince them of what they need to do. The provider builds trust, listens, and then acts as a guide to help the client to identify their own personal next steps.³⁶

Stakeholders in San Joaquin County have also highlighted the need for expanded outreach to households living in places not meant for habitability (e.g. street/car). Current partnerships between entities such as Law Enforcement and Behavioral Health have already resulted in increased engagement and connections to housing and services. Examples of current efforts include the establishment of a Community Liaison in Lodi and the implementation of the Stockton Law Enforcement Assisted Diversion (LEAD) Program.

Much more can be done, however, to increase not only the capacity, but also the effectiveness of street outreach.

Additional activities to pursue:

- Support and expand existing multi-disciplinary teams (e.g. social workers, mental and physical health providers, police) who conduct street outreach and are able to connect people to supportive services;
- Increase diversity of street outreach staff, to include more people with lived experience and to better reflect the population served;
- Increase prevalence of locations (e.g. shelters, community centers) for “warm handoffs” from law enforcement/other sectors to service providers;
- Re-invest and expand existing successful pilot programs (e.g. Stockton LEAD and Lodi Community Liaison) to ensure full-time staffing to meet existing needs;
- Identify entities that should lead coordination efforts with law enforcement, behavioral health, and other entities, so that law enforcement remains a partner, but not the leader, of homeless response efforts; and
- Expand or replicate behavioral health mobile teams (e.g. San Joaquin County Mobile Crisis Support Teams).

³⁶ *Spotlight on PATH Practices and Programs: Motivational Interviewing, U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. (2010).*



GOAL 3: ENSURE
HOUSEHOLDS
EXPERIENCING
HOMELESSNESS HAVE
ACCESS TO
AFFORDABLE AND
SUSTAINABLE
PERMANENT HOUSING
SOLUTIONS



Measure 3.1: By 2025, 100 new rapid rehousing opportunities are available, and 200 new permanent supportive housing units are built or rehabilitated or in the pipeline (with at least 100 built or rehabilitated by 2024), for people experiencing homelessness in San Joaquin County.

Measure 3.2: Veteran homelessness reaches functional zero by the 2025 Point-In-Time Count.

Measure 3.3: The County and its 4 largest cities initiated at least 1 new pilot project to test efficacy of non-conventional housing options, including shared or modular housing.

Measure 3.4: The County and its 4 largest cities created or adopted 1 new policy that waives fees, increases density, or changes zoning laws to facilitate new and affordable housing construction or rehabilitation.

Measure 3.5: HMIS collects the time between assessment for services and placement into a transitional or permanent housing program.

Strategy 3.1: Increase Affordable Housing Stock for Vulnerable Adults, Youth, and Families

Permanent housing programs, such as Permanent Supportive Housing (PSH) and Rapid Rehousing (RRH), are well-established as some of the most cost-effective and successful strategies to address homelessness.

These programs provide subsidized housing, combined with the supportive services the household needs to retain that housing and attain long-term stability. Services can include case management; connections to employment and public benefits; and medical, mental health, and substance use treatment. The programs tailor services to the unique needs of each household and successfully support many San Joaquin County residents each year to permanently exit homelessness and regain self-sufficiency.

“The rent is way too high. Most Stockton rentals require two to three times the rental amount. In addition, there are virtually no low-income rentals available near the businesses that are actually hiring.”

Shared Housing

Shared housing is a living arrangement between two unrelated people who choose to live together to take advantage of the mutual benefits it offers. Families, students, young adults, and seniors have been using this arrangement for generations. It is now recognized as a viable option for people exiting homelessness.

Shared housing allows single adults to agree to live together for both economic reasons and for social support. It is usually a situation where rent and utilities are shared between two or more people. There are different models, including entire apartment buildings or homes structured as shared housing, some with shared common areas such as kitchens and living rooms, while others are private residences with landlords. Still others might be run by County agencies. In the context of serving people at risk of or experiencing homelessness, often shared housing pairs permanent housing with supportive services.

Stakeholders in San Joaquin County have overwhelmingly voiced the need for investment into the creation, rehabilitation, and expansion of affordable housing options. Ultimately, without a pathway to housing, many households experiencing homelessness will continue to face instability, experience trauma, and remain on the street. The following strategies should be explored:

- Master lease, lease to own, or convert existing lodging in the community (e.g., motels/hotels);
- Rehabilitate vacant or underutilized properties (government or privately owned);
- Pursue a dedicated source of funding for a permanent housing trust fund that would accelerate development for affordable housing and homelessness projects;
- Establish a predevelopment loan pool for developers to have funds to complete due diligence on proposed projects;
- Establish homeless unit set-asides in affordable non-homeless projects/developments;
- Preserve and invest in housing dedicated to seniors given they make up 25% of homeless population;

- Promote the development of social housing (mixed-income projects available to anyone) funded by new real-estate document recording fees, a tax increase on high-dollar real estate transactions, or through income-based rent;
- Advocate for the establishment of an inclusionary zoning policy requiring at least 20% of units to be affordable in new developments;
- Support and encourage creative housing production solutions (e.g., modular, manufactured);
- Advocate for affordable housing projects to be expedited;
- Waive permitting fees for Extremely Low-Income (ELI) housing construction;
- Ensure incoming state funding supports the development or rehabilitation of permanent housing for homeless households;
- Encourage the evaluation of and modification of zoning laws that unnecessarily restrict the development of affordable housing; and
- Increase case management services to ensure special subpopulations stay housed.



Social Housing

“Social housing³⁷ is a public option for housing. Typically, it is rental housing provided below market rates. Rents are charged according to either real costs-based or income-based formulas. Social housing is permanently off the private market: in some cases, it can be owned and operated by municipal governments or nonprofit housing providers. In other cases, as with limited-equity cooperatives, land trusts or mutual housing associations, residents may own a stake in their homes at subsidized rates, and they cannot sell them for exorbitant profit. Social units should be primarily new construction on infill or previously non-residential or unaffordable sites, particularly in supply-constrained cities and regions where sprawl encourages high rates of car use, as well as in areas that lack a substantial stock of existing public housing. While new construction is essential to realizing this vision, it must not raze existing communities in the name of new development.”

³⁷ <https://homesguarantee.com/wp-content/uploads/Homes-Guarantee--Briefing-Book.pdf>

Strategy 3.2: Invest in Landlord Engagement, Navigation, and Incentives

Individuals experiencing homelessness report that landlords frequently require triple the amount of rent at move-in or three times rent as monthly income; even with a housing voucher this cannot be overcome.

Many communities – even those in high cost rental markets – are highly successful in working with landlords and property managers to identify units for people exiting homelessness.

Building relationships, including understanding and addressing landlords’ concerns, is key.

Stakeholders have recognized that local landlords are key partners in responding to homelessness. Identifying, engaging, and incentivizing landlords is a critical goal for San Joaquin, given a large portion of permanent housing is secured from market rate landlords only in scattered-site models.

Affirmative actions that can be taken include:

- Negotiate with property owners, rather than property management companies, to help overcome the high move-in costs that property managers are requiring;
- Invest in Landlord Navigator and Housing Locator positions who can identify prospective partners, ensure landlord questions are answered promptly, and prepare program participants to succeed in housing;
- Educate landlords about laws against discriminating against applicants based on source of income;
- Incentivize absent landlords to sell or develop properties;
- Offer mediation services for landlord-tenant conflicts;
- Provide assistance for clients in need of credit repair;
- Engage homeowners who have spare rooms or ADUs on site to become landlords;
- Create flexible funding to incentivize private landlords to house program participants in market rate units (e.g. signing bonuses, ongoing funds to hold units, double deposits);
- Design and implement a county-wide messaging and engagement strategy (e.g. refined program literature, community orientations and appreciation events, print/social media campaigns)

- Examine the discretion held by the Office of the District Attorney and the courts regarding the clearance of criminal convictions and unpaid fines for people that are homeless in order to remove landlord concerns regarding criminal and credit history.



Accessory Dwelling Units

Accessory Dwelling Units (ADUs) are small secondary housing units located on the same grounds as a primary home. They include units such as a basement apartment, a garage apartment, or a stand-alone “tiny home” on the same property as a single-family residence. Sometimes known as in-law units or backyard cottages, they have become increasingly more sought after as one way to help resolve the housing crisis because they are a more affordable option for adding much-needed housing in California. They are legally part of the same property as the main home. Over the past 2-3 years, California enacted new policies to allow homeowners to more readily build ADUs as one of many ways to help solving the housing crisis.

Strategy 3.3: Expand Case Management, Employment, and Supportive Services

Many people experiencing homelessness in San Joaquin have been homeless for an extended period of time. These individuals are often disconnected from the resources they need to exit homelessness and achieve stability. Supporting people with extensive histories of homelessness and related trauma requires significant time to connect with people and build trust.

Moreover, while some were disabled prior to losing their housing, many others acquired their disability as a result of living on the streets or without stable housing – an experience that is extremely dangerous and traumatic. To return to, and maintain, housing successfully, individuals experiencing homelessness often require ongoing treatment and support – both before and after they are housed.

Nonprofits, community groups, and County agencies provide a variety of services that can help people exit homelessness and stay housed permanently. Programs such as mental health treatment, employment and job training, health care, and substance use recovery can meaningfully help people attain greater stability.

While some of these programs are dedicated to people experiencing homelessness, others are resources available to everyone in the community. Ensuring that these programs are available and accessible for people experiencing homelessness allows the community to get the most out of its existing resources.

Stakeholders in San Joaquin County have expressed the need for supportive services at every level of the homeless response system. Case management and employment/education services are critical elements to ensuring housing stability for those living on the street, in shelter, and in permanent housing. San Joaquin should consider the following:

- New shelter, rapid rehousing, and permanent supportive housing projects/initiatives must include funding for supportive services (or at minimum, partnership agreements with service providers or the County);
- Services should adhere to a “Housing First” model (low-barrier, client-centered, voluntary);
- Set aside a portion of any supportive services funds for “aftercare” (services after financial support ends);
- Negotiate and/or lobby for case management to become reimbursable under Medi-Cal;
- Case Management should be “housing-focused” (housing stability drives all participant goals and plans); and
- Engage the business community to create internship, apprenticeship, employment, and grant opportunities.

“When I first came to Stockton Shelter, I knew all about St. Mary’s Dining Room. I began volunteering and then found my way to Social Services where I found help with housing, counseling, and mental health. Now I volunteer and have a leadership role in one of the programs. The shelter program has helped me stay clean and sober.”

While San Joaquin County works to build a robust and responsive system of care with sufficient low-barrier shelter capacity and affordable permanent housing options – all of which are critical to ending homelessness – few can pull themselves up alone. Supportive services are a critical element to ensuring every household can find and keep a safe home in which to thrive.

CONCLUSION

Call to Action

The San Joaquin community faces two pandemics: one well-known, one novel, both devastating. Homelessness is not new. It is more and more present in San Joaquin. Those who had found new homes are increasingly returning to homelessness, while those who have never faced the prospect of living on the street are increasingly confronting this reality. This reality has been further exacerbated by the arrival of COVID-19.

However, this convergence has created opportunity. There is an unknown and uncertain future, but the federal and state governments are paying attention. They are creating new funding streams, permitting flexibility, and encouraging creative solutions to resolve widespread housing instability. San Joaquin must come together at this critical juncture with increased local investment and political will.

The San Joaquin Community Response to Homelessness was developed to serve as the touchstone for the Continuum of Care, County, and cities within, to ensure evidenced-based and community-developed strategies guide San Joaquin's immediate and future actions. By committing to increased coordination, data collection, community education, and local funding, San Joaquin's unhoused citizens will be afforded a critical safety net that prioritizes the most vulnerable, removes unnecessary barriers to entry, and offers comprehensive supportive services.

The Implementation Addendum included as an appendix to this strategic plan provides a road map of activities, action steps, responsible parties, and key stakeholders to implement this shared vision.

APPENDICES

IMPLEMENTATION ADDENDUM

Goal 1: Establish a Coordinated and Engaged Regional System of Care

Activity	Steps	Responsible Parties	Stakeholders
<p>Strategy 1.1: Establish a Cross-jurisdictional Effort to Create Shared Processes to Access Funding Streams, Identify Community Priorities, and Coordinate the countywide Homeless System of Care</p>	<p><i>Strengthen Coordinated Entry System</i></p> <p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>Hire consultant to assist CoC Board with operating plan for Coordinated Entry System</i> • <i>Finalize system design and policies and procedures</i> • <i>Conduct onboarding and training</i> • <i>Determine access points</i> • <i>Establish key organizations, ensuring full geographic coverage</i> • <i>Survey end users</i> • <i>Set up HMIS to support system</i> <p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Rollout system with selected providers</i> • <i>System in place and tracking metrics</i> • <i>Evaluate VI-SPDAT</i> 	<p><i>Coordinated Entry System Committee</i></p> <p><i>CoC Board</i></p>	<p><i>End users of CES</i></p>

	<p><i>Establish Countywide Priorities, Design a Shared Process Around Funding</i></p> <p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>CoC Board sends approved plan to all jurisdictions to request voting bodies to adopt</i> • <i>CoC Board review of current committee structure to ensure it aligns with strategic plan goals; assignment of committees as responsible parties</i> • <i>Jurisdictions adopt strategic plan, align investment of resources</i> <ul style="list-style-type: none"> ○ <i>Identify action steps for each of the local jurisdictions, what their role should be as they move to support implementation</i> • <i>Design advisory board responsible for coordinating and prioritizing use of federal, state and local funding</i> <p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Annual review of Strategic Plan by CoC Board</i> • <i>Annual report of progress produced and distributed by CoC Board</i> • <i>Annual CoC Board training</i> • <i>Launch advisory board with participation by all jurisdictions</i> • <i>Design common RFP mechanism</i> • <i>Offer TA to providers to establish new project pipeline</i> 	<p><i>CoC Board</i></p> <p><i>County</i></p> <p><i>Cities</i></p>	<p><i>Providers</i></p> <p><i>CoC</i></p>
<p>Strategy 1.2: Improve Data Collection, Measurement, and Analysis</p>	<p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>Ensure all housing & homeless programs are trained and participate in HMIS (condition funding on participation)</i> • <i>Demonstrate the utility of data collection to achieve buy-in from participating organizations to track individuals returning to homelessness, take advantage of free trainings offered to them, obtain technical assistance when necessary, etc., free licenses – goal is 100% participation</i> • <i>Engage in a robust review of the HMIS Lead, including soliciting other agencies interested in acting as the HMIS Lead</i> • <i>Evaluate opportunities to streamline/expand data entry through partnerships that have emerged from COVID-19 response efforts</i> 	<p><i>CoC Board</i></p> <p><i>HMIS Lead Agency</i></p>	<p><i>End Users</i></p> <p><i>HMIS Lead</i></p> <p><i>Data Cmte</i></p> <p><i>Mainstream providers</i></p>

	<p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Assess data to drive community action (e.g. measure if outputs meet inputs, effectiveness of interventions) (ongoing)</i> • <i>Hire dedicated administrative staff to manage the day-to-day operations of the HMIS to improve data quality, provide support to partner organizations, and to enable real-time data collection</i> • <i>Improve ability for agencies/system to capture client exit destinations</i> • <i>Increase coordination between mainstream benefits and homeless assistance data systems to ensure identification of those eligible for SSI, CalWORKs, etc.</i> 		
<p>Strategy 1.3: Educate and Engage the Community</p>	<p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>Educate the public on the need to implement evidence-based best practices (e.g. Housing First, Coordinated Entry, prevention and diversion, trauma-informed care, low-barrier programming, and voluntary services)</i> • <i>Identify funding to support public education</i> • <i>Establish lead entity for engagement and education efforts; engage wide array of partners, including jurisdictions, to participate on Education Cmte</i> • <i>Identify costs of homelessness vs. cost savings through best practices</i> <p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Publicize success stories of individuals and strategies, including trauma-informed care, prevention, and cultural awareness</i> • <i>Work with the business sector to address their concerns about blight and use data to show the results of efforts that have already been undertaken</i> • <i>Initiate messaging that better explains Housing First and that highlights what has worked in San Joaquin and other similar communities</i> • <i>Undertake community education to encourage willingness for affordable development in our neighborhoods; and</i> • <i>Incorporate the voice of the consumer/client through focus groups, surveys, and listening meetings.</i> 	<p><i>CoC Board</i></p> <p><i>Education Cmte</i></p> <p><i>City of Stockton</i></p> <p><i>San Joaquin Fair Housing</i></p>	<p><i>CBOs</i></p> <p><i>Business Community</i></p> <p><i>Youth</i></p> <p><i>Reinvent Stockton</i></p> <p><i>ACES</i></p> <p><i>HMIS Lead</i></p> <p><i>Office of Ed., School Districts, Cmty. Colleges</i></p>

Goal 2: Increase Access and Reduce Barriers to Homeless Crisis Response Services

Activity	Steps	Responsible Parties	Stakeholders
Strategy 2.1: Expand Low-Barrier Shelter Capacity, Hours, and Services	Invest in Expansion of Shelter Capacity	County Cities Shelter providers Funding Advisory Board	Business community Allied CBOs People with lived experience Law enforcement Hospitals
	<p>Year 1:</p> <ul style="list-style-type: none"> Obtain city, County, and private investment to maintain existing capacity of programs Identify needs and develop plan for population-specific low barrier shelters (e.g., single women) Identify and engage private sector partners (e.g., join business community meetings) Provide financial support to expand hours of “Night-by-Night” shelters (ideally for 24 hours) in order to provide continuity of care and increased case management support Consider impact of COVID-19 and tailor shelter strategies as appropriate <p>Years 2-5:</p> <ul style="list-style-type: none"> County Human and Behavioral Health are fully integrated into major shelters, providing essential wrap around services Expand low-barrier shelter capacity, incorporating Housing First principles to existing shelters, and to any new or expanded shelters (e.g. allow partners, pets, possessions; not require sobriety or mental health counseling to enter) Identify location, scope of services, and sustainability plan for Navigation Center Identify and engage additional shelter providers for expansion 	CoC Board	Shelter providers Allied CBOs
	Standardize Low-Barrier Shelter Policies		
	<p>Year 1:</p> <ul style="list-style-type: none"> Provide best practices, guidance, and consistent definition of terms to support standardization of policies throughout all shelters, in promotion of equity <p>Years 2-5:</p> <ul style="list-style-type: none"> Provide technical assistance to higher barrier shelters and sober living environments to revise policies in alignment with low-barrier approaches 		

<p>Strengthen Housing-Focused Case Management</p> <p>Year 1:</p> <ul style="list-style-type: none"> Assess staffing capacity of shelters, identify needs <p>Years 2-5:</p> <ul style="list-style-type: none"> Identify permanent funding streams to support ongoing staffing needs Ensure that voluntary support services are accessible at all shelters through coordinated on-site case management, mobile multi-disciplinary teams, or rotating support staff 	<p>County</p> <p>Cities</p> <p>Shelter providers</p> <p>Funding Advisory Board</p>	<p>Business community</p> <p>Allied CBOs</p> <p>People with lived experience</p>	
<p>Strategy 2:2: Invest in Prevention</p>	<p>Year 1:</p> <ul style="list-style-type: none"> Invest in eviction prevention rental assistance funds to pay rental arrears (back rent); Establish an emergency eviction prevention fund that can quickly respond to needs (e.g., within 7-10 days) Increase access to free legal services and assistance (representation greatly increases tenant victories); leverage available eviction data to inform strategies and make the case for funding Develop toolkit to educate partners about available resources (including school districts) Evaluate effectiveness and impact of COVID-specific strategies and funding that should be replicated or maintained longer term <p>Years 2-5:</p> <ul style="list-style-type: none"> Establish funds to address the gap created by ESG income limitations (30% AMI) Fund short-term rental subsidies to increase household housing stability Advocate to the State the need for expedited access to Emergency Solutions Grant (ESG) funds, as there have been significant delays Connect people to mainstream resources and benefits (e.g., going upstream to develop systems of support to school districts, looking at poverty, low literacy, homelessness, etc.) 	<p>County</p> <p>Cities</p> <p>Education Cmte</p> <p>Funding Advisory Board</p>	<p>CBOs</p> <p>Property owners</p> <p>Tenants</p> <p>CVLI</p> <p>Housing Authority</p> <p>Banks</p> <p>CPF</p> <p>Legal services</p> <p>Schools</p> <p>Business Community</p>

	<ul style="list-style-type: none"> • <i>Enact rent control legislation that considers both tenants and landlords by preventing rent increases of exorbitant amounts while providing government subsidies or tax credits to help renters absorb price increases</i> • <i>Re-envision the Homeless Prevention & Rapid Rehousing (HPRP) project model to fund rental assistance up to 18 months, including security deposits, utility assistance, moving costs, and/or hotel vouchers.</i> • <i>Evaluate needs of subpopulations, including transition age youth</i> 		
<p>Strategy 2.3: Improve and Expand Outreach and Engagement</p>	<p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>Support and expand existing multi-disciplinary teams (e.g. social workers, mental and physical health providers, police) who conduct street outreach and are able to connect people to supportive services</i> • <i>Re-invest and expand existing successful pilot programs (e.g. Stockton LEAD and Lodi Community Liaison) to ensure full-time staffing to meet existing needs</i> • <i>Identify entities that should lead coordination efforts with law enforcement, behavioral health, and other entities, so that law enforcement remains a partner, but not the leader, of homeless response efforts</i> • <i>Expand or replicate behavioral health mobile teams (e.g. San Joaquin County Mobile Crisis Support Teams)</i> <p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Reduce barriers to hiring to increase diversity of street outreach staff, to include more people with lived experience and to better reflect the population served</i> • <i>Increase prevalence of locations (e.g. shelters, community centers) for “warm handoffs” from law enforcement/other sectors to service providers</i> • <i>Break down silos between outreach teams and case management</i> • <i>Implement trainings on best practices for teams, including trauma-informed care, critical time intervention, motivational interviewing, and use of technology</i> 	<p><i>CoC Board</i></p> <p><i>County</i></p> <p><i>Cities</i></p> <p><i>Education Cmte</i></p>	<p><i>Outreach teams</i></p> <p><i>CBOs</i></p> <p><i>FBOs</i></p> <p><i>Police Depts</i></p> <p><i>Behavioral Health</i></p>

Goal 3: Ensure Households Experiencing Homelessness Have Access to Affordable and Sustainable Permanent Housing Solutions

Activity	Steps	Responsible Parties	Stakeholders
Strategy 3.1: Increase Affordable Housing Stock for Vulnerable Adults, Youth, and Families	<p>Year 1:</p> <ul style="list-style-type: none"> • Master lease, lease to own, or create agreements with existing lodging in the community (e.g. motels) to create Permanent Supportive Housing • Evaluate and modify codes and zoning laws at City and County levels that unnecessarily restrict the development of high-density affordable housing • Develop a list of vacant or underutilized properties to target for development (government or privately owned) • Establish homeless unit set-asides in affordable non-homeless projects/developments <p>Years 2-5:</p> <ul style="list-style-type: none"> • Rehabilitate vacant or underutilized properties • Assess complementary agencies to support affordable housing (e.g., transit, parks, food) • Establish a predevelopment loan pool for developers to have funds to complete due diligence on proposed projects (Housing Trust Fund) • Develop Affordable Housing Strategic Plans for all jurisdictions • Promote the development of social housing (mixed-income projects available to anyone) funded by new real-estate document recording fees, a tax increase on high-dollar real estate transactions, or through income-based rent • Advocate for inclusionary zoning policy requiring at least 20% of units to be affordable in new developments • Support and encourage creative housing production solutions (e.g., modular, manufactured) • Advocate for expedited affordable housing projects 	<p>CoC Board</p> <p>County</p> <p>Cities</p>	<p>Developers</p> <p>Municipal staff</p> <p>Community Foundation</p> <p>Funders</p>

	<ul style="list-style-type: none"> • <i>Advocate for permitting fees for Extremely Low-Income (ELI) housing construction</i> • <i>Ensure incoming state funding supports the development or rehabilitation of permanent housing for homeless households</i> • <i>Increase case management services to ensure special subpopulations stay housed</i> 		
<p>Strategy 3.2: Invest in Landlord Engagement, Navigation, and Incentives</p>	<p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>Create flexible funding to incentivize private landlords to house program participants in market rate units (e.g. signing bonuses, ongoing funds to hold units, double deposits)</i> • <i>Advocate for investment in Landlord Navigator and Housing Locator positions who can identify prospective partners, ensure landlord questions are answered promptly, and prepare program participants to succeed in housing</i> <p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Secure local funds for prevention and incentives</i> • <i>Engage a long-term contracted service provider to staff housing navigation support</i> • <i>Share Stockton’s off-the-shelf ADU plans with fellow cities</i> • <i>Negotiate with property owners, rather than property management companies, to help overcome the high move-in costs that property managers are requiring</i> • <i>Educate landlords about laws against discriminating against applicants based on source of income</i> • <i>Incentivize absent landlords to sell or develop properties</i> • <i>Offer mediation services for landlord-tenant conflicts</i> • <i>Provide assistance for clients in need of credit repair</i> • <i>Engage homeowners who have spare rooms or ADUs on site to become landlords</i> 	<p><i>CoC Board</i></p> <p><i>County</i></p> <p><i>Cities</i></p> <p><i>Funding Advisory Board</i></p>	<p><i>CBOs</i></p> <p><i>Developers</i></p> <p><i>Property owners</i></p>

	<ul style="list-style-type: none"> • <i>Design and implement a county-wide messaging and engagement strategy (e.g. refined program literature, community orientations and appreciation events, print/social media campaigns)</i> • <i>Examine the discretion held by the Office of the District Attorney and the courts regarding the clearance of criminal convictions and unpaid fines for people that are homeless in order to remove landlord concerns regarding criminal and credit history</i> 		
<p>Strategy 3.3: Expand Case Management, Employment, and Supportive Services</p>	<p><i>Year 1:</i></p> <ul style="list-style-type: none"> • <i>Engage the business community to create internship, apprenticeship, employment, and grant opportunities</i> • <i>Educate providers about benefits of “Housing First” model (low-barrier, client-centered, voluntary)</i> • <i>Host “conference” to expand education about housing-focused case management services to broader audience</i> <p><i>Years 2-5:</i></p> <ul style="list-style-type: none"> • <i>Evaluate population-specific case management needs</i> • <i>New shelter, rapid rehousing, and permanent supportive housing projects/initiatives must include funding for supportive services (or at minimum, partnership agreements with service providers or the County)</i> • <i>Maximize and institutionalize local match to secure highest amount of state and federal funding to support service needs</i> • <i>Set aside a portion of any supportive services funds for “aftercare” (services after financial support ends)</i> • <i>Negotiate and/or lobby for case management to become reimbursable under Medi-Cal</i> • <i>Case Management should be “housing-focused” (housing stability drives all participant goals and plans)</i> 	<p><i>CoC Board</i></p> <p><i>Funding Advisory Board</i></p>	<p><i>CBOs</i></p> <p><i>Worknet</i></p> <p><i>CalWorks</i></p> <p><i>Business Community and Assns.</i></p> <p><i>Chambers of Commerce</i></p> <p><i>County</i></p> <p><i>Cities</i></p> <p><i>Office of Ed.</i></p>

NON-CONGREGATE APPROACHES FOR COVID-19 RESPONSE

NON-CONGREGATE APPROACHES TO SHELTERING FOR COVID-19 HOMELESS RESPONSE

Continuums of Care considering non-congregate approaches to sheltering people who are homeless that are symptomatic or in high risk categories, such as seniors or people with chronic illness, should consider the following guidance when designing local approaches. Coordination with public health partners is essential in design, resource investment and staffing considerations.

PLACEMENT: Comprehensive screening and triage in place to refer to site and prioritize placement

	Best Practice Approach: Private Individual Rooms	Better Approach: Individual Rooms/Semi-Private Spaces	Good Approach: Shared Spaces
Target Population	<ul style="list-style-type: none"> Individuals who are symptomatic after screening at shelter has been implemented Individuals who are pending testing or are close contacts of confirmed cases Individuals who are high risk¹ with or without symptoms Individuals who are confirmed to be COVID-19 positive who do not need to be hospitalized 	<ul style="list-style-type: none"> Individuals who are symptomatic after screening at shelter has been implemented Individuals who are confirmed to be COVID-19 positive who do not need to be hospitalized as long as all individuals in the space are COVID-19 positive 	<ul style="list-style-type: none"> Individuals who are confirmed to be COVID-19 positive who do not need to be hospitalized as long as all individuals in the space are COVID-19 positive Individuals who are asymptomatic after screening at shelter has been implemented as long as all individuals in the space are asymptomatic.
Set-up	<ul style="list-style-type: none"> Individual bedroom (walls on all sides and a door) Individual bathroom Individual HCV Personal cleaning supplies for an ill person's room and bathroom 	<ul style="list-style-type: none"> Individual bedroom (walls on all sides and a door) If no existing walls, makeshift walls that are floor to ceiling should be created to create 6ft separation Limited shared bathroom with cleaning regiment Bathroom should be cleaned and disinfected after each use by an ill person Dedicate an entrance(s) or passageway(s) for infectious individuals when feasible. 	<ul style="list-style-type: none"> Shared bedroom spaces with 6ft separation Makeshift walls that are floor to ceiling (if feasible) should be created Arrange all sleeping areas (including beds/cots) so that individuals are separated by putting a minimum of 6 feet between individual sleeping surfaces to prevent the spread of infections. Shared bathroom Bathroom should be cleaned and disinfected after each use by an ill person Dedicate an entrance(s) or passageway(s) for infectious individuals when feasible.
Staffing	<ul style="list-style-type: none"> Onsite healthcare Transportation plan for closest hospital transport Staff shifts and crew configuration Cleaning schedules PPE available for staff Non-Congregate site management staff Case management staff Security 	<ul style="list-style-type: none"> Identifying dedicated staff to care for COVID-19 patients. Telehealth options PPE available for staff Non-Congregate site management staff Security 	<ul style="list-style-type: none"> Identifying dedicated staff to care for COVID-19 patients. Telehealth options PPE available for staff Non-Congregate site management staff Security

¹ Center for Disease Control: Corona Virus 2019 (COVID 19) *Are you at higher risk for severe illness?*
<https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/high-risk-complications.html>

This resource is prepared by technical assistance providers and intended only to provide guidance. The contents of this document, except when based on statutory or regulatory authority or law, do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.



HOMELESSNESS STRATEGIC PLAN — SUMMARY

GOAL 1

Increase Housing Options in the City of Tracy

1. SHORT-TERM: Identify immediate temporary “Emergency Housing” options & integrate crisis support services.
2. MID-TERM: Identify “Transitional Housing” options & integrate wrap-around support services with Navigation Center.
3. LONG-TERM: Increase affordable housing stock & assist in securing “Permanent Housing” with continued support services from Case Managers.
4. CONTINUOUS: Proactively pursue local, state, and federal funding to support housing options and support services.
5. Create property-owner economic initiative to increase the number of private housing options to support housing for people transitioning out of homelessness.

GOAL 2

Increase Access to Coordinated Support Services for People Experiencing Homelessness

1. Create a centralized location to serve as a “Navigation Center” where people experiencing homelessness can gain access to appropriate services and resources based on their immediate needs.
2. Secure access to addiction, mental health, family reunification, job training, & other appropriate support services at the Navigation Center.
3. Enhance coordination between local service providers and county agencies.
4. Evaluate effectiveness of current spending and consider reallocating resources, while continuing to pursue other funding options.

GOAL 3

Develop Action Plans for Engaging with People Experiencing Homelessness

1. Establish “Law Enforcement Protocol” for initiating contact with people experiencing homelessness that complies with the recent *Martin v. Boise* decision.
2. Establish “Crisis Response Protocol” for local service providers to render rapid crisis support — including after-hour services for people experiencing or at-risk of homelessness.
3. Partner with county agencies (including the D.A.’s Office & County Jail) to evaluate opportunities for diversion programs or other alternatives to incarceration for people experiencing homelessness — including a warm “hand off” to service providers to render immediate crisis support services or emergency housing.

GOAL 4

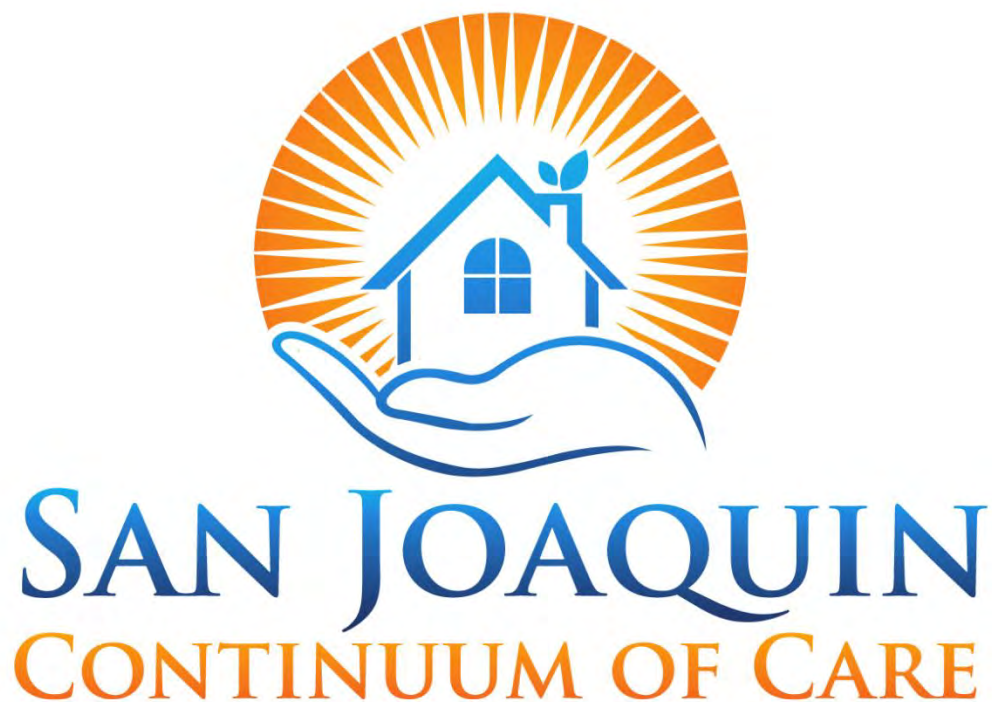
Enact Specific Strategies for Vulnerable Subpopulations Experiencing Homelessness

1. Identify people experiencing or at-risk of homelessness in vulnerable subpopulations within the City of Tracy — including, but not limited to, veterans, youth, the LGBT community, victims of crime, and people with behavioral health needs.
2. Ensure access to “Case Managers” for the vulnerable subpopulations who will educate and provide connections to appropriate support services and housing options.
3. Identify and apply for funding opportunities to secure resources that are specifically available to support people from the vulnerable subpopulations.
4. Develop a targeted initiative program to prevent “new” at-risk individuals from becoming homeless.

OBJECTIVES

San Joaquin Continuum of Care
Report on the
Point in Time Count of the Sheltered and Unsheltered
Homeless

April 22, 2019



Prepared by

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Special Thanks

Jon Mendelson, Executive Director, Ready to Work

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Introduction

The SJCoC found **2,629** homeless individuals living in San Joaquin County: **1,071 sheltered** and **1,558 unsheltered**. Please see the appendices at the end of this report for comprehensive data regarding the results of the 2019 Point in Time Count of the Sheltered and Unsheltered Homeless.

In response to regulatory requirements for communities receiving a variety of funds from the federal Department of Housing and Urban Development (HUD) to address homelessness, the San Joaquin Continuum of Care (SJCoC) conducted a Point-in-Time Count of both sheltered and unsheltered homeless persons during the last week of January 2019. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, adopted by Congress in 2012 to amend the McKinney-Vento Act, requires all CoC-funded projects and all projects funded in whole or in part by Emergency Solutions Grant funds (except for projects whose clientele are solely domestic violence victims) to enter data into a local Homeless Management Information System (HMIS). All such projects within the San Joaquin Continuum of Care enter data regarding those served into the locally administered HMIS, which is primarily how the sheltered count is obtained. Additionally, projects which do not receive these funds and therefore do not participate in the HMIS were asked to contribute point in time count data to this report. The unsheltered count is obtained by engaging volunteers to collect point in time data throughout San Joaquin County through surveys, observations and supportive service events.

The Board of Directors and Membership of the San Joaquin Continuum of Care would like to thank everyone who participated in the 2019 Point in Time Count of the Sheltered and Unsheltered Homeless, without whom this report would not have been possible.



Point in Time Count of the Sheltered Homeless

The “sheltered homeless” population should be understood as “homeless people who have emergency or temporary shelter”: sheltered homeless persons do not have permanent housing, and are considered homeless. Sheltered homeless include those persons living in an emergency shelter or persons assisted by a project deemed to provide transitional housing for homeless persons. The definition of “sheltered homeless” also includes those persons being housed in motels or similar locations through a voucher provided by either a community-based organization or a unit of local government. Under the definitions mandated by HUD, **homelessness does not include persons** moving frequently from one location to another (“couch-surfing”), those who are incarcerated or are in an institutional setting even if homeless upon entry, transient farm workers, persons housed with rental assistance such as Housing Choice Vouchers, or those persons whose housing is provided through San Joaquin County’s General Assistance program.

Data for the 2019 Point in Time Count of the Sheltered Homeless was drawn primarily from the HMIS; in those instances where a provider was not required to enter data in HMIS and was not doing so voluntarily, information for the Sheltered Point in Time Count was gathered through a series of questions regarding the number of households and individuals being served on the day of the count. All identified emergency shelter and transitional housing providers within the CoC contributed the required information for the 2019 Point-in-Time Count through the HMIS.

Analysis: Comparing counts from year to year

Comparing the count from year to year, and drawing conclusions from those numbers, is difficult without understanding the different circumstances surrounding each year’s count — without this context, “apples to apples” comparisons cannot be made. The number and nature of beds available as either emergency shelter or transitional housing changes based on factors such as funding availability and operational changes at the agency level, making year-over-year comparisons difficult without understanding the nature of those changes. For example, agencies with multiple programs often switch how beds are used based on demand; beds at some facilities may not be available during a point-in-time count due to renovations or repairs; the number of beds available may also vary depending on the number of hotel-stay vouchers being issued; bed numbers also change depending on a facility’s capacity to accommodate an overflow of residents.

The sheltered homeless count is primarily drawn from the SJCoC Homeless Management Information System (HMIS). The numbers of people and beds shown below in this report cover all identified programs that provide emergency shelter or transitional housing. While they are included in the count, facilities that only serve victims of domestic violence are prohibited by law from entering data in the HMIS, and reports generated by HMIS do not include that specific population. There are three facilities serving victims of domestic violence with a total capacity of 69 beds. All other emergency shelter programs enter data in HMIS. Approximately 82% of all transitional housing beds report through HMIS; there is one program (66 beds) that does not provide information through HMIS.

As shown below, the number of sheltered homeless in San Joaquin County has fluctuated significantly since 2015. The changes are due in large measure to variations in availability of space described above, along with variations in the availability of prevention assistance.

While some elements of the sheltered population, such as the number of unaccompanied individuals in emergency shelters, has remained relatively stable, the number of households with children in the count has changed substantially during the past three years. In that time period, the number of household with children in transitional housing was dramatically reduced as resources were re-allocated based on changes in federal priorities. Even with the reduction in numbers between 2018 and 2019 (due in large measure to renovations in existing facilities at the time of the count), households with children in emergency shelter situations account for 43% of the entire sheltered population. While this can be attributed in part to changes in policy (for example, housing vouchers issued by San Joaquin County Human Services Agency were changed from once in a lifetime to once every twelve months), the overall increase in homeless households with children during the past three year should be a major concern.

Data: Results from the sheltered homeless count

Below are findings from the 2019 PIT in comparison to the sheltered homeless counts in the previous three years. Charts showing the PIT for sheltered persons in 2019 are presented in the appendices, which includes data from all reporting entities. The basic demographics presented in the appendices are also for the entire sheltered population.

Based on the information collected as part of the PIT, there were a total of 1,295 emergency shelter and transitional beds available at the time of data collection (942 emergency, 353 transitional). The total number of beds is a reduction of 61 emergency shelter beds available and an increase of 26 transitional beds from the previous year).

Total sheltered count

- 2019: 1,071 (4.2% decrease in sheltered population)
- 2018: 1,118 (13.5% increase in sheltered population)
- 2017: 985 (21% decrease in sheltered population)
- 2016: 1,245 (16% increase in sheltered population)
- 2015: 1,173

Households with children in emergency shelters

- 2019: 126 households/458 persons (13% decrease in number of people)
- 2018: 155 households/532 persons (22.5% increase in number of people)
- 2017: 129 households/434 persons (52% increase in numbers of people)
- 2016: 83 households/285 persons (2.5% increase in numbers of people)
- 2015: 81 households/278 persons

Households with only persons under 18 in emergency shelters

- 2019: 4 households/4 persons
- 2018: 3 households/3 persons
- 2017: 6 households/6 persons
- 2016: 4 households/4 persons
- 2015: 7 households/8 persons

Households with no children in emergency shelters

- 2019: 403 households/404 persons (3% increase in numbers of people)
- 2018: 392 households/392 persons (7.7% increase in numbers of people)
- 2017: 364 households/364 persons (15% increase in numbers of people)
- 2016: 317 households/320 persons (6.4% decrease in numbers of people)
- 2015: 342 households/342 persons

Households with children in transitional housing

- 2019: 20 households/57 persons
- 2018: 27 households/81 persons
- 2017: 32 households/83 persons (*83% decrease due to change from transitional beds to rapid re-housing beds*)
- 2016: 144 households/500 persons
- 2015: 129 households/425 persons

Households with only persons under 18 in transitional housing

None

Households with only adults in transitional housing

- 2019: 156 households/171 persons
- 2018: 105 households/110 persons
- 2017: 90 households/98 persons
- 2016: 130 households/136 persons
- 2015: 120 households/120 persons

Homeless Veterans

- 2019: 82 (7.6% of total sheltered, 36 in emergency shelters, 46 in transitional housing)
- 2018: 64 (5.7% of total sheltered, 31 in emergency shelters, 33 in transitional housing)
- 2017: 80 (8.1% of total sheltered, 44 in emergency shelters, 36 in transitional housing)
- 2016: 77 (6.1% of total sheltered, 36 in emergency shelter, 41 in transitional housing)
- 2015: 83 (7% of total sheltered population, 42 in emergency shelter, 41 in transitional housing)

Chronically homeless (NOTE: the designation of "chronically homeless" is based on client response at program intake)

- 2019: 145 sheltered (13.5% of sheltered population)
- 2018: 138 sheltered (12.3% of sheltered population)
- 2017: 130 sheltered (13% of sheltered population)
- 2016: 37 sheltered (3% of sheltered population)
- 2015: 83 sheltered (7% of sheltered population)

Point in Time Count of the Unsheltered Homeless

Executive Summary: A More Accurate Count Through Community Involvement

During the last ten days of January 2019, through a massive volunteer effort including 401 people representing 91 separate organizations, **the San Joaquin Continuum of Care counted 1,558 unsheltered homeless individuals living within the geographic region of San Joaquin County.** Of those, 59% were in Stockton, 14% in Manteca, 10% in Tracy, 9% in Lodi, with the rest scattered around Lathrop, Ripon and Escalon. 100 individuals were found living in the unincorporated parts of San Joaquin County. Data was collected by volunteers surveying or making observations about the unsheltered homeless throughout San Joaquin County. As much as possible, steps were taken to control for data quality issues resulting from human error during data collection. All data is self-reported by the individuals being surveyed.

Totals of unsheltered homeless for each city	
• Stockton:	921
• Manteca:	218
• Tracy:	155
• Lodi:	139
• Lathrop:	14
• Ripon:	7
• Escalon:	4
• Unincorporated County:	100

Other key findings:

- 65% of those counted were male, with 35% female.
- 69% were of Caucasian descent, 20% of African descent, 2% of Asian descent, with 4% identifying as multi-racial and 5% identifying as “Other”.
- 28% were of Hispanic/Latino descent
- 39% identified as “chronically homeless”.
- 87% reported being continuously homeless in San Joaquin County for longer than three months, with 72% reporting one year or more.
- 37% reported having regular income, with all qualifying as “extremely low income”.
- 59% reported a problem with substance abuse.
- 34% reported a mental health issue.
- 30% had a pet.
- 3% were between the ages of 18 and 24.
- 25% were over age 55.

- 5% identified as military veterans.
- 6 children under age 18 were identified, 1 under age 5, from two households surveyed around French Camp.

The last time the San Joaquin Continuum of Care conducted a Point in Time Count of the Unsheltered Homeless was in January of 2017. At that time, 567 unsheltered homeless individuals were counted, utilizing approximately 35 volunteers. While it is widely believed that unsheltered homelessness has trended upward in San Joaquin County over the past two years, the 170% increase in total counted over that period can only reasonably be explained by one thing: an **over 1,000% increase in the number of community members** willing and able to volunteer to count the homeless.

Although achieving a 100% accurate count of the unsheltered homeless would be virtually impossible in a geographic region the size of San Joaquin County, the results of 2019 were, by all accounts from the people who work with the unsheltered homeless on a regular basis and who participated in this year’s Count, an accurate reflection of the actual number of unsheltered homeless individuals typically living in each community. **The San Joaquin Continuum of Care would like to acknowledge and thank everyone** who participated in the 2019 Point in Time Count of the Unsheltered Homeless, without whom it would have been impossible to achieve this level of accuracy.

Totals from previous Point in Time Counts of the Unsheltered Homeless	
• 2017:	567
• 2015:	515
• 2013:	263
• 2011:	247
• 2009:	165
• 2007:	271
• 2005:	511
(NOTE: the 2005 figure included migrant farm workers which was not a part of later counts)	

Although we have a manifestly improved picture of unsheltered homelessness in San Joaquin County following the 2019 Point in Time Count, the data indicates that this picture has changed little in the last two years: much of the unsheltered homeless living in San Joaquin County remain mired in long-term homelessness and face significant individual barriers to obtaining stable housing, including lack of income, lack of recent housing and employment history, criminal history, profound physical and mental health challenges, and struggles with substance abuse.

Meanwhile, local programs and services are overwhelmed with demand, creating systemic barriers to entering stable housing that must be addressed in order to reduce rates of homelessness in the County. According to data from the Homeless Management Information System, emergency shelters

consistently operate above capacity. A lack of public support for the placement of new permanent supportive housing and emergency shelter beds restricts the ability of non-profit housing developers to expand capacity for those essential solutions. The high demand and low availability of rental housing continues to drive up prices exponentially, creating significant market pressures for citizens at all income levels. Rental assistance programs which rely on agreement from local landlords to lease to qualified homeless individuals remain underutilized as listing after listing says “No Section 8”. Individuals exiting incarceration find they have little or no housing options upon release, contributing to higher rates of recidivism within the criminal justice system. Progress made by mental health services staff to stabilize individuals in crisis is frustrated by a lack of housing options for these vulnerable groups, resulting in significant recidivism within that system. Emergency departments in local hospitals throughout San Joaquin County are frequently inundated by homeless patients and lack reasonable options to discharge these patients to safe housing, creating critical capacity issues for already limited health services.

While these essential programs and services are clearly overwhelmed by demand, it is impossible to imagine a local response to homelessness without them. This suggests that **a successful approach to reducing rates of homelessness in San Joaquin County** should:

- Expand emergency shelter capacity through the construction of new low-barrier shelter facilities, particularly in Manteca and Tracy which are the Cities with the second and third highest rates of unsheltered homelessness in San Joaquin County, respectively.
- Expand permanent housing capacity for those with no or extremely low income, and create direct pathways from emergency shelters to alleviate the “bottleneck” within those programs.
- Develop housing with robust support services targeting specific populations experiencing homelessness, such as those with severe physical or mental health issues and substance use disorders.
- Prioritize the development of market-rate rental housing to meet the current demand in San Joaquin County.
- Encourage collaboration between local governments and the San Joaquin Continuum of Care to focus entitlement dollars and other discretionary resources on projects which meet key strategic priorities to reduce rates of homelessness throughout San Joaquin County.
- Develop new project-based housing, and incentivize local landlords to accept housing vouchers, to fully utilize existing rental assistance programs and create capacity for future expansion.

Methodology: What Worked and What We Learned

In 2017 the San Joaquin Continuum of Care employed a census approach through connection events with some limited outreach using approximately 35 volunteers which counted 567 unsheltered homeless individuals. In 2019 a similar but significantly altered approach was employed. With the goal being to achieve the most accurate count of the unsheltered homeless as would have been reasonably possible, the decision was made early on to engage enough volunteers to send out to where the unsheltered homeless live, emphasizing the outreach method over connection events. The reasoning behind this decision was straightforward: in order to count the unsheltered homeless, a much higher level of success can be achieved by going to *them* rather than asking them to come to *us*. Following these discussions it became clear that only through a significant increase in volunteer engagement could an accurate count of the unsheltered homeless be achieved in a geographic region of the size and

complexity of San Joaquin County. Employing a combination of street outreach and connection events would achieve the best possible results, with an emphasis on outreach.

Between April and December 2018, San Joaquin County Program Administrator for Homeless Initiatives Adam Cheshire and Ready to Work Executive Director Jon Mendelson met with and presented to dozens of groups, asking for help with the Count. The positive response was overwhelming, resulting in a staggering **401 volunteers representing 91 distinct organizations.**

In addition to the Stockton Count event which was directly organized by Jon Mendelson and Adam Cheshire and based out of **St. John the Evangelist Episcopal Church**, staff and volunteers led by **Salvation Army Hope Harbor**, the **Manteca Police Department**, and **Tracy Community Connections Center** organized connection events in their respective cities, which was a key component of the Count's success. For the first time, every law enforcement agency in the County participated, including the **Police Departments of all seven incorporated cities, the San Joaquin County Sheriff's Office, San Joaquin County District Attorney's Office, and San Joaquin County Probation.** **All seven members of the Stockton City Council participated, including Mayor Michael Tubbs.** In addition to the Council, numerous **City of Stockton staff led by City Manager Kurt Wilson** volunteered to count. The Housing Authority of the County of San Joaquin provided staff and resources to assist with managing the 187 volunteers participating in the Stockton event.

Broad support was provided by multiple agencies of San Joaquin County, including the development and implementation by **San Joaquin County Information Services Division** of a Geographic Information System Map identifying locations of known homeless encampments around San Joaquin County, using information provided by groups that encounter these encampments on a regular basis such as street outreach teams, fire departments, public works departments and police departments. During the Count, volunteers used the map to travel from a central meeting place directly to where the unsheltered homeless typically congregate, visiting locations of known homeless encampments within eight separate regions around the County. In addition to the map, an online survey was developed by Information Services Division allowing volunteers to submit Point in Time Count surveys via a smart device for the first time.

A new survey was developed with assistance from **San Joaquin Data Co-Op Executive Director Campbell Bulloch and staff**, combining questions essential to collect the data required by HUD with questions of a more local focus, to help the Continuum of Care and the public better understand regional factors contributing to unsheltered homelessness. In addition to survey data, observation data was collected in order to ensure that the homeless who were unwilling or unable to interact with volunteers would also be counted. Although this observation data is inherently limited compared to data which is gathered through conversation with the homeless, it should be noted that a comparison of the survey data and the data collected from observations is a very close match in the data categories of gender, age, race, and ethnicity. Given that more people were interviewed than observed, it is reasonable to conclude that the same percentages shown in the survey data are reflective of the entire unsheltered population, including in self-reported categories such as length of time homeless, mental health, and substance abuse.

Previous to 2019, Point in Time Counts focused exclusively on the four largest Cities in San Joaquin County, leaving a small but significant gap in data regarding unsheltered homelessness outside of those communities. Special effort was taken to ensure that the homeless living in the unincorporated areas of

San Joaquin County were counted, accomplished mainly through the help of **San Joaquin County Sheriff's Office**. Also for the first time, unsheltered homeless individuals were counted in the **Cities of Lathrop, Ripon and Escalon**, primarily through volunteer efforts from those respective police departments. Because of the logistical difficulties in engaging large groups of volunteers outside of the County's main population centers, it is unlikely that an accurate count of the unsheltered homeless in the smaller communities would have been possible without the help of local law enforcement personnel. **The San Joaquin Continuum of Care would like to acknowledge and thank the agencies which volunteered their precious staff time and resources to assist with this crucial effort, and without the expectation of reimbursement for these services.**

Donations of "incentive" items to be given to the homeless to encourage their participation, mainly acquired through a volunteer marketing effort organized by **Timm Quinn and staff at the Greater Stockton Chamber of Commerce**, were inventoried and stored by **Chris Becerra and staff at San Joaquin County Community Development Department** as well as the organizers of connection events in Lodi, Manteca and Tracy. Concurrent with the Stockton event, **Central Valley Low Income Housing Corporation** Executive Director Bill Mendelson and staff organized a connection event at **St. Mary's Dining Room** which included a service provided by the **Department of Motor Vehicles** to give free IDs to the homeless (a service the DMV also graciously provided during the Manteca connection event). Central Valley Housing also purchased at its own expense clipboards and pens for the Count.

A concerted effort was also made by each connection-event organizer to count homeless youth (aged 18-24), which can often be a struggle. In Stockton, Jon Mendelson and Adam Cheshire reached out to CEO Krista Fiser and the staff at **Women's Center – Youth and Family Services** for help. Using experience and information gathered from their ongoing efforts to engage homeless youth through street outreach, Women's Center staff were able to count a significant portion of the unsheltered youth.

Although the results of the Unsheltered Count were improved over past efforts, some lessons learned should be considered for the next Point in Time Unsheltered Count effort. Due to a transition happening within the San Joaquin Continuum of Care in 2018, the County-wide planning and organization for the effort was handled primarily by just two individuals representing the San Joaquin Continuum of Care, who were in large part devoted to organizing the Stockton effort. The willingness, resourcefulness, dedication and enthusiasm of the local organizers of connection events in Lodi, Manteca and Tracy were invaluable to filling the gaps and accomplishing the goals of the Count, and cannot be overstated. Now that the transition has essentially completed, the Continuum should have greater resources to devote to the next Count to support local organizers. Just four days prior to the Stockton Count, Stockton Police engaged in several encampment clean-ups around the City, which resulted in reports from Count volunteers of arriving in areas known to have high concentrations of unsheltered homeless only to find no one to count. Acknowledging the clear need for local jurisdictions to engage in clean-up efforts as a matter of public health and safety, those efforts are counter-productive to an accurate count of the unsheltered homeless and should be suspended if at all possible in the days leading up to the count. The massive increase in the number of volunteers, particularly in Stockton where 187 individuals arrived at 6am at St. John's Church, presented significant logistical challenges to ensure that volunteer time was not wasted. While this did not detract from achieving the desired result of a more accurate count, these challenges could have been better addressed by engaging a greater number of staff to coordinate volunteers on the day of the Count. Another method for simplifying the process of volunteer engagement would be to devote more resources to creating team

assignments prior to the Count event. While there was some effort to accomplish this for the Count and connection events, it can be challenging on this scale using a volunteer-only group.

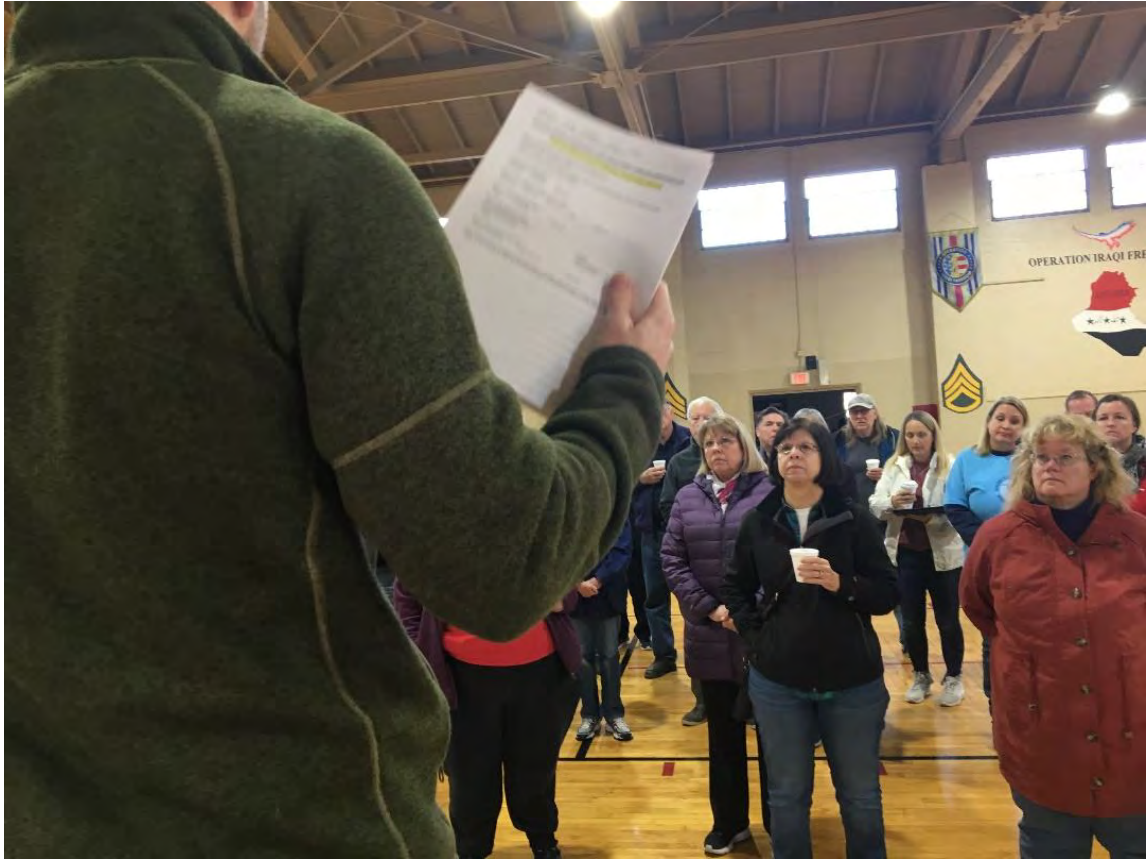
Analysis and Conclusions: A Regional Picture of Unsheltered Homelessness

The numbers of people living unsheltered throughout San Joaquin County illustrates the integral importance of regional solutions. While programs that include robust wraparound services are essential to addressing the individualized nature of homelessness, there are systemic issues contributing to unsheltered homelessness which will require a much greater level of community investment to solve. Cooperation between local governments, private business and non-profit organizations will be essential to finding long-lasting solutions to what is perhaps the most complex and intractable problem of our generation. In particular, the persistent lack of adequate affordable housing across San Joaquin County will continue to frustrate visible reductions in the region's highest-needs unsheltered homeless groups and contribute to multiple quality of life issues for our citizens unless local communities begin working together across jurisdictions and at the highest levels of leadership to alleviate the significant political and economic barriers to housing solutions that have resulted in the current crisis.

One striking conclusion from the data collected for the 2019 Point in Time Count of the Unsheltered Homeless is the need for the expansion of emergency shelter, in particular in communities which currently have no such facilities. Although Stockton has by far the most unsheltered homeless living in and around the City, as expected considering the large total population and extraordinary economic challenges it has faced over the last decade or more, Manteca and Tracy have the second and third highest totals of unsheltered homeless, respectively. Of the four large cities of San Joaquin County, Lodi has the lowest rate of homelessness by population and also the only emergency shelter outside of Stockton which accepts singles, further illuminating the need for low-barrier emergency shelter in communities with more than a nominal issue with homelessness. While regional approaches to solving entrenched systemic problems of housing, employment and services delivery will require participation from every jurisdiction, those approaches must by necessity start with local solutions such as the development of emergency shelters and the creation of new units of permanent housing for extremely low income groups living within those communities.

The problem of unsheltered homelessness in San Joaquin County contributes to issues of blight, public health and safety, and strains local economies. Efforts to "clean up" homeless encampments, while an important component of a broader solution, will not result in a reduction in rates of unsheltered homelessness without a significant expansion of housing options at all levels, from emergency shelter to permanent supportive housing to market-rate multi-family housing. Solving homelessness for this relatively small but extremely high-needs group will require systemic solutions designed to relieve the pressures of extreme poverty and barriers to housing, creating space for each individual to address the issues within their own lives that create barriers to sustaining independent ongoing permanent housing.

The overwhelming response from the dozens and dozens of organizations contributing hundreds of volunteers to the 2019 Point in Time Count of the Unsheltered Homeless was unprecedented in the history of this effort. For San Joaquin County, the immense challenges associated with reducing homelessness during this housing crisis will require unprecedented cooperation. The support local communities provided to the San Joaquin Continuum of Care in accomplishing this critical component of understanding unsheltered homelessness in our region sets the example for how we will work together to solve an issue which is amongst the most complex and multi-faceted that we face today.



Appendix A: Demographic Data

Persons in Households with at least one Adult and one Child

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Total Number of Households	126	20	2	148
Total Number of persons (Adults & Children)	458	57	10	525
Number of Persons (under age 18)	295	35	6	336
Number of Persons (18 - 24)	30	4	0	34
Number of Persons (over age 24)	133	18	4	155

Gender (adults and children)	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Female	285	40	6	331
Male	172	17	4	193
Transgender	1	0	0	1

Ethnicity (adults and children)	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Non-Hispanic/Non-Latino	287	46	6	339
Hispanic/Latino	171	11	4	186

Race (adults and children)	Sheltered		Unsheltered	Total
	Emergency	Transitional		
White	204	34	5	243
Black or African-American	190	12	0	202

Asian	4	0
American Indian or Alaska Native	5	0
Native Hawaiian or Other Pacific Islander	12	3
Multiple Races	43	8

0	4
0	5
5	20
0	51

Persons in Households with only Children

	Sheltered	
	Emergency	Transitional
Total Number of Households	4	0
Total Number of children (under age 18)	4	0

Unsheltered	Total
0	4
0	4

Gender (adults and children)	Sheltered	
	Emergency	Transitional
Female	2	0
Male	2	0
Transgender	0	0

Unsheltered	Total
0	2
0	2
0	0

Ethnicity (adults and children)	Sheltered	
	Emergency	Transitional
Non-Hispanic/Non-Latino	2	0
Hispanic/Latino	2	0

Unsheltered	Total
0	2
0	2

Race (adults and children)	Sheltered	
	Emergency	Transitional
White	2	0
Black or African-American	2	0

Unsheltered	Total
0	2
0	2

Asian	0	0	0	0
American Indian or Alaska Native	0	0	0	0
Native Hawaiian or Other Pacific Islander	0	0	0	0
Multiple Races	0	0	0	0

Persons in Households without Children

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Total Number of Households	380	156	0	1532	2043
Total Number of persons (Adults)	381	171	0	1548	2075
Number of Persons (18 - 24)	18	8	0	88	114
Number of Persons (over age 24)	363	163	0	1460	1961

Gender (adults and children)

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Female	90	39	0	506	628
Male	290	131	0	1042	1445
Transgender	1	1	0	0	2

Ethnicity (adults and children)

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Non-Hispanic/Non-Latino	272	109	0	1098	1461
Hispanic/Latino	109	62	0	450	614

Race (adults and children)	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
White	237	129	0	1104	1447
Black or African-American	108	33	0	321	460
Asian	21	3	0	34	58
American Indian or Alaska Native	4	1	0	18	23
Native Hawaiian or Other Pacific Islander	5	2	0	18	25
Multiple Races	6	3	0	53	62

Veteran Data

Persons in Households with at least one Adult and one Child

	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Total Number of Households	2	0	0	2
Total Number of Persons	8	0	0	8
Total Number of Veterans	2	0	0	2

Gender (veterans only)	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Female	1	0	0	1
Male	1	0	0	1
Transgender	0	0	0	0

Ethnicity (veterans only)	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Non-Hispanic/Non-Latino	1	0	0	1
Hispanic/Latino	1	0	0	1

Race (veterans only)	Sheltered		Unsheltered	Total
	Emergency	Transitional		
White	2	0	0	2
Black or African-American	0	0	0	0
Asian	0	0	0	0
American Indian or Alaska Native	0	0	0	0
Native Hawaiian or Other Pacific Islander	0	0	0	0
Multiple Races	0	0	0	0

Persons in Households without Children

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Total Number of Households	34	46	0	71	151
Total Number of Persons	34	46	0	71	151
Total Number of Veterans	34	46	0	71	151

Gender (veterans only)	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Female	2	0	0	10	12
Male	32	45	0	61	138
Transgender	0	1	0	0	1

Ethnicity (veterans only)	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Non-Hispanic/Non-Latino	30	38	0	59	127
Hispanic/Latino	4	8	0	12	24

Race (veterans only)	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
White	16	29	0	46	91
Black or African-American	17	13	0	18	43
Asian	1	1	0	4	6
American Indian or Alaska Native	0	1	0	0	1
Native Hawaiian or Other Pacific Islander	0	0	0	0	0
Multiple Races	0	2	0	3	5

Total Households and Persons

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Total Number of Households	510	175	0	1534	2220
Total Number of Persons	843	228	0	1558	2629
Total Number of Veterans	36	46	0	71	153

Gender

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Female	375	79	0	512	966
Male	466	148	0	1046	1660
Transgender (male to female)	2	1	0	0	3
Transgender (female to male)	0	0	0	0	0

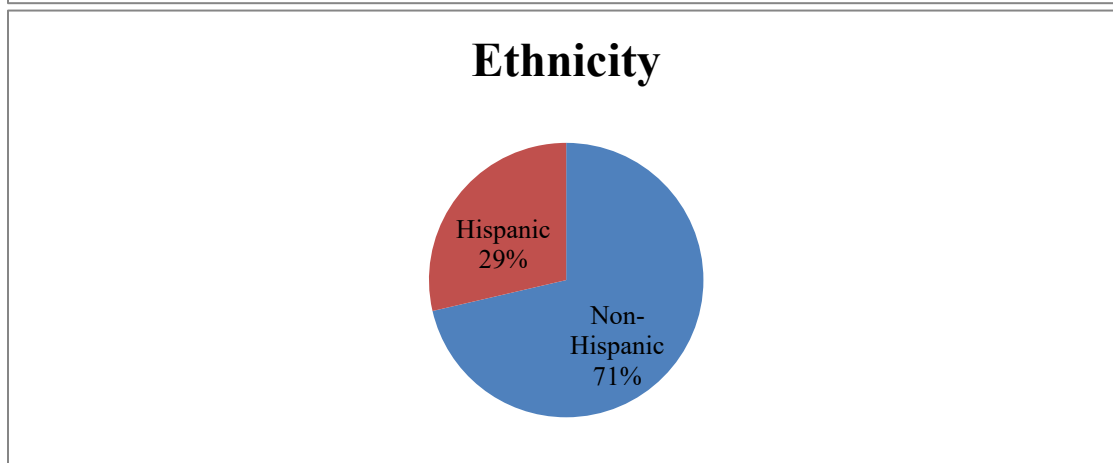
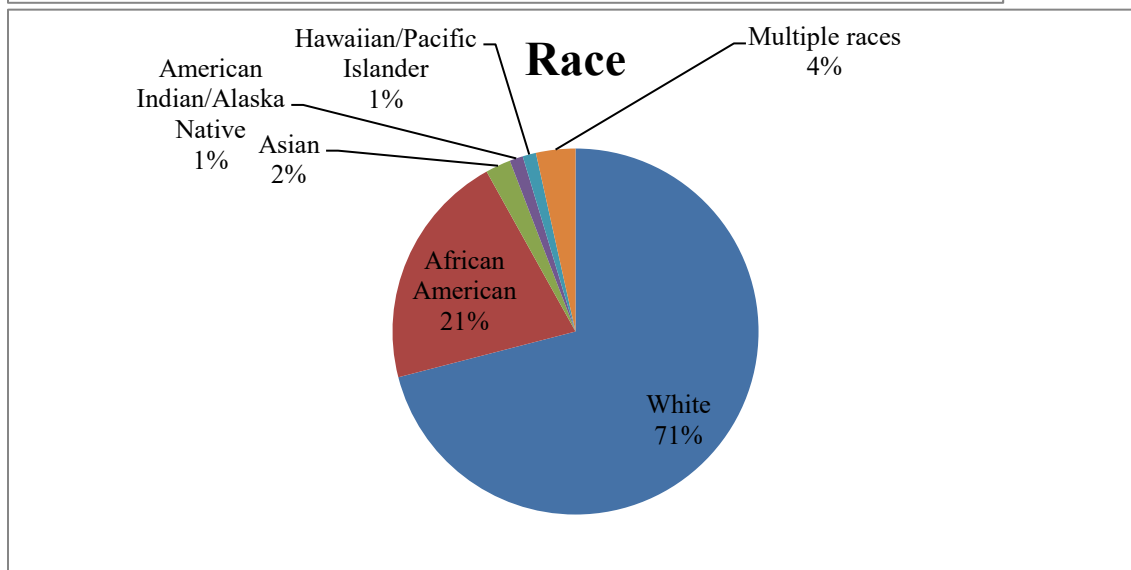
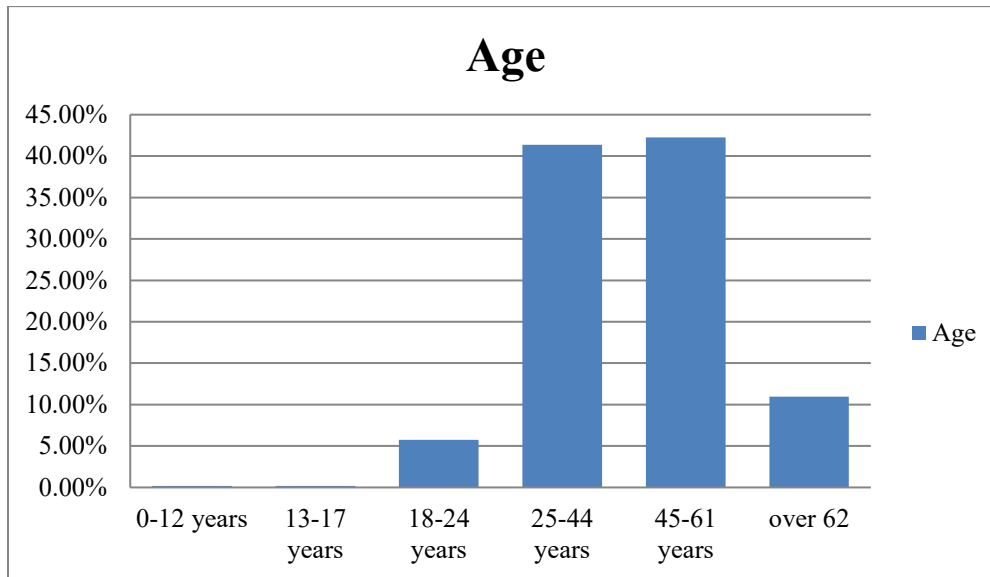
Ethnicity

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Non-Hispanic/Non-Latino	561	155	0	1104	1820
Hispanic/Latino	282	73	0	454	809

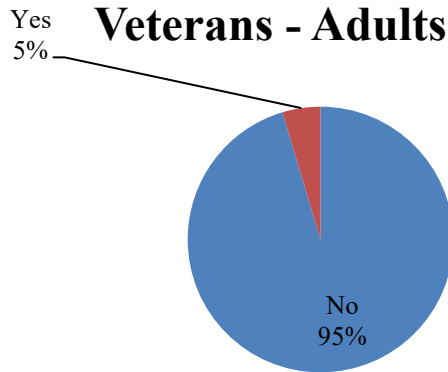
Race

	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
White	443	16	0	1109	1715
Black or African- American	300	45	0	321	666
Asian	25	3	0	34	62
American Indian or Alaska Native	9	1	0	18	28
Native Hawaiian or Other Pacific Islander	17	5	0	23	45

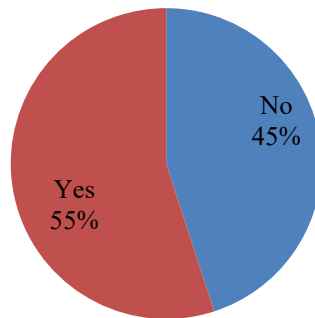
Appendix B: Infographics – unsheltered only



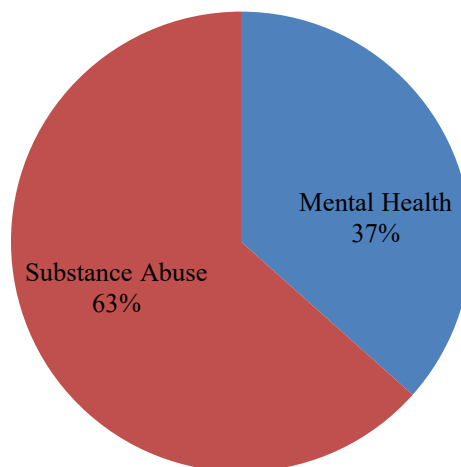
Veterans - Adults only



Disability or barrier - Adults



Type of Disability*



NOTE: As part of the unsheltered surveys, only self-reported data on persons with mental health issues and/or substance abuse issues was collected.

Appendix C: Contributing Organizations

Americorps

Bags of Hope

Breakthrough Project for Social Justice

Builders Industry Association

California Department of Motor Vehicles

Calvary Living Well Ministries

Care Link

Catholic Charities of the Diocese of Stockton

Central Valley Low Income Housing Corporation

City of Escalon

City of Lathrop

City of Lodi

City of Manteca

City of Ripon

City of Stockton

City of Tracy

Civic Pride Independent Academy

Community Medical Centers

County of San Joaquin

Delta Humane Society

Disabled American Veterans Charities of San Joaquin County

Downtown Stockton Alliance

Episcopal Church of St. John the Baptist

Family Promise of San Joaquin County
Gleason House
Golden Valley Health Centers
Gospel Center Rescue Mission
Grace Point Church
Grace Presbyterian Church
Gravity Church
Greater Stockton Chamber of Commerce
Haven of Peace
Hope Family Shelters
Housing Authority of the County of San Joaquin
HUB
Inner City Action
Knights of Columbus
League of Women Voters of San Joaquin County
Lodi Committee on Homelessness
Lodi Community Foundation
Lot of Love and Giving
Love, Inc.
Lutheran Social Services
Manteca Gospel Rescue Mission
Manteca Unified School District
Ready to Work
Refuge Church

Ripon Police Department
Rotary Club of North Stockton
Rotary Club of Stockton
Salvation Army
San Joaquin Community Data Co-Op
San Joaquin Regional Transit District
San Joaquin Valley Veterans
Second Harvest
Showered with Love
St. Anne's Church
St. John the Evangelist Episcopal Church
St. Joseph's Medical Center
St. Mary's Dining Room
St. Paul Lutheran Church
STAND
Stockton Fire Department
Stockton Host Lion's Club
Stockton Shelter for the Homeless
The Office of Senator Cathleen Galgiani
Tracy Community Connections Center
Tracy Interfaith Ministries
U.S. Department of Housing and Urban Development
U.S. Department of Veteran Affairs
United Veterans Council of San Joaquin County

United Way of San Joaquin County
Venture Academy
Westcare
Women's Center Youth and Family Services

THANK YOU!



Appendix D: Unsheltered Survey/Observation Tool

2019 SAN JOAQUIN CONTINUUM OF CARE UNSHELTERED HOMELESS SURVEY

If you are unable to survey an individual, use observation tool on reverse side

Introduction: Hi, my name is _____, and I'd like to ask you a few questions that will help us count the number of homeless people in San Joaquin County and provide more services to those who are homeless. This survey is voluntary and all personal information shared will be kept confidential and will not be shared with law enforcement.

1: Where did you sleep last night? *If the answer is any of the following, continue the survey, otherwise thank them and go to the next person:* Street, park, under a bridge, by the river, any open space, in a car/camper, in a tent, abandoned building, any place not meant for human habitation.

2. Name: _____ **DoB** _____ M F T(M to F) T(F to M)

3. Social Security number last four digits _____ Gender non-conforming

4. Have you served in the U.S. Armed Forces (Army, Navy, Marines, Air Force, Coast Guard, National Guard, Reserves, etc.)? Yes No

5. What racial group do you identify with? (check all that apply)

American Indian/Alaska Native

Asian

Black/African American

Native Hawaiian/Pacific Islander

White

Declines to answer

Are you Hispanic/Latino(a)?

Yes No

6. Did you stay with a family member last night? Yes No

If Yes, is this person(s) with you today?

Yes No

Would you please share their name(s)? _____

What is their relationship to you? _____

7. Did you have any children under 18 with you last night? Yes No

If Yes, how many children under 18 were there? _____

8. Did you have any pets with you last night? Yes No How many? _____

9. How long has it been since you lived in an apartment or house? _____

10. How many times have you been homeless in the past three years? _____

11. How long have you been homeless in this city / part of the county? _____

12. Have you ever abused drugs or alcohol, or been told you do? Yes No

13. Have you ever had treatment for a mental health problem? Yes No

14. Do you have regular access to medical care? Yes No

15. Do you have any income from the following sources? (check all that apply)

- Regular full or part-time job Social Security (SSI, SSA)
Disability (State or Federal) Veteran's Pension Other: _____

2019 SAN JOAQUIN CONTINUUM OF CARE UNSHELTERED HOMELESS OBSERVATION TOOL

If you are unable to survey an individual, use this observation tool

Please indicate why you are using the observation tool:

- Unable to enter a location or site
Cannot conduct a survey (person refused to answer questions, language barrier, or other challenges)
You do not wish to disturb people sleeping

Is this person homeless?

- Definitely Possibly Not Sure

What is your estimate of this person's age?

- Under 18 18 – 34 35 – 65 65+ Not sure

What is this person's gender?

- Male Female Not Sure

What is this person's race?

- American Indian/Alaska Native Asian
Black/African American Native Hawaiian/Pacific Islander
White Not sure/Other: _____

What is this person's ethnicity?

- Hispanic/Latino(a) Non-Hispanic Not Sure

Other information or identifying characteristics (if possible, please include clothing, hats, accessories, any military or other emblems, other physical characteristics or conditions like tattoos, scars, braces, casts, etc.):

AGENDA ITEM 3.D

REQUEST

APPROVE 2021-2023 MULTI-YEAR AND SHORT-TERM STRATEGIC PRIORITIES, AND WORKPLAN, AND PROVIDE DIRECTION TO STAFF, AND ACCEPT CITY COUNCIL WORKSHOP REPORT AS JANUARY 5, 12, AND 14, 2021 SPECIAL MEETING MINUTES

EXECUTIVE SUMMARY

In January 2021, the Tracy City Council held a series of Special Meeting workshops to discuss the topics of City Governance, Fiscal Sustainability, and Strategic Priorities. The workshops were held on January 5, 12, and 14, 2021; the first workshop was held at the Grand Theatre in Downtown Tracy and the remaining two were held in the City Council Chambers. The workshops were facilitated by Nancy Hetrick, Vice President with Management Partners, assisted by Rod Gould, Partner; Steve Toler, Partner; and Claire Coleman, Senior Management Analyst. The attached Council Workshop Report summarizes each workshop discussion, including activities and outcomes.

DISCUSSION

The City of Tracy held three Council workshops on January 5, 12, and 14, 2021 facilitated by Management Partners, a management consulting firm. All members of the City Council, City Manager Jenny Haruyama, and City Attorney Leticia Ramirez were present at all three workshops; Department Heads participated virtually.

The first of three workshops was held on January 5 at The Grand Theatre in Downtown Tracy, which focused on teambuilding, developing Council norms, and understanding effective governance practices for elected officials, including the Council-City Manager form of government and staff partnerships.

The second workshop was held on January 12 and focused on the City's financial forecast and established budget principles. Consultants from Management Partners presented a 10-year financial forecast, reflecting the City's current and projected fiscal health and recommended budget principles developed by staff and the Council Ad Hoc Fiscal Sustainability Committee.

The third workshop was held on January 14 where the Council discussed Council norms, reviewed past accomplishments related to the Council's strategic goal areas, and established its top priorities for the next 12-18 months.

Attached is a Council Workshop report summarizing the discussions, activities and outcomes for the January 5, 12, and 14, 2021 workshops (Attachment "A").

Priority Setting Framework

The priority-setting discussion was grounded on the idea that it is important to keep the long-term view in focus while establishing what can be reasonably accomplished in the short-term. Council defined short-term and multi-year priorities as the following:

Short-term priorities are defined as:

- Initiatives that are expected to be completed within the next 12-18 months and have been identified as a top priority.

Multi-year priorities are defined as:

- Major initiatives that will require ongoing attention and action but that are not likely to be completed within the next 12-18 months.

As a starting point, potential priorities were organized into the same four Strategic Priority categories used previously and reflected a combination of “continuing items” and new items generated from input received prior to the workshop. The Strategic Priority areas include:

- Economic Development
 - ✓ To enhance the competitiveness of the City while further developing a strong and diverse economic base.
- Governance
 - ✓ To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.
- Public Safety
 - ✓ To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.
- Quality of Life
 - ✓ To provide an outstanding quality of life by enhancing the City’s amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

Multi-Year and Short Term Priorities

The table below presents the multi-year goals affirmed by Council during the workshop together with short-term priorities that will receive time and attention over the next 12 to 18 months. The short-term priorities that are included below are a combination of continuing efforts and new priorities discussed during workshop.

Also attached for Council is a recommended Strategic Priorities Workplan, outlining the estimated timeframe for completion of the key objectives related to each goal area (Attachment “B”).

2021-2023 STRATEGIC PRIORITIES WORKPLAN

Governance

To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.

Multi-Year Priorities	Short-Term Priorities
Model good governance, teamwork, and transparency.	<ol style="list-style-type: none"> 1. Evaluate City advisory bodies' scope and policy framework and provide recommendations to Council. 2. Conduct Advisory Bodies Code of Conduct Training. 3. Identify Council public service announcement opportunities within available budget.
Ensure short and long-term fiscal health.	<ol style="list-style-type: none"> 1. Develop and provide policy recommendations to balance the City's budget. 2. Adopt Council Budget Principles. 3. Develop a Financial Sustainability Plan to address long-term fiscal challenges. 4. Update City Purchasing Policy. 5. Develop City Grant Policy. 6. Complete Rate and Fee Studies: Solid Waste, Wastewater, Citywide, Core Fees, Master Impact Fees. 7. Initiate Cost Allocation Study; create replacement schedules for Vehicle and Equipment; building maintenance; Information Technology. 8. Develop long-term funding options for City Services, including but not limited to road and park maintenance and replacement (City, LMD, and CFD). 9. Develop funding plan for fire station construction. 10. Continue implementation of Fiscal Sustainability Plan

<p>Increase Public Awareness around City finances and other civic matters.</p>	<ol style="list-style-type: none"> 1. Conduct informational, virtual Council/Community Workshops. 2. Partner with local community organizations to showcase City services. 3. Develop and implement public service announcements via the City's social media platforms.
<p>Enhance community engagement through technology.</p>	<ol style="list-style-type: none"> 1. Conduct National Community Survey (NCS) to better assess community priorities. 2. Implement new City website content management system (CMS).

Public Safety

To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.

<p>Multi-Year Priorities</p>	<p>Short-Term Priorities</p>
<p>Implement the Adopted Homelessness Strategic Plan.</p>	<ol style="list-style-type: none"> 1. Secure capital funding to construct a Temporary Emergency Housing Facility (Arbor Rd Project). 2. Secure ongoing funding to operate the facility. 3. Partner and contract with shelter service providers to operate the facility. 4. Coordinate/facilitate regular meeting with local homeless service providers to better deliver homeless/social services to the community. 5. Identify local, state, and federal funding opportunities to continue to address homeless support services during the COVID-19 pandemic.
<p>Strengthen Citywide Emergency Operations Preparedness.</p>	<ol style="list-style-type: none"> 1. Develop a Citywide Emergency Operations Plan, including Council and staff training and a local pandemic response plan.

<p>Continue to strengthen community safety through crime prevention reduction activities.</p>	<ol style="list-style-type: none"> 1. Continue to enhance and implement the use of technology (such as social media, stationary cameras, drones, and crime analytics) to generate evidence based intelligence to enhance enforcement efforts.
<p>Partner with the South San Joaquin County Fire Authority (SSJCFA) to Complete Phase 2 of the Personnel Transition Plan.</p>	<ol style="list-style-type: none"> 1. Complete and Present Fiscal Analysis of the SSJCFA Personnel Transition Plan (Phase 2) to Council. 2. Coordinate with SSJCFA to present the Personnel Transition Plan (Phase 2) to Council.
<p>Implement Equity and Empowerment Strategies/Initiatives.</p>	<ol style="list-style-type: none"> 1. Continue supporting policies and best practices that prevent police violence, as referenced in the approved Tracy Equity and Empowerment Initiative. 2. Continue to participate in training opportunities focused on fairness in policing, de-escalation strategies, implicit bias, cultural competency, and officer wellness. 3. Present use of force data to Council through the Tracy Police Department Annual Report and publish online for public viewing.
<p>Support COVID-19 public health recovery.</p>	<ol style="list-style-type: none"> 1. Coordinate with the San Joaquin County Public Health Department and Office of Emergency Services to implement and manage a Vaccination Plan in Tracy.

Economic Development

To enhance the competitiveness of the City while further developing a strong and diverse economic base.

<p>Multi-Year Priorities</p>	<p>Short-Term Priorities</p>
<p>Continue to Support Valley Link.</p>	<ol style="list-style-type: none"> 1. Respond and provide feedback on the Valley Link Environmental Impact Report (EIR). 2. Maintain quarterly contact with Valley Link Executive Director.

	<ol style="list-style-type: none"> 3. Rezone industrial land on 3rd Street near the downtown bowtie area for residential development. 4. Continue lobbying efforts at the State and Federal level in support of funding for Valley Link. 5. Participate in Valley Link board meetings.
<p>Continue to Advance Transient Oriented Development (TOD) opportunities.</p>	<ol style="list-style-type: none"> 1. Approve Scope of Work to begin Transit Oriented Development (TOD) Plan. 2. Conduct TOD Stakeholder and community outreach meetings. 3. Draft land use conceptual plans and alternatives. 4. Conduct market and fiscal analyses. 5. Draft TOD Specific Plan. 6. Prepare Administrative Draft Environmental Impact Report.
<p>Attract businesses and jobs that meet the needs and desires of the community.</p>	<ol style="list-style-type: none"> 1. Conduct Council workshop on the City's Economic Development efforts and strategies. 2. Develop FY 21-23 Economic Development Strategic Plan. 3. Update the City's retail and industrial business attraction list. 4. Develop and implement a marketing campaign to attract specific businesses and industries. 5. Promote the City at trade shows and industry events (post pandemic).
<p>Support local businesses impacted by COVID.</p>	<ol style="list-style-type: none"> 1. Support local businesses and streamline the process for businesses to reopen in accordance with public health regulations. 2. Coordinate with the Tracy Chamber of Commerce and Tracy City Center Association (TCCA) to develop and implement a "Shop Tracy" marketing and outreach campaign.

	<ol style="list-style-type: none"> 3. Administer remaining funds for the Small Business Relief Grant Program and other small business loans. 4. Coordinate a roundtable discussion and response to industry needs. 5. Award FY 2021-22 Community Development Block Grant funding. 6. Implement FY 2021-22 Community Development Block Grant funding.
<p>Develop policies to target new jobs in innovative industries (e.g., cannabis; green industry).</p>	<ol style="list-style-type: none"> 1. Complete issuance of cannabis business permits. 2. Complete Conditional Use Permit processes for cannabis Business Permit holders. 3. Initiate second round of Cannabis Business Permits. 4. Identify and market industrial properties attractive to Electric Vehicle (EV) testing and development. 5. Initiate marketing for enhancement of the green economy cluster and develop strategies for business growth and attraction. 6. Rezone and complete environmental review for the Chrisman Road property to attract innovation industry tenants.
<p>Pursue Smart Growth strategies for balanced growth in the City of Tracy.</p>	<ol style="list-style-type: none"> 1. Conduct Council workshop on residential growth management. 2. Conduct Council workshop on General Plan Land Use and Circulation Elements, and the Transportation Master Plan. 3. Rezone Tracy Gateway property for mix of land uses to attract businesses, future hospital, range of residential, and various types of assisted and independent/senior housing. 4. Pursue zoning ordinance amendments to increase residential densities.

Quality of Life

To provide an outstanding quality of life by enhancing the City’s amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

Multi-Year Priorities	Short-Term Priorities
<p>Advance green and roadway infrastructure projects that improve connectivity, including bike lanes.</p>	<ol style="list-style-type: none"> 1. Complete PCI Road Condition study. 2. Continue Corral Hollow Road Widening Project between Park Side Drive and Linne Road: <ol style="list-style-type: none"> a. Complete acquisition of Rights of Way. b. Complete design. c. Advertise for construction bids. d. Award construction contract. e. Start construction. f. Complete construction. 3. Complete Phase 2B Wastewater Treatment Plant Expansion: <ol style="list-style-type: none"> a. Advertise for construction bids. b. Award construction contract. c. Start construction. d. Complete construction. 4. Adopt new Citywide Infrastructure Master Plans. 5. Include green technologies in infrastructure solutions (e.g. roundabouts, dual use of storm drain facilities, traffic signal coordination).
<p>Facilitate the completion of Measure V amenities.</p>	<ol style="list-style-type: none"> 1. Revisit Measure V amenities planning (e.g., aquatics center, multi-generational gymnasium, legacy fields). 2. Advance Measure V amenity planning. 3. Implement design of Measure V amenity. 4. Break ground on Measure V amenity.
<p>Provide City programming and events that bolster quality of life.</p>	<ol style="list-style-type: none"> 1. Reinstigate special events, Parks & Recreation, and Cultural Arts programming in alignment with Public Health guidelines.

	<ol style="list-style-type: none"> 2. Reinstitute special events, Parks & Recreation, and Cultural Arts programming to pre-COVID levels.
<p>Implement affordable housing initiatives.</p>	<ol style="list-style-type: none"> 1. Facilitate the development of affordable housing via affordable housing-focused policies and initiatives. 2. Pursue, encourage, and incentivize non-profit affordable housing developers to build in Tracy. 3. Approve Scope of Work to begin Council identified workforce/affordable housing policy changes. 4. Streamline multi-family permit process by removing requirements for Conditional Use Permits. 5. Amend Accessory Dwelling Unit (ADU) ordinance and develop "off-the shelf" ADU example designs. 6. Amend parking requirements for multi-family developments. 7. Amend zoning ordinance development standards. 8. Evaluate amendments to the Growth Management Ordinance (GMO).

Upon review and discussion of the strategic priorities, Council should consider adopting the attached resolution approving the 2021-2023 strategic priorities and workplan (Attachment D).

FISCAL IMPACT

Priority items will be addressed as part of the FY 2021/22 budget development process.

RECOMMENDATION

It is recommended that Council consider and take the following actions:

1. Adopt Resolution Approving 2021-2023 Multi-Year and Short-Term Priorities and Workplan and Provide Direction To Staff.

2. Accept City Council Workshop Report as the January 5, 12, and 14, 2021 Special Meeting Minutes.

Prepared/Approved by: Jennifer D. Haruyama, City Manager

ATTACHMENTS

A – January 5, 12, and 14, 2021 City Council Workshop Report

B – 2021-2023 Strategic Priorities Workplan



City of Tracy
City Council Workshop
Held January 5, 12, and 14, 2021

January 2021

ATTACHMENT A

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Workshop Series Overview

The City of Tracy held a series of three Council workshops on January 5, 12, and 14. Nancy Hetrick, Vice President with Management Partners, facilitated the workshops, assisted by Rod Gould, Partner; Steve Toler, Partner; and Claire Coleman, Senior Management Analyst.

All members of the City Council, City Manager Jenny Haruyama, and City Attorney Leticia Ramirez participated in all three workshops.

Workshop Preparation. In preparation for the workshop, Nancy held individual interviews with each Council member and conferred with the City Manager to discuss the workshop. An agenda, handouts, and slide deck were prepared for each workshop.

City Council



From Left to Right:

Council Member Mateo Bedolla, Mayor Pro Tem Veronica Vargas, Mayor Nancy Young, Council Member Dan Arriola, and Council Member Eleassia Davis.

January 5 Workshop

On January 5, Nancy Hetrick and Rod Gould facilitated the first of the three workshops with the City Council. The workshop focused on teambuilding and developing Council norms. The full slide deck from the workshop is available for review in Attachment A.

Workshop Overview

Objectives

- Teambuilding and understanding individual motivations and priorities
- Establishing Council norms for working together and with staff on behalf of the community
- Clarifying roles
- Setting the foundation for a positive working relationship and productive year

Workshop Ground Rules. At the start of the workshop, the facilitators suggested several ground rules to help the group have a successful workshop.

- Listen to understand
- Participate
- Stay focused
- Assume good intent
- Seek consensus
- Speak up if we need a course correction

Bike Rack. The facilitator explained that items that were raised but would not receive immediate attention would be recorded on a “bike rack.”

Opening Comments

The workshop began with a call to order and a welcome by Mayor Young, who then opened the session for public comments.

Council Service and Teamwork

Council reflected on the following questions to get to know each other and understand more about each person’s service to Tracy.

- What inspired you to serve on the City Council?
- Think of a time when you were on a high- performing team. What made it successful? How did it make you feel?
- How would you like the community to view this City Council?
- How would you like Tracy to be different four years from now as a result of this Council’s service?

Effective Practices for Elected Officials

City of Tracy Code of Conduct Overview. City Manager Jenny Haruyama and City Attorney Leticia Ramirez reviewed highlights from the City's code of conduct.

- Council-Manager Form of Government
- Council Powers/Responsibilities
- Legal and Ethics Standards
- Code of Conduct Enforcement
- Council Communications
- Advisory Bodies/Norms and Values Statement

Next, Rod presented factors of good governance and attributes of high-performing councils.

Good Governance Is About...



Building relationships through:

- Effective leadership by the Mayor and Council
- Responsive management and leadership by the City Manager
- Meaningful communication that is honest, direct, respectful, proactive
- Understanding roles and fulfilling expectations
- Fostering mutual respect and building trust
- Ethics



Attributes of High-Performing Councils

- Commit to True Partnerships among Members, City Manager and Staff
- Exhibit Clarity and Respect for Roles and Responsibilities
- Demonstrate Civility and Respect for All
- Conduct Effective Meetings
- Hold Themselves and the City Manager Accountable
- Practice Continuous Learning



Rod presented a series of slides about communication, teamwork, and preparation. The full slides are available in Attachment A.

Teamwork. He noted key aspects of effective teamwork on Council and the importance of becoming an expert at small group decision making. Rod noted

ATTACHMENT A

the importance of patience, respect, and compromise as elements of teamwork, and to put the community first in all matters.

Communication. Rod highlighted that it is key for Council to focus on outcomes and separate people from the problem. He noted that Council members should aim to be focused, direct, clear, and brief in their comments.

Preparation. Rod discussed the importance of Council to doing their homework and be prepared, including reading agenda materials and asking questions in advance of the City Manager and City Attorney.

Discussion of Council Norms

Norms are a set of agreed upon behaviors established help the Council be most effective as a policy group and set the tone for City Councils.

Nancy reviewed the list of existing Tracy City Council norms as a starting point for discussion, then shared the results of the Council self-assessment survey including the following comments:

We do our best work as a Council when we...

- Focus on conducting the City's business
- Focus on the business at hand and not on each other
- Trust and believe that people are acting on best intentions

We could improve as a Council in the following area...

- Supporting the goals of the whole instead of inserting our own agendas
- Trust
- Collaborating and understanding each other, relationship building among Council members

Council members discussed the existing norms and what elements should continue, what could be improved, and which norms the Council can commit to. In the interest of time, the group agreed to revisit the set of norms during its third workshop. The final set of norms affirmed by Council are included on page 10 of this report.

Discussion of Roles

After a brief break, Rod reviewed the Council-Manager form of government and provided an overview of the basic roles of City Attorney, City Manager, Council, and Mayor.



Next Steps and Wrap Up

The workshop concluded with discussion of key take-aways, which included optimism about “Team Tracy,” a shared belief that all will perform their roles with good intent, and an appreciation for the shared learning and attention paid throughout the session.

January 12 Workshop

On January 12, Nancy Hetrick and Steve Toler facilitated the second of the three workshops with the City Council. The workshop focused on the City's financial forecast and established budget principles. The full slide deck from the workshop is available for review in Attachment B.

Workshop Overview

Objectives

- Develop shared understanding about the City's financial position
- Review potential budget principles and an approach to achieving financial sustainability

Agenda

- Opening Comments and Workshop Overview
- City's Financial Forecast and Model Demo
- Proposed Budget Principles
- Wrap Up and Next Steps

Workshop Ground Rules. At the start of the workshop, the facilitator reiterated the ground rules of the previous workshop.

Bike Rack. Nancy explained that items that were raised but would not receive immediate attention would be recorded on a "bike rack."

Opening Comments

The workshop began with a call to order and a welcome by Mayor Young, who then opened the session for public comments.

Review of the Tracy Financial Forecast and Fiscal Health



Members of the Council Ad Hoc Committee made opening comments about the fiscal model and the day's presentation.

Steve presented the fiscal model assumptions and results, including a demo of the model. He noted that the presentation was intended as a foundation and that more Council discussion would follow at later dates.

Steve began with the foundations of financial forecasting in local government and what elements make a forecast useful.

Financial Forecasting in Local Government



How They Are Used	What Makes Them Useful
<ul style="list-style-type: none"> • Fiscal management tool to inform and assist in decisionmaking <ul style="list-style-type: none"> ▪ Government policies ▪ Strategic goals ▪ Provision of community services • Identifies future revenue and expenditure trends • Integral to annual budget process • Promotes sound fiscal discipline in service delivery 	<ul style="list-style-type: none"> • Credible <ul style="list-style-type: none"> ▪ Transparency ▪ Descriptive of external forces ▪ Within acceptable accuracy tolerances ▪ Solid set of assumptions • Understandable <ul style="list-style-type: none"> ▪ Clear, simple, reasoned ▪ Relating assumptions to projections ▪ Implications • Linked to sound fiscal practices <ul style="list-style-type: none"> ▪ Reserve policies ▪ Maintaining structural balance ▪ Long-term fiscal planning


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He then explained how the model differentiates between the General Fund and other funds and reviewed each assumption on which the model is based.

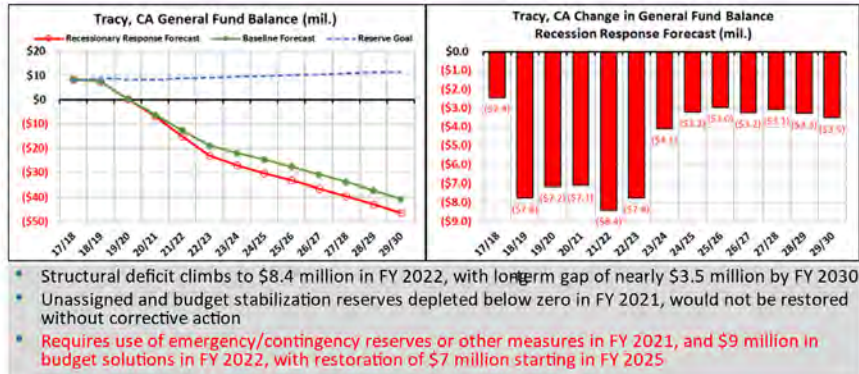
FY 2020-21 Budget Forecast - Key Assumptions

Revenues	Expenditures/Transfers
<ul style="list-style-type: none"> • Property tax– 5% growth • Sales Tax – nominal recessionary impact after FY 2021; new sales tax generators in FY 2022 and 2025 • Other revenues – 2-3% growth • Solid waste franchise fees– \$2 million increase starting in FY 2021 • Measure V sales tax– earmarked for capital expenditures • CARES Act– One-time federal aid of \$1.2 million 	<ul style="list-style-type: none"> • Salaries – 2% growth, plus 1.7% growth for step increases (recent base salary increases has been 4%) • CalPERS retirement costs– growth of 20% through FY 2027 <ul style="list-style-type: none"> ▪ Actual return FY 2020 – 4.7% ▪ Discount rate projected to be reduced from 7% to 6.5% by FY 2026 • Other costs– 2% growth • Measure V transfers– repayment of short term reduction of transfer in FY 2021 over three year period by FY 2024 • No anticipated increases in General Fund operating costs related to Measure V funded capital projects
<div style="background-color: #663399; color: white; text-align: center; padding: 5px; margin-bottom: 5px;">Reserves</div> <ul style="list-style-type: none"> • Target reserve level– 10% of annual operating expenditures • Emergency/contingency reserves– 20% of annual operating expenditures 	

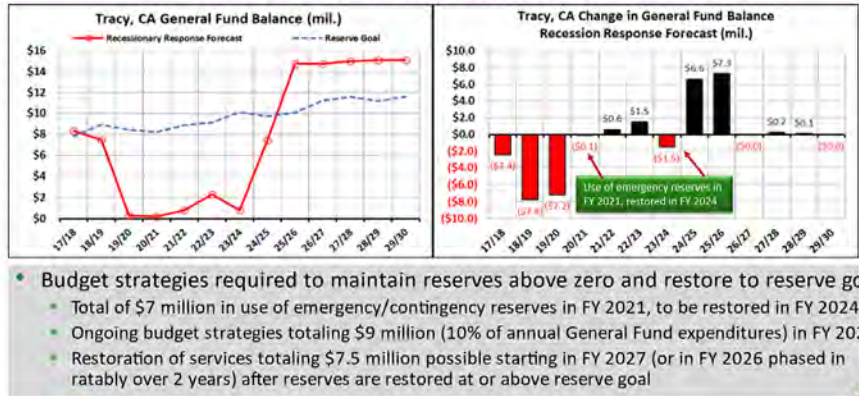

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He reviewed a list of budget strategies that were incorporated into the FY 2020-21 budget as a result of the impacts of COVID-19 and then presented Tracy's recessionary outlook and noted the need for swift action in order to avoid depleting reserves entirely.

Tracy's Recessionary Outlook



Budget Strategies of \$9 Million Required to Restore General Fund Reserves



Steve showed the utility of the dynamic dashboard to evaluate different policy decisions, such as a business license update or staffing changes. He noted that the model is a tool for decision making and budgeting as much as it is a way to understand the City's fiscal outlook.

Review of Budget Principles

Nancy led a discussion of budget principles and how cities use budget principles to guide fiscal decisions. The Ad Hoc Committee prepared a series of proposed budget principles in advance for Council to comment on. The budget principles are included as Attachment C.

Councilmembers praised the Ad Hoc Committee's work on the budget principles and agreed they are an important tool for holding themselves and staff accountable.

January 14 Workshop

On January 14, Nancy Hetrick facilitated the final of the three workshops with the City Council. The workshop focused on confirming Council norms and setting priorities. The full slide deck from the workshop is available for review in Attachment D.

Following the workshop, Council received Brown Act and Parliamentary training.

Workshop Overview

Objectives

- Public Comment
- Who inspires us?
- Affirm Council Norms
- City Manager's Update: Strategic Priorities Updates and Achievements
- Discuss Priorities
- Wrap up and next steps

Agenda

- Get agreement on Council Norms
- Set priorities for the next year
- Learn about the Brown Act and parliamentary process

Workshop Ground Rules. At the start of the workshop, the facilitator reiterated the ground rules of the previous two workshops.

Bike Rack. Nancy explained that items that were raised but would not receive immediate attention would be recorded on a "bike rack."



Opening Comments

The workshop began with a call to order and a welcome by Mayor Young, who then opened the session for public comments.

Getting to Know Each Other Better

The Council members participated in an icebreaker exercise to learn something new about each other as they begin to govern together and to create common ground. Each Council member shared something about a person who influenced them early in life.

Councilmembers shared about grandparents, siblings, and other individuals who inspired them in their work ethic and commitment to service.

Consensus on Norms for Working Together

The council affirmed a set of norms for how they will work together. Councilmembers clarified some of the norms for conducting Council business and discussed some word choices.

Norms the Council intends to practice are listed below.

Working together we will:

- Assume positive intentions,
- Not take ourselves too seriously,
- Disagree agreeably,
- Support continual learning,
- Avoid personal attacks,
- Come prepared (do our homework),
- Stay objective and focus on the issue (use data to balance emotion),
- Be clear and consistent on time limits and public input,

We will utilize the expertise of staff by:

- Maintaining the practice of City Council/City Manager briefings,
- Asking questions of the City Manager early on,
- Soliciting City Attorney guidance early on,
- Making staff requests through the City Manager.

Setting the Context to Discuss Priorities

The Council then spent the balance of the morning discussing and establishing top priorities. This process began by reviewing accomplishments and progress on implementing Council priorities.

Accomplishments

The City Manager reviewed accomplishments related to the Council's four strategic goal areas. She noted that 90% of the City's budget is committed to day-to-day operations, with about 5% of the budget available to address Council key priorities. She thanked Council and staff for their hard work and accomplishments in a very difficult year.

Council's Strategic Goals

- Economic Development
 - ✓ To enhance the competitiveness of the City while further developing a strong and diverse economic base.
- Governance
 - ✓ To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.
- Public Safety
 - ✓ To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.
- Quality of Life
 - ✓ To provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

Priorities Framework

The priority-setting discussion was grounded in the idea that it is important to keep the long-term view in focus while establishing what can be reasonably accomplished in the short term. We began the discussion by defining short-term and multi-year priorities.

Short-term priorities are defined as:

- Initiatives that are expected to be completed within the next 12-18 months and have been identified as a top priority.

Multi-year priorities are defined as:

- Major initiative that will require ongoing attention and action but that are not likely to be complete with 12-18 months.

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As a starting point, potential priorities were organized into the same four categories used previously and reflected a combination of “continuing items” and new items generated from input received prior to the workshop.

The table below presents the multi-year goals affirmed by Council during the workshop together with short-term priorities that will receive time and attention over the next 12 to 18 months. The short-term priorities that are included below are a combination of continuing efforts and new priorities discussed during workshop.

Governance

To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.

Multi-Year Priorities	Short-Term Priorities
Model good governance, teamwork, and transparency.	<ol style="list-style-type: none"> 1. Evaluate City advisory bodies’ scope and policy framework and provide recommendations to Council. 2. Conduct Advisory Bodies Code of Conduct Training. 3. Identify Council public service announcement opportunities within available budget.
Ensure short and long-term fiscal health.	<ol style="list-style-type: none"> 1. Develop and provide policy recommendations to balance the City’s budget. 2. Adopt Council Budget Principles. 3. Develop a Financial Sustainability Plan to address long-term fiscal challenges. 4. Update City Purchasing Policy. 5. Develop City Grant Policy. 6. Complete Fee Studies: Solid Waste, Wastewater, Citywide, Core Fees, Master Impact Fees. 7. Initiate Cost Allocation Study; create replacement schedules for Vehicle and Equipment; building maintenance. 8. Develop long-term funding options for City Services, including but not limited to road and park maintenance and replacement (City, LMD, and CFD). 9. Develop funding plan for fire station construction.
Increase Public Awareness around City finances and other civic matters.	<ol style="list-style-type: none"> 1. Conduct informational, virtual Council/Community Workshops. 2. Partner with local community organizations to showcase City services. 3. Develop and implement public service announcements via the City’s social media platforms.

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Multi-Year Priorities	Short-Term Priorities
Enhance community engagement through technology.	<ol style="list-style-type: none"> 1. Conduct National Citizen Survey to better assess community priorities. 2. Implement new City website content management system (CMS).

Public Safety

To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.

Multi-Year Priorities	Short-Term Priorities
Implement the adopted Homelessness Strategic Plan.	<ol style="list-style-type: none"> 1. Secure capital funding to construct a Temporary Emergency Housing Facility (Arbor Rd Project). 2. Secure ongoing funding to operate the facility. 3. Partner and contract with shelter service providers to operate the facility. 4. Coordinate/facilitate regular meeting with local homeless service providers to better deliver homeless/social services to the community. 5. Identify local, state, and federal funding opportunities to continue to address homeless support services during COVID-19 pandemic.
Strengthen Citywide emergency operations preparedness.	<ol style="list-style-type: none"> 1. Develop a Citywide Emergency Operations Plan, including Council and staff training and a local pandemic response plan.
Continue to strengthen community safety through crime prevention reduction activities.	<ol style="list-style-type: none"> 1. Continue to enhance and implement the use of technology (such as social media, stationary cameras, drones, and crime analytics) to generate evidence-based intelligence to enhance enforcement efforts.
Partner with the South San Joaquin County Fire Authority (SSJCFA) to complete Phase 2 of the Personnel Transition Plan.	<ol style="list-style-type: none"> 1. Complete and Present Fiscal Analysis of the SSJCFA Personnel Transition Plan (Phase 2) to Council. 2. Coordinate with SSJCFA to present the Personnel Transition Plan (Phase 2) to Council.
Implement Equity and Empowerment Strategies/Initiatives.	<ol style="list-style-type: none"> 1. Continue supporting policies and best practices that prevent police violence, as referenced in the approved Tracy Equity and Empowerment Initiative. 2. Continue to participate in training opportunities focused on fairness in policing, de-escalation strategies, implicit bias, cultural competency, and officer wellness. 3. Present use of force data to Council through the Tracy Police Department Annual Report and publish online for public viewing.

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Multi-Year Priorities	Short-Term Priorities
Support COVID-19 public health recovery.	<ol style="list-style-type: none"> 1. Coordinate with the San Joaquin County Public Health Department and Office of Emergency Services to facilitate the development and implementation of a Vaccination Plan in Tracy.

Economic Development

To enhance the competitiveness of the City while further developing a strong and diverse economic base.

Multi-Year Priorities	Short-Term Priorities
Continue to Support Valley Link.	<ol style="list-style-type: none"> 1. Respond and provide feedback on the Valley Link Environmental Impact Report (EIR). 2. Maintain quarterly contact with Valley Link Executive Director. 3. Rezone industrial land on 3rd Street near the downtown bowtie area for residential development. 4. Continue lobbying efforts at the State and Federal level in support of funding for Valley Link. 5. Participate in Valley Link board meetings.
Continue to advance Transient Oriented Development (TOD) opportunities.	<ol style="list-style-type: none"> 1. Approve Scope of Work to begin Transit Oriented Development (TOD) Plan. 2. Conduct TOD Stakeholder and community outreach meetings. 3. Draft land use conceptual plans and alternatives. 4. Conduct market and fiscal analyses. 5. Draft TOD Specific Plan. 6. Prepare Administrative Draft Environmental Impact Report.
Attract businesses and jobs that meet the needs and desires of the community.	<ol style="list-style-type: none"> 1. Conduct Council workshop on the City's Economic Development efforts and strategies. 2. Develop FY 21-23 Economic Development Strategic Plan. 3. Update the City's retail and industrial business attraction list based on community interest and feedback. 4. Develop and implement a marketing campaign to attract specific businesses and industries. 5. Promote the City at trade shows and industry events (post pandemic).
Support local businesses impacted by COVID.	<ol style="list-style-type: none"> 1. Support local businesses and streamline the process for businesses to reopen in accordance with public health regulations.

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Multi-Year Priorities	Short-Term Priorities
	<ol style="list-style-type: none"> 2. Coordinate with the Tracy Chamber of Commerce and Tracy City Center Association (TCCA) to develop and implement a “Shop Local” marketing and outreach campaign. 3. Administer remaining funds for the Small Business Relief Grant Program and other small business loans. 4. Coordinate a roundtable discussion and response to industry needs.
<p>Develop policies to target new jobs in innovative industries (e.g., cannabis; green industry).</p>	<ol style="list-style-type: none"> 1. Complete issuance of cannabis business permits. 2. Complete Conditional Use Permit processes for cannabis Business Permit holders. 3. Initiate second round of Cannabis Business Permits. 4. Identify and market industrial properties attractive to Electric Vehicle (EV) testing and development. 5. Initiate marketing for enhancement of the green economy cluster and develop strategies for business growth and attraction. 6. Rezone and complete environmental review for the Chrisman Road property to attract innovation industry tenants.
<p>Pursue Smart Growth strategies for balanced growth in the City of Tracy.</p>	<ol style="list-style-type: none"> 1. Conduct Council workshop on residential growth management. 2. Conduct Council workshop on General Plan Land Use and Circulation Elements, and the Transportation Master Plan. 3. Rezone Tracy Gateway property for mix of land uses to attract businesses, future hospital, range of residential, and various types of assisted and independent/senior housing. 4. Pursue zoning ordinance amendments to increase residential densities.

Quality of Life

To provide an outstanding quality of life by enhancing the City’s amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

Multi-Year Priorities	Short-Term Priorities
<p>Advance green and roadway infrastructure projects that improve connectivity, including bike lanes.</p>	<ol style="list-style-type: none"> 1. Complete PCI Road Condition study. 2. Continue Corral Hollow Road Widening Project between Park Side Drive and Linne Road. 3. Complete Phase 2B Wastewater Treatment Plant Expansion. 4. Adopt new Citywide Infrastructure Master Plans. 5. Include green technologies in infrastructure solutions (e.g. roundabouts, dual use of storm drain facilities).

ATTACHMENT A

Multi-Year Priorities	Short-Term Priorities
Facilitate the completion of Measure V amenities.	<ol style="list-style-type: none">1. Advance Measure V amenities planning (e.g., aquatics center, multi-generational gymnasium, legacy fields)
Implement affordable housing initiatives.	<ol style="list-style-type: none">1. Facilitate the development of affordable housing via affordable housing-focused policies and initiatives.2. Pursue, encourage, and incentivize non-profit affordable housing developers to build in Tracy.3. Approve Scope of Work to begin Council identified workforce/affordable housing policy changes.4. Streamline multi-family permit process by removing requirements for Conditional Use Permits.5. Amend Accessory Dwelling Unit (ADU) ordinance and develop "off-the shelf" ADU example designs.6. Amend parking requirements for multi-family developments.7. Amend zoning ordinance development standards.8. Evaluate amendments to the Growth Management Ordinance (GMO).

Takeaways from the Workshop

Council members shared their takeaways from the workshop and prioritization session. They shared the following insights:

- It was a healthy discussion. Tracy has a high-performing Council that works together well
- They are optimistic about the interconnectivity of these issues
- There is optimism about how the Council is looking to guide the City forward cooperatively
- Council is excited to partner with staff to move ahead
- They like the holistic approach and clear vision for the City

Next Steps and Wrap Up

The next steps described at the end were:

- Preparation of this workshop report.
- Confirmation of priorities as part of budget processes and other Council discussions.
- Operationalizing the priorities by the City Manager.



City of Tracy

City Council Workshop – Team Building and Norms

January 5, 2021
9:00 a.m. to 12:30 p.m.

Grand Theater, Small Studio

Rod Gould, Senior Partner
Nancy Hetrick, Vice President

Management
Partners




ATTACHMENT A Mayor's Welcome



To Comment Remotely on: Items from the Audience

(Public comment period limited to 15 minutes maximum)

- **Call: (209) 831-6010**
- **Comment by visiting the following link:**
<https://cityoftracyevents.webex.com> and using the following:
 - **Event Number:** 126 037 7106
 - **Event Password:** TracyCC
 - Raise your hand to speak by clicking on the Hand icon  on the Participants panel



Today's Agenda

ATTACHMENT A


- Opening Comments and Workshop Overview
- Effective Teams Warm-Up
- Council Norms for Working Together
- Clarification of Governance Roles
- Wrap Up and Next Steps



Today's Objectives

- Teambuilding and understanding individual motivations and priorities
- Establishing Council norms for working together and with staff on behalf of the community
- Clarifying roles
- Setting the foundation for a positive working relationship and productive year

To Comment Remotely on: Item 4

- **Call: (209) 831-6010**
- **Comment by visiting the following link:**
<https://cityoftracyevents.webex.com> and using the following:
 - **Event Number:** 126 037 7106
 - **Event Password:** TracyCC
 - Raise your hand to speak by clicking on the Hand icon  on the Participants panel

Ground Rules

- Listen to understand
- Participate
- Stay focused
- Assume good intent
- Seek consensus
- Speak up if we need a course correction

Bike Rack

- Things to discuss at another time will be tracked separately
- Time management tool



Service and Teamwork

ATTACHMENT A

- What **inspired** you to serve on the City Council?
- Think of a time when you were on a **high-performing** team. What made it successful? How did it make you feel?
- How would you like the community to **view** this City Council?
- How would you like Tracy to be different **four years from now** as a result of this Council's service?





Effective Practices for Elected Officials

Management
Partners



Think Inside the Triangle®

City of Tracy

ATTACHMENT A

Code of Conduct Overview

- Council-Manager Form of Government
- Council Powers/Responsibilities
- Legal and Ethics Standards
- Code of Conduct Enforcement
- Council Communications
- Advisory Bodies/Norms and Values Statement

Good Governance Is About...



Building relationships through:

- Effective leadership by the Mayor and Council
- Responsive management and leadership by the City Manager
- Meaningful communication that is honest, direct, respectful, proactive
- Understanding roles and fulfilling expectations
- Fostering mutual respect and building trust
- Ethics

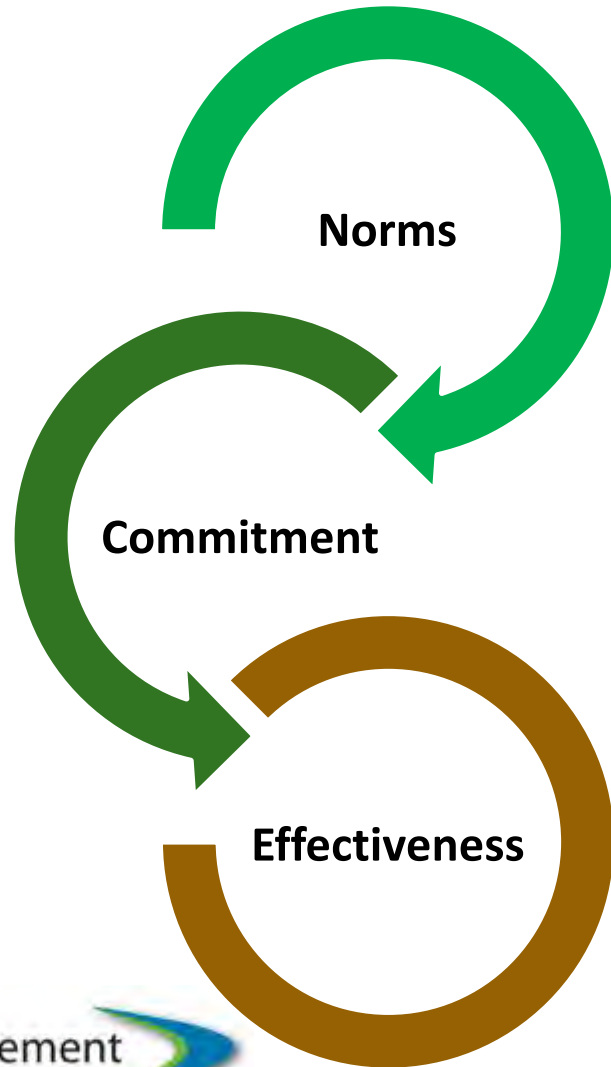
Attributes of High-Performing Councils

ATTACHMENT A

- Commit to True Partnerships among Members, City Manager and Staff
- Exhibit Clarity and Respect for Roles and Responsibilities
- Demonstrate Civility and Respect for All
- Conduct Effective Meetings
- Hold Themselves and the City Manager Accountable
- Practice Continuous Learning

Effective Practices for Elected Officials

ATTACHMENT A



- *What are common elements and norms of high performing councils?*
- *Which of them could Tracy incorporate into its governance culture?*



TEAMWORK

ATTACHMENT A

- Getting things done for the community as a team makes us all look good
- Accomplishments build relationships... which lead to other successes



Teamwork – How to Get There

- Play nice, be fair, be patient, be kind
- No surprises
- Avoid squabbling and personal attacks
- Maintain formal decorum and be respectful
- Refer to colleagues by their titles



No One Can Do It Alone

- Become an expert at small group decision making
- Understand and appreciate each others' style, strengths and expertise
- Respect each other and your specific roles



No One Can Do It Alone

- Be rock solid on laws and rules regarding ethics
- Learn to count to 10!
- Compromise – take the long view
- Think strategically
- Remember your values and why you ran for office
- Put the community first in all matters



Lean Toward Success

ATTACHMENT A



- Get the lay of the land
- Build relationships with your colleagues
- Be transparent and share your policy interests with one another
- Look for connections and intersections
- Work together to build a support system (*Brown Act caution!*)

Civility is key

Disagree in a Way That Maintains the Team

ATTACHMENT A

What if I disagree with a colleague on an issue?

- That's fine! *Just do it with...*



Dignity



Support



Respect



Inclusiveness

HOW MUCH SHOULD I TALK AS A COUNCILMEMBER?

- Be focused, direct, clear, and brief
- Questions and comments can lead to an action/motion
- Democracy simply moves slowly

More About Communication

Focus on Outcomes

- Be attentive
- Ask clarifying questions

Separate people from the problem

- Focus on interests, not positions
- Invent options for mutual gain
- Insist on using objective criteria



Do Your Homework and Be Prepared

ATTACHMENT A

- Read agenda materials
- Ask questions in advance
- Analyze alternatives
- Set clear rules, policies and procedures for Council meetings
- City Manager shares information with all Councilmembers



Do Your Homework and Be Prepared

ATTACHMENT A

- Involve the City Attorney early
- Ask how to achieve policy goals under the law rather than whether a course of action is legal
- Pay careful attention to Brown Act laws and regulations regarding ethics



[This Photo](#)

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Have Fun!



Celebrate successes



See the humor in your spectacular failures



Enjoy your experiences—you worked hard to get here!

Existing Council Norms

ATTACHMENT A

- Do not take ourselves so seriously
- Assume positive intentions
- Disagree agreeably
- Support continual learning
- No personal attacks
- Stay objective and focus on the issue (use data to balance emotion)
- Ask questions of the City Manager early on

Existing Council Norms

ATTACHMENT A

- Be clear and consistent on time limits and public input
 - Clarify and hold to time limits
 - Must be on the agenda for public comment
 - Exercise finesse regarding public personal attacks; request respect and focus on the issue/topic
- Maintain practice of City Council/City Manager briefings
- Staff requests go through the City Manager
- Solicit City Attorney guidance early

Council Self-Assessment Survey Results

ATTACHMENT A

Teamwork, respect, and professionalism

- Agreement that Council develops a partnership with the City Manager to govern
- Some disagreement that Councilmembers act with civility and a high level of professional decorum

Clear roles and priorities

- Agreement that Council creates policy while the City Manager is responsible for operations
- Some disagreement that the Council establishes clear goals and priorities

Council Self-Assessment Survey Results

ATTACHMENT A

Effective meetings and preparation

- Agreement that meetings are conducted effectively
- Some disagreement that Councilmembers are always prepared for meetings
- Some disagreement that Councilmembers ask questions on agenda items in advance so that staff can be prepared to respond

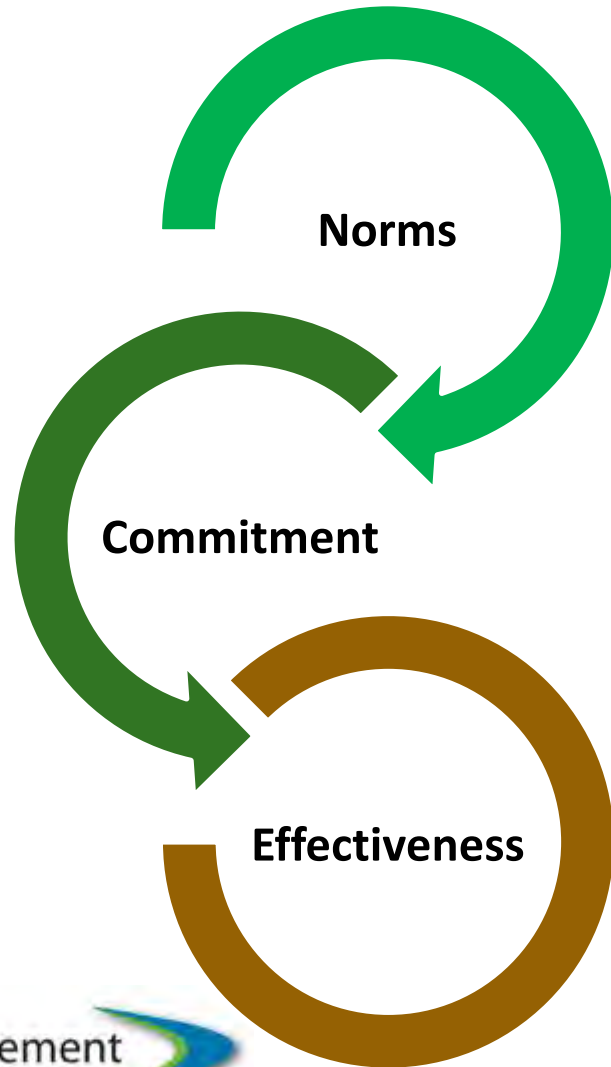
Council Self-Assessment Survey Results

ATTACHMENT A

- **We do our best work as a Council when we...**
 - Focus on conducting the City's business
 - Focus on the business at hand and not on each other
 - Trust and believe that people are acting on best intentions
- **We could improve as a Council in the following area...**
 - Supporting the goals of the whole instead of inserting our own agendas
 - Trust
 - Collaborating and understanding each other, relationship building among Councilmembers

Discussion of Council Norms

ATTACHMENT A



- *What do we want to see continue?*
- *What can be improved?*
- *What can we commit to?*

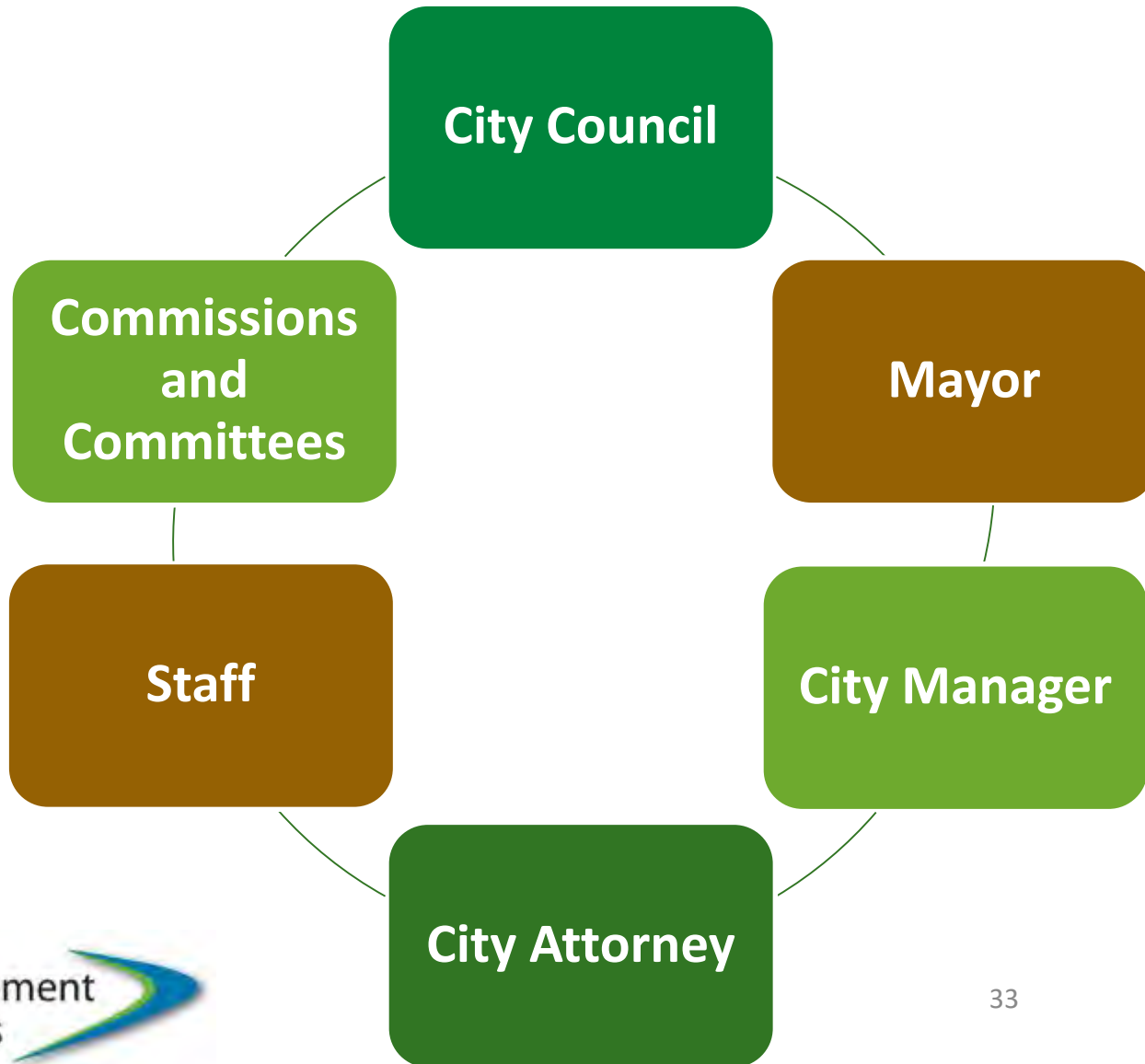




Break



Discussion of Roles



- Policy role
- Administrative role
- Advisory role
- Legal role

Council – City Manager and Staff Partnership

ATTACHMENT A



Everyone
has a
role
to play



Council
sets the
goals and
policies



Day-to-day
work of the
City is done
by staff



Partnership
is critical
for success
of the City



City Council – City Manager Relationships

- ✓ Sets policy and overall direction
- ✓ Keeps in touch with community concerns
- ✓ Implements Council policy
- ✓ Handles day-to-day operations
- ✓ Offers policy advice
- ✓ Manages staff

City Council – City Manager Relationships

- ✓ Best if the Council is not involved in staff and administrative matters; and
- ✓ Best for the City Manager to not dominate public discussions.

Council Member Role

Mayor's Role

City Manager's Role

**Nurture a
Strong
Council-
Manager
Partnership**



City Attorney's Role

Commissions and Committees

The Importance of Developing Successful City Council and City Manager Relations

ATTACHMENT A

- Organizational Effectiveness
- Mutual Success and Fulfillment
- Positive Staff Morale
- Heightened accountability
- Enhanced Community Confidence
- Community Success and Outcome



What Makes for a Successful City Council and City Manager Relationship?

- Mayor, Councilmembers and City Manager develop a sense of team, working together to further their common purpose
- Individual team members work collaboratively with a high degree of respect, trust and openness
- The team values diversity in style and perspective

What Makes for a Successful City Council and City Manager Relationship?

- Clear understanding of each other's roles, responsibilities, and stated expectations
- Effective communication between the chief executive and the governing board
- Trust

Challenges to Effective Communication and Building Positive Working Relationships

ATTACHMENT A

- Can't control who gets elected or who may have been appointed City Manager prior to your election
- Don't fully appreciate what is expected of each other's respective roles
- Underdeveloped interpersonal skills...or someone else's
- Not putting in the time to work on the relationships
- Not fully understanding the perspectives of City Council, City Manager and the staff
- "Outlier" members of the governing body
- Lack of trust

Strategies and Best Practices to Foster Communication and Build Relationships

- Implement robust new Councilmember orientation program
- Make sure all Councilmembers receive the same information as quickly as possible and at the same time
- Create processes/protocols before things become an issue
- City Manager should meet regularly with all Councilmembers and with Mayor – special briefings with staff on specific topics as warranted

Questions You're Ready to Ask???



Wrap Up and Next Steps

ATTACHMENT A

Reflection: What was one takeaway from today's workshop?

Finance Workshop January 12

Priorities and Training Workshop January 14





City of Tracy

Council Workshop – Team building and Norms

Thank you!

Rod Gould, Senior Partner
rgould@managementpartners.com

Nancy Hetrick, Vice President
nhetrick@managementpartners.com

Management
Partners



City of Tracy

City Council Workshop – Financial Sustainability

City Council Workshop
January 12, 2021

Nancy Hetrick, Vice-President
Steve Toler, Partner

Management
Partners



ATTACHMENT A Mayor's Welcome





Public Comment

Today's Agenda

ATTACHMENT A

- Opening Comments and Workshop Overview
- Ice-breaker
- City's Financial Forecast and Model Demo
- Proposed Budget Principles
- Wrap Up and Next Steps



Today's Objectives

- Develop shared understanding about the City's financial position
- Review potential budget principles and an approach to achieving financial sustainability

Ground Rules

- Listen to understand
- Participate
- Stay focused
- Assume good intent
- Seek consensus
- Speak up if we need a course correction

Bike Rack

- Things to discuss at another time will be tracked separately
- Time management tool



ATTACHMENT A Today's Discussion

Financial Forecasting

Briefly review the purpose and scope of the financial forecast prepared for the City

Tracy's Financial Forecast

Review assumptions used to create the updated Fiscal Model, the results of the forecast, and gain a shared understanding of the City's budget outlook

Budget Principles and Framework for Fiscal Sustainability

Discuss how cities use budget principles to guide fiscal decisions, and review budget principles developed with the Ad Hoc Council Committee. Introduce a framework for achieving fiscal sustainability

Icebreaker

ATTACHMENT A

- Write a headline you would like to read in the paper five years from today.
- The headline will celebrate a major accomplishment for the city.




City's Financial Forecast



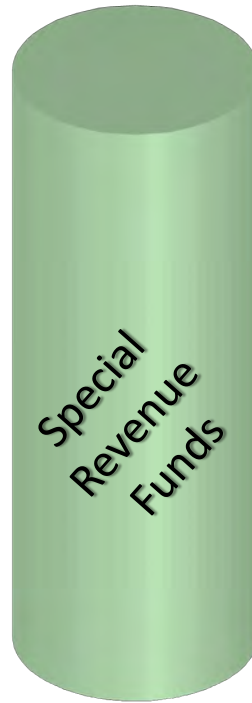
Overview of City's Primary Funds

ATTACHMENT A

- General operations of the city
- Largest revenue sources
 - Property tax
 - Sales tax
 - Hotel tax
 - Fees and charges
- Largest expenditures
 - Public safety
 - Public works
 - Parks
 - Recreation
 - Admin



General Fund



Restricted or designated for specific uses

Financial Forecasting in Local Government

ATTACHMENT A

How They Are Used

- Fiscal management tool to inform and assist in decision-making
 - Government policies
 - Strategic goals
 - Provision of community services
- Identifies future revenue and expenditure trends
- Integral to annual budget process
- Promotes sound fiscal discipline in service delivery

What Makes Them Useful

- Credible
 - Transparency
 - Descriptive of external forces
 - Within acceptable accuracy tolerances
 - Solid set of assumptions
- Understandable
 - Clear, simple, reasoned
 - Relating assumptions to projections
 - Implications
- Linked to sound fiscal practices
 - Reserve policies
 - Maintaining structural balance
 - Long-term fiscal planning

Key Drivers to Any Fiscal Model

ATTACHMENT A



Revenue assumptions



Expenditure assumptions



Operational changes



New priorities or services



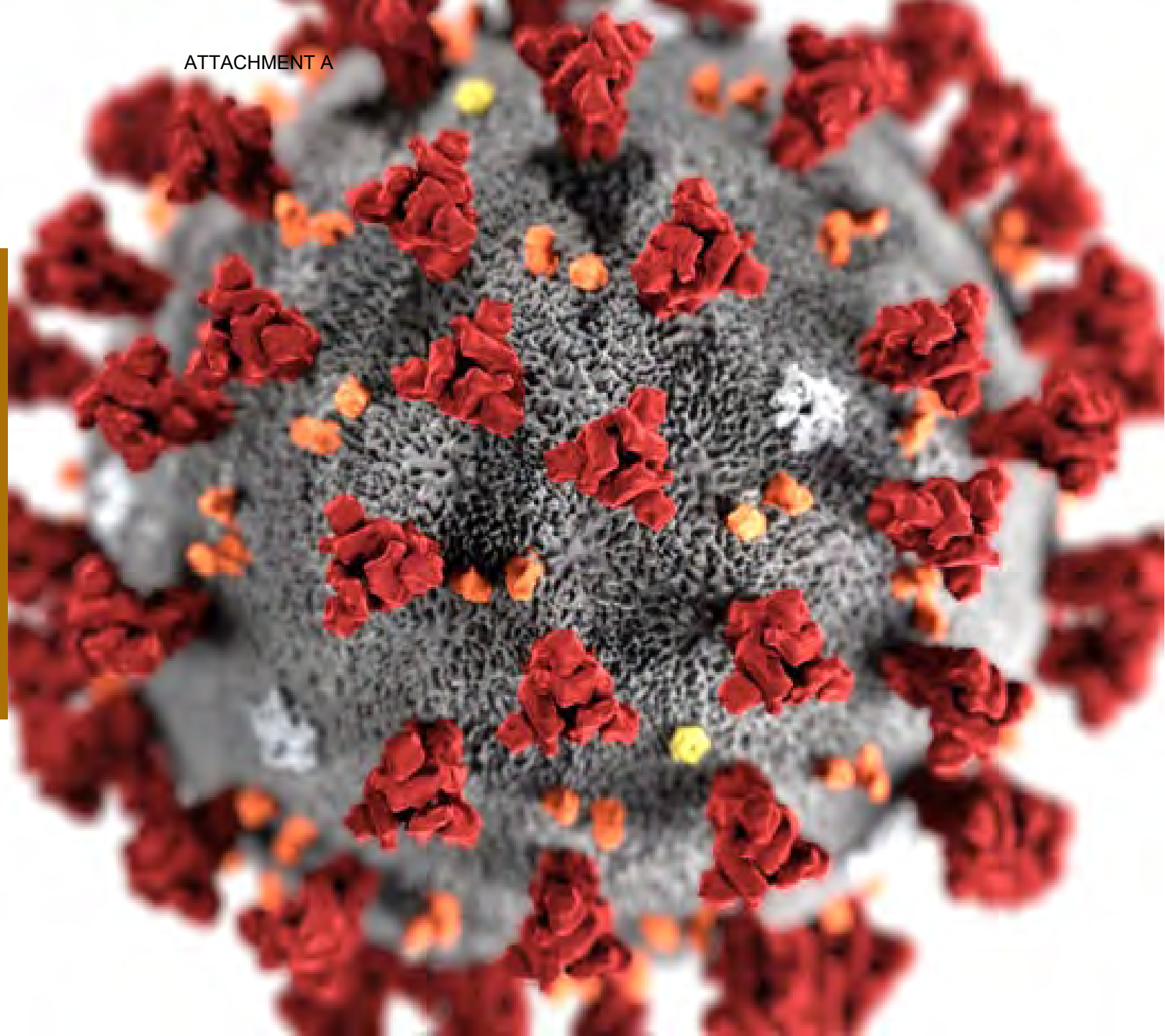
Reserve policies



Recessionary impacts



Recessionary Impacts and Actions Taken



FY 2020-21 Budget Forecast - Key Assumptions

ATTACHMENT A

Revenues

- Property tax – 5% growth
- Sales Tax – nominal recessionary impact after FY 2021; new sales tax generators in FY 2022 and 2025
- Other revenues – 2-3% growth
- Solid waste franchise fees – \$2 million increase starting in FY 2021
- Measure V sales tax – earmarked for capital expenditures
- CARES Act – One-time federal aid of \$1.2 million

Reserves

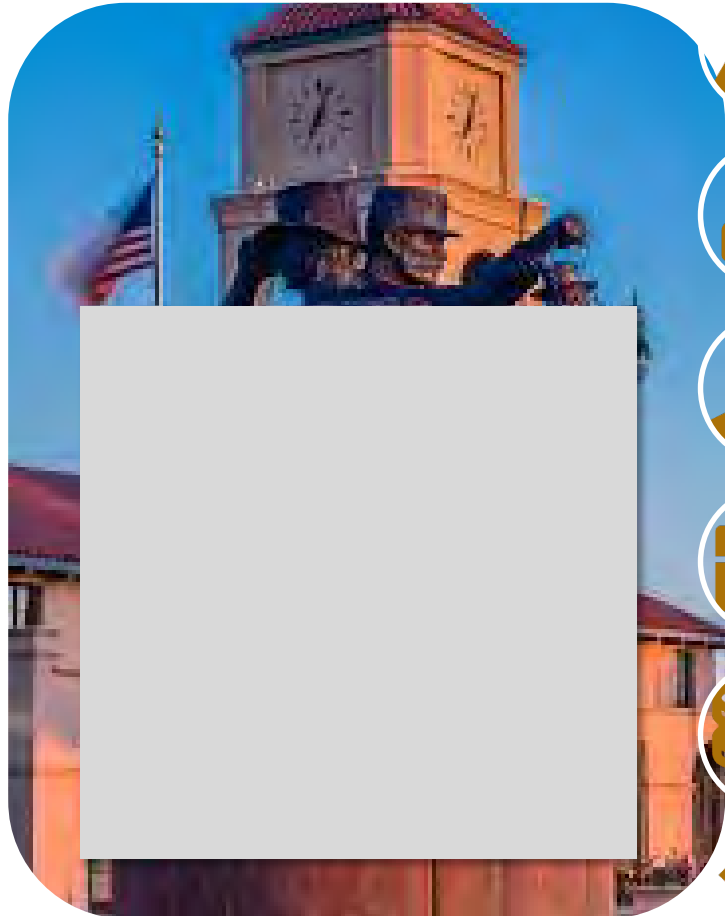
- Target reserve level – 10% of annual operating expenditures
- Emergency/contingency reserves – 20% of annual operating expenditures

Expenditures/Transfers

- Salaries – 2% growth, plus 1.7% growth for step increases (recent base salary increases has been 4%)
- CalPERS retirement costs – growth of 20% through FY 2027
 - Actual return FY 2020 – 4.7%
 - Discount rate projected to be reduced from 7% to 6.5% by FY 2026
- Other costs – 2% growth
- Measure V transfers – repayment of short-term reduction of transfer in FY 2021 over three year period by FY 2024
- No anticipated increases in General Fund operating costs related to Measure V-funded capital projects

Budget Strategies Incorporated into FY 2020-21 Adopted Budget

ATTACHMENT A



Hiring freeze for non-essential positions



Defer purchase of new vehicles and equipment



Delay allocation of Mayor's Community Youth Support Network grant program



Reduce professional services contracts and supplies

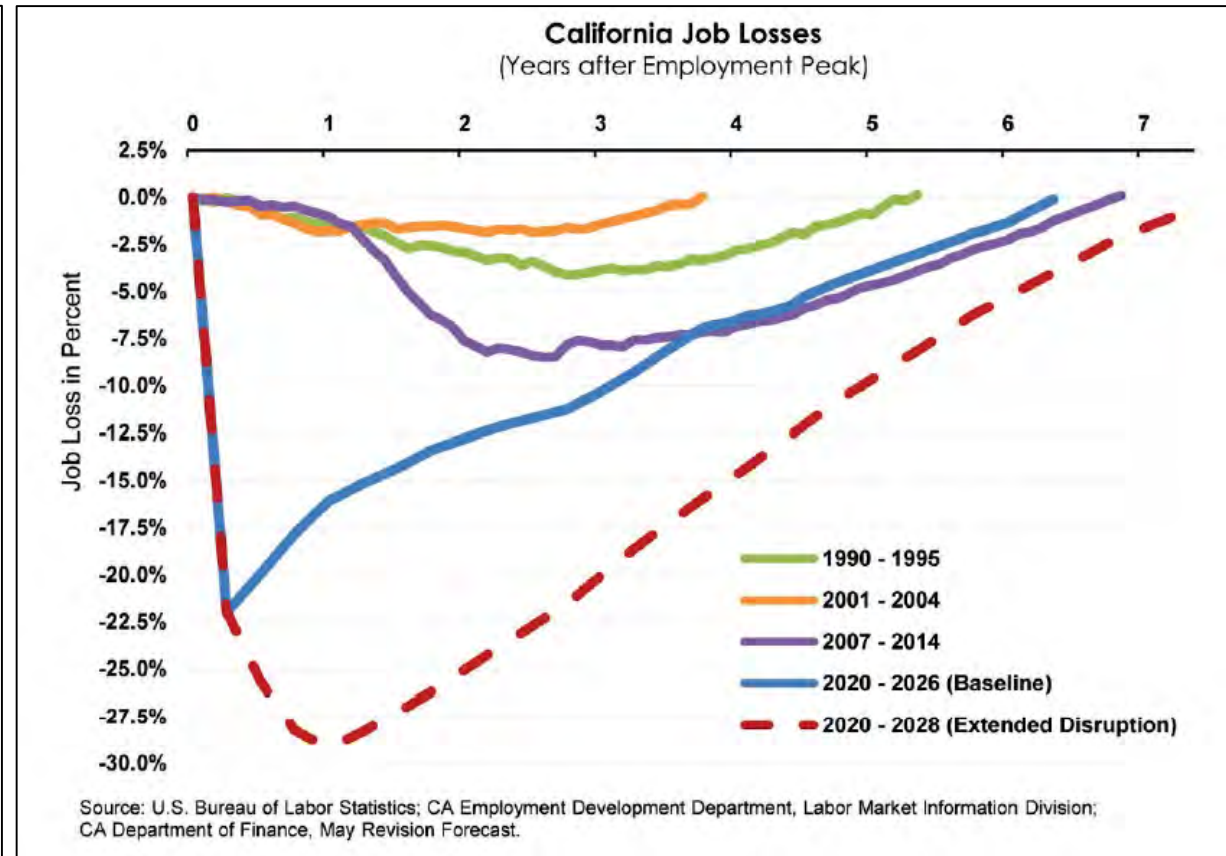
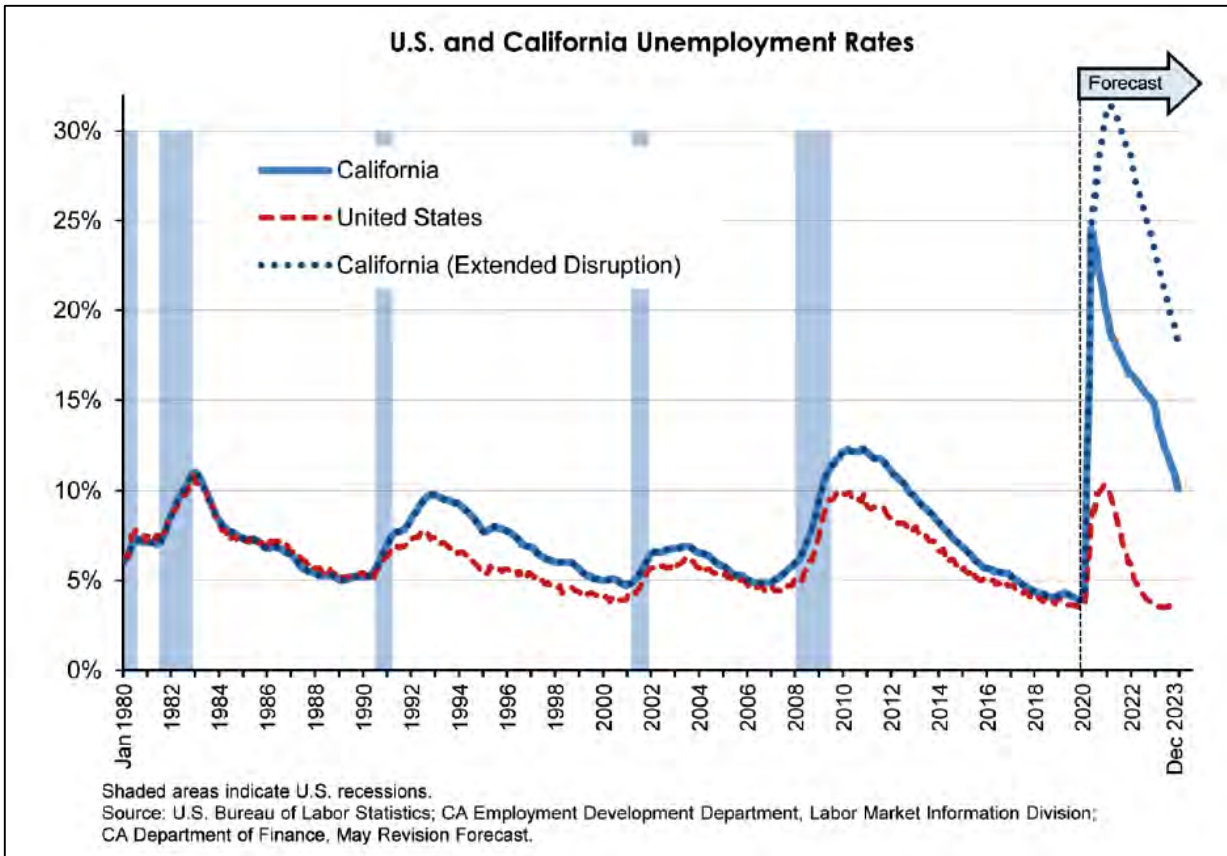


Use remaining balance of Budget Stabilization Reserve



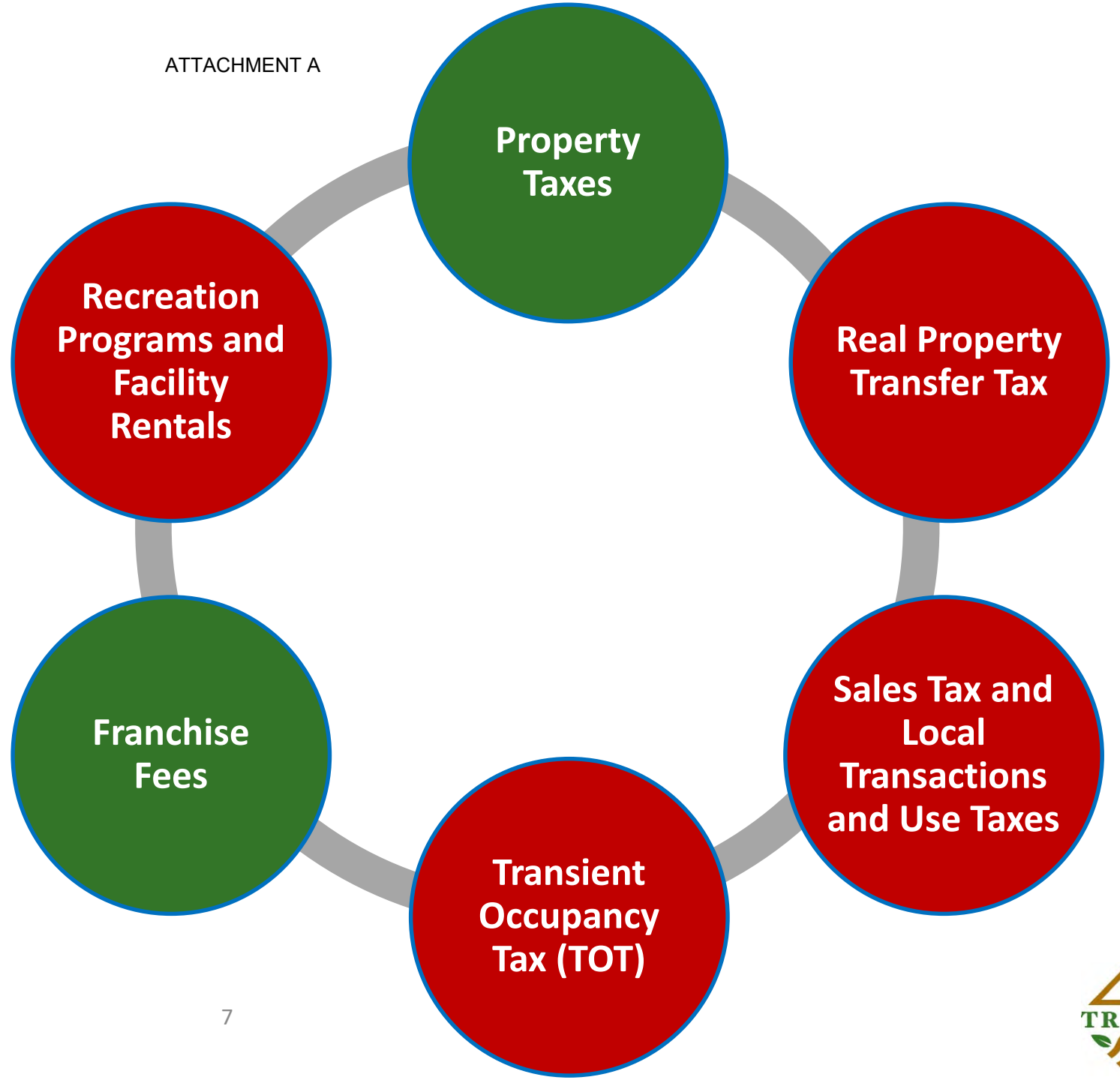
Temporary borrowing of Measure V sales tax revenues in FY 2021

CA Department of Finance ATTACHMENT A Anticipating Long Recession



- Severe recession anticipated even under the “best-case scenario”
- Extended recession would have long-lasting impacts

Impacts to Local Government Revenues



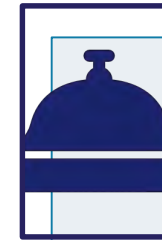
Impacts from Prolonged Recession

ATTACHMENT A

- **Shelter-in-place and/or significant business restrictions probable** with current virus resurgence
- Severity of the shutdown's impact on unemployment will have a **prolonged impact into the next several years**
- Impacts from this **third wave of the virus** in winter may lead to additional restrictions including shelter-in-place orders
- **Economic recovery** will likely take 3 to 4 years
- **Widely available vaccination** will be critical to long-term economic recovery



Decline in **sales tax** revenues



Decline in **transient occupancy tax**



Franchise fee revenues expected to remain stable



Decline in **recreation revenues**



Potential decline in **property taxes** due to Prop 8 reassessments



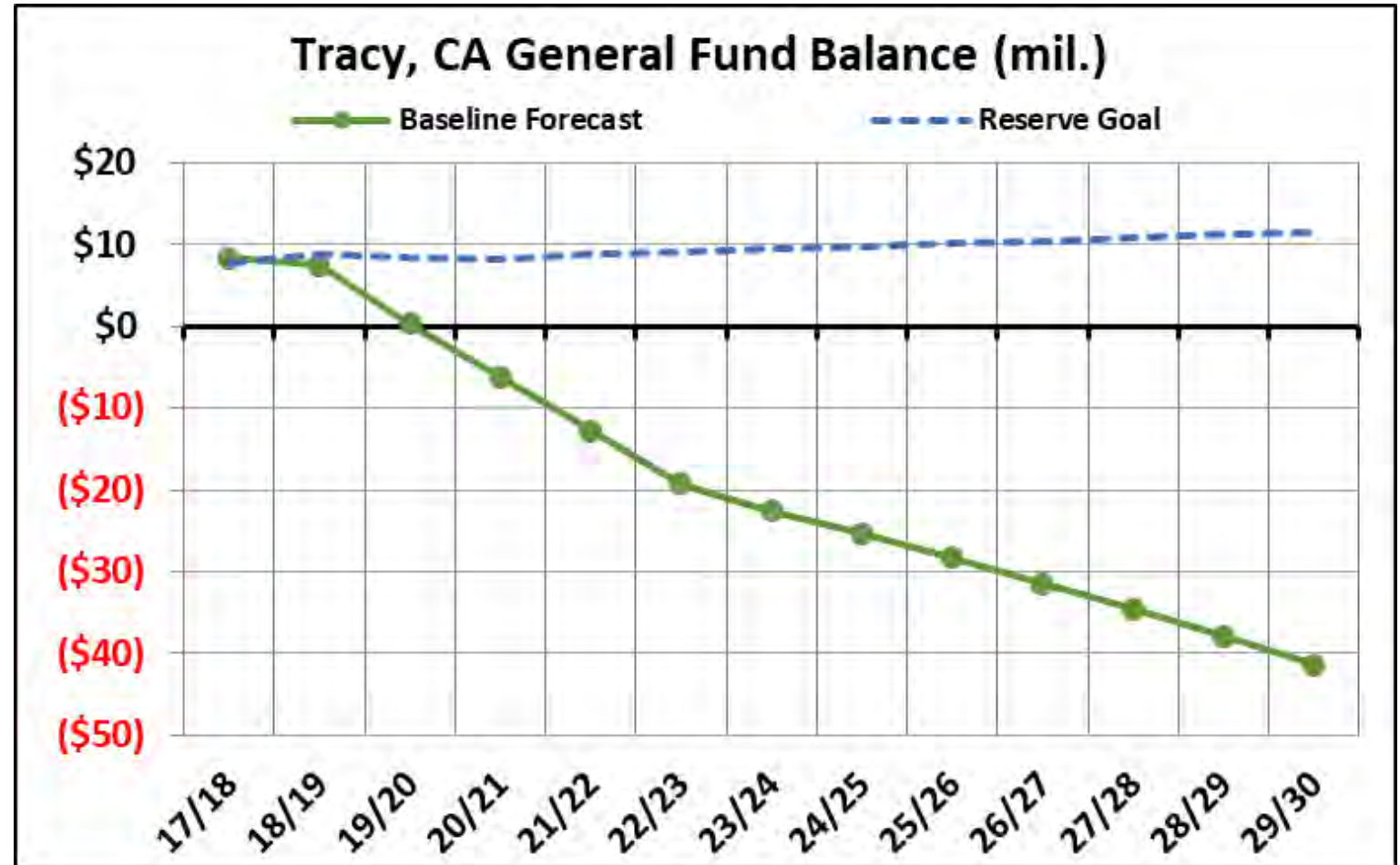
Decline in **property transfer tax** revenues with potential slowdown in home sales

FY 2020-21 Budget Forecast

ATTACHMENT A

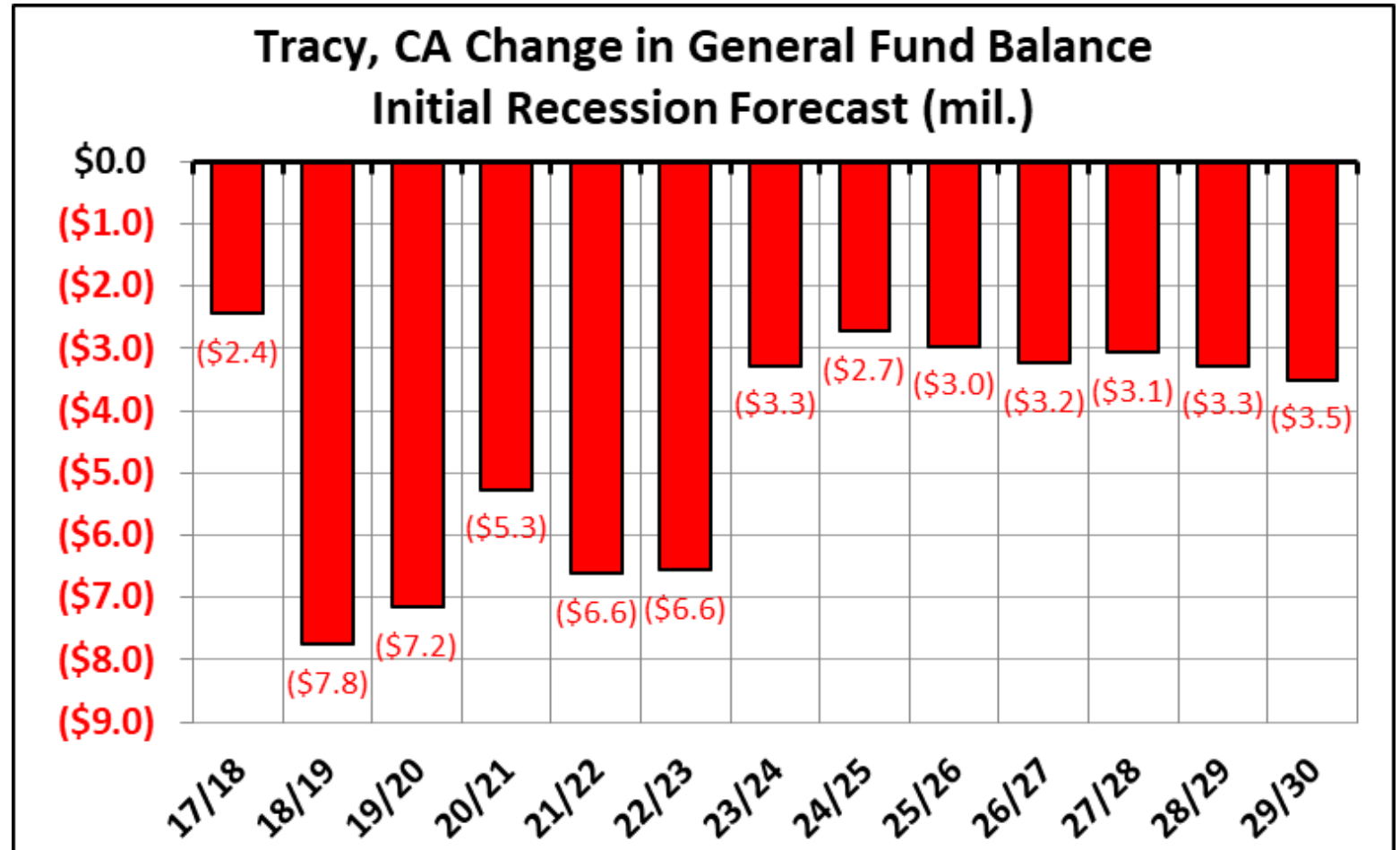
Tracy's Fiscal Situation as Recession Began

- Significant fiscal deficit starting at \$6.5 million in FY 2021
- City ended FY 2020 with General Fund reserves above zero
- Action is required in FY 2021 to maintain available reserves above zero



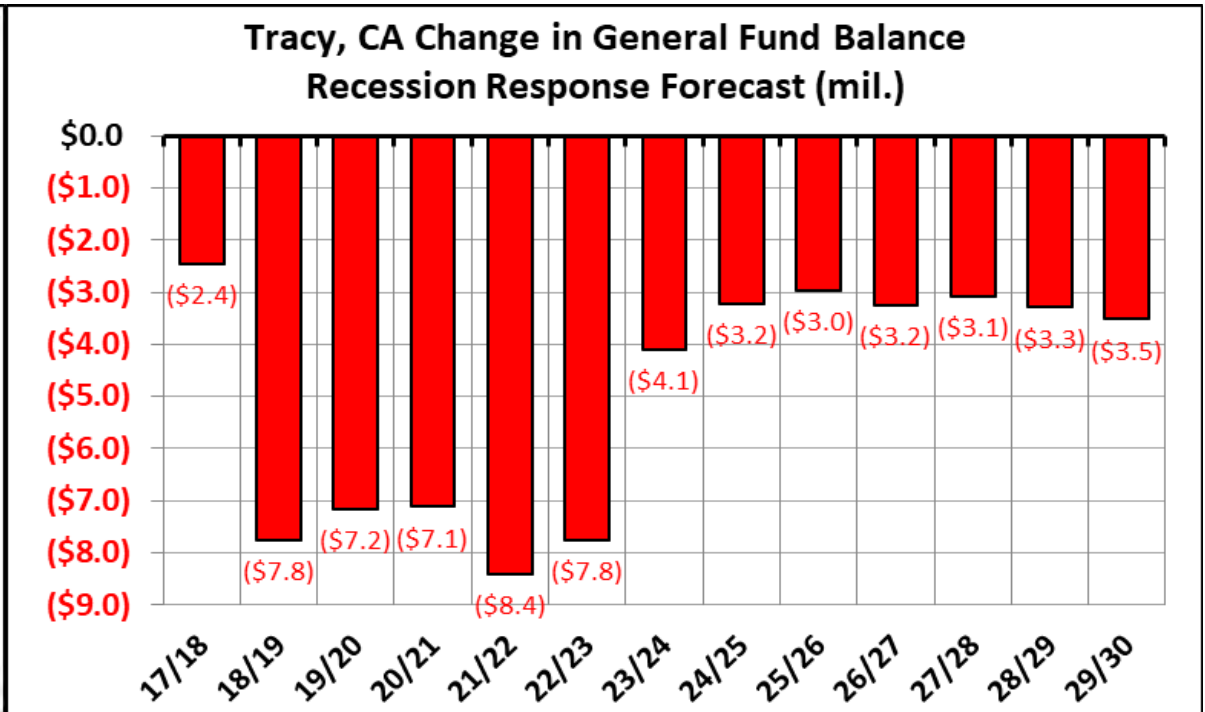
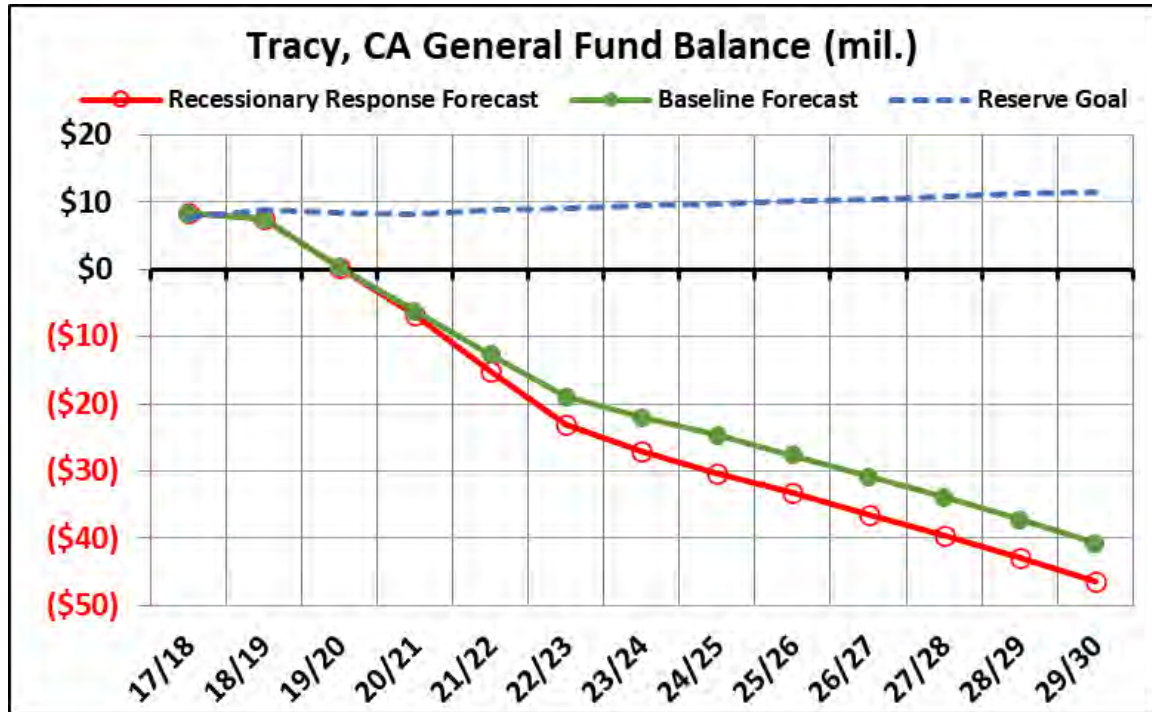
FY 2020-2021 Budget Forecast General Fund Structural Deficit

- Tracy faces a long-range deficit that would level out to \$3.5 million annually
- This reflects known revenue impacts to FY 2021 only (i.e. a modified “V”-shaped recession)



Tracy's Recessionary Outlook

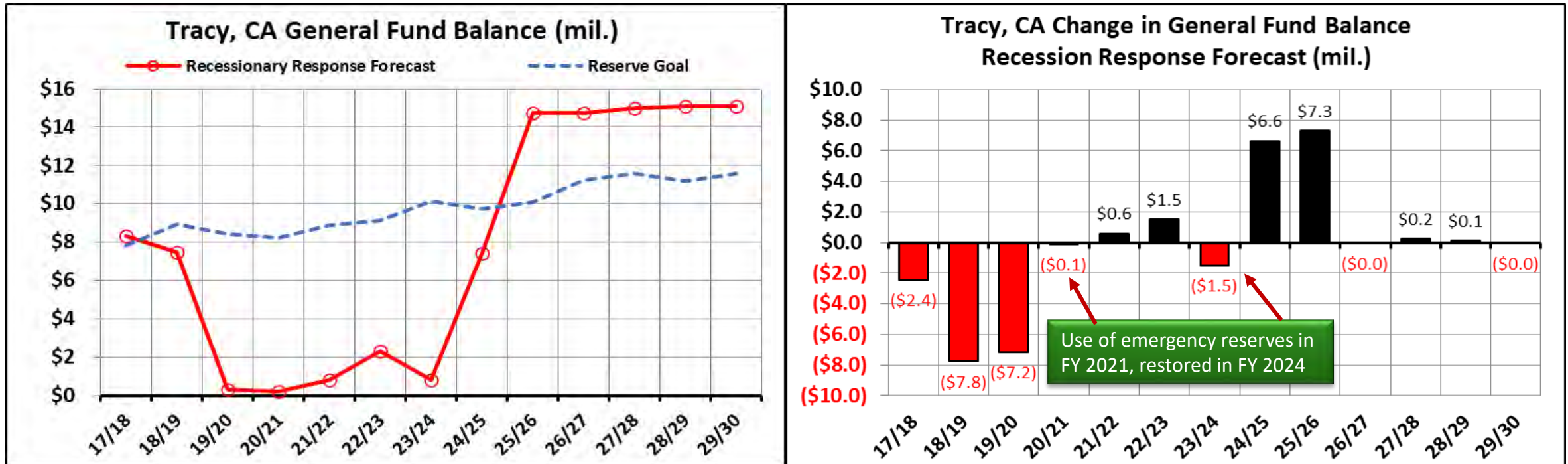
ATTACHMENT A



- Structural deficit climbs to \$8.4 million in FY 2022, with long-term gap of nearly \$3.5 million by FY 2030
- Unassigned and budget stabilization reserves depleted below zero in FY 2021, would not be restored without corrective action
- Requires use of emergency/contingency reserves or other measures in FY 2021, and \$9 million in budget solutions in FY 2022, with restoration of \$7 million starting in FY 2025

Budget Strategies of \$9 Million Required to Restore General Fund Reserves

ATTACHMENT A



- Budget strategies required to maintain reserves above zero and restore to reserve goal
 - Total of \$7 million in use of emergency/contingency reserves in FY 2021, to be restored in FY 2024
 - Ongoing budget strategies totaling \$9 million (10% of annual General Fund expenditures) in FY 2022
 - Restoration of services totaling \$7.5 million possible starting in FY 2027 (or in FY 2026 phased in ratably over 2 years) after reserves are restored at or above reserve goal

Tracy's Fiscal Model



Fiscal Sustainability Planning



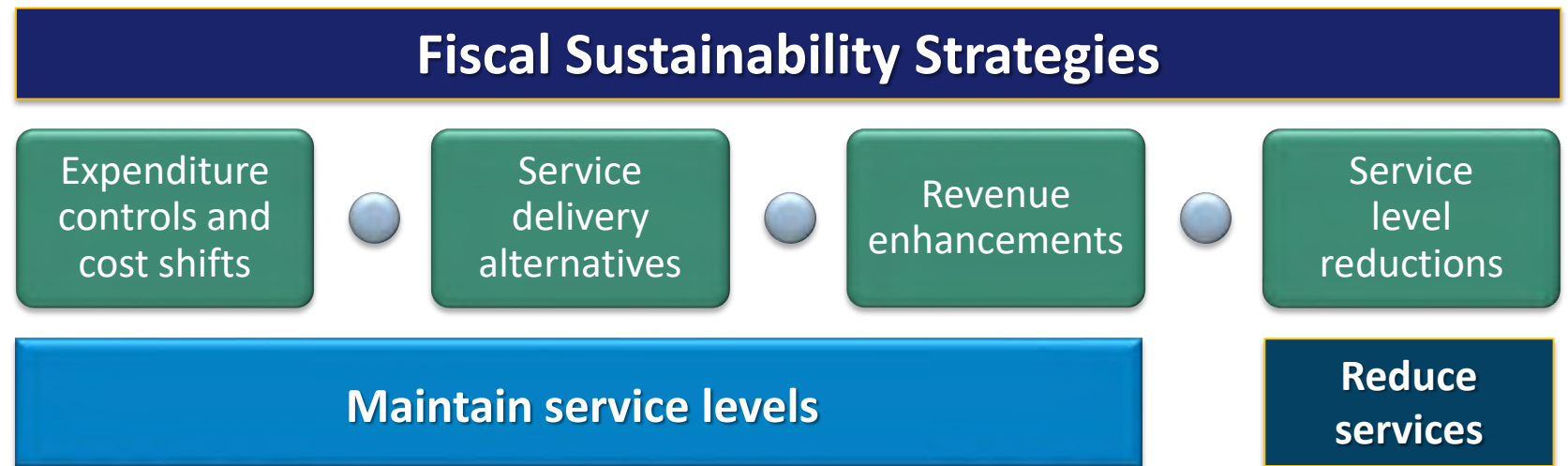
Long Term Budget Strategies

Fiscal Sustainability Planning

- Comprehensive set of fiscal policies and action steps to provide services in the long term without threat of solvency or default of promised expenditures or liabilities
- In-depth analysis of fiscal strategies

- Fiscal impact
- Feasibility

- Implementation
Action Plan



Sample Budget Strategies – Cost Efficiencies

ATTACHMENT A

Expenditure Controls/Cost Shifts



School resource officer



Ballfields and parks lease costs

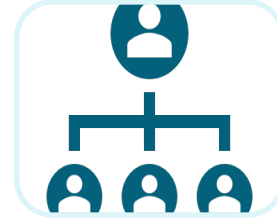


Cost allocation plan

Service Delivery Alternatives



Parks maintenance costs



City organizational structure



Jail provider alternatives



Fleet maintenance alternatives



Parks capital improvements plans

Sample Budget Strategies – Revenue Enhancements

ATTACHMENT A

City Council Approval (Councilmanic)



Solid waste franchise fees

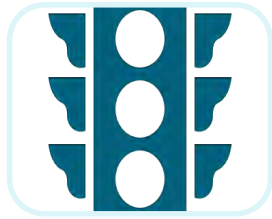


Photo traffic enforcement



New residential development areas



Fees for special events



Business registration fees

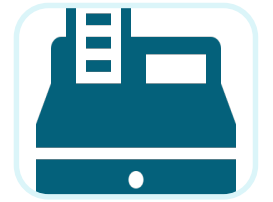


Development services fees

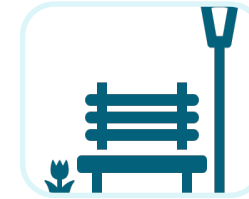
Voter Approval



Business license tax



Local sales tax



Parks assessment district



Utility users' tax

Sample Budget Strategies – Reductions and Total Impact

ATTACHMENT A

Service Level Reductions



Street pavement standards



Travel, meetings and consulting contracts



Recreation coordination activities



Other General Fund service reductions

Total Fiscal Impact of All Solutions

Category	Total Annual Fiscal Impact
Expenditure controls/cost shifts	\$XXX,000
Service delivery changes	\$XXX,000
Revenue enhancements	\$X.X million to \$Y.Y million
Service level reductions	\$X.X million
Total	\$X.X million to \$X.X million
Goal	\$X.X million

Selecting the Right Strategies

ATTACHMENT A

The right
mix of
budget
strategies

- Community priorities
- Organizational priorities
- Budget principles
- Short-term measures
- Long-term sustainability

Budget Principles



Proposed Budget Principles

ATTACHMENT A

1 Ongoing expenditures = revenues

2 One-time revenue \neq ongoing use

3 Structural gap fixed within 10 years

4 Minimum reserves (17% + 13%)

5 Operational impacts of capital projects

6 Enterprise funds self-reliant

7 Full cost recovery

8 No subsidies for private development

9 No earmarking discretionary funds

X Long-term fiscal model

11 Budget amendments require funding source

12 Service level reductions last resort

Wrap Up and Next Steps

ATTACHMENT A

*Reflection: What was one
takeaway from today's
workshop?*

*Priorities and Training
Workshop January 14*



Thank you!

Contact Information

Management
Partners



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Steve Toler | (650) 918-7017 | SToler@managementpartners.com

City of Tracy

City Council Workshop – Priority-Setting

City Council Workshop
January 14, 2021

Nancy Hetrick, Vice-President
Claire Coleman, Senior Management Analyst

Management
Partners






Public Comment – Non-Agenda Items

ATTACHMENT A City Manager's Comments



To Comment Remotely on: Items from the Audience

(Public comment period limited to 15 minutes maximum)

- **Call: (209) 831-6010**
- **Comment by visiting the following link:**
<https://cityoftracyevents.webex.com> and using the following:
 - **Event Number:** 126 580 7652
 - **Event Password:** TracyCC
 - Raise your hand to speak by clicking on the Hand icon  on the Participants panel

ATTACHMENT A Today's Agenda

Morning

- Public Comment
- Who inspires us?
- Affirm Council Norms
- City Manager's Update:
Strategic Priorities Updates and
Achievements
- Discuss Priorities
- Wrap up and next steps

Afternoon

- Brown Act
- Parliamentary Training

Today's Objectives

- Get agreement on Council Norms
- Set priorities for the next year
- Learn about the Brown Act and parliamentary process



Ground Rules

- Listen to understand
- Participate
- Stay focused
- Assume good intent
- Seek consensus
- Speak up if we need a course correction



Bike Rack

- Things to discuss at another time will be tracked separately
- Time management tool



Icebreaker

Who is one person
that inspired you
early in life?



Affirm Council Norms

ATTACHMENT A

- Assume positive intentions
- Do not take ourselves so seriously
- Disagree agreeably
- Support continual learning
- No personal attacks
- Come prepared (do our homework)
- Stay objective and focus on the issue (use data to balance emotion)
- Be clear and consistent on time limits and public input
- Maintain practice of City Council/City Manager briefings
- Ask questions of the City Manager early on
- Solicit City Attorney guidance early on
- Make staff requests through the City Manager

What do these look like in practice?

Are there any desired changes?

City Manager's Update

Strategic Priorities – Updates and Achievements

Management
Partners



ATTACHMENT A Strategic Priorities

- **Economic Development**
 - To enhance the competitiveness of the City while further developing a strong and diverse economic base.
- **Governance**
 - To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.

ATTACHMENT A Strategic Priorities

- **Public Safety**

- To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.

- **Quality of Life**

- To provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

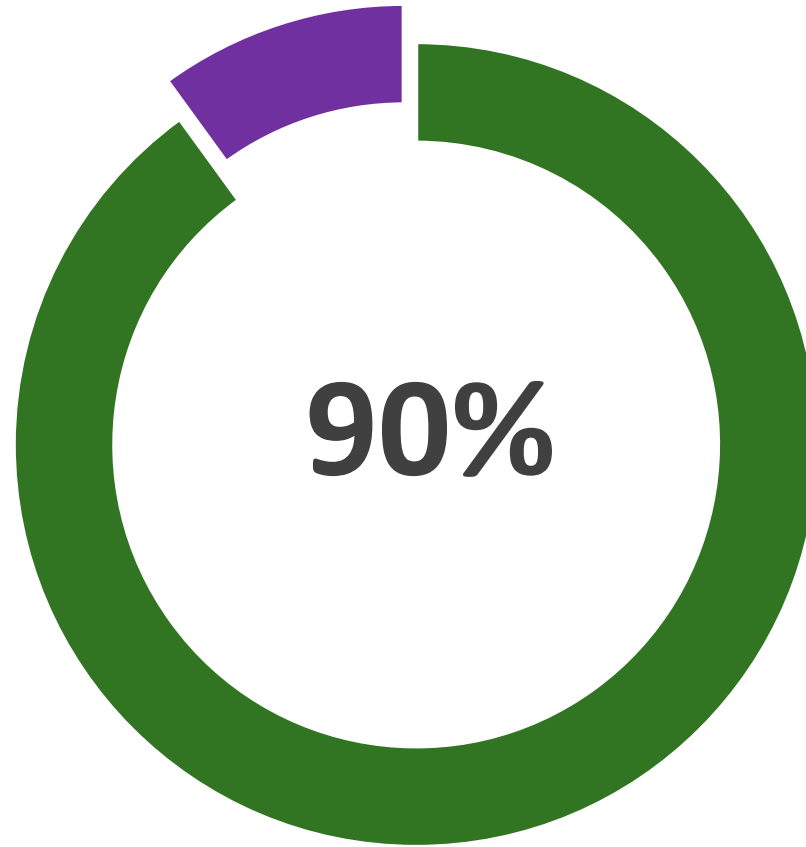
ATTACHMENT A

Accomplishments

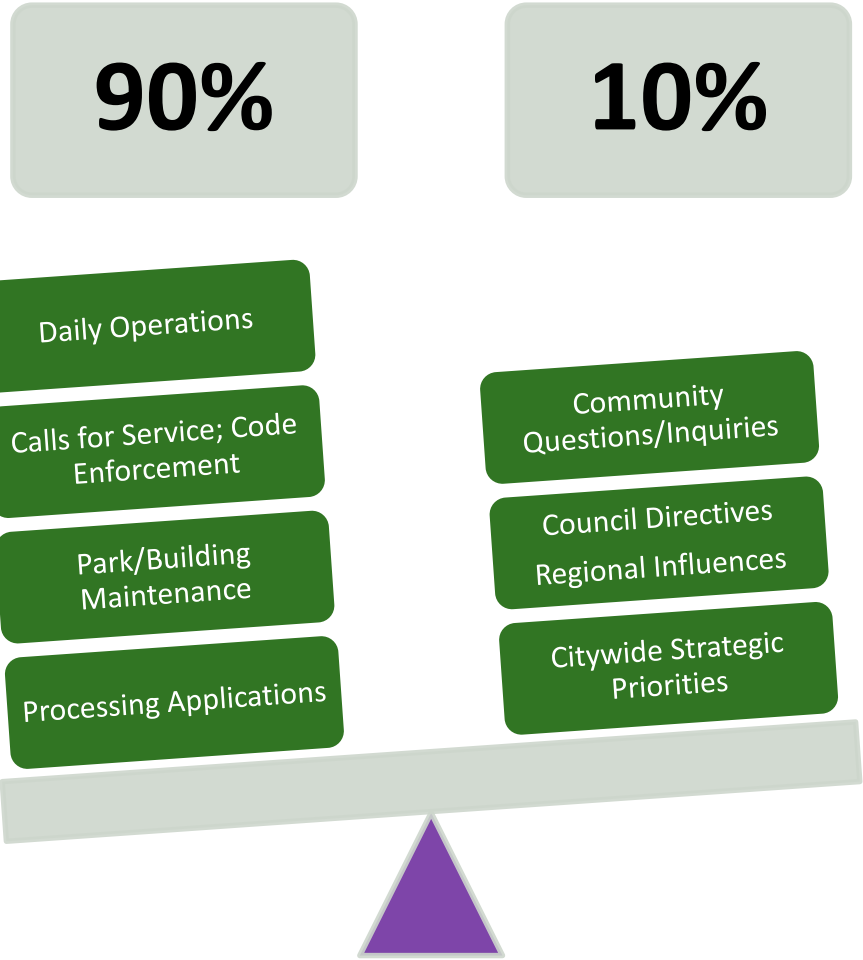


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ATTACHMENT A Citywide Efforts



ATTACHMENT A Citywide Efforts



ATTACHMENT A

Short Break



Establishing Short-term and Multi-year Priorities

ATTACHMENT A

- Short-term priorities are defined as:
 - Initiatives that are expected to be completed within the next 12-18 months and have been identified as a top priority.
- Multi-year priorities are defined as:
 - Major initiative that will require ongoing attention and action but that are not likely to be complete with 12-18 months.

Strategic Priority – Economic Development

ATTACHMENT A

Identified Priorities

- Continue to Support Valley Link
- Continue to Advance Transient Oriented Development (TOD) opportunities
- Attract businesses and jobs that meet the needs and desires of the community
- Support local businesses impacted by COVID

Are these the right areas of focus? Is anything missing?

What can be accomplished in the next 12-18 months?

Strategic Priority – Governance

ATTACHMENT A

Identified Priorities

- Model good governance, teamwork and transparency
- Ensure short and long-term fiscal health
 - **Develop a Financial Sustainability Plan**
- Increase Public Awareness around City finances and other civic matters

Are these the right areas of focus? Is anything missing?

What can be accomplished in the next 12-18 months?

Strategic Priority – Public Safety

ATTACHMENT A

Identified Priorities

- Continue to address Homelessness (open Emergency Shelter)
- Complete Citywide Emergency Operations Plan & Training
- Continue to strengthen community safety through crime prevention reduction activities
- Complete Fiscal Analysis and SSJCFA Personnel Transition Plan

Are these the right areas of focus? Is anything missing?

What can be accomplished in the next 12-18 months?

Strategic Priority – Quality of Life

ATTACHMENT A

Identified Priorities

- Advance green and roadway infrastructure projects that improve connectivity, including bike lanes
- Advance Measure V amenities planning
- Implement Equity and Empowerment Initiative
- Implement affordable housing initiatives
- Enhance community engagement through technology

Are these the right areas of focus? Is anything missing?

What can be accomplished in the next 12-18 months?

Affirming Short-Term Priorities

ATTACHMENT A

Priorities

Wrap Up and Next Steps

ATTACHMENT A

*What was one useful
takeaway from
today's workshop?*

*Management
Partners will prepare
a workshop report*

*Please complete
the workshop
evaluation form*



Thank you!

Contact Information

Management
Partners



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2021-2023 STRATEGIC PRIORITIES WORKPLAN

Governance

To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.

Multi-Year Priorities	Short-Term Priorities	Estimated Completion	Department Lead
Model good governance, teamwork, and transparency.	<ol style="list-style-type: none"> 1. Evaluate City advisory bodies’ scope and policy framework and provide recommendations to Council. 2. Conduct Advisory Bodies Code of Conduct Training. 3. Identify Council public service announcement opportunities within available budget. 	<ol style="list-style-type: none"> 1. Q3 2021 2. Q2 2022 3. Q1 2021 & Ongoing 	City Manager’s Office
Ensure short and long-term fiscal health.	<ol style="list-style-type: none"> 1. Develop and provide policy recommendations to balance the City’s budget. 2. Adopt Council Budget Principles. 3. Develop a Financial Sustainability Plan to address long-term fiscal challenges. 4. Update City Purchasing Policy. 5. Develop City Grant Policy. 6. Complete Rate and Fee Studies: Solid Waste, Wastewater, Citywide, Core Fees, Master Impact Fees. 7. Initiate Cost Allocation Study; create replacement schedules for Vehicle and Equipment; building maintenance; Information Technology. 	<ol style="list-style-type: none"> 1. Q2 2022 2. Q1 2021 3. Q2 2021 4. Q3 2021 5. Q2 2021 6. Q2 2021 & Q3 2021 7. Q2 2021 8. Ongoing 9. Q3 2021 10. Q4 2022 	Finance Department

	<ol style="list-style-type: none"> 8. Develop long-term funding options for City Services, including but not limited to road and park maintenance and replacement (City, LMD, and CFD). 9. Develop funding plan for fire station construction. 10. Continue implementation of Fiscal Sustainability Plan 		
Increase Public Awareness around City finances and other civic matters.	<ol style="list-style-type: none"> 1. Conduct informational, virtual Council/Community Workshops. 2. Partner with local community organizations to showcase City services. 3. Develop and implement public service announcements via the City’s social media platforms. 	<ol style="list-style-type: none"> 1. Q3 2021 2. Q1 2022 3. Q3 2021 	City Manager’s Office
Enhance community engagement through technology.	<ol style="list-style-type: none"> 1. Conduct National Community Survey (NCS) to better assess community priorities. 2. Implement new City website content management system (CMS). 	<ol style="list-style-type: none"> 1. Q4 2021 2. Q4 2021 	City Manager’s Office

Public Safety

To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.

Multi-Year Priorities	Short-Term Priorities	Estimated Completion	LEAD
Implement the Adopted Homelessness Strategic Plan.	<ol style="list-style-type: none"> 1. Secure capital funding to construct a Temporary Emergency Housing Facility (Arbor Rd Project). 	1. Q2 2021 – Funding; 2021 Construction	City Manager’s Office

	<ol style="list-style-type: none"> 2. Secure ongoing funding to operate the facility. 3. Partner and contract with shelter service providers to operate the facility. 4. Coordinate/facilitate regular meeting with local homeless service providers to better deliver homeless/social services to the community. 5. Identify local, state, and federal funding opportunities to continue to address homeless support services during the COVID-19 pandemic. 	<ol style="list-style-type: none"> 2. Ongoing 3. Q3, Q4 2021 4. Q2 2021 5. Ongoing 	
Strengthen Citywide Emergency Operations Preparedness.	<ol style="list-style-type: none"> 1. Develop a Citywide Emergency Operations Plan, including Council and staff training and a local pandemic response plan. 	<ol style="list-style-type: none"> 1. Q4 2021 	South San Joaquin County Fire Authority and Tracy & Police Department
Continue to strengthen community safety through crime prevention reduction activities.	<ol style="list-style-type: none"> 1. Continue to enhance and implement the use of technology (such as social media, stationary cameras, drones, and crime analytics) to generate evidence based intelligence to enhance enforcement efforts. 	<ol style="list-style-type: none"> 1. Q3 2021 	Tracy Police Department
Partner with the South San Joaquin County Fire Authority (SSJCFA) to Complete Phase 2 of the Personnel Transition Plan.	<ol style="list-style-type: none"> 1. Complete and Present Fiscal Analysis of the SSJCFA Personnel Transition Plan (Phase 2) to Council. 2. Coordinate with SSJCFA to present the Personnel Transition Plan (Phase 2) to Council. 	<ol style="list-style-type: none"> 1. Q4 2021 2. Q4 2021 	City Manager's Office & South San Joaquin County Fire Authority
Implement Equity and Empowerment Strategies/Initiatives.	<ol style="list-style-type: none"> 1. Continue supporting policies and best practices that prevent police violence, as referenced in the approved Tracy Equity and Empowerment Initiative. 	<ol style="list-style-type: none"> 1. Q3 2020 & Ongoing 	Tracy Police Department

	<ol style="list-style-type: none"> 2. Continue to participate in training opportunities focused on fairness in policing, de-escalation strategies, implicit bias, cultural competency, and officer wellness. 3. Present use of force data to Council through the Tracy Police Department Annual Report and publish online for public viewing. 	<ol style="list-style-type: none"> 2. Q4 2021 3. Q1 2021 	
Support COVID-19 public health recovery.	<ol style="list-style-type: none"> 1. Coordinate with the San Joaquin County Public Health Department and Office of Emergency Services to implement and manage a Vaccination Plan in Tracy. 	<ol style="list-style-type: none"> 1. Q1 2021 & Ongoing 	City Manager’s Office & South San Joaquin County Fire Authority

Economic Development

To enhance the competitiveness of the City while further developing a strong and diverse economic base.

Multi-Year Priorities	Short-Term Priorities	Estimated Completion	Lead
Continue to Support Valley Link.	<ol style="list-style-type: none"> 1. Respond and provide feedback on the Valley Link Environmental Impact Report (EIR). 2. Maintain quarterly contact with Valley Link Executive Director. 3. Rezone industrial land on 3rd Street near the downtown bowtie area for residential development. 4. Continue lobbying efforts at the State and Federal level in support of funding for Valley Link. 5. Participate in Valley Link board meetings. 	<ol style="list-style-type: none"> 1. Ongoing 2. Ongoing 3. Q2 2022 4. Ongoing 5. Ongoing 	Development Services

<p>Continue to Advance Transient Oriented Development (TOD) opportunities.</p>	<ol style="list-style-type: none"> 1. Approve Scope of Work to begin Transit Oriented Development (TOD) Plan. 2. Conduct TOD Stakeholder and community outreach meetings. 3. Draft land use conceptual plans and alternatives. 4. Conduct market and fiscal analyses. 5. Draft TOD Specific Plan. 6. Prepare Administrative Draft Environmental Impact Report. 	<ol style="list-style-type: none"> 1. Q1 2021 2. Q3 2021 3. Q4 2021 4. Q4 2021 5. Q2 2022 6. Q2 2022 	<p>Development Services</p>
<p>Attract businesses and jobs that meet the needs and desires of the community.</p>	<ol style="list-style-type: none"> 1. Conduct Council workshop on the City's Economic Development efforts and strategies. 2. Develop FY 21-23 Economic Development Strategic Plan. 3. Update the City's retail and industrial business attraction list. 4. Develop and implement a marketing campaign to attract specific businesses and industries. 5. Promote the City at trade shows and industry events (post pandemic). 	<ol style="list-style-type: none"> 1. Q3 2021 2. Q4 2021 3. Q3 2021 4. Q1 2022 5. Ongoing 	<p>Economic Development</p>
<p>Support local businesses impacted by COVID.</p>	<ol style="list-style-type: none"> 1. Support local businesses and streamline the process for businesses to reopen in accordance with public health regulations. 2. Coordinate with the Tracy Chamber of Commerce and Tracy City Center Association (TCCA) to develop and 	<ol style="list-style-type: none"> 1. Ongoing 2. Q2 2021 3. Q3 2021 4. Q4 2021 	<p>Economic Development</p>

	<p>implement a “Shop Tracy” marketing and outreach campaign.</p> <ol style="list-style-type: none"> 3. Administer remaining funds for the Small Business Relief Grant Program and other small business loans. 4. Coordinate a roundtable discussion and response to industry needs. 5. Award FY 2021-22 Community Development Block Grant funding. 6. Implement FY 2021-22 Community Development Block Grant funding. 	<p>5. Q2 2021 6. Q1 2022</p>	
<p>Develop policies to target new jobs in innovative industries (e.g., cannabis; green industry).</p>	<ol style="list-style-type: none"> 1. Complete issuance of cannabis business permits. 2. Complete Conditional Use Permit processes for cannabis Business Permit holders. 3. Initiate second round of Cannabis Business Permits. 4. Identify and market industrial properties attractive to Electric Vehicle (EV) testing and development. 5. Initiate marketing for enhancement of the green economy cluster and develop strategies for business growth and attraction. 6. Rezone and complete environmental review for the Chrisman Road property to attract innovation industry tenants. 	<ol style="list-style-type: none"> 1. Q2 2021 2. Q1 2022 3. Q4 2021 4. Ongoing 5. Q2 2022 6. Q4 2022 	<p>Development Services / Economic Development</p>
<p>Pursue Smart Growth strategies for balanced</p>	<ol style="list-style-type: none"> 1. Conduct Council workshop on residential growth management. 	<p>1. Q1 2021</p>	<p>Development Services</p>

<p>growth in the City of Tracy.</p>	<ol style="list-style-type: none"> 2. Conduct Council workshop on General Plan Land Use and Circulation Elements, and the Transportation Master Plan. 3. Rezone Tracy Gateway property for mix of land uses to attract businesses, future hospital, range of residential, and various types of assisted and independent/senior housing. 4. Pursue zoning ordinance amendments to increase residential densities. 	<ol style="list-style-type: none"> 2. Q4 2021 3. Q3 2022 4. Q2 2022 	
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Quality of Life

To provide an outstanding quality of life by enhancing the City’s amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

Multi-Year Priorities	Short-Term Priorities	Estimated Completion	Lead
<p>Advance green and roadway infrastructure projects that improve connectivity, including bike lanes.</p>	<ol style="list-style-type: none"> 1. Complete PCI Road Condition study. 2. Continue Corral Hollow Road Widening Project between Park Side Drive and Linne Road: <ol style="list-style-type: none"> a. Complete acquisition of Rights of Way. b. Complete design. c. Advertise for construction bids. d. Award construction contract. e. Start construction. f. Complete construction. 3. Complete Phase 2B Wastewater Treatment Plant Expansion: 	<ol style="list-style-type: none"> 1. Q3 2021 2. a. Q2 2021 b. Q3 2021 c. Q3 2021 d. Q3 2021 e. Q3 2021 f. Q2 2023 3. a. Q1 2021 	<p>Development Services</p> <p>Utilities</p> <p>Utilities</p>

	<ul style="list-style-type: none"> a. Advertise for construction bids. b. Award construction contract. c. Start construction. d. Complete construction. <ul style="list-style-type: none"> 4. Adopt new Citywide Infrastructure Master Plans. 5. Include green technologies in infrastructure solutions (e.g. roundabouts, dual use of storm drain facilities, traffic signal coordination). 	<ul style="list-style-type: none"> b. Q2 2021 c. Q3 2021 d. Q3 2023 <ul style="list-style-type: none"> 4. Q3 2021 5. Q3 2021 	Development Services
Facilitate the completion of Measure V amenities.	<ul style="list-style-type: none"> 1. Revisit Measure V amenities planning (e.g., aquatics center, multi-generational gymnasium, legacy fields). 2. Advance Measure V amenity planning. 3. Implement design of Measure V amenity. 4. Break ground on Measure V amenity. 	<ul style="list-style-type: none"> 1. Q2 2021 2. Q3 2021 3. Q1 2022 4. Q4 2022 	Park and Recreation
Provide City programming and events that bolster quality of life.	<ul style="list-style-type: none"> 1. Reinstigate special events, Parks & Recreation, and Cultural Arts programming in alignment with Public Health guidelines. 2. Reinstigate special events, Parks & Recreation, and Cultural Arts programming to pre-COVID levels. 	<ul style="list-style-type: none"> 1. Q4 2021 2. Q3 2022 	Park and Recreation
Implement affordable housing initiatives.	<ul style="list-style-type: none"> 1. Facilitate the development of affordable housing via affordable housing-focused policies and initiatives. 2. Pursue, encourage, and incentivize non-profit affordable housing developers to build in Tracy. 	<ul style="list-style-type: none"> 1. Ongoing 2. Ongoing 3. Q1 2021 4. Q2 2022 	Development Services / Economic Development

	<ol style="list-style-type: none"> 3. Approve Scope of Work to begin Council identified workforce/affordable housing policy changes. 4. Streamline multi-family permit process by removing requirements for Conditional Use Permits. 5. Amend Accessory Dwelling Unit (ADU) ordinance and develop "off-the shelf" ADU example designs. 6. Amend parking requirements for multi-family developments. 7. Amend zoning ordinance development standards. 8. Evaluate amendments to the Growth Management Ordinance (GMO). 	<ol style="list-style-type: none"> 5. Q2 2022 6. Q2 2022 7. Q2 2022 8. Q2 2022 	
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RESOLUTION 2021-_____

APPROVING 2021-2023 MULTI-YEAR AND SHORT-TERM STRATEGIC PRIORITIES, AND
WORKPLAN, AND ACCEPT CITY COUNCIL WORKSHOP REPORT AS JANUARY 5, 12,
AND 14, 2021 SPECIAL MEETING MINUTES

WHEREAS, In January 2021, the Tracy City Council held a series of Special Meeting workshops to discuss the topics of City Governance, Fiscal Sustainability, and Strategic Priorities, and

WHEREAS, Consultants from Management Partners presented a 10-year financial forecast, reflecting the City’s current and projected fiscal health and recommended budget principles developed by staff and the Council Ad Hoc Fiscal Sustainability Committee, and

WHEREAS, During the workshops the Council discussed Council norms, reviewed past accomplishments related to the Council’s strategic goal areas, and established its top priorities for the next 12-18 months, and

WHEREAS, Priorities were organized into the following categories: Governance, Public Safety, Economic Development, and Quality of Life; and reflected a combination of continuing items and new items generated from input received prior to the workshop;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Tracy hereby:

1. Approves the 2021-2023 Multi-Year and Short-Term Priorities and Workplan;
2. Accepts the City Council Workshop Report as the January 5, 12, and 14, 2021 Special Meeting Minutes.

* * * * *

The foregoing Resolution 2021-_____was passed and adopted by the Tracy City Council on the 2nd day of March, by the following vote:

AYES: COUNCIL MEMBERS:
 NOES: COUNCIL MEMBERS:
 ABSENT: COUNCIL MEMBERS:
 ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM 3.E

REQUEST

DISCUSS ROLE, MAKEUP, AND NECESSITY OF CITY BOARDS AND COMMISSIONS AND PROVIDE DIRECTION TO STAFF

EXECUTIVE SUMMARY

The City Council appoints over 50 people to its boards and commissions to advise and assist in carrying out the functions of local government. These boards and commissions provide valuable community perspective and input that inform City policy decisions and operations.

On August 4, 2020, Mayor Young, seconded by Council Member Ransom, requested that staff evaluate the role, make up, validity, and necessity of each of the City's boards and commissions. Subsequently, on October 6, 2020, Mayor Young, seconded by Council Member Vargas, requested that staff present a report to the Council on each City board and commission's function, relevance, and presentation of annual reports. This report summarizes the scope, makeup, and actions performed by our City boards and commissions and provides Council an opportunity to provide direction.

DISCUSSION

On August 4, 2020, Mayor Young, seconded by Council Member Ransom, requested that staff evaluate the role, make up, validity and necessity of each of the City's boards and commissions. Subsequently, on October 6, 2020, Mayor Young, seconded by Council Member Vargas, requested that staff present a report to the Council on each City board and commission's function, relevance, and presentation of annual reports. The City of Tracy currently has seven boards and commissions appointed by Council, which include the Measure V Residents' Oversight Committee, the Parks and Community Services Commission, the Planning Commission, the Tracy Arts Commission, the Transportation Advisory Commission, the Youth Advisory Commission, and the Building Board of Appeals.

Most boards and commissions are created by City resolution or ordinance and serve as advisory bodies to the City Council or staff. They provide information, analysis, and recommendations to inform the City Council and staff on matters pertaining to the board or commission's specialized area. Some boards and commissions have specific authority to make binding decisions, such as the Planning Commission. These bodies generally derive their decision making authority from state laws.

Appointees to boards and commissions perform a public service to our community and have both an obligation and an opportunity to provide helpful input that will shape the services and programs the City provides. This requires a thorough understanding of their role as a board member or commissioner, as well as a willingness to engage constructively with the public, elected officials, and City staff.

City Boards, Commissions, and Committees

Listed below are the various City boards and commissions and their responsibilities:

Planning Commission

The Planning Commission was established by Chapter 10.04 of Title 10 of the Tracy Municipal Code in 1953 and meets the second and fourth Wednesday of each month. It consists of five (5) members appointed by the City Council. The Commission prepares and recommends adoption, amendment or repeal of the City's General Plan; makes recommendations to the proper City officials regarding maps or plots of land subdivision; hold hearings on planning and zoning matters per State and City laws; and advises and makes recommendations regarding acquisition, use, or disposition of City-owned property. Examples of policy items that go before the Planning Commission include land use proposals, zoning regulations, vesting tentative subdivision maps, and recommendations on environmental impact reports. The Planning Commission evaluates development applications and reports through agenized staff reports. The commission does not direct staff or City operations, rather staff aligns its operations and goals with the City Council's Strategic Priorities.

Planning Commission actions can be appealed to the City Council, who can then decide to uphold the commission's decision, overturn it, modify it, or send it back for further study. The Planning Commission does not prepare an annual report to the Council, as the commission's primary role is to review and approve development applications per state law and the Tracy Municipal Code. The Planning Commission agenda and the Development Services Department project pipeline report is provided to the City Council for their reference. Commissioners receive a \$50 stipend per meeting.

Measure V Residents' Oversight Committee

The Measure V Residents' Oversight Committee was established in 2017, per City Council Ordinance 1223 (approved by the voters), and consists of five (5) members appointed by the City Council. It meets quarterly on the 3rd Monday of January, April, July and October. The Committee reviews expenditures and revenues through the annual independent financial audits, has oversight of revenues generated by Measure V and expenses related to Measure V, and serves in an advisory role to the City Council. City Council retains final authority in all decisions. The Oversight Committee's role is to advise the City Council of its findings and make recommendations during the term of the Committee. The Committee presents an annual written report documenting its findings to the City Council. The Measure V Residents' Oversight Committee Member position is a volunteer, non-paid position.

Parks & Community Services Commission

The City Council established the Parks and Community Services Commission in 1997 per Chapter 7.16 of the Tracy Municipal Code. The commission consists of seven (7) members, six of whom are appointed by City Council. The seventh member is appointed by the Tracy Unified School District (TUSD). All seven members serve a four-year term and serve at the pleasure of the City Council, with the exception of the TUSD appointee. The Parks and Community Services Commission is charged with advising on rules and regulations governing the conduct of recreation programs, protection of property, activities of persons in all parks, and hearing appeals of decisions made by the Parks and Recreation Director including park permits issued or denied. They advise the

City Council on recreation and facility master planning and development, park design, and review grant opportunities and details. The Parks and Community Services Commission is an advisory body to the City Council on all quality of life matters that pertain to senior citizens, adults, teens and youth. They receive reports on programming, such as activities at the Senior Center, After School Program, special events, and youth and adult sports. They also receive reports on public recreation facilities development and use. With both programming and facilities, the Commission provides valuable feedback and helps the department set the direction for the prioritization of projects and use of resources, including funding allocation recommendations for the City's Community Development Block Grant (CDBG) program.

With staff facilitation, the Commission organizes and implements goals and objectives on an annual basis. The Commission prepares an annual report and Senior Citizen report to the City Council. The Commission meets the first Thursday of each month at 7:00 p.m., and holds public meetings on recreation programming and facility usage. Commissioners receive a \$50 stipend per meeting.

Transportation Advisory Commission

The City Council established the Transportation Advisory Commission in 2007. It consists of nine (9) members, each serving a four-year term. Commission meetings are held on the second Tuesday of each month at 7:00 p.m. The Commission acts in an advisory role to the City Council on matters relating to transportation in the community. The purpose of the Transportation Advisory Commission is to address various public transportation issues including transit (TRACER bus service, San Joaquin Regional Transit District (SJRTD), Altamont Corridor Express (ACE Train), taxis), airport, and bikeways. The Commission gathers information by participating in public outreach at various City-sponsored events and by speaking with various groups and individuals with whom they have contact within the community. Additionally the Commission reviews and provides input on City-wide public transportation and airport planning documents and policies, advises on service levels and routes, recommends rules and procedures including rates, fares, and user fees for the use of transportation service programs and facilities. The Commission identifies transportation infrastructure needs and provides recommendations to improve connectivity for transit users. The Commission also recommends and promotes marketing strategies for community outreach programs to strengthen the use of the transit system with a particular emphasis on seniors/ADA passengers and students.

With staff facilitation, the Commission organizes and implements goals and objectives on an annual basis, and prepares an annual report to the Council. Commissioners receive a \$50 stipend per meeting.

Youth Advisory Commission

The Youth Advisory Commission ("YAC") was established in 1998 and consists of eight (8) to 14 members. The purpose of the YAC is to provide youth with an opportunity to make a positive impact in the Tracy community. The YAC meets the second Wednesday of each month at City Hall. The role of the YAC is to foster increased involvement of youth in the affairs of municipal government. Some of the responsibilities include: addressing issues, activities and concerns of youth especially as they relate to municipal programs and projects within the City of Tracy; holding forums on safety, recreation and school issues; making recommendations to the Parks & Recreation Department regarding the planning and implementation of programs; and participating in

Youth Advisory Commission Activities. The YAC annual report is presented to Council in January of each year. YAC Members are non-paid volunteers.

Tracy Arts Commission

The City Council established the Tracy Arts Commission (“TAC”), previously known as the Cultural Arts Commission and Community Cultural Arts Commission, by City Council Ordinance 501 in July of 1991. The seven-member body is appointed by the City Council to serve four-year terms. Meetings are held on the second Tuesday of each month. City Council’s charge to the TAC is to preserve and cultivate the expression and appreciation of the arts in Tracy. The TAC represents the diversity of the creative community including arts patrons, architecture, engineering, historical preservation, design arts, arts administration, arts education, visual arts and the performing arts. In addition, the TAC maintains the Civic Art Plan, advises the City Council on the City-wide public art program, and advises staff on activities and programming. The TAC makes design and funding recommendations for Civic Art Program projects that utilize Capital Improvement Project funding, for City Council approval. They also make recommendations for any arts, aesthetic, design, architectural, and beautification projects from any City department or the City Council as requested. The TAC may perform other arts-related duties and functions as the City Council may direct.

The TAC uses Budget, Civic Art and Special Events Subcommittees to carry out their duties, provide programming recommendations, and collaborate with the educational, business, and creative communities. The TAC and staff have a working, collaborative relationship, as all of their projects require staff expertise in the arts policies and practices, resulting in public programming such as the Downtown Tracy Artwalk, Downtown Tracy Mural Project, Tracy Art Week/Month, and the collection and projects of the Civic Art Program. TAC does not prepare an annual report for the Council at this time. However, staff can assist the TAC with preparing an annual report at Council’s discretion. Commissioners receive a \$50 stipend per meeting.

Building Board of Appeals

Established by Ordinance 602 on May 1, 1984, and pursuant to Tracy Municipal Code Chapter 9.44, the City Council established a Building Board of Appeals for the purpose of hearing appeals by persons aggrieved by any administrative decisions in the application of the Uniform Housing, Building, Mechanical, Electrical, Plumbing, Abatement of Dangerous Buildings, and Fire Codes, or regulations adopted pursuant thereto. The five-member body is appointed by the City Council to serve four-year terms. The board consists of members who are qualified by experience and training (such as licensed contractors, engineers, and architects) to evaluate matters pertaining to building construction. The Board meets as-needed, and members are non-paid volunteers.

San Joaquin County Commission on Aging

The San Joaquin County Commission on Aging was established by the San Joaquin County Board of Supervisors, and takes an active role advocating for the needs of senior citizens in San Joaquin County. One member is appointed by the Tracy City Council for a three-year term. The Commission membership must consist of more than 50% of individuals who are 60 years of age or older. However, any adult who is interested in issues relating to seniors may be considered for appointment. The Commission meets on the first Monday of each month except for August, when no meeting is held. Members are non-paid volunteers.

San Joaquin County Mosquito Abatement District Board

Established by the State of California, Department of Health Services, State Health and Safety Code, Chapters 5 and 6 of Division 3, the San Joaquin County Mosquito Abatement District takes actions for the extermination of mosquitoes and the abatement of their breeding places throughout the District, while conforming to all California Government Codes applicable to public agencies. The Board meets the third Tuesday of each month at 1:00 p.m. The City Council appoints one resident to serve on the San Joaquin County Mosquito Abatement District Board. The term of the appointment is 2-4 years, at the discretion of the City Council. Members are non-paid volunteers.

Ad Hoc & Standing Committees

Ad hoc Committees are formed for a specific purpose and dissolve after completing their mission. However, standing boards, commissions, and committees become an integral part of the City's governance structure by having continuing subject matter oversight or a fixed meeting schedule. Standing boards, commissions, and committees are evaluated and approved at the City Council's discretion.

Application, Appointments, and Reappointments

Residents who are interested in serving on a City of Tracy board, commission, or committee must complete and submit the appropriate application form to the City Clerk. Recommendations for appointment are typically made by a subcommittee of the City Council and are approved by the full Council, per the Council's advisory body selection and appointment policy (Attachment A). Reappointment is not automatic; therefore, board members, commissioners, and committee members are required to submit a new application to the City Clerk prior to each term expiration date to be considered for reappointment.

All Commissioners, excluding members of the Board of Appeals, must be city residents and cannot be employees of the City of Tracy. The master list of members who currently serve on City boards and commissions for 2021, including their appointment and term expiration date, is provided in Attachment B. There is currently one vacancy on the Transportation Advisory Commission, one vacancy on the Tracy Arts Commission, and two vacancies on the Parks and Community Services Commission. Additionally, three of the Transportation Advisory Commissioners terms will expire on April 30, 2021.

Governing Policy

Bylaws

The City's bylaws are standardized for most boards and commissions, with some specific provisions applicable to each body. The standard bylaws include sections on duties, ethics and conflicts of interest, and procedural matters, including scheduling, noticing, and conducting meetings and preparation of agendas (Attachment C). Bylaws are consistent with those set forth by the City Council for the operation of the board or commission and the conduct of its meetings.

Public Meetings

City boards and commissions are subject to the Brown Act, meaning their deliberations and decisions must be done in an open public meeting. Each year, City boards and commissions cumulatively hold more than 70 meetings. Generally, regular meetings

are held on a reoccurring date and time. Special meetings may be called to discuss a specific topic, but do not occur frequently. Regular meetings must be noticed to the public at least 72 hours in advance; special meeting must be noticed within 24 hours of the meeting. Advance public notice of the meetings are provided by physically posting the notice, listing the meeting on the City website, and by direct email to interested parties who have requested such notices.

Currently, all meetings are conducted in accordance with the City Council's meeting procedures. The Council may consider authorizing certain boards and commissions to follow less stringent public meeting protocols.

Public Records Act

Records of the City are subject to disclosure under the California Public Records Act. Agendas, staff reports, and email communications about board or commission business are generally considered to be public records subject to disclosure under the Public Records Act.

Role of City Staff

Each board and commission has a staff liaison who provides professional and administrative support. Staff liaisons are the primary conduit for members of boards and commissions to communicate with the City. Staff liaisons perform a variety of roles, including:

- Serving as a channel of communication between the board/commission and other City staff;
- Creating meeting notices, preparing minutes, and creating agendas;
- Scheduling meetings and booking meeting locations;
- Maintaining board/commission records;
- Coordinating the collection and distribution of information requested by the board/commission;
- Prepare board and commission agendas and minutes, publish online, and make print copies available to the public;
- Facilitating the coordinating and implementation of board/commission goals and actions.

The City Clerk's Office also provides a wide range of support and oversight for City boards and commissions, including: facilitating the noticing and recruitment of new appointees, maintaining board and commission roster, and ensuring meetings and records are accurate and meet applicable Brown Act requirements.

Past Council Discussion on New Commission Formation & Consolidations

On July 2, 2013, staff presented Council with an option to consolidate three existing commissions as part of a broader discussion on the formation of a senior commission. The option included the consolidation of the Parks and Community Services Commission, the Tracy Arts Commission, and the Youth Advisory Commission into one 11 member Community Services Commission; and included the appointment of three senior advisory members to ensure senior citizen representation. The goal of the consolidation was to improve resident engagement with specific populations in a more inclusive and collaborative manner, create more synergy among the members who sit on these separate commissions in order to accomplish broader community goals, and to

facilitate commission recruitments which can be difficult to fill. During the meeting, the Council did not move to create a Community Services Commission or establish a new senior commission.

Council Direction

1. Is the City Council in favor of revisiting the consolidation of commissions to include the Parks, Arts, Transportation, and Youth Advisory Commissions?
2. Would the City Council like to receive annual reports from all City commissions?

FISCAL IMPACT

There is no fiscal impact associated with the discussion of this item.

STRATEGIC PLAN

This agenda item meets the City Council's 2019-2021 Strategic Priority Item #2 Governance, Goal 2 (2): Encourage the development of good governance policies.

RECOMMENDATION

That the City Council discuss the role, makeup, and necessity of City boards and commissions and provide direction to staff.

Prepared by: Vanessa Carrera, Assistant to the City Manager

Reviewed by: William Wilson, Cultural Arts Supervisor
Bill Dean, Assistant Director of Development Services
Ed Lovell, Transportation Manager
Jolene Jauregui-Correll, Recreation Manager
Brian MacDonald, Parks & Recreation Director
Adrienne Richardson, City Clerk

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

A – Council Policy on Appointments to Advisory Bodies

B – City of Tracy, Boards and Commissions Roster and Term Expirations

C – City of Tracy, Boards and Commissions By-laws

RESOLUTION 2020-009

ADOPTING A COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO CITY ADVISORY BODIES AND REPEALING RESOLUTION NO. 2004-089 AND RESOLUTION NO. 2004-152

WHEREAS, In March 2004, the Tracy City Council adopted Resolution No. 2004-089 establishing a policy for the selection process and defining residency requirements for appointee bodies ("Policy") in accordance with Government Code sections 54970 et seq. that was last amended in May 2004, via Resolution No. 2004-152;

WHEREAS, The current policy states that the Mayor (or designee) and a selected Council member shall serve on a selection subcommittee to review applications to serve on an advisory body, interview applicants, and make a recommendation to the full Council on a candidate for appointment to an advisory body,

WHEREAS, In practice, Council appoints any two Council members to a subcommittee to review applications and interview applicants for an appointment to an advisory body, and

WHEREAS, Council wishes to amend the policy to accurately reflect its current practice.

NOW, THEREFORE, the City Council of the City of Tracy hereby adopts the Council Policy Establishing a Selection Process for Appointments to City Advisory Bodies, attached as Exhibit A, and thereby repeals and supersedes Resolution No. 2004-089, and Resolution No. 2004-152.

The foregoing Resolution 2020-009 was passed and adopted by the Tracy City Council on the 21st day of January, 2020, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE


MAYOR

ATTEST:

CITY CLERK

**COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO
CITY ADVISORY BODIES
(Exhibit "A" to Resolution No. 2020-009)**

SECTION 1: PURPOSE

To establish a selection process for appointments to City advisory bodies including defining residency requirements, in accordance with Government Code sections 54970 et seq.

SECTION 2: SELECTION PROCESS FOR APPOINTEE BODIES

- A. On or before December 31st of each year, the City Clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:
1. A list of all appointee terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date the term expires and the necessary qualifications for the position.
 2. A list of all boards, commissions and committees whose members serve at the pleasure of the Council and the necessary qualifications of each position.
 3. The list of appointments shall be made available to the public for a reasonable fee that shall not exceed actual cost of production. The Tracy Public Library shall receive a copy of the list.
- B. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.
- C. Appointments shall be made for the remainder of the term created by the vacancy except as follows:
1. If appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.
 2. If the vacancy is filled by an emergency appointment the appointee shall serve only on an acting basis until the final appointment is made pursuant to section 2.
- D. The Council shall use the following selection process to provide an equal opportunity for appointment to a board, commission or committee:

ATTACHMENT "A"

1. Council shall appoint two Council members to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.
 2. If the Council subcommittee determines there are multiple qualified candidates, the subcommittee can recommend the Council establish an eligibility list that can be used to fill vacancies that occur in the following twelve (12) months.
 3. At the Council subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.
- E. In the event there are not two or more applicants than vacancies on any board, commission or committee, the filing deadline may be extended by the City Clerk.
- F. An individual already serving on a City of Tracy board, committee or commission may not be appointed to serve on an additional City of Tracy board, committee, or commission concurrently.

SECTION 3: DEFINITION OF RESIDENCY REQUIREMENTS

- A. The following definitions shall be used to determine whether residency requirements are met for boards and commissions to which the Tracy City Council appoints members:
1. Tracy Planning Area means the geographical area defined in the City of Tracy General Plan and any amendments thereto.
 2. City of Tracy means within the city limits of the City of Tracy.
 3. Citizen means a resident of the City of Tracy.
 4. Tracy School District means the geographical area served by the Tracy Unified School District.
 5. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.
- B. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:
1. Voter registration,
 2. Current California Driver's License or Identification,

ATTACHMENT "A"

3. Utility bill information (phone, water, cable, etc.),
 4. Federal or State tax returns.
- C. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.

ATTACHMENT "B"

CITY OF TRACY

2021 Master List of Board, Committees and Commissions

<u>Name</u>	<u>Appointment Date</u>	<u>Term Expiration</u>
BOARD OF APPEALS		
Dennis Alegre	February 19, 2019	February 28, 2023
James Caling	February 19, 2019	February 28, 2023
Hossein Ebrahimi	February 19, 2019	February 28, 2022
Scott Schendel	February 19, 2019	February 28, 2023
Jerry Yerian	February 19, 2019	February 28, 2022
MEASURE V RESIDENTS' OVERSIGHT COMMITTEE		
Ameni Alexander	April 8, 2020	February 28, 2023
Karen Parker-Moore	April 8, 2020	February 28, 2023
Allan Borwick	March 5, 2019	February 28, 2022
Abdul Wahid	March 5, 2019	February 28, 2022
Joyce Fenton	October 20, 2020	February 28, 2023
PARKS AND COMMUNITY SERVICES COMMISSION		
Linda Jimenez	February 5, 2008	January 31, 2024
Jacy Krogh	February 4, 2020	January 31, 2024
Todd Lieberg	January 2, 2018	January 2, 2022
Rajdeep Singh	April 16, 2019	January 31, 2024
Vacant		January 2, 2022
Vacant		January 2, 2022
Lori Souza (TSUD Representative)		
PLANNING COMMISSION		
Gurtej Atwal	October 1, 2019	March 31, 2024
Maurice Francis	October 2, 2019	March 31, 2022
Albert (Cliff) Hudson	April 8, 2020	March 31, 2024
Joseph Orcutt	February 19, 2013	March 31, 2022
Chad Wood	March 20, 2018	March 31, 2022

2021 Boards and Commissions List

<u>Name</u>	<u>Appointment Date</u>	<u>Term Expiration</u>
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SAN JOAQUIN COUNTY COMMISSION ON AGING

Wayne Templeton	July 22, 2020	June 30, 2023
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SAN JOAQUIN COUNTY MOSQUITO ABATEMENT DISTRICT BOARD

Prabhjot Singh	July 22, 2020	June 30, 2024
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TRACY ARTS COMMISSION

Margarita Anderson	December 17, 2019	December 31, 2023
Jeff Bordes	October 18, 2017	December 31, 2021
Nila Dhugga	January 7, 2014	December 31, 2021
Maxine Lees	December 17, 2019	December 31, 2023
Cynthia Reis	December 17, 2019	December 31, 2023
Taranjit Sandhu	March 19, 2012	December 31, 2021
Vacant		December 31, 2023

TRANSPORTATION ADVISORY COMMISSION

Cooper, Gary	April 16, 2019	April 30, 2021
English, Alice	September 5, 2017	April 30, 2021
Khanna, Rajnish	November 7, 2018	April 30, 2021
Silva, Tim	December 3, 2013	April 30, 2022
Stevenson, Roderick	May 1, 2018	April 30, 2022
Vaughn, Alvin	September 4, 2007	April 30, 2022
Vacant		April 30, 2023

YOUTH ADVISORY COMMISSION

Almazon, Alexandra	July 16, 2019	July 31, 2021
Andrews, Kayla	February 2, 2021	July 31, 2023
Crowley, Samantha	July 16, 2019	July 31, 2021
Dash, Seemani	July 16, 2019	July 31, 2021
Delapaz, Adriana	August 1, 2019	July 31, 2021
Dhillon, Harleen	February 2, 2021	July 31, 2023
Kala, Manasvini	February 2, 2021	July 31, 2023
Kala, Sashank	February 2, 2021	July 31, 2023
Karthikeyan, Ethan	August 1, 2020	July 31, 2022
Mahendran, Kaavya	August 1, 2020	July 31, 2022
Mamsa, Mysha	July 16, 2019	July 31, 2021
Moshan, Ingrid	July 16, 2019	July 31, 2021
Razi, Yasmeen	August 1, 2019	July 31, 2022
Xiao, Beiyuan "Peter"	February 2, 2021	July 31, 2023

2021 Boards and Commissions List

<u>Name</u>	<u>Appointment Date</u>	<u>Term Expiration</u>
<u>YAC Adult Commissioners:</u>		
Scott Arbogast	February 2, 2021	July 31, 2023
Sarah Ying Bai	February 2, 2021	July 31, 2023
Wes Huffman	August 1, 2019	July 31, 2021

ATTACHMENT "C"

BYLAWS OF THE
PLANNING COMMISSION OF THE
CITY OF TRACY, CALIFORNIA

WHEREAS, Pursuant to California Government Code sections 6500 et seq. ("Government Code") and Chapter 10.04 of Title 10 of the Tracy Municipal Code ("Municipal Code"), a Planning Commission ("Commission") of the City of Tracy, California, has been established; and

WHEREAS, The membership qualifications, terms of office, organization, required meetings of the Commission are set forth in the Municipal Code; and

WHEREAS, The powers and duties of the Commission are set forth in the Government Code and the Municipal Code; and

WHEREAS, The Commission may adopt, subject to City Council ("Council") approval, bylaws for the transaction of its affairs and conduct of its meetings.

NOW, THEREFORE, these Bylaws govern the conduct of the meetings and the transaction of its affairs.

A. PURPOSE

The purpose of the Commission is to perform all of the functions of a city planning commission as described by California state planning and zoning law, as further described in Chapter 10.04 of Title 10 of the Municipal Code, except as otherwise provided by ordinance or resolution of the Council.

B. ROLE AND RESPONSIBILITIES

The role of the Commission is to perform all of the functions of a city planning commission as described by California state planning and zoning law, as further described in Chapter 10.04 of Title 10 of the Municipal Code, except as otherwise provided by ordinance or resolution of the Council. The responsibilities of the Commission include making recommendations to the Council regarding the general plan and amendments thereto, subdivision map applications in accordance with the California Subdivision Map Act and the Municipal Code, and holding hearings on planning and zoning matters.

C. MEMBERSHIP GUIDELINES

1. **Membership.** The Commission shall consist of five (5) members unless otherwise provided in the Municipal Code.
2. **Term.** Each member shall serve a four- year term. Terms for members appointed to fill unexpired terms shall be in accordance with the Municipal Code.
3. **Attendance.** Attendance requirements are set forth in Chapter 10.04 of the Municipal Code.
4. **Leave of Absence.** A Planning Commission member may submit a written request to the City Council, for a leave of absence of up to six-months, which may be approved in its discretion.
5. **AB 1234 Training and Form 700 Completion.** If a member of the Planning Commission who is required to complete AB 1234 training (State Mandated

Ethics Training) and/or is required to complete form 700 (Statement of Economic Interest), does not do so in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member. If the member does not complete the required training and/or form, and provide proof of compliance to the City Clerk's Office, within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

D. QUORUM

A quorum of the Planning Commission shall consist of a majority of the members (including any vacancies). A quorum must be present in order for the Planning Commission to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers of the Planning Commission shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.
2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Sign all resolutions and minutes.
 - d. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one year term. The annual election of officers shall take place at the last regular meeting in June of each year. The terms of officers shall commence as of July 1st following the election and shall continue through June 30th of the following year. In the first year of formation, the election of officers shall take place at the first regular meeting.

G. MEETINGS

1. Regular meetings of the Planning Commission shall be held on the Second and Fourth Wednesday of each month, except in November and December of each year when regular meetings shall be held on the First and Third Wednesday, and shall begin at 7:00 p.m. in the Tracy Council Chambers.
2. If the scheduled date of a regular meeting conflicts with a holiday period, staff shall reschedule that meeting to be conducted within that month.
3. Any regular meeting may be adjourned, or any item on the agenda continued to the next or any subsequent regular meeting of the Planning Commission by a

majority of the quorum. If a meeting is adjourned or an item is continued to a special meeting to be held on a date other than a regular meeting date, the time, place, and date of such special meeting shall be specified in the motion for adjournment or continuance.

4. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current Council meeting procedures.
6. All meetings shall be conducted in accordance with the current Council meeting procedures.
7. All agendas shall be prepared and distributed in accordance with Council meeting procedures and the Brown Act.

H. FUNDING

Any funding necessary for operation of the Commission shall be included in the City of Tracy budget, which shall be approved by the Council.

I. ADMINISTRATIVE PROCEDURES AND POLICIES

The Commission shall follow all applicable City fiscal administrative policies and procedures.

J. SUBCOMMITTEES

The Commission may form ad hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. A quorum of Commission members may not be appointed to serve on a single subcommittee. Before forming a subcommittee, the Commission shall establish a specific charge and term for the subcommittee.

K. STAFF LIAISON

The Commission shall have a staff liaison designated by the Development and Engineering Services Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Planning Commission in support of, or in opposition to, any question before the Planning Commission.
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

L. ADOPTION

This document, as adopted and amended by Council resolution, shall serve as the Bylaws for the Commission.

By Laws of the Planning Commission
City of Tracy
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Commission: Recommended approval to Council on December 17, 2003, by motion action.

Council: Approved by Council on January 20, 2004, by Resolution No. 2004-016, and amended by Council on March 2, 2010, by Resolution No. 2010-022.

(09 29 10)

**BYLAWS OF THE MEASURE V RESIDENTS' OVERSIGHT COMMITTEE
CITY OF TRACY, CALIFORNIA**

WHEREAS, Pursuant to Ordinance 1223, the City Council has established a Measure V Residents' Oversight Committee (the "Oversight Committee") for the purpose of overseeing revenues generated by and expenses related to the one-half cent sales tax measure (Measure V), which was adopted by the voters on November 8, 2016, and

WHEREAS, The Measure V Residents' Oversight Committee By-Laws are consistent with those set forth by the City Council for the operation of the City's Boards, Commissions and Committees, and

NOW, THEREFORE, these By-Laws govern the conduct of the meetings and the transaction of the affairs of the Oversight Committee.

A. PURPOSE

Pursuant to Ordinance 1223 the Oversight Committee shall review the revenue and expenditure from the Measure V transactions and use (sales) tax through the annual independent financial audits performed by an independent auditor. The Oversight Committee shall have oversight of revenues generated by and expenses related to Measure V. The Oversight Committee serves in only an advisory role to the City Council. The City Council retains final authority in all decisions.

B. ROLE AND RESPONSIBILITIES

The role of the Oversight Committee is to review the independent financial audit of the City that includes revenue raised by Measure V and other financial reports necessary to advise the City Council of its findings and make recommendations during the term of the Committee. The Committee will present an annual written report documenting its findings to the City Council in August of each year *or when reasonably possible thereafter based upon availability of data needed for the annual written report.*

The Oversight Committee Member position is a volunteer, non-paid position whose roles and responsibilities **will** include the following:

- To serve in an advisory-only capacity to the City Council;
- To provide oversight of the revenues and expenses pertaining to the portion of the sales tax generated by Measure V;
- To review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to the revenue and expenses related to the portion of the sales tax generated by Measure V;
- To review other City financial reports pertaining to the revenue generated by and expenses related to the portion of the sales tax generated by Measure V revenue and expenses;
- Providing Council with an annual written report;
- Additional reports to Council can be provided to Council at the committee and/or Council's discretion (all reports must be in writing and agendaized pursuant to the Brown Act).

The Oversight Committee roles and responsibilities **will not** include the following:

- Oversight on Enterprise and other funds generated independent of Measure V;
- Decision-making on spending priorities;
- Reviewing Enterprise and, except to the extent necessary for the General Fund, other funds generated independently of Measure V.

The Oversight Committee's findings will be presented annually in a written report to the City Council.

The City Council retains final authority in decisions for all aspects of the sales tax revenue.

C. MEMBERSHIP GUIDELINES

1. Membership. The Oversight Committee shall consist of five members who are residents of the City of Tracy and meet the residency requirement as outlined in Resolution 2004-152, establishing the council selection process, and defining residency requirements, for appointee bodies.
2. Term. The Oversight Committee will commence on March 1, 2017. Of the five members of the Committee first appointed, three shall be appointed for a three year term and two shall be appointed for a two year term. Subsequent appointments to the Oversight Committee shall be until the reporting period for the last one-half cent sales tax collected pursuant to Measure V. No member of the committee shall serve more than two consecutive terms.
3. Attendance. An Oversight Committee member's failure to attend two consecutive meetings in any calendar year shall result in his or her removal from the Committee at the discretion of the City Council. Absences may not be excused; however, an Oversight Committee member may request a leave of absence as outlined in these bylaws. For quorum confirmation, a member who needs to miss a meeting shall inform the staff liaison designated by the City Manager at least 48 hours before the next meeting.
4. Leave of Absence. A member of the Oversight Committee may submit a written request to the City Council, for a leave of absence of up to six-months, which may be approved in its discretion.

D. QUORUM

A quorum of the Oversight Committee shall consist of a minimum of three members. A quorum must be present in order for the Oversight Committee to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.
2. The Chairperson shall:

- a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
 4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The election of officers shall take place each year at an annual meeting to be held within the first quarter of the calendar year. The terms of officers shall commence as of the date of that meeting and shall continue until the annual meeting in the following year.

G. MEETINGS

The Oversight Committee will meet a minimum of four times a year, on a quarterly basis on the 3rd Monday in January, 3rd Monday in April, 3rd Monday in July, and 3rd Monday in October at 5:30 p.m. at City Hall Room 109. Additional meetings may be scheduled by the Committee, at its discretion. Oversight Committee members are expected to attend all regular meetings.

1. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures. All agendas shall be distributed in accordance with City Council meeting procedures and the Brown Act.

H. FORM 700 FILINGS AND AB 1234 TRAINING

1. The City Clerk's Office will monitor compliance with state and City Form 700 (Statement of Economic Interest) filing requirements, and AB 1234 (Ethics Training) requirements.
2. If a member of the Measure V Resident Oversight Committee fails to file a Form 700, or complete AB 1234 training in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member.
3. If the member does not file a Form 700 or a certificate confirming proof of compliance with AB 1234 training with the City Clerk's Office within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

I. FUNDING

Any funding necessary for operation of the Oversight Committee shall be included in the City of Tracy budget, which shall be approved by the City Council.

J. ADMINISTRATIVE PROCEDURES AND POLICIES

The Oversight Committee shall follow all applicable City fiscal administrative policies and procedures.

K. STAFF LIAISON

The Oversight Committee shall have a staff liaison designated by the City Manager. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Committee in support of, or in opposition to, any question before the Committee.
2. Sign all meeting minutes.
3. Prepare and distribute agendas and agenda packets.

The staff liaison assigned to the Oversight Committee will be responsive to the Committee's request for information. The City staff liaison, or designee, will attend all Oversight Committee meetings.

L. ADOPTION

This document, as adopted by City Council Resolution 2017-026, shall serve as the Bylaws for the Measure V Residents' Oversight Committee.

**BYLAWS OF THE
PARKS AND COMMUNITY SERVICES COMMISSION
CITY OF TRACY, CALIFORNIA**
(Revised June 2010)
(Council Resolution 2009-191)

WHEREAS, the City Council has established a Parks and Community Services Commission for the purpose of advising the Council on the planning and development of park and recreation facilities and delivery of recreation and community service programs; and

WHEREAS, the Parks and Community Services Commission is advisory to the City Council.

NOW, THEREFORE, these Bylaws govern the conduct of the meetings and the transaction of its affairs.

A. PURPOSE

The purpose of the Parks and Community Services Commission is to:

1. Establish rules and regulations governing the conduct of recreation programs, protection of property and activities of persons in all parks.
2. Establish rates, charges and deposits for the use of any and all recreation facilities.
3. Hold public hearings on recreation programming and facility usage and conduct investigations and surveys for the purpose of obtaining facts and data concerning recreation programs.
4. Review grants, facility developments and designs and recreation programs.
5. Advise the Council on the subject of recreation and facility master planning and development.
6. Make recommendations to the Council regarding the right to exclude persons; to regulate traffic, including pedestrian, equestrian, and vehicular; and to regulate the operations and use of bicycles; the keeping or use of animals; the conducting of assemblies, contests, games, and sports; and the regulation of activities, such as the merchandising, advertising, gambling, solicitation, and imbibing of alcohol, from or in any and all recreation facilities.
7. Forward appeals of any actions of the Commission to the Council.
8. Hear appeals of decisions made by the Parks and Community Services Department Director under TMC 4.40.150 (Special Event Permits).
9. Hear appeals of park permits issued or denied by the Parks and Community Services Department Director under TMC 4.16.160 (Regulations Pertaining to the Use of Park and Recreation Areas and Facilities).

B. ROLE AND RESPONSIBILITIES

The role of the Parks and Community Services Commission is to provide citizen and community perspective and input on the development of park and recreation facilities and the delivery of recreation and community services programs.

C. MEMBERSHIP GUIDELINES

1. **Membership.** The Parks and Community Services Commission shall consist of seven members of which one member shall be appointed by the Tracy Unified School District.
2. **Term.** Each member shall serve a four-year term.
3. **Attendance.** If a member of the Parks and Community Services Commission fails to attend four regular meetings in any calendar year, his or her position on the Parks and Community Services Commission shall automatically become vacant and the staff liaison shall so inform the City Clerk. Absences may not be excused; however, a commissioner may request a

Parks and Community Services Commission Bylaws

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leave of absence as outlined in these Bylaws. For quorum confirmation, a member who is unable to attend a meeting shall inform the staff liaison designated by the relevant City Department at least 48 hours before the next meeting.

4. **Leave of Absence.** A Parks and Community Services Commission member may submit a written request to the City Council for a leave of absence of up to six months, which may be approved in its discretion.
5. **AB 1234 Training and Form 700 Completion.** If a member of the Parks and Community Services Commission who is required to complete AB 1234 training (State Mandated Ethics Training) and/or is required to complete form 700 (Statement of Economic Interest), does not do so in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member. If the member does not complete the required training and/or form, and provide proof of compliance to the City Clerk's Office, within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

D. QUORUM

A quorum of the Parks and Community Services Commission shall consist of a majority of the members (including any vacancies). A quorum must be present in order for the Parks and Community Services Commission to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers of the Parks and Community Services Commission shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.
2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability. The Vice Chairperson shall chair the Commission's ad hoc subcommittee to review proposed park and recreation facility names prior to review by the Commission.
4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The annual election of officers shall take place at the last regular meeting in June of each year. The terms of officers shall commence as of July 1st following the election and shall continue through June 30th of the following year. In the first year of formation, the election of officers shall take place at the first regular meeting.

G. MEETINGS

1. Regular meetings of the Parks and Community Services Commission shall be held on the 1st Thursday of each month and shall begin at 7:00 p.m.
2. If the scheduled date of a regular meeting conflicts with a holiday period, staff shall reschedule that meeting to be conducted within that month.
3. Any regular meeting may be adjourned, or any item on the agenda continued to the next or any subsequent regular meeting of the Parks and Community Services Commission, by a

Parks and Community Services Commission Bylaws

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majority of the quorum. If a meeting is adjourned or an item is continued to a special meeting to be held on a date other than a regular meeting date, the time, place, and date of such special meeting shall be specified in the motion for adjournment or continuance.

4. All meetings are subject to the Brown Act as set forth in Government Code Sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and distributed in accordance with the current City Council meeting procedures and the Brown Act.
5. All meetings shall be conducted in accordance with the current City Council meeting procedures.

H. FUNDING

Any funding necessary for operation of the Parks and Community Services Commission shall be included in the City of Tracy budget, which shall be approved by the City Council.

All members of the Commission shall receive such compensation as established by Resolution 2001-432 of the City Council.

I. ADMINISTRATIVE PROCEDURES AND POLICIES

City Boards and Commissions shall follow all applicable City fiscal administrative policies and procedures.

J. SUBCOMMITTEES

The Parks and Community Services Commission may form ad hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. A quorum of Commission members may not be appointed to serve on a single subcommittee. Before forming a subcommittee, the Parks and Community Services Commission shall establish a specific charge and term for the subcommittee.

K. STAFF LIAISON

The Parks and Community Services Commission shall have a staff liaison designated by the relevant City Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Commission in support of, or in opposition to, any question before the Commission.
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

L. ADOPTION

This document, as adopted by City Council, and amended by City Council Resolutions 2004-034, 2009-191 and 2010-022, shall serve as the Bylaws for the Parks and Community Services Commission.

Parks and Recreation Commission Established by Ordinance 690 on July 7, 1987 (Bylaws included in Ordinance)
Amended by Ordinance 802 on November 21, 1989
Amended by Ordinance 932 C.S. on February 6th, 1996
Amended by Ordinance 948 C.S. on January 7th, 1997
Amended by Ordinance 1060 on January 20, 2004
Amended by Resolution 2004-034 on January 20, 2004
Amended by Resolution 2009-191 on October 20, 2009
Amended by Resolution 2010-022 on March 2, 2010

**BYLAWS OF THE
TRANSPORTATION ADVISORY COMMISSION
CITY OF TRACY, CALIFORNIA**

WHEREAS, the City Council has established a Transportation Advisory Commission for the purpose of advising the Council on the planning and development of public transportation related improvements and delivery of various public transportation service programs, and

WHEREAS, the Transportation Advisory Commission is advisory to the City Council; and

WHEREAS, The City General Plan promotes connectivity in mass transit, street patterns, bicycle trails, and pedestrian sidewalks and trails, as well as airport travel; and

WHEREAS, Public transportation related modes include automotive, rail, bicycle, bus, airport and pedestrian traffic such as inter-city (TRACER, Paratransit, Airports, Multimodal Station, bikeways, taxis, pedestrian trails) and intra-city (SJRTD, high-speed rail, and ACE).

NOW, THEREFORE, these Bylaws govern the conduct of the meetings and the transaction of its affairs.

A. PURPOSE

The purpose of the nine-member Transportation Advisory Commission is to:

1. Address various public transportation issues including inter-city transit (TRACER, Paratransit, airports, Multimodal Station, taxis, limousines, Park-and-Ride lots, bikeways, trails and passes) and intra-city transit (SJRTD, commuter-vanpools and ACE);
2. Review City-wide public transportation and airport planning documents;
3. Advise on service levels and routes;
4. Recommend rules and procedures governing public transportation service programs, equipment and facilities considering regulatory guidelines, service improvements, coordination, efficiencies, protection of property, service improvements and activities of persons utilizing transportation services and facilities;
5. Recommend rates, fares, user fees, charges and deposits for the use of transportation service programs and facilities;
6. Review surveys and facilitate public input on public transportation programming and facility usage;
7. Identify transportation infrastructure needs and recommend allocation of funds for capital expenditures related to transportation improvements;
8. Review grants, budgets, facility developments and designs, and transportation programs;
9. Advise the Council on the subject of comprehensive Citywide public transportation master planning and development;
10. Review, monitor, and make long-range recommendations concerning public transportation and connectivity sections of related environmental impact reports of development projects during the public review period and other similar documents;

11. Recommend and promote marketing strategies for community outreach programs in order to strengthen the transportation image, increase usage, and integrate its role within the community; and
12. Recommend to the City Council, after public input, the adoption, amendment or repeal of ordinances, resolutions, or requirements pertaining to public transportation within the City.

B. ROLE AND RESPONSIBILITIES

The role of the Transportation Advisory Commission is to provide citizen and community perspective and input on the development of public transportation planning, facilities and programs. As a Commission established by the City Council, the Transportation Advisory Commission will provide input to Council for their consideration and action. This would ideally be done after receiving public deliberation and achieving consensus through partnering with staff. It is intended that the Transportation Advisory Commission not take an advocacy role, but an advisory role, in providing input to City Council. Additionally, the Transportation Advisory Commission is expected to advise City Council on transportation matters brought to them by the community.

C. MEMBERSHIP GUIDELINES

1. **Membership.** The Transportation Advisory Commission shall consist of nine (9) members. Preferably, the composition of a Transportation Advisory Commission will include nine (9) residents with desirable background and expertise in specified areas of public transportation, such as the airport, buses, rail or bikes as outlined below:
 - a. Three (3) members: general aviation, or possess an active pilot's license, or work experience in operations of a public airport;
 - b. Two (2) members: bus transportation services;
 - c. One (1) member: rail transportation services;
 - d. One (1) member: bicycle transportation services;
 - e. One (1) member: user of public transit; and
 - f. One (1) member: community member at large.

Although a diverse Commission composition is preferred, the composition of the Commission may vary based on: (1) the expertise available at any one time in the community; and (2) on the community interest; therefore, flexibility on composition may be necessary.

2. **Term.** Each member shall serve a four- year term; commencing in May. To provide for Commissioner's terms to expire in a staggered manner, for the appointments of the initial Commissioners on the Transportation Advisory Commission only, the City Council at its discretion will appoint three Commissioners for a two-year term and three Commissioners for a three-year term. The remaining three Commissioners will be appointed for the full four-year term. Upon expiration of the two-year and three-year terms, the terms will be four years for all Commissioners.

3. **Attendance**¹. If a member of the Transportation Advisory Commission fails to attend four (4) regular meetings in any calendar year, his or her position on the Transportation Advisory Commission shall automatically become vacant and the staff liaison shall so inform the City Clerk. Absences may not be excused; however, a commissioner may request a leave of absence as outlined in the bylaws.

For quorum confirmation, a member who is unable to attend a meeting shall inform the staff liaison designated by the relevant City Department at least 48 hours before the meeting.

4. **Leave of Absence**. A Transportation Advisory Commission member may submit a written request to the City Council for a leave of absence of up to six months which may be approved at the City Council's discretion.
5. **AB 1234 Training and Form 700 Completion**². If a member of the Transportation Advisory Commission who is required to complete AB 1234 training (State Mandated Ethics Training) and/or is required to complete form 700 (Statement of Economic Interest), does not do so in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member. If the member does not complete the required training and/or form, and provide proof of compliance to the City Clerk's Office, within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

D. QUORUM

A quorum of the Transportation Advisory Commission shall consist of a majority of the members (five members). A quorum must be present in order for the Transportation Advisory Commission to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers of the Transportation Advisory Commission shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.
2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

¹ Per Council Resolution 2009-191

² Per Council Resolution 2010-022

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The annual election of officers shall take place at the last regular meeting in June of each year. The terms of officers shall commence as of July 1st following the election and shall continue through June 30th of the following year. In the first year of formation, the election of officers shall take place at the first regular meeting.

G. MEETINGS

1. Regular meetings of the Transportation Advisory Commission shall be held on the 2nd Thursday of each month and shall begin at 7:00 PM.
2. If the scheduled date of a regular meeting conflicts with a holiday period, staff shall reschedule that meeting to be conducted within that month.
3. Any regular meeting may be adjourned, or any item on the agenda continued to the next or any subsequent regular meeting of the Transportation Advisory Commission by a majority of the quorum. If a meeting is adjourned or an item is continued to a special meeting to be held on a date other than a regular meeting date, the time, place, and date of such special meeting shall be specified in the motion for adjournment or continuance.
4. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures.
5. All meetings shall be conducted in accordance with the current City Council meeting procedures.
6. All agendas shall be prepared and distributed in accordance with City Council meeting procedures and the Brown Act.

H. FUNDING

Any funding necessary for operation of the Transportation Advisory Commission shall be included in the City of Tracy budget, which shall be approved by the City Council.

I. ADMINISTRATIVE PROCEDURES AND POLICIES

City Boards and Commissions shall follow all applicable City fiscal administrative policies and procedures.

J. SUBCOMMITTEES

The Transportation Advisory Commission may form ad hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. A quorum of Transportation Advisory Commission members may not be appointed to

serve on a single subcommittee. Before forming a subcommittee, the Transportation Advisory Commission shall establish a specific charge and term for the subcommittee.

K. STAFF LIAISON

The Transportation Advisory Commission shall have a staff liaison designated by the relevant City Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Transportation Advisory Commission in support of, or in opposition to, any question before the Transportation Advisory Commission.
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

L. ADOPTION

This document, as adopted and amended by City Council on June 5, 2007, by Resolution **2007-120**, and shall serve as the Bylaws for the Transportation Advisory Commission.

BYLAWS OF THE
Youth Advisory Commission
CITY OF TRACY, CALIFORNIA

WHEREAS, the City Council has established a Youth Advisory Commission for the purpose of providing opportunities for youth to lead and plan recreation and community service activities, with emphasis on youth development, to enhance leadership skills and self esteem of people, ages 12 to 18 years; and

WHEREAS, the Youth Advisory Commission is advisory to the City Council, Parks and Community Services Commission, , and staff on matters relating to the welfare of youth in Tracy.

NOW, THEREFORE, these Bylaws govern the conduct of the meetings and the transaction of its affairs.

A. PURPOSE

The purpose of the Youth Advisory Commission is to provide youth with an opportunity to make a positive impact in their communities.

B. ROLE AND RESPONSIBILITIES

The role of the Youth Advisory Commission is to foster increased involvement of youth in the affairs of municipal government. The responsibilities of the Youth Advisory Commission are to:

1. Study problems, issues, activities, and concerns of youth, especially as they relate to municipal programs and projects of the City of Tracy.
2. Hold forums on health, safety, recreation, employment and school issues and concerns of youth.
3. Make recommendations to Parks and Community Services Department regarding the planning and implementation of the programs.
4. Participate in Youth Advisory Commission Activities.

C. MEMBERSHIP GUIDELINES

1. Membership

a. Youth

- i. The Youth Advisory Commission shall consist of a minimum of 8 members and a maximum of 14; to include two representatives from each high school in the Tracy area.
- ii. Youth Commissioners shall be, ages 14 to 18 years and/or attending a school in grades 9-12.
- iii. The youth may reside within the jurisdiction of any school district within the *City's Urban Management Plan Area*.

b. Adult

- i. The Youth Advisory Commission shall include a maximum of three (3) non-voting adult commissioners.

- ii. The adult commissioners shall reside within the jurisdiction of any school district with the *City's Urban Management Plan Area, consisting of:*
 - 1. One (1) Commissioner who is a member of the School District.
 - 2. Two (2) Commissioners who are community members who desire to work with youth.
- 2. Term.
 - a. Each member shall serve a 2- year term.
- 3. Attendance. If a member of the Parks and Community Services Commission fails to attend four regular meetings in any calendar year, his or her position on the Parks and Community Services Commission shall automatically become vacant and the staff liaison shall so inform the City Clerk. Absences may not be excused; however, a commissioner may request a leave of absence as outlined in these Bylaws. For quorum confirmation, a member who is unable to attend a meeting shall inform the staff liaison designated by the relevant City Department at least 48 hours before the next meeting.
- 4. Leave of Absence. A Youth Advisory Commission member may submit a written request to the City Council, for a leave of absence of up to six-months, which may be approved in its discretion.
- 5. Appointment. An interview process will be conducted in May by a panel of (3) members. One (1) member from the Parks and Community Services staff; One (1) Adult Advisor and One (1) Parks and Community Services Commissioner. The panel shall make recommendations for appointment to the City Council to be considered annually in June. Additional interviews may be conducted through out the year to fill vacant positions when they become available.

D. QUORUM

A quorum of the Youth Advisory Commission shall consist of a majority of the members appointed. A quorum must be present in order for the Youth Advisory Commission to hold a meeting.

E. OFFICERS AND DUTIES

- 1. The officers of the Youth Advisory Commission shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.
- 2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
- 3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.

4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The annual election of officers shall take place at the last regular meeting in July of each year. The terms of officers shall commence as of August 1st following the election and shall continue through July 30th of the following year. In the first year of formation, the election of officers shall take place at the first regular meeting.

G. MEETINGS

1. Regular meetings of the Youth Advisory Commission shall be held on the 2nd Wednesday of each month and shall begin at 6:00pm.
2. If the scheduled date of a regular meeting conflicts with a holiday period, staff shall reschedule that meeting to be conducted within that month.
3. Any regular meeting may be adjourned, or any item on the agenda continued to the next or any subsequent regular meeting of the Youth Advisory Commission by a majority of the quorum. If a meeting is adjourned or an item is continued to a special meeting to be held on a date other than a regular meeting date, the time, place, and date of such special meeting shall be specified in the motion for adjournment or continuance.
4. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures.
5. All meetings shall be conducted in accordance with the current City Council meeting procedures.
6. All agendas shall be prepared and distributed in accordance with City Council meeting procedures and the Brown Act.

H. FUNDING

Any funding necessary for operation of the Youth Advisory Commission shall be included in the City of Tracy budget, which shall be approved by the City Council.

I. ADMINISTRATIVE PROCEDURES AND POLICIES

City Boards and Commissions shall follow all applicable City fiscal administrative policies and procedures.

J. SUBCOMMITTEES

The Youth Advisory Commission may form ad hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. If a proposed subcommittee will consist of Commission members, a quorum of Commission members may not be appointed to serve on a subcommittee. Before forming a subcommittee, the Youth Advisory Commission shall establish a specific charge and term

for the subcommittee. Membership in subcommittees may include non-commission members.

K. STAFF LIAISON

The Youth Advisory Commission shall have a staff liaison designated by the relevant City Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Commission in support of, or in opposition to, any question before the Commission.
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

L. ADOPTION

This document, as adopted and amended by City Council resolution, shall serve as the Bylaws for the Youth Advisory Commission.

BYLAWS OF THE
TRACY ARTS COMMISSION
CITY OF TRACY, CALIFORNIA

A. PURPOSE

The purpose of the seven-member Tracy Arts Commission (TAC) is to preserve and cultivate the expression and appreciation of the Arts in Tracy.

B. ROLE AND RESPONSIBILITIES

The role and responsibilities of the Tracy Arts Commission are to:

1. Maintain the Civic Art Plan, adopted by City Council (Resolution 2003- 002) on January 7, 2003 and as City Council may revise from time to time; pursuant to current and future Council adopted policy to achieve the following;
 - a. Contribute to the quality of life of the residents of Tracy through the high quality civic spaces and access to a broad array of artistic experiences;
 - b. Expand the knowledge and understanding of the community's history and culture;
 - c. Support the economic vitality of the city through increased property values and cultural tourism;
 - d. Reinforce downtown as a cultural destination;
2. Advise the City Council on the subject of citywide public art; including private development and public/private partnerships.
3. Foster public/private partnerships for the creation of civic art;
4. Support individuals and organizations involved in the arts by promoting their events, offering resources, educational tools, and advising on policies to city council that will support those endeavors;
5. Commit to nourishing artistic vision, honoring diversity, supporting creativity and promoting cooperative partnerships through the re-granting program;
6. Appoint one commissioner for a term of two years, to review applications, interview applicants, and select Advisory committee members for the Grand Theatre Center for the Arts advisory committees;
7. Appoint two commissioners, for a term of two years, to the Arts Education Advisory Committee (AEAC) to assist staff in evaluating and ranking proposals for the arts education programming;
8. Appoint two commissioners, for a term of two years, to the Grand Galleries Advisory Committee (GGAC) as advisory to staff to assist in evaluating and ranking proposals for the exhibition season;
9. Appoint two commissioners, for a term of two years, to the Grand Presenting Advisory Committee (GPAC), as advisory to staff in evaluating and ranking performers for the Presenting season.
10. Advise staff on approved Arts Commission activities such as Music in the Park and the Multi Cultural Festival subject to the annual budget;

C. MEMBERSHIP GUIDELINES

1. **Membership.** The Tracy Arts Commission shall consist of seven members who reside within the city limits of Tracy, but not City officials or employees of the City. Preferably, the composition of the Tracy Arts Commission will include seven residents with desirable background and expertise in the arts or related field(s).
 - a. Three members: arts patron, architectural/ engineering, historical preservation, and/or interior/graphic design.
 - b. One Member: Arts Administration/ arts organization
 - c. One Member: Arts Education/ Education administration
 - d. One Member: Visual Arts or Gallery/museum curator
 - e. One Member: Performing Arts/ Producer/presenting/agent

Although a diverse Commission composition is preferred, the composition of the Commission may vary based on: (1) the applicants available at any one time in the community; and (2) the community interest; therefore, flexibility on composition may be necessary.

2. **Term.** Each member shall serve a four-year term; commencing in July.
3. **Attendance.** If a member of the Tracy Arts Commission fails to attend four regular meetings in any calendar year, his or her position on the Tracy Arts Commission shall become vacant and the staff liaison shall so inform the City Clerk. There are no excused absences, however a Commissioner may request a leave of absence as outlined in section 4.

For quorum confirmation, a member who is unable to attend a meeting shall inform the staff liaison designated by the relevant City Department at least 48 hours before the meeting.

Arts Commission Subcommittee meetings shall be set as needed to complete assignments. Members appointed to a Council mandated program(Civic Art, Re-Granting, Grand Advisory Selection, Grand Presenting, Grand Galleries and Grand Arts Education, are required to attend all scheduled meetings. Should a member fail to attend three subcommittee meetings in a term year, they will be removed from the subcommittee and the three absences on the subcommittee will count as one absence on the regular scheduled commission meetings.

4. **Leave of Absence.** A Tracy Arts Commission member may submit a written request to the City Council for a leave of absence of up to six months which may be approved at the City Council's discretion.
5. **AB 1234 Training and Form 700 Completion.** If a member of the Parks and Community Services Commission who is required to complete AB 1234 training (State Mandated Ethics Training) and/or is required to complete form 700 (Statement of Economic Interest), does not do so in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member. If the member does not complete the required training and/or form, and provide proof of compliance to the City Clerk's Office, within 30 days of receiving the second written notice, his or her appointment will automatically terminate

D. QUORUM

A quorum of the Tracy Arts Commission shall consist of a majority of the members (four members). A quorum must be present in order for the Tracy Arts Commission to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers of the Tracy Arts Commission shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson
2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice-Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
4. In case of the absence of both the Chairperson and Vice-Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The annual election of officers shall take place at the last regular meeting in June of each term year. The terms of officers shall commence as of July 1st following the election and shall continue through June 30th of the following year. Officers may be re-elected for no more than one additional successive term of office.

G. MEETINGS

1. Regular meetings of the Tracy Arts Commission shall be held on the second Tuesday of each month and shall begin at 7:00 p.m.
2. If the scheduled date of a regular meeting conflicts with a holiday period or for other reasons, the Tracy Arts Commission shall reschedule that meeting to be conducted within that month.
3. Any regular meeting may be adjourned, or any item on the agenda continued to the next or any subsequent regular meeting of the Tracy Arts Commission by a majority of the quorum. If a meeting is adjourned or an item is continued to a special meeting to be held on a date other than a regular meeting date, the time, place, and date of such special meeting shall be specified in the motion for adjournment or continuance.
4. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all

meetings shall be prepared and posted in accordance with the current City Council meeting procedures.

5. All meetings shall be conducted in accordance with the current City Council meeting procedures and the Brown Act.
6. All agendas shall be prepared and distributed in accordance with City Council meeting procedures and the Brown Act.

H. ADMINISTRATIVE PROCEDURES AND POLICIES

City Boards and Commissions shall follow all applicable City administrative policies and procedures.

I. AD HOC SUBCOMMITTEES

The Tracy Arts Commission may form ad hoc subcommittees in accordance with the Brown Act, and make appointments to that subcommittee, as it deems necessary. A quorum of Tracy Arts Commission members may not be appointed to serve on a single ad hoc subcommittee. Before forming an ad hoc subcommittee, the Tracy Arts Commission shall establish a specific charge and term for the subcommittee.

The Council has outlined mandated subcommittees, which include the following:

1. **Committee to Select Advisory Members:** Appointment of one commissioner, for a term of two years, to review applications, interview applicants, and select Advisory committee members for the Grand Theatre Center for the Arts advisory committees;
2. **Arts Education Advisory Committee (AEAC):** Appointment of two commissioners, for a term of two years, to the (AEAC) to assist staff in evaluating and ranking proposals for the arts education programming;
3. **Grand Galleries Advisory Committee (GGAC):** Appointment of two commissioners, for a term of two years, to the (GGAC) as advisory to staff to assist in evaluating and ranking proposals for the exhibition season;
4. **Grand Presenting Advisory Committee (GPAC):** Appointment of two commissioners, for a term of two years, to the (GPAC), as advisory to staff in evaluating and ranking performers for the Presenting season.
5. **Civic Art Subcommittee:** Appointment of three commissioners, for a term of one year, to the Civic Art Subcommittee to serve the TAC and work with staff. The TAC advised City Council on priority projects for civic art, reviews capital improvement projects for artistic enhancement, evaluates artist's concepts and proposals, and serves as ambassadors to the community-at-large regarding the Civic Art Program.
6. **Re-Granting Subcommittee:** Appointment of two commissioners, for a term of one year, to the Re-Granting Subcommittee to serve on the grant selection panel. Evaluating the applicants on the approved criteria and made recommendations on funding awards to the Arts Commission.

Given the large number of standing committees, the Tracy Arts Commission shall limit the number of adhoc subcommittees to only those reasonably necessary to increase the efficiency of conducting Commission business. Under the Brown Act, ad hoc subcommittees may only be formed for matters of limited duration, not likely to reoccur and within the subject matter jurisdiction of the Tracy Arts Commission.

J. STAFF LIAISON

The Tracy Arts Commission shall have a staff liaison designated by the relevant City Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other materials presented to the Commission in support of, or in opposition to, any question before the Commission.
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

K. ADOPTION

Community Cultural Arts Commission Established by Ordinance 501 on March 5, 1991 (Bylaws included in Ordinance)

Bylaws Adopted by Resolution 92-005 on January 7, 1992

Ordinance 1031 repealed Ordinance 501 on December 4, 2001

Resolution 2001-431 Established the Community Cultural Arts Commission on December 4, 2001

Bylaws Amended by Resolution 2002-003 on January 15, 2002

Bylaws Amended by Resolution 2006-291 on December 19, 2006

Bylaws Amended by Resolution 2007-114 on June 5, 2007 (Name changed to Tracy Arts Commission)

Bylaws Amended by Resolution 2009-191 on October 20, 2009

Bylaws Amended by Resolution 2009-198 on October 20, 2009

Bylaws Amended by Resolution 2010-022 on March 2, 2010

This document, as adopted and amended by City Council on October 20, 2009, by Resolution 2009-198, shall serve as the Bylaws for the Tracy Arts Commission.

On March 2, 2010, the Council adopted Resolution 2010-022 which amended the bylaws of the City's various boards and commissions to include new regulation related to AB 1234 training and Form 700 filings.

BYLAWS OF THE BUILDING BOARD OF APPEALS
CITY OF TRACY, CALIFORNIA

WHEREAS, Pursuant to Tracy Municipal Code Chapter 9.44, the City Council has established a Building Board of Appeals for the purpose of hearing appeals by persons aggrieved by any administrative decisions in the application of the Uniform Housing, Building, Mechanical, Electrical, Plumbing, Abatement of Dangerous Buildings, and Fire Codes, or regulations adopted pursuant thereto; and

WHEREAS, the Building Board of Appeals desires to adopt Bylaws consistent with those set forth by the City Council for the operation of the Board and the conduct of its meetings; and

WHEREAS, administrative appeal hearing procedures, adopted by the Building Board of Appeals pursuant to Tracy Municipal Code section 9.44.040, shall prevail over any inconsistency with these Bylaws.

NOW, THEREFORE, unless otherwise provided in the Building Board of Appeals adopted hearing procedures, these Bylaws govern the conduct of the meetings and the transaction of its affairs.

A. PURPOSE

Pursuant to Tracy Municipal Code Chapter 9.44, the City Council has established a Building Board of Appeals for the purpose of hearing appeals by persons aggrieved by any administrative decisions in the application of the Uniform Housing, Building, Mechanical, Electrical, Plumbing, Abatement of Dangerous Buildings, and Fire Codes, or regulations adopted pursuant thereto.

B. ROLE AND RESPONSIBILITIES

The role of the Building Board of Appeals is set forth in Tracy Municipal Code Chapter 9.44.

C. MEMBERSHIP GUIDELINES

1. Membership. The Building Board of Appeals shall consist of five (5) members with qualifications established in the Tracy Municipal Code.

2. Term. Each member shall serve a four-year term.

3. Attendance. If a member of Building Board of Appeals fails to attend four regular meetings in any calendar year, his or her position on the Board shall automatically become vacant and the staff liaison shall so inform the City Clerk. Absences may not be excused; however, a Board member may request a leave of absence as outlined in these bylaws. For quorum confirmation, a member who needs to miss a meeting shall inform the staff liaison designated by the relevant City Department at least 48 hours before the next meeting.

4. Leave of Absence. A member may submit a written request to the City Council, for a leave of absence of up to six-months, which may be approved in its discretion.

Bylaws of the Building Board of Appeals
Page 2 of 3

D. QUORUM

A quorum of the Building Board of Appeals shall consist of a majority of the members (including any vacancies). A quorum must be present in order for the Building Board of Appeals to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers shall be:
 - a. The Chairperson and
 - b. The Vice-Chairperson.
2. The Chairperson shall:
 - a. Preside at all regular and special meetings.
 - b. Rule on all points of order and procedure during the meetings.
 - c. Provide recommendations to staff liaison regarding agenda items.
3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.
4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The election of officers shall take place each year at annual meeting to be held within the first quarter of the calendar year. The terms of officers shall commence as of the date of that meeting and shall continue until the annual meeting in the following year.

G. MEETINGS

1. Other than the annual meeting, meetings of the Building Board of Appeals shall be as needed to hear appeals filed pursuant to Tracy Municipal Code Chapter 9.44.
2. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures. All agendas shall be prepared and distributed in accordance with City Council meeting procedures and the Brown Act.
3. Except as otherwise provided in the Building Board of Appeals adopted hearing procedures, all meetings shall be conducted in accordance with the current City Council meeting procedures.

H. STATEMENTS OF ECONOMIC INTEREST (Form 700)

1. The City Clerk's Office will monitor compliance with state and City Form 700 filing requirements.

2. If a member of a City board, commission, or committee, who is required to file a Form 700, does not do so in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member.
3. If the member does not file a Form 700 with the City Clerk's Office within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

I. FUNDING

Any funding necessary for operation of the Building Board of Appeals shall be included in the City of Tracy budget, which shall be approved by the City Council.

J. ADMINISTRATIVE PROCEDURES AND POLICIES

City Boards and Commissions shall follow all applicable City fiscal administrative policies and procedures.

K. STAFF LIAISON

The Building Board of Appeals shall have a staff liaison designated by the relevant City Department. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Board in support of, or in opposition to, any question before the Board.
2. Sign all meetings minutes and resolutions upon approval.
3. Prepare and distribute agendas and agenda packets.

L. ADOPTION

This document, as adopted and amended by City Council resolution, shall serve as the Bylaws for the Building Board of Appeals.

Established by Ordinance 602 on May 1, 1984
Amended by Ordinance 1111 on August 21, 2007
Amended by Ordinance 1157 on April 5, 2011