

CC 1-17-2024

#1

Fiscal Year 2024-25  
Potential Service-Level  
Reductions

Presentation

# Fiscal Year 2024-25 Potential Service-Level Reductions

January 17, 2024



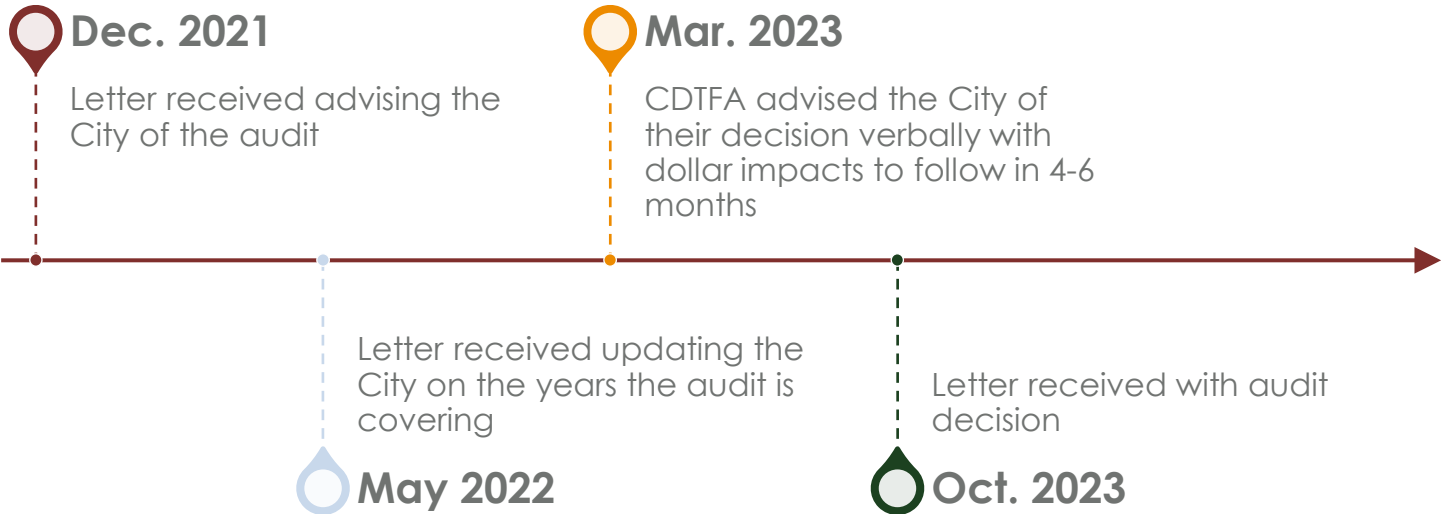
# Agenda



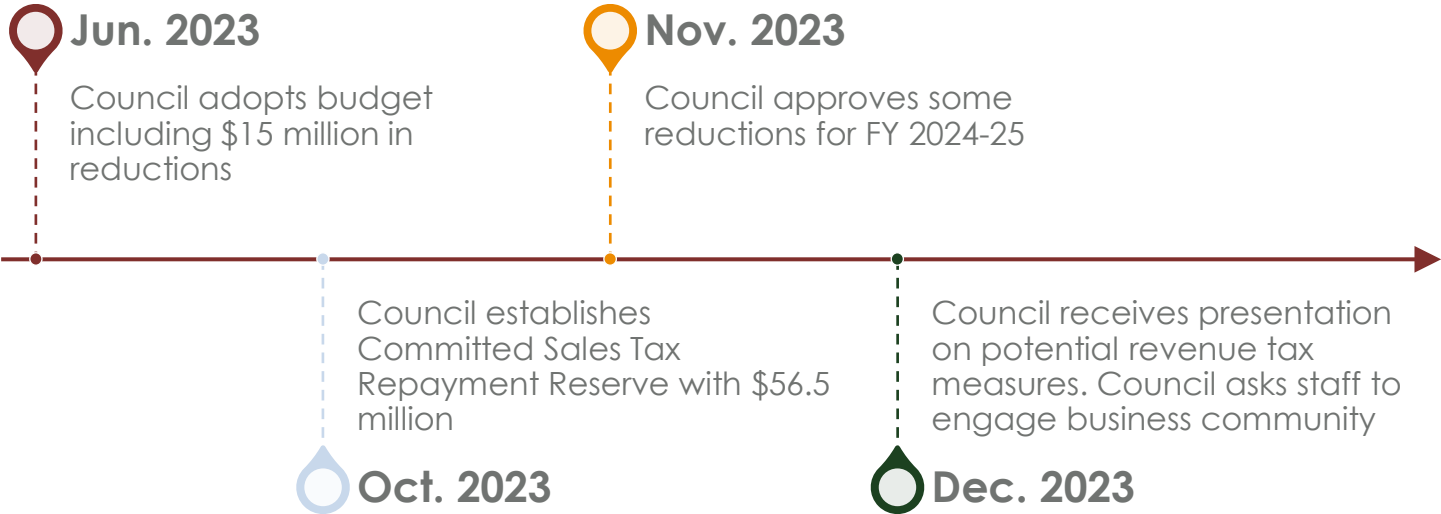
# CDTFA Audit



# California Department of Tax and Fee Administration (CDTFA) Audit



# Council Actions



## FY 2023-24 Adopted Budget – \$15 million in Reductions

- Eliminating 14 vacant positions \$2.6 million
- Decreasing materials, contract services, special projects, capital outlays, and contingency expenditures \$5.9 million
- Decreasing transfers from the General Fund to other funds \$5.5 million
- Using the City's Section 115 Trust to fund OPEB (Other Post-Employment Benefits/Retiree Health) costs \$1.4 million

# Budget Forecast





# Forecast Assumptions

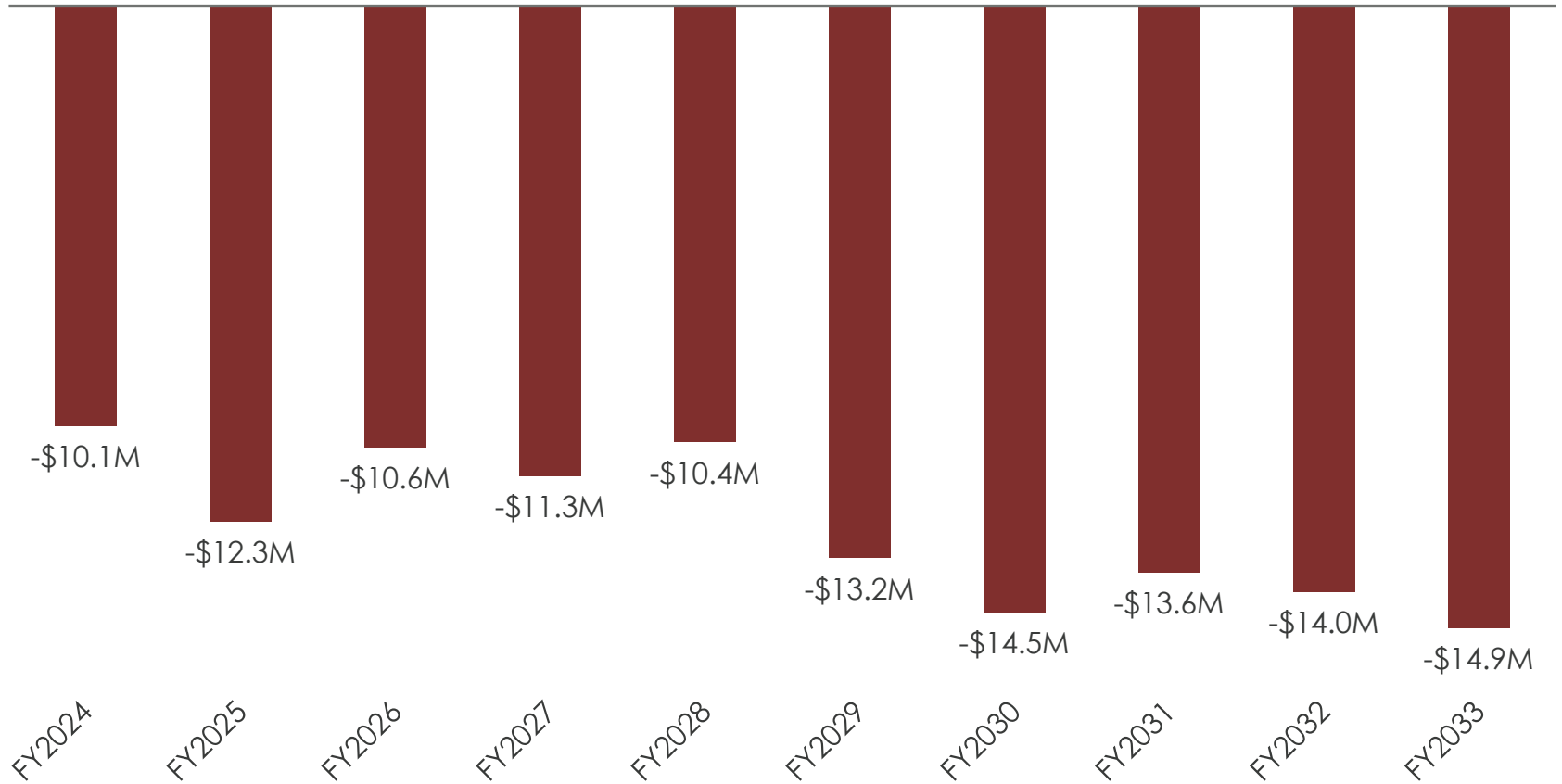
## Adopted Budget (June 2023)

- Facility debt paid off in FY 2029-30
- No additional development projects included
- Recession (no growth) in FY 2024-25 and FY 2028-29 for all revenues
- Minimal funding (\$500k) for Special Projects and CWP Projects
- No transfers to Capital Reserve

## New Assumptions (Jan 2024)

- Budget Strategy shift from vacancies to Service-Level Reductions (SLR)
- Revised sales tax forecast (\$2M reduction from \$11.4M to \$9.4M)
- Committed fund balance for Sales Tax Repayment Reserve (\$56.5M) for April 2021-June 2023
- \$1M funding for Special Projects and CWP Projects
- \$2M transfers for Capital Reserve

# General Fund Annual Operating Surplus/(Deficit)



# Balancing the Budget

- Ongoing budget reductions are needed
- Need to identify ongoing expenditure reductions and revenue generation estimated at ~\$15 million
  - Revenue-generating opportunities
  - Service-level reductions
  - Fee increases

# Potential Service-Level Reductions for FY 2024-25



# Potential Service-Level Reductions

Grouping	Reductions
<b>Operations and Maintenance</b> Reduce sidewalk, curb, and gutter. Move some Public Works contract services in-house, extending maintenance timelines. Reduce Public Works PT staffing. Shift credit card fees to customers. Remove library extra hours from the base due to available State funding to cover these costs. Various other reductions.	3,080,725
<b>Infrastructure</b> Reduce funding to CIP of \$2M annually for the first 5 years of the forecast. Will utilize the existing fund balance to cover these costs. Shift sidewalk and street tree maintenance to property owners and shift school district grounds maintenance to the school district.	4,372,402
<b>Fiscal Accountability</b> Align law enforcement costs with prior year actual hours. Reduce applications used in the City, extend tech refresh cycles, and remove the new Enterprise Resource Planning (ERP) software from the budget.	2,555,421
<b>Community Benefit</b> Reduce 4 <sup>th</sup> of July Event, partnerships, City events/outreach, paid events, concerts and movies, select City Work Program projects.	463,690
<b>Total</b>	<b>\$10,472,238</b>

# Operations and Maintenance

Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)
Public Works	Reduce Public Works Materials and Contract Services and Part-Time Positions	1,768,539	None
Various	Shift Credit Card Fees to Customers	432,668	None
City Manager's Office/CDD	Reduce Part-Time Staffing, Reclassify Positions and Reduce Recruitment Advertising	286,348	None
Parks & Recreation	Reduce Funding for Library Extra Hours	160,000	None
Public Works	Reduce Impec Janitorial Contract	100,000	None
City Manager's Office	Reduce Scene from 10 months to quarterly	92,400	None
Administrative Services	Reduce Budget for Internal Audit	70,000	None
Public Works	Reduce Crossing Guard Services	50,000	None
Parks & Recreation	Reduce Parks & Recreation Expenses	33,619	None
Parks & Recreation	Reduce Park Ranger Services	31,155	None
City Manager's Office	Eliminate Minimum Wage Mailers	23,202	None
Parks & Recreation	Reduce Senior Center Part-Time Staffing and Supplies	21,748	None
Administrative Services/ CDD	Reduce Conferences and Training	11,046	None
<b>Total Operations and Maintenance</b>		<b>\$3,080,725</b>	<b>None</b>

# Infrastructure

Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)
Capital Improvement Program	Reduce General Fund Transfers to the Capital Improvement Fund	2,000,000	2
Public Works	Shift Sidewalk Maintenance to Property Owners <sup>1</sup>	1,000,000	1.4
Public Works	Shift School District Grounds Maintenance to School District <sup>1</sup>	737,394	4.2
Public Works	Shift Street Tree Maintenance to Property Owners <sup>1</sup>	455,008	3
Public Works	Defer Vehicle and Equipment Replacement	180,000	None
<b>Total Infrastructure</b>		<b>\$4,372,402</b>	<b>10.6</b>

# Fiscal Accountability

Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)
Law Enforcement	Align Law Enforcement Budget with Actuals	1,000,000	None
Innovation & Technology	Reduce Budget for IT	779,187	None
Public Works	Utility True-up	398,407	None
City Attorney's Office	Align City Attorney's Office Contract Services and Materials with Actuals	226,561	None
Parks & Recreation	Consolidate Learn to Swim Program	87,118	None
Administrative Services	Reduce Unemployment Insurance	64,148	None
<b>Total Fiscal Accountability</b>		<b>\$2,555,421</b>	<b>None</b>

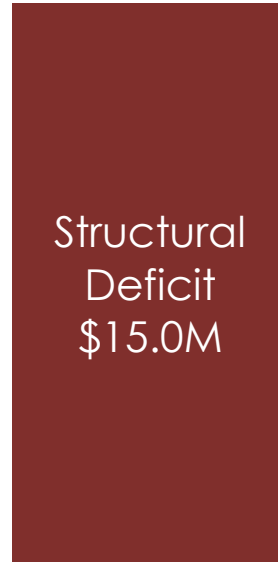


# Community Benefit

Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)
Parks & Recreation/Public Works	Reduce 4th of July Funding	138,000	None
Council	Reduce Funding for Partnerships	69,307	None
City Manager's Office	Reduce City Events/Outreach	63,166	None
Parks & Recreation	Reduce Budget for Paid Events	38,675	None
Parks & Recreation	Shift Sheriff Fees for Festivals to Festival Organizers	34,992	None
Parks & Recreation	Reduce Budget for Concerts and Movies	25,424	None
Public Works	Eliminate Earth Day Festival	19,126	None
City Manager's Office	Eliminate Select City Work Program Projects	75,000	None
<b>Total Community Benefit</b>		<b>\$463,690</b>	<b>None</b>

# Balancing the Budget

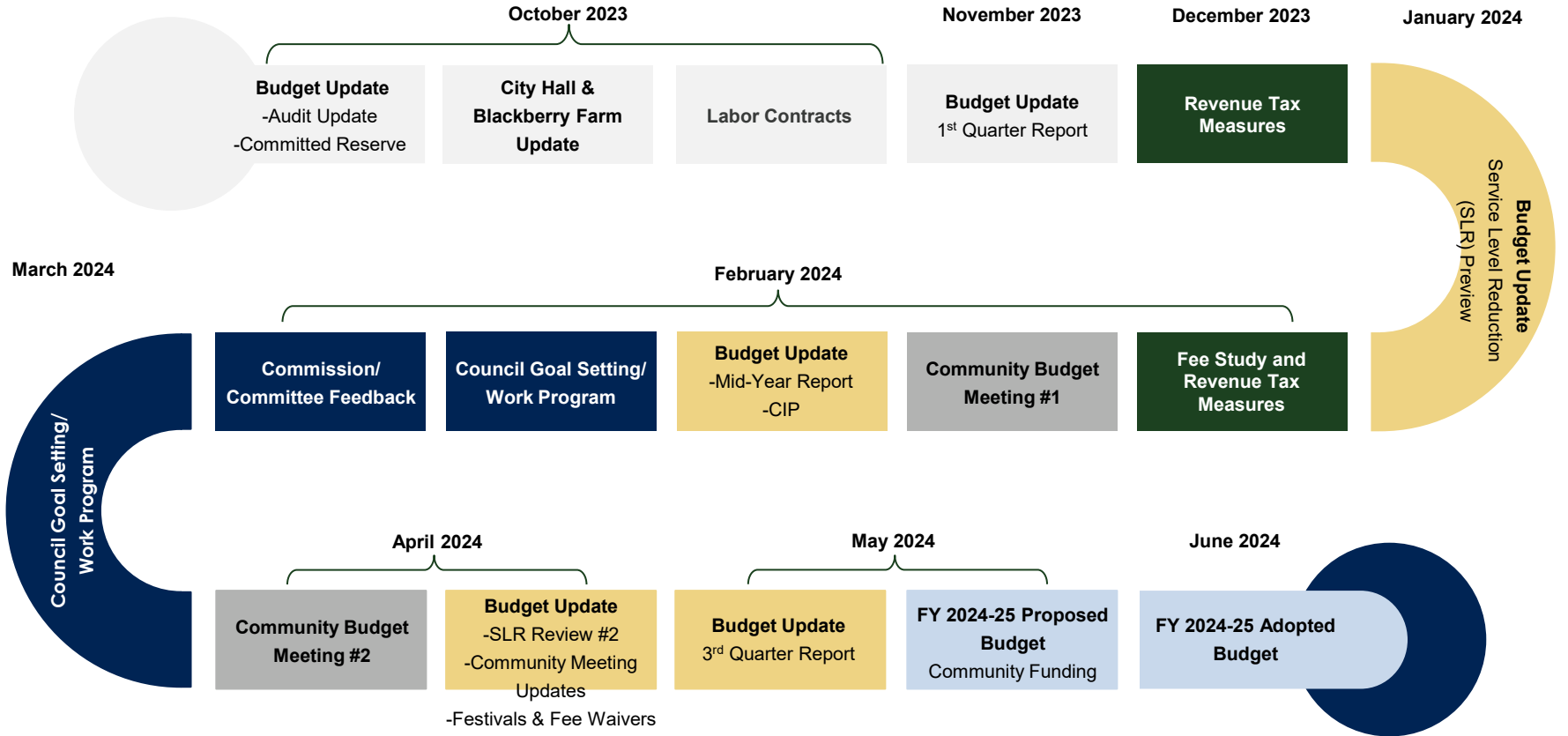
Revenue Generation?  
Fee Increases?



# Recommendation and Next Steps



# Roadmap to FY 2024-25 Budget Adoption and Balancing



# Recommendation

Provide input to staff on potential service-level reductions for the FY 2024-25 Proposed and Final Budgets

**Questions?**



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#10

Weed Abatement  
Program

Presentation

# Weed Abatement Program

Cupertino City Council  
January 17, 2024



**CUPERTINO**





# Weed Abatement Program

- In place to prevent fire hazards posed by vegetative growth and combustible materials
- Managed by the Santa Clara County Department of Agriculture
- City Code 9.08 requires property owners to remove or destroy weeds
- Compliance is required annually by April 30 and throughout the year



# Weed Abatement Program

- Noncompliant properties are added to the program
- Properties remain on the list for three years
- They are removed, if found to be hazard free during that time
- November 7, Council adopted Resolution No. 23-117 accepting the County report of noncompliant properties



# Owner Responsibilities

## Minimum Safety Standards

- Vegetation height must not exceed 6 inches
- Includes roadways and driveways
- Clear vegetation from 30' from structures
- Clear combustible debris
- Clear under the eaves of houses
- Clear roof and gutters
- Trim tree branches 10' from chimney

# Compliance



**Before**



**After**

# Compliance



**Before**



**After**



# Abatement Options

- Option 1: homeowner completes the required work
- Option 2: authorized contractor completes the work, charges appearing on next property tax bill



# Inspections

- The County begins conducting property inspections after April 30
- Every property in the program receives an initial inspection
- All properties are charged a \$96 inspection fee
- Fee covers County cost of servicing the property



## Service Level Reduction (SLR)

- On November 21, 2023, Council approved SLRs defunding a subsidy of \$8,600 annually
- In previous years, County administrative fee was waived for properties that abated before the April 30 deadline
- The City will no longer cover these costs





## Noticing to Property Owners

- November 29, County notice of public hearing and abatement requirement
- December 21, City reminder letter to abate by April 30 and maintain year-round
- City letter included notification of administrative fee changes



## Recommended Action:

- Conduct hearing for impacted property owners to contest the matter of proposed abatement
- Adopt Resolution No. 24-010 ordering abatement of public nuisance from weeds or other fire hazards pursuant to provisions of Cupertino Municipal Code Chapter 9.08 and Resolution No. 23-117.

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#11

Leon Townhouse  
Development  
10046 Bianchi Way

Presentation

# Leon Townhouse Development 10046 Bianchi Way

City Council  
January 17, 2024



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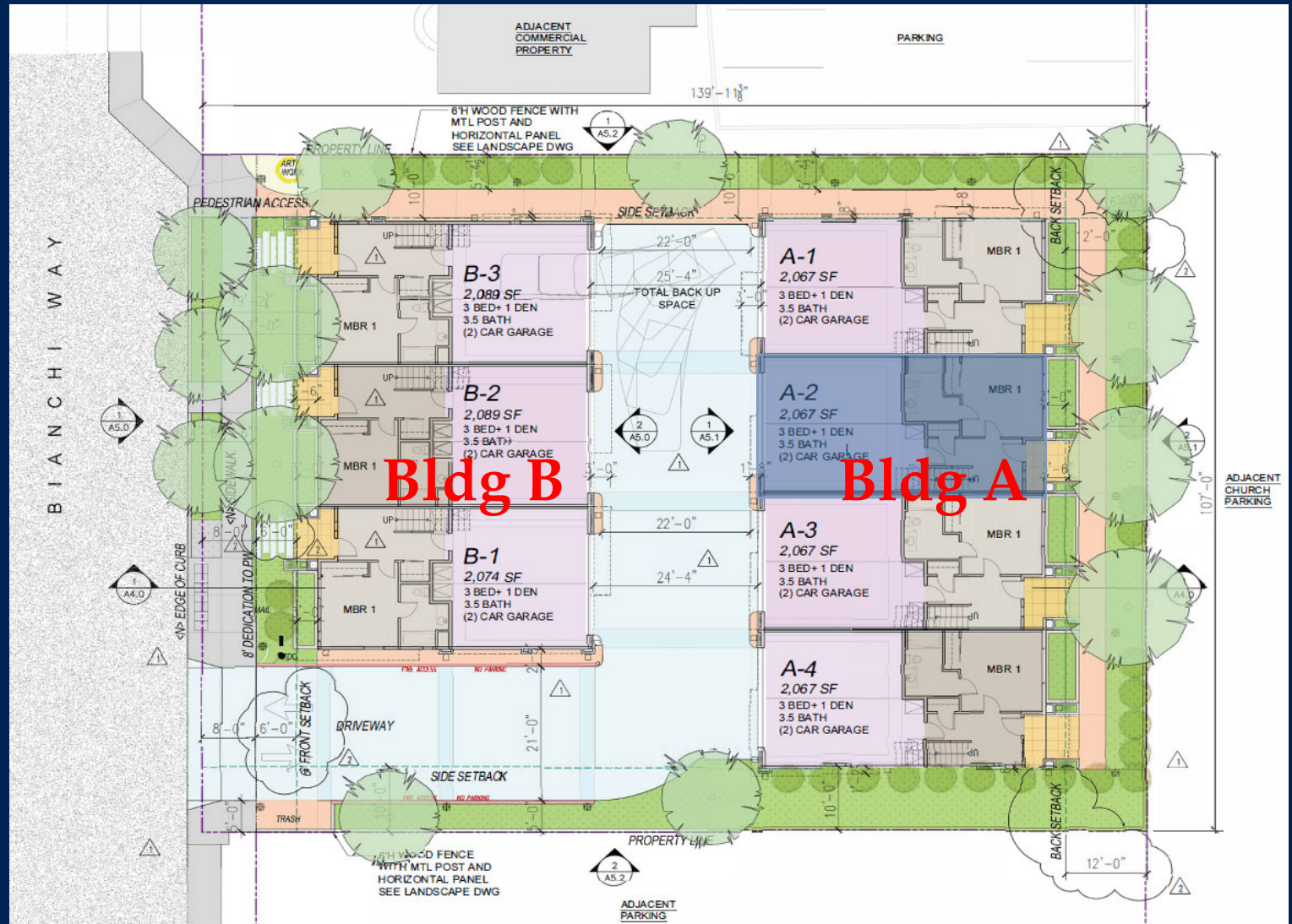
# Project Location

- Mix of Uses
- Heart of the City Specific Plan Special Area
- Crossroads Subarea



# Site Plan

● BMR Unit



# Existing Site Conditions



# Density Bonus

The applicant has requested 6 waivers as follows;

1. Front Setback
2. Rear Setback
3. Side Setbacks
4. Building Design Forms
5. Common Open Space
6. Service Access

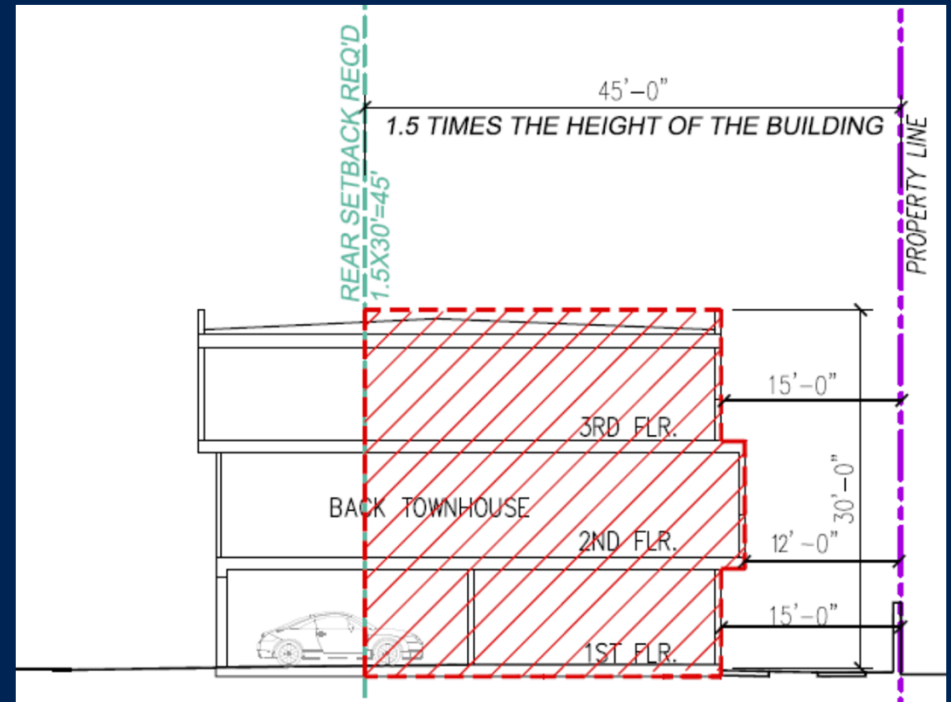
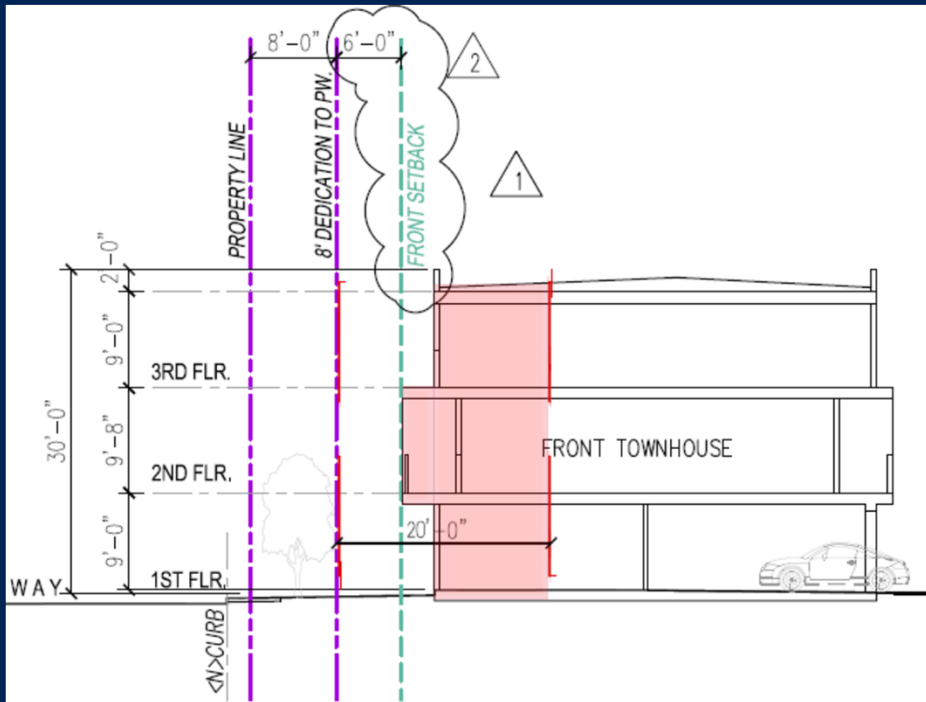


# Density Bonus Waiver

## Front & Rear Setback of Structures

Front Setback: Minimum 20'

Rear Setback: Minimum 45'





# Density Bonus Waiver

- Common Open Space Waiver
  - 150 s.f. per unit or 1,050 s.f. total req'd
  - Not provided
- Service Access Waiver
  - Service Access to be provided from rear parking areas
  - Not provided

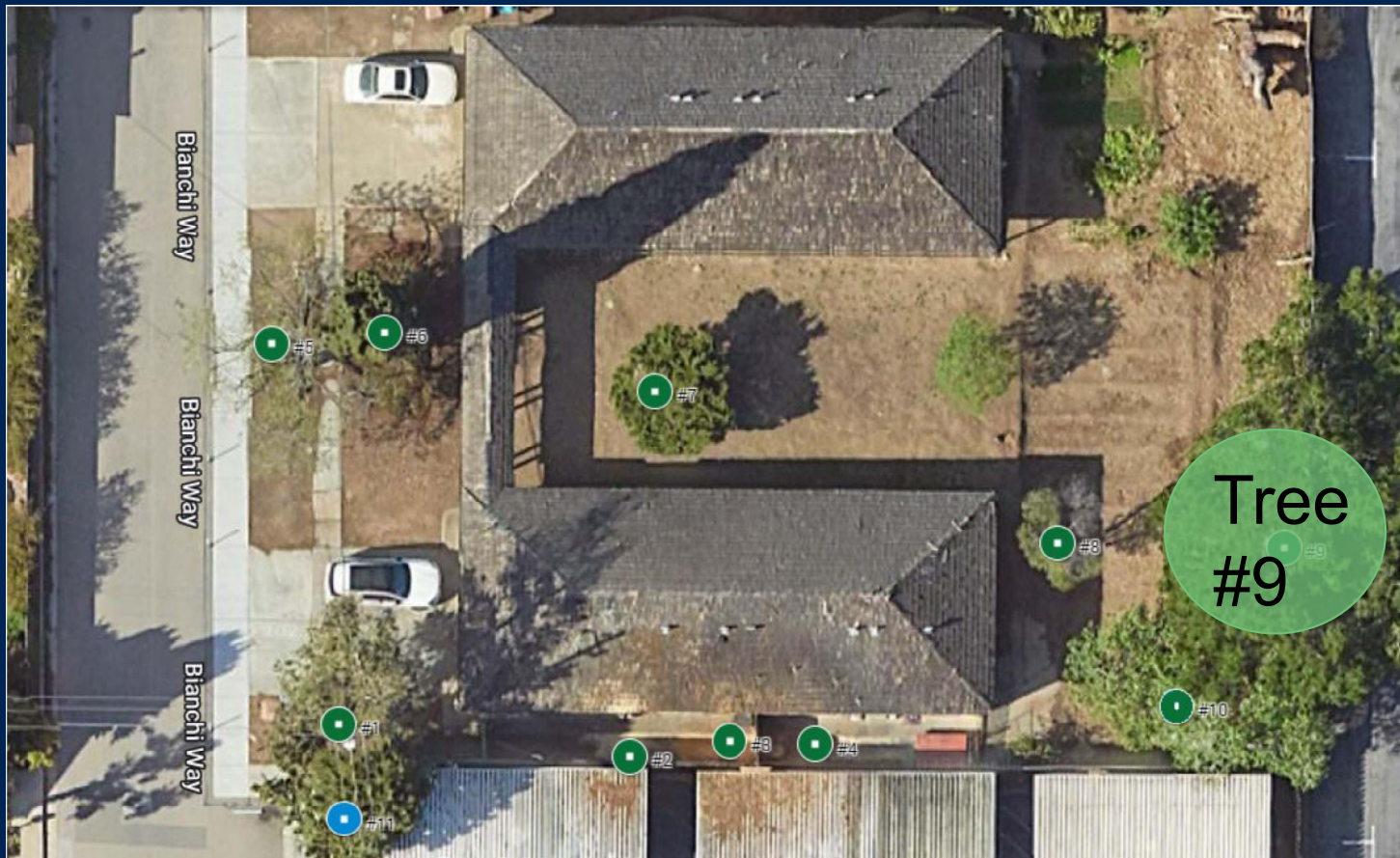
Waivers must be granted since otherwise project cannot be constructed as designed

# Parking Reduction

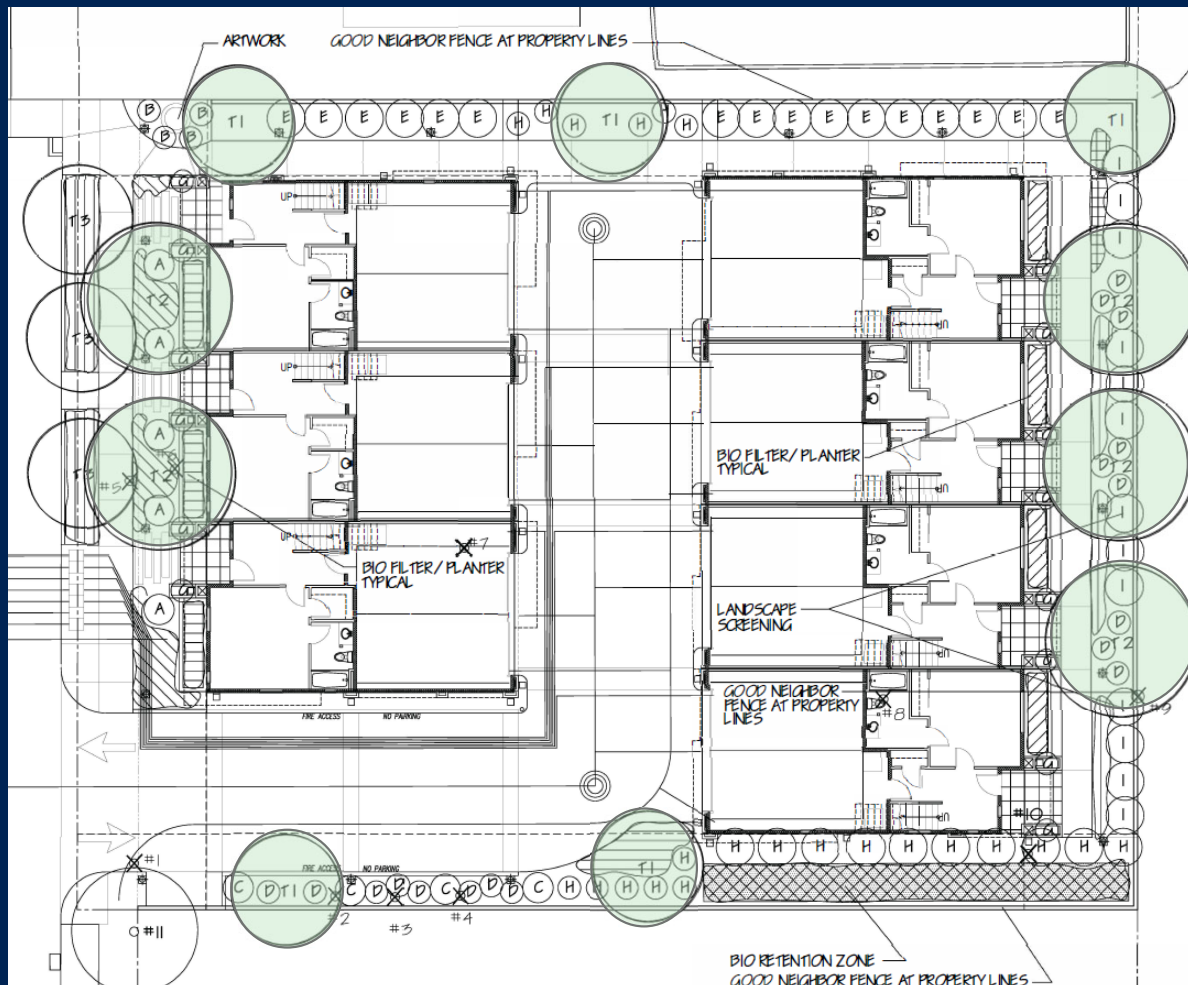
State Law allows density bonus projects to apply alternate parking standards for all residential units:

	Parking Standards per Density Bonus Law	Required Spaces	Provided Spaces
Parking standards per Density Bonus Law	Two- and three-bedroom units = 1.5 spaces/unit	11	<u>14</u>
Parking standards per Municipal Code	2.8 spaces/unit (2 Covered + 0.8 Uncovered)	20	

# Tree Removal and Density Bonus Incentive for Tree #9



# Tree Replacement



Proposed Replacement Trees

# Architectural Design



# Environmental Review

- Project exempt in accordance to CEQA Guidelines section 15332 (Infill Development Projects)



# Recommended Actions

1. Find the project exempt from the California Environmental Quality Act (CEQA) Guideline Sections 15332 (Infill Development Projects) and
2. Approve the following permits:
  1. Adopt Resolution No. 24-011 approving the Development Permit (DP-2023-001) (Attachment A);
  2. Adopt Resolution No. 24-012 approving the Architectural & Site Approval Permit (ASA-2023-002) (Attachment B);
  3. Adopt Resolution No. 24-013 approving the Tentative Final Map (TM-2023-001) (Attachment C); and
  4. Adopt Resolution No. 24-014 approving the Tree Removal Permit (TR-2023-008) (Attachment D).

CC 1-17-2024

#12

Municipal Code  
Amendments Two-Story  
Permits and Accessory  
Dwelling Units

Presentation

**PROPOSED AMENDMENTS TO MUNICIPAL CODE CHAPTER 19.12,  
CHAPTER 19.28 AND CHAPTER 19.112 REGARDING TWO-STORY  
PERMIT AND ACCESSORY DWELLING UNIT (ADU) LAWS.**

City Council  
January 17, 2024



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# Background

## Two Story Permit

- Required when a two-story addition or new two-story home is proposed in an R1 zoning district.
- 768 Planning permit applications received since November of 2021, 98 are Two-Story Permit applications.
- Potential to streamline permitting process.
- Remain subject to the approval of a building permit.
  - Planning staff review compliance with codified development standards.
- Minor Residential Permits, as well as Residential Design Review Permits, are proposed to remain.



# Background

## Accessory Dwelling Unit (ADU)

- Chapter 19.112, Accessory Dwelling Units has been modified several times since 2016 to keep current with State of California's various Assembly and Senate Bills affecting ADU production.
- Based on recent changes in state law, City's ADU ordinance is out of date and unenforceable.



# Planning Commission Recommendation

November 14, 2023, Planning Commission recommended (5-0) that City Council adopt the proposed amendments to the Municipal Code with modifications.

# Analysis – Two Story Permit

- Municipal Code Chapters 19.12 *Administration*, 19.28 *Single-Family Residential (R-1) Zones*
  - Remove all reference to Two Story Permit
  - Prescriptive Standards Remain
- Certain discretionary design standards proposed to be non-discretionary:
  - Eliminating three-car wide curb cuts.
  - No more than fifty percent of the front elevation of a house shall consist of garage area, unless the lot is not wide enough to accommodate standard.
  - Usable Living area shall be closer to the street, while garages should be set back more.
  - Porches shall appear proportionately greater in width than in height.
  - Mechanical, heating or cooling equipment or associated piping installed on the roof shall be screened from the public right of way.
    - Staff recommended exception would apply to homes in the Eichler (R1-e) zoned neighborhood (Fairgrove).

# Analysis – Accessory Dwelling Units

Municipal Code Chapter 19.112 Accessory Dwelling Units

## Streamlined ADUs

- Three ADUs per single-family :
  - One attached ADU (under 800 square feet)
  - One conversion of existing space ADU (whether in principal dwelling unit or existing accessory structure)
  - One detached ADU (under 800 square feet), or
  - One Junior ADU
- Allowance for heights of 18 feet for a detached ADU, and 25 feet if it's attached to a principal dwelling unit.
- Allowance for a second story on attached or detached ADUs.

## Non-Streamlined ADUs

- Allowance for heights of 18 feet for a detached ADU and 25 feet if it's attached to a principal dwelling unit.
- Allowance for second story on attached or detached ADU.

- Allow three Non-Streamlined ADUs per lot (subject to FAR, Lot Coverage, and setbacks).
- Remove major transit stop and transit corridor thresholds for height and second story allowances.





## State Bills – 1/1/2024

- AB 1033 (ADUs sold separately as condos)
  - Optional – Not included in amendment
- AB 976 (owner-occupancy requirements prohibited beyond 2025)
  - Municipal Code currently conforms
- AB 1332 (streamlined 30-day approval for preapproved ADU plans)
  - Municipal Code currently conforms

# Errata - Table 19.12.030 - Approval Authority

Type of Permit or Decision	Administrative Review	Arts and Culture Commission	Planning Commission	City Council	Public Hearing/ Public Meeting/ Comment Period	Noticing/ Noticing Radius	Posted Site Notice	Expiration Date	Chapter/ Findings
R-1 Ordinance Permits									
<del>Two-story Design Review</del>	F		F/A	A1 L/ A2	Varies	19.12.110/ Adjacent	Yes	1 year	19.28.1 40



## Recommended Action

That the City Council conduct the public hearing and conduct the first reading of Ordinance No. 23-\_\_\_\_\_ (Attachments A &B) to amend the following:

- a. Chapter 19.12, Administration, and
- b. Chapter 19.28 Single-Family Residential (R-1) Zones.
- c. Chapter 19.112, Accessory Dwelling Units (ADU)



## Next Steps

If Council approves the introduction of the ordinance, a second reading would be scheduled for the next regular meeting of the City Council.