



**APPROVED MINUTES
CUPERTINO CITY COUNCIL
Tuesday, April 2, 2019**

SPECIAL CITY COUNCIL MEETING

At 5:00 p.m. Mayor Steven Scharf called the Special City Council meeting to order in the Cupertino Community Hall Council Chambers, 10350 Torre Avenue.

ROLL CALL

Present: Mayor Steven Scharf, Vice Mayor Liang Chao, and Councilmembers Darcy Paul (5:07 p.m.), Rod Sinks, and Jon Robert Willey. Absent: None.

STUDY SESSION

1. Subject: Study Session regarding short-term rental (e.g. Airbnb) regulations
Recommended Action: Provide direction on regulation and enforcement of short-term rentals in the City

Written communications for this item included emails to Council, a redlined Attachment C, and a presentation.

Associate Planner Erick Serrano reviewed the presentation.

Mayor Scharf opened public comment and the following individuals spoke:

Jennifer Griffin
Cathy Helgerson (Cupertino resident)
Bobby Truong
Robin Truong
Jean Bedord (Cupertino resident)

Mayor Scharf closed public comment.

Council discussed the regulations proposed and provided direction to staff to prepare a short-term rental (STR) ordinance with regulations presented by staff with additional study

and consideration to the following areas:

- Number of guests based on number of bedrooms in the STR
- STR activity in condominiums, townhomes
- STR activity in owner occupied units in duplexes, triplexes and four-plexes
- Restricting Tenant Host (renter) STR activity
- Car license plate registry or a hanging placard/parking permit system
- Objective standard for revocation and renewal
- Regulations for STR platforms

Direction was also provided to ensure inclusion of the Sheriff's number in any handouts required pursuant to administrative procedures.

For other related areas of enforcement, and penalties, there was general interest in proactive code enforcement related to STR activity with divided interest in higher penalties for violations and recouping the costs of code enforcement. There was no discussion or direction related to fees.

ADJOURNMENT

Council recessed from 6:34 p.m. to 6:48 p.m. before the Regular Meeting.

REGULAR CITY COUNCIL MEETING

PLEDGE OF ALLEGIANCE

At 6:48 p.m. Mayor Steven Scharf called the Regular City Council meeting to order in the Cupertino Community Hall Council Chambers, 10350 Torre Avenue and led the Pledge of Allegiance.

ROLL CALL

Present: Mayor Steven Scharf, Vice Mayor Liang Chao, and Councilmembers Darcy Paul, Rod Sinks, and Jon Robert Willey. Absent: None.

CEREMONIAL MATTERS AND PRESENTATIONS

1. Subject: Update regarding transportation project funding discussions with Apple, Inc.
Recommended Action: Receive update and provide comment.

Written communications for this item included an email to Council and a presentation.

Councilmember Sinks recused himself on this item and left the dais.

Acting Director of Public Works Roger Lee reviewed the presentation.

Mayor Scharf opened public comment and the following individuals spoke:

Jennifer Griffin

Cathy Helgerson (Cupertino resident)

Connie Cunningham (Cupertino resident)

Juliet Shearin (Cupertino resident)

Mayor Scharf closed public comment.

Council received the update regarding transportation project funding discussions with Apple, Inc. and provided the following comments:

Continue discussions regarding traffic congestion relief in general and not just for bicycle and pedestrian issues; look into shuttle system, one-time cost and maintenance costs; involve Councilmembers into discussions with Apple perhaps with sub-committee; discuss funding for higher priority areas rather than Bubb and Mary and if not amenable, focus remaining dollars to higher priority areas; continue receiving input from the public and giving status updates to Council.

Councilmember Sinks returned to the dais.

Mayor Scharf reported out from the closed session held on March 24, 2019:

Subject: Public Employee Employment (Gov't Code 54957(b)(1)); Title: City Manager Recruitment

He reported that the City Council met in closed session to conduct interviews and discuss the appointment of candidates for City Manager. No reportable action was taken.

POSTPONEMENTS - None

ORAL COMMUNICATIONS

Jennifer Griffin talked about building setbacks on El Camino Real and Highway 17.

Cathy Helgerson (Cupertino resident) talked about a recent Santa Clara County meeting regarding Lehigh (distributed written comments).

Will Fluewelling (Cupertino resident) talked about Regnart Creek Trail.

Larry Dean (Cupertino resident), on behalf of Walk Bike Cupertino, talked about agenda item #1.

Matthew Davidson (Cupertino resident) talked about noise at the Main Street Cupertino complex.

Herbert Knoesel (Cupertino resident) talked about Regnart Creek Trail.

Sam Grinels (Cupertino resident) talked about Regnart Creek Trail.

Connie Cunningham (Cupertino resident) talked about Regnart Creek Trail.

Woman talked about affordable housing.

Savraj Dalvi talked about Regnart Creek Trail (distributed written comments).

Ilango Ganga (Cupertino resident) talked about Regnart Creek Trail.

Liana Crabtree (Cupertino resident) talked about the City's webpage regarding Vallco conflict of interest of Vice Mayor Chao.

Lisa Warren talked about trees at the Vallco Town Center site.

Erick Schaefer (Cupertino resident) talked about SB50 and SB30 and wanted to see a concrete example for Cupertino.

Vincent Liu (Cupertino resident) talked about traffic congestion and Regnart Creek Trail.

CONSENT CALENDAR

Sinks moved and Paul seconded to approve the items on the Consent Calendar as presented. Ayes: Scharf, Chao, Paul, Sinks, and Willey. Noes: None. Abstain: None. Absent: None.

2. Subject: Approve the March 19 City Council minutes
Recommended Action: Approve the March 19 City Council minutes

3. Subject: Accept Accounts Payable for the period ending December 07, 2018
Recommended Action: Adopt Resolution No. 19-025 accepting Accounts Payable for the period ending December 07, 2018
4. Subject: Accept Accounts Payable for the period ending December 14, 2018
Recommended Action: Adopt Resolution No. 19-026 accepting Accounts Payable for the period ending December 14, 2018
5. Subject: Accept Accounts Payable for the period ending December 21, 2018
Recommended Action: Adopt Resolution No. 19-027 accepting Accounts Payable for the period ending December 21, 2018
6. Subject: Accept Accounts Payable for the period ending December 28, 2018
Recommended Action: Adopt Resolution No. 19-028 accepting Accounts Payable for the period ending December 28, 2018
7. Subject: Accept Accounts Payable for the period ending January 04, 2019
Recommended Action: Adopt Resolution No. 19-029 accepting Accounts Payable for the period ending January 04, 2019
8. Subject: Accept Accounts Payable for the period ending January 11, 2019
Recommended Action: Adopt Resolution No. 19-030 accepting Accounts Payable for the period ending January 11, 2019
9. Subject: Accept Accounts Payable for the period ending January 18, 2019
Recommended Action: Adopt Resolution No. 19-031 accepting Accounts Payable for the period ending January 18, 2019
10. Subject: Accept Accounts Payable for the period ending January 25, 2019
Recommended Action: Adopt Resolution No. 19-032 accepting Accounts Payable for the period ending January 25, 2019
11. Subject: Set application deadline and interview dates for six terms expiring on the Teen Commission
Recommended Action: Set application deadline and interview dates for six terms expiring on the Teen Commission and approve: 1.) Applications due in the City Clerk's office by 4:30 p.m. on Friday, May 10; and 2.) Interviews held beginning at 3:30 p.m. on Tuesday, May 28 and Wednesday, May 29 (as needed)

12. Subject: Fiscal year 2019-20 projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by Senate Bill 1 (SB1).
Recommended Action: Adopt Resolution No. 19-033 to list all fiscal year 2019-20 projects proposed to receive RMRA funding, created by Senate Bill 1 (SB 1), and reaffirm commitment to fund previously adopted projects with RMRA funding.
13. Subject: Conduit Lease Agreement to permit Crown Castle NG West, LLC to utilize a section of conduit owned by the City of Cupertino and located along Stelling Road, for the purposes of expanding their fiber optic network in exchange for \$12,600 of new conduits being installed in the City.
Recommended Action: Staff recommends that Council adopt Resolution No. 19-034 to authorize the City Manager to execute a Conduit Lease Agreement, in substantial form as that attached, between the City of Cupertino and Crown Castle NG West, LLC.
14. Subject: Agreement between the City of Cupertino and Pavement Engineering, Inc. for consultant services on 2019 Pavement Maintenance Projects
Recommended Action: Approve an Agreement between the City of Cupertino and Pavement Engineering, Inc. (PEI) in the amount not to exceed \$315,105.00 from the date of execution through June 30, 2020, and authorize the Director of Public Works to execute service orders necessary to carry out all consultant services under the Agreement for the various street asphalt improvement projects
15. Subject: First Amendment to the Verizon Wireless Ground Lease to facilitate improvements necessary to collocate AT&T facilities on the existing cell tower located on the Civic Center Property (10300 Torre Avenue), subject to the terms of any previously issued City planning permits.
Recommended Action: Staff recommends that Council adopt Resolution No. 19-035 to authorize the Interim City Manager to execute a First Amendment to the Antenna Ground Lease between the City of Cupertino and GTE Mobilnet of California Limited Partnership d/b/a Verizon Wireless

STUDY SESSION

16. Subject: Presentation and study session on City's updated financial forecast and capital financing options.
Recommended Action: Receive presentation from UFI (Urban Futures, Inc.) on and provide direction to staff.

Written communications for this item included an email to Council and a presentation.

Acting Director of Public Works Roger Lee, Director of Administrative Services Kristina Alfaro, Jim Morris, and Eric Ja Wong from UFI (Urban Futures, Inc.) reviewed the presentation.

Council received the presentation from UFI (Urban Futures, Inc.) on City's financial forecast and capital financing options and provided the following direction to staff:

Find out what other cities are doing such as East Palo Alto; look at progressive measures like sales and parcel tax to fund major infrastructure like transportation and housing; continue with community engagement; provide information to Council regarding what has been lost on Utility User Tax and business to business sales tax over time.

Council recessed from 10:10 p.m. to 10:25 p.m.

SECOND READING OF ORDINANCES - None

PUBLIC HEARINGS

17. Subject: FY 2019-20 Community Development Block Grant (CDBG) Program, Below Market Rate (BMR) Affordable Housing Fund (AHF), and General Fund Human Service Grants (HSG) Program funding allocations
Recommended Action: 1. Adopt Resolution No. 19-036 approving the FY 2019-20 CDBG, BMR AHF, and HSG funding allocations. 2. Authorize the City Manager to negotiate and execute FY 2019-20 CDBG, BMR AHF, and HSG grant agreements

Written communications for this item included a presentation.

Senior Housing Planner Kerri Heusler reviewed the presentation on FY 2019-20 Community Development Block Grant (CDBG) Program, Below Market Rate (BMR) Affordable Housing Fund (AHF), and General Fund Human Service Grants (HSG) Program funding allocations.

Mayor Scharf opened the public hearing and seeing no speakers closed the public hearing.

Representatives from the different agencies spoke about their programs and answered questions from Council.

Sinks moved and Paul seconded to 1. Adopt Resolution No. 19-036 approving the FY 2019-20 CDBG, BMR AHF, and HSG funding allocations. 2. Authorize the City Manager to negotiate and execute FY 2019-20 CDBG, BMR AHF, and HSG grant agreements. The motion carried unanimously.

ORDINANCES AND ACTION ITEMS

18. Subject: 2019 General Plan Annual Progress Report (Application No.(s): CP-2019-01; Applicant(s): City of Cupertino; Location: Citywide)
Recommended Action: That the City Council accept the General Plan Annual Progress Report.

Written communications for this item included an email to Council and a presentation.

Principal Planner Piu Ghosh reviewed the presentation.

Mayor Scharf opened public comment and the following individuals spoke:

Jennifer Griffin

Janet Van Zoren, on behalf of Cupertino HCC Task Force

Mayor Scharf closed public comment.

Paul moved and Willey seconded to accept the 2019 General Plan Annual Progress Report with direction for future annual update reports to include narrative updates on each item and to be evaluated by the Planning Commission prior to presentation to Council. The motion carried unanimously.

19. Subject: Approve the City Work Program for FY 2019-20
Recommended Action: Approve the City Work Program for FY 2019-20

Written communications for this item included emails to Council and a presentation.

Interim City Manager Timm Borden reviewed the presentation.

Mayor Scharf opened public comment and the following individuals spoke:

Art Cohen, on behalf of the Cupertino Library Foundation

Jennifer Griffin

Jean Bedord (Cupertino resident)

Rahul Vasanth (Cupertino resident)

Liana Crabtree (Cupertino resident)

Minna (Cupertino resident)

Mayor Scharf closed public comment.

Staff answered questions from Council.

Vice Mayor Chao recused herself from the Vallco discussions and left the dais.

Paul moved and Willey seconded to approve the City Work Program for FY 2019-20 regarding the following Vallco related items under Community Livability on pages 6 and 9: Performing Art Center Market and Operations Feasibility Study (page 6), placing it on hold for the upcoming period; and in the next to last line of Study Sessions on Vallco (page 9), adding to column Project Objective and modifying the language to read “updates on status of projects,” and changing second sentence to read “provide and receive public input on the site” instead of “provide input on the site.” The motion carried unanimously with Chao recusing.

Vice Mayor Chao returned to the dais.

Paul moved and Scharf seconded to approve the City Work Program for FY 2019-20 with the following input from Council made during the meeting. The motion carried unanimously.

Input from Council:

- Lawrence Mitty: In Estimated Total Budget, amount should be changed from \$3.5 million to \$7-\$8 million, because it should reflect original total allocation.
- Heart of the City Plan: In Project Objective, add “maintain existing setbacks and consider minimum retail percentage.”
- All Inclusive Playground: Add clarification/breakdown of City funding and County funding.
- Teen Engagement: Consider adding a nonvoting teen member on City commissions.
- Review and update general plan: Add “and Municipal Code” after every mention of “General Plan” of this WP item. Remove the term “clean-up” in Next Steps.
- Development Approval Process and Transparency: In Project Objective, add “and administrative approvals.”
- Homelessness: In Performance Goal, remove “with an emphasis on food pantries.”
- Modernize business tax: Add “TOT and Parkland fees”
- Volunteer Fair: Should be moved to FY 2019-20 Work Program.

20. Subject: Consideration of resolution to change the order of business for Regular City Council meetings to move "Reports by Council and Staff" ahead of "Oral Communications" (continued from March 19)
Recommended Action: Rescind Resolution No. 11-176 and adopt Resolution No. 19-024 changing the order of business for Regular City Council meetings to move "Reports by Council and Staff" ahead of "Oral Communications"

City Clerk Grace Schmidt reviewed the staff report.

Mayor Scharf opened public comment and the following individuals spoke:

Jean Bedord (Cupertino resident)
Jennifer Griffin

Mayor Scharf closed public comment.

Councilmembers discussed options for oral communications, reporting out on committee assignments, and adding future agenda items.

Mayor Scharf said he would work with staff to bring back a resolution to a future meeting regarding changing the order of business for Regular City Council meetings.

REPORTS BY COUNCIL AND STAFF

21. Subject: Report on Committee assignments and general comments
Recommended Action: Report on Committee assignments and general comments

Councilmembers highlighted the activities of their committees and various community events.

ADJOURNMENT

At 1:22 a.m. on Wednesday, April 3, Mayor Scharf adjourned the meeting in honor of World Autism Awareness Day.

/s/Grace Schmidt
Grace Schmidt, City Clerk