

CC 3-3-2026

#2

No Net Loss (RHNA)

Presentation

6th Cycle Housing Element No Net Loss

City Council
March 3, 2026



CUPERTINO

HOUSING ELEMENT

Agenda

- Background
- RHNA/Priority Sites
- No Net Loss
- Strategies
- Budget

Background



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HOUSING ELEMENT

HE Adoption Timeline

Jan – Aug 2022

May 2023 – Mar 2024

Sept 2024



- Site Selection:
 - PC mtgs – six
 - CC mtgs - three



- HCD review
- Later drafts to HCD



- HCD certifies Housing Element

Late 2021

- HE Kick off



Feb 2023

- First Draft submitted to HCD



May – Jul 2024

- HE Adoption – May '24
- HE Rezoning – July '24



2021-2031 (6th Cycle) Housing Element

- 58 individual properties on sites inventory. Many sites contiguous.
- 70% of properties (40 properties) – 50 units/acre or more.
- 15 sites – 20-35 units/acre.
- Sites divided fairly equally between Mixed-Use (27) and Residential only zones (31).

RHNA/Sites Inventory



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City's 6th Cycle RHNA

Income Group	Units	% of total
Very Low Income (<small><50% of AMI</small>)	1,193	26.0
Low Income (<small>50%-80% of AMI</small>)	687	15.0
Moderate Income (<small>80%-120% of AMI</small>)	755	16.5
Above Moderate Income (<small>>120% of AMI</small>)	1,953	42.5
Total	4,588	100

**Affordable
Units =
2,635**
(~57% of
total)

Buffer ~ 15-30% particularly for lower income levels recommended to ensure city does not have to update sites inventory before next HE update for “no net loss” purposes.



Approved HE Capacity and Surplus

RHNA Category	Very Low	Low	Moderate	Above Moderate	Total
2023-2031 RHNA	1,193	687	755	1,953	4,588
Total Capacity*	2,037		847	2,997	5,881
Surplus	157		92	1,044	1,294

* Includes Pipeline projects, projected units on Priority Housing Sites and projected ADUs

No Net Loss (SB166)



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HOUSING ELEMENT

What is No Net Loss?

- Adopted by Legislature in 2002 to ensure:
 - No reduction in potential capacity of new residential development
 - Cities maintain sufficient supply of Priority Housing Sites throughout RHNA Planning period
- Amended in 2017 by SB166 to require cities to:
 - Maintain sufficient capacity to meet unmet RHNA **at all times, for each income category**
- Annual reporting requirements makes Housing Element more like an agreement with ongoing tracking than a final document

What must cities do to comply?

- If development is approved at different density or affordability mix, City must:
 - Find that existing Priority Housing sites are adequate to accommodate remaining unmet RHNA at all income levels
 - Quantify remaining unmet RHNA and capacity at each income level on existing Priority Housing Sites
- If shortfall is found, City must, **concurrently or within 180 days**, either:
 - Identify new Housing Element sites or
 - Upzone existing Housing Element sites

Why deficit?

- City has received over 15 housing development applications since 2024
 - SB330 preliminary applications **locked in lower density** prior to HE certification on selected Priority Housing Sites (*Summerhill I, Toll Brothers, Dividend I, SC Office Ctr.*)
 - City **BMR** requirements – **15-20%** vs. City **affordable RHNA** – **57%**
 - Projects on Priority Housing Sites proposed at **lowest end of density range**, generally 20 units/acre (*Evulich*)
 - Only **one project** utilizing state Density Bonus law to include bonus units to **exceed HE expected capacity**
- Pipeline project (Vallco) utilized state law to **reduce affordable units** from 50% to 20% (from 890 to 356)

Current Status

- City unable to make No Net Loss finding for Moderate units since December 2025
- Currently unable to make No Net Loss finding for both Low and Moderate units due to Vallco/The Rise modification
- 180 days to correct inability to make No Net Loss finding

No Net Loss Table

RHNA Category	Very Low	Low	Moderate	Above Moderate	Total
2023-2031 RHNA	1,193	687	755	1,953	4,588
Total Capacity	2,037		847	2,997	5,881
Total adopted Surplus (a)	157	92	1,044	1,294	
Projection on HE/ Pipeline Sites entitled* (b)	756	153	1,535	2,444	
Actual on HE/Pipeline Sites entitled* (c)	272	39	1,299	1,610	
Remaining Deficit/ Surplus (a)-(b)+(c)	-327	-22	808	460	

- *Projects include:
- Summerhill I (Fontana's etc.);
 - Toll Brothers (United Furniture);
 - Dividend Homes I (Partial)(20111 Stevens Creek Blvd);
 - Mary Ave (Charities Housing);
 - Vallco (Rise) SB 35;
 - Summerhill II (Evulich) (*pending*)

Timeline

- State requires No-Net Loss be resolved within 180 days.
- Unrealistic timeframe to identify and upzone new sites.
- Variables affecting timeline:
 - Extent of community outreach and noticing
 - CEQA- level of review TBD

Strategies



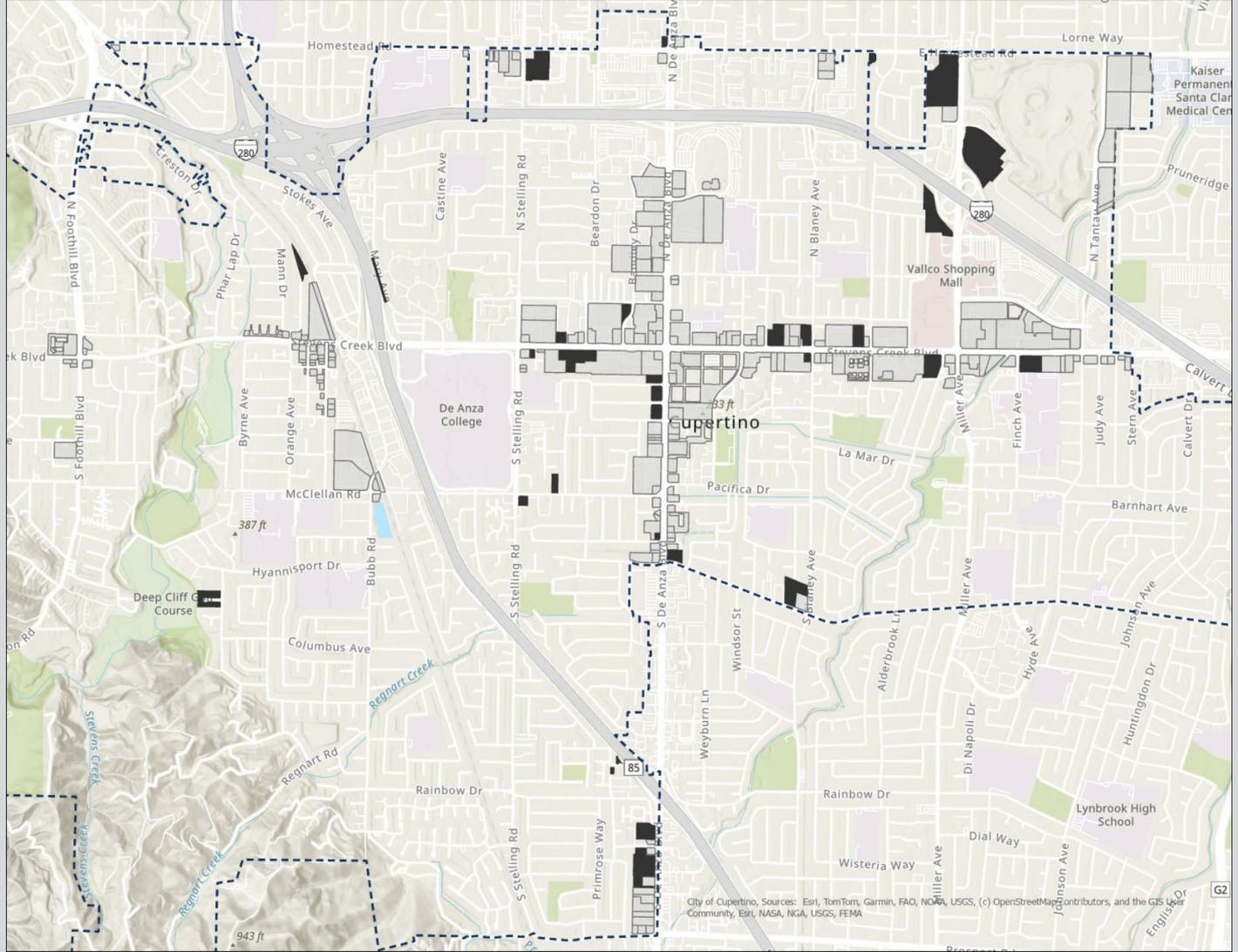
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HOUSING ELEMENT

Site Selection Consideration

- Identify new sites at higher densities (50 du/acre or more) along major transportation corridors
 - Align with AB2011, other regional land use plans and General Plan
- Keeps denser development **out of neighborhoods**
- Requires **fewer sites**
- Affordable by design (smaller apartment) units which could **enable City to claim as affordable units** even if not in BMR program
- **ISSUE:** Protecting viable commercial development/retail centers along major corridors

Potential Sites Overview*

* Not all sites feasible due to location, ownership, control and other factors



Budget



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Budget

- Scope of Work and Budget being prepared
 - Current estimate - \$350K - \$500K
 - Cost variation since CEQA process TBD
- Options on funding being explored

CC 3-3-2026

#7

Weed Abatement
Program

Presentation

Weed Abatement Program

Cupertino City Council

March 3, 2026



CUPERTINO



Program Requirements

- Managed by Santa Clara County Department of Agriculture
- City Code 9.08 requires property owners to remove or destroy Vegetation and Combustible Materials
- Compliance required yearly by April 30 and throughout the year
- Aims to reduce fire risks and protect public safety

Compliance & Enforcement

- Noncompliant properties added to the program
- Inspected annually for at least 3 years
- Correct violations within 2 weeks or additional actions/costs
- Compliant properties pay only the annual inspection fee
- Council approval necessary to authorize County abatement

Owner Responsibilities



1. Clear Tall Grass, Weeds, and Flammable Vegetation

Full Fire Safety Standards available at: cepascc.org/fire-safety

Owner Responsibilities



2. Clear Flammable Debris

Owner Responsibilities



3. Clear Overgrown Trees

Owner Responsibilities



4. Clear Dead Vegetation From Roofs

A decorative vertical bar on the left side of the slide, featuring a dark blue background with a complex, abstract geometric pattern of lighter blue lines and shapes, resembling a stylized sunburst or a modern architectural design.

Abatement Options

1. Owner completes required work
2. County assigned contractor completes work, charges appear on next property tax bill

County Inspections

- County inspections begin after April 30
- Every property in the program inspected
- Initial inspection fee = \$296
- Fee covers County cost of servicing property



Program Fee Update

- Board of Supervisors approved new fee schedule January 2026
- Effective June 2026
- Needed to cover operating costs
- Fewer properties and gradual decline over past 5 years
- Effective for July fee assessment hearing



Noticing to Property Owners

- January 14, County sent abatement and public hearing notice
- February 19, City sent notice of public hearing



Recommended Action:

1. Conduct hearing for impacted property owners to contest the matter of proposed abatement; and
2. Adopt Resolution No. 26-023 ordering abatement of public nuisance from weeds or other fire hazards pursuant to provisions of Cupertino Municipal Code Chapter 9.08 and Resolution No. 25-101.

CC 3-3-2026

#8

Vacating a Portion of
Public Right-of-Way on
Mary Avenue

Presentation

Mary Avenue Right-of-Way Vacation

March 3, 2026



**CITY OF
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Cupertino
City Council

Tonight's Action

Subject

Conduct a Noticed Public Hearing to Consider Adopting a Resolution Vacating a Portion of Public Right-of-Way Located Along the Westerly Edge of Mary Avenue (APN 326-27-053)

Recommended Action

- 1) Find the project exempt from the California Environmental Quality Act (CEQA)
- 2) Adopt a Resolution approving the vacation of a portion of public right-of-way located along the westerly edge of Mary Avenue (APN 326-27-053)

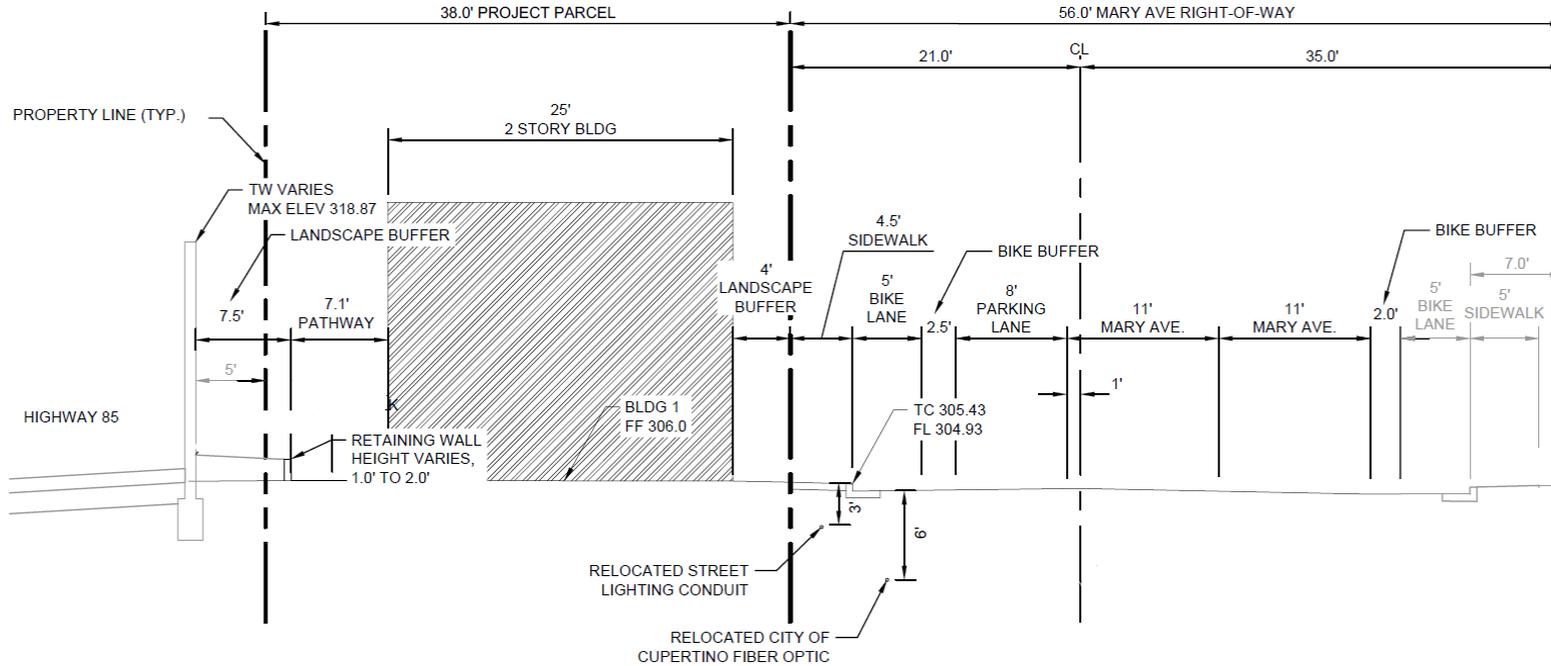
Aerial of Property



Property Background & Status

- FY 21-22 City Work Program initiated Project
 - 2023 Parcel was created
 - 2024 Re-zoned with Housing Element
 - 2/3/26 Low-income housing project approved by City Council
-
- Property currently designated as Right-of-Way
 - Area mostly serves parking stalls
 - Underutilized parking except for festivals (9 days/year)

Proposed Section of Property and Roadway



Right-of-Way Vacation

- Construction of housing project requires the Vacation
- 2/10/26: General Plan Conformity by Planning Commission
- Intention to Vacate was properly noticed
- Utility Companies provided consent for Vacation
- Adequate Right-of-Way remains to serve public access and accommodate traffic

Based on these facts, Council can determine that the Right-of-Way within the Property Limits is Unnecessary for Present or Prospective Public Purposes.

It is in the Public's Interest to Proceed to Order Vacation.

Tonight's Action

Subject

Conduct a Noticed Public Hearing to Consider Adopting a Resolution Vacating a Portion of Public Right-of-Way Located Along the Westerly Edge of Mary Avenue (APN 326-27-053)

Recommended Action

- 1) Find the project exempt from the California Environmental Quality Act (CEQA)
- 2) Adopt a Resolution approving the vacation of a portion of public right-of-way located along the westerly edge of Mary Avenue (APN 326-27-053)

CC 3-3-2026

#9

Mary Avenue property
Exempt Surplus Land

Presentation

Mary Avenue Surplus Land Act Declaration

March 3, 2026



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City Council

Tonight's Action

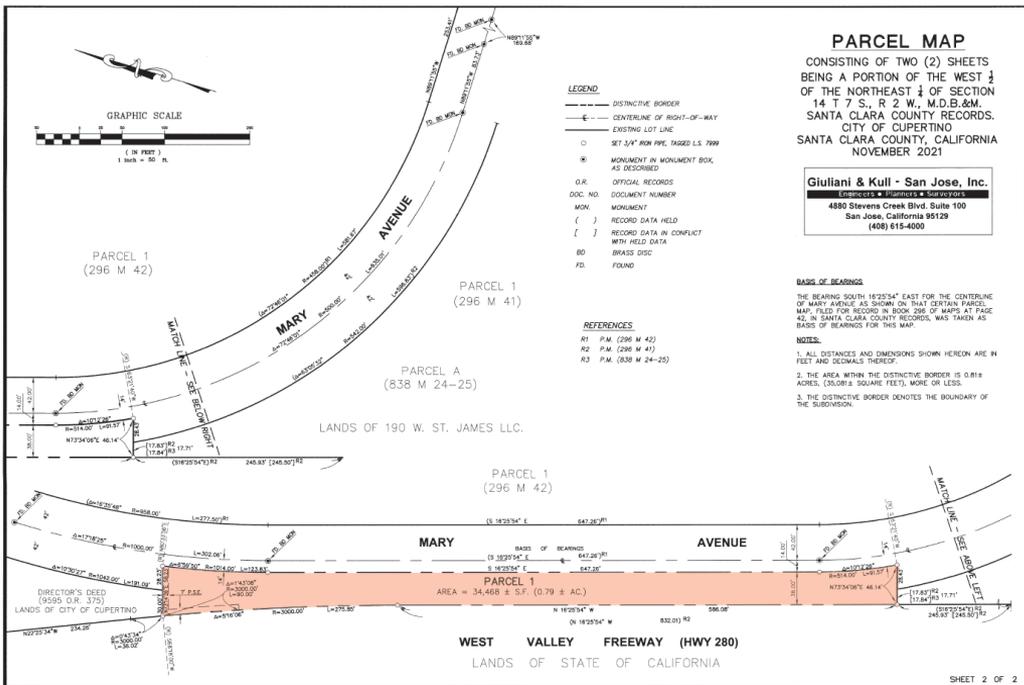
Subject

Consider Adopting a Resolution Declaring the Mary Avenue Property Located Along the Westerly Edge of Mary Avenue (APN 326-27-053) Exempt Surplus Land under the California Surplus Land Act

Recommended Action

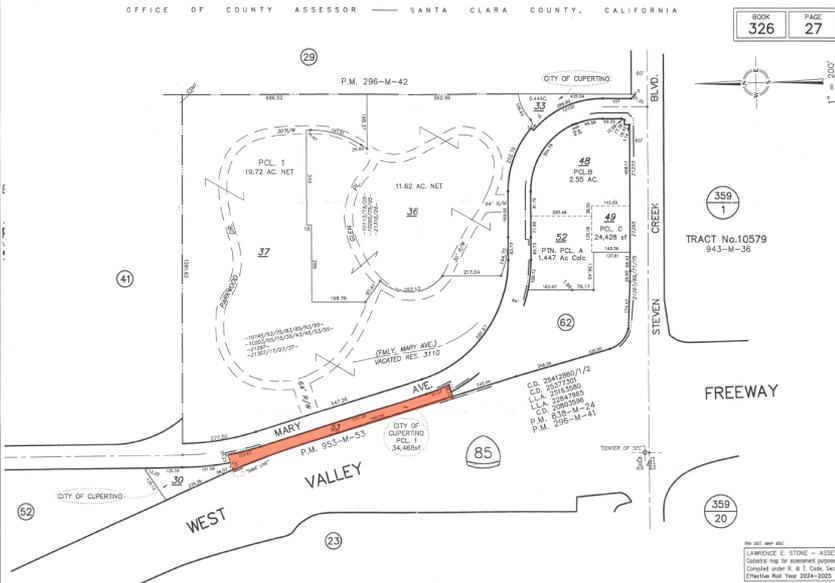
1) Adopt a Resolution declaring the Mary Avenue property located along the westerly edge of Mary Avenue (APN 326-27-053) to be exempt surplus land pursuant to California Government Code Section 54221 (f)(1)(F)

Parcel Map & APN Map of Property



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 326 PAGE 27



THE A.C.E. MAP DEC.
 LAWRENCE E. STONE - ASSESSOR
 Created here for assessment purposes only.
 Compiled under R. & I. Code, Sec. 327.
 Effective Roll Year 2024-2025.

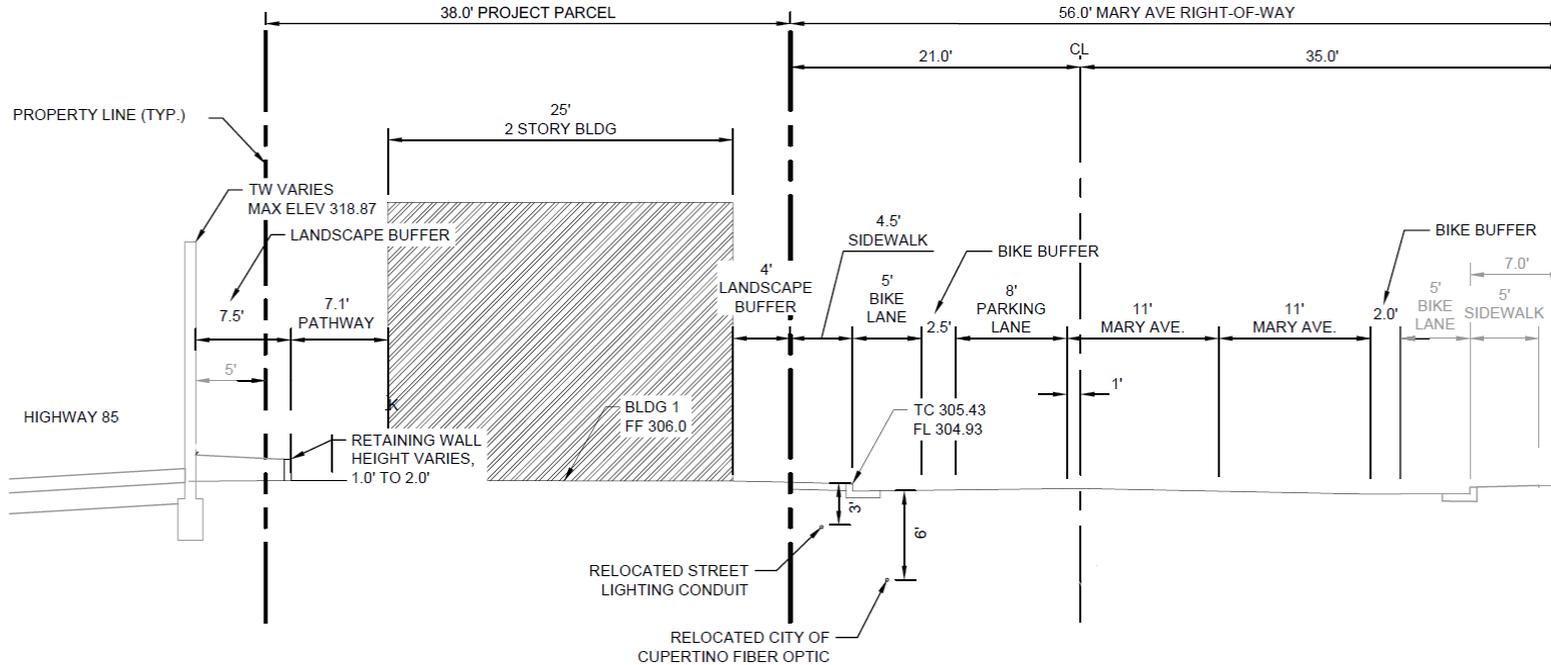
Aerial of Property



Property Background & Status

- FY 21-22 City Work Program initiated Project
 - 2023 Parcel was created
 - 2024 Re-zoned with Housing Element
 - 2/3/26 Low-income housing project approved by City Council, contingent upon this decision, among other actions
-
- Area mostly serves as parking stalls
 - Underutilized parking except for festivals (9 days/year)

Proposed Section of Property and Roadway



Surplus Land Act Declaration

- Gov. Code § 54221(b)(1) defines “Surplus Land” as land owned in fee simple that is not necessary for agency’s use.
- “Agency’s use” includes land used, or planned to be used, for agency work or operations pursuant to a written plan adopted by the governing body (Gov. Code § 54221(b)(2); HCD Guidelines §104). The property is not currently used for City operations and is not identified in an adopted plan for future City work and operational use
- A local agency is not required to find that land is of no public use in order to determine that it is surplus (See *Airport Business Center v. City of Santa Rosa*, 116 Cal.App.5th 501 (2025))

Surplus Land Act Declaration Continued

- Pursuant to Gov. Code § 65583.2(b)(3), when a publicly owned, nonvacant site is to be included in a Housing Element, the City must describe the existing use, disclose any plans to dispose of the property during the planning period, and explain how it will comply with the Surplus Land Act.
- HCD found the City's Housing Element in substantial compliance pursuant to Government Code § 65585, which necessarily includes review of the site's suitability and availability for residential development.

Accordingly, Based on (1) the site's identification for an affordable housing project, (2) its underutilized parking condition, and (3) the City's adopted housing policies, the Council may determine that the project site is surplus land under the Surplus Land Act

Exemption to Surplus Land Act

Gov. Code § 54221(f)(1)(F) exempts the disposition of surplus land for a housing development in which:

- 100% of residential units are restricted to low or moderate income households
- At least 75% of units are restricted to lower income
- Affordability is secured by a recorded covenant for a minimum of 55 years

Accordingly, the Council may determine that the project qualifies as exempt surplus land under the Surplus Land Act.

Tonight's Action

Subject

Consider Adopting a Resolution Declaring the Mary Avenue Property Located Along the Westerly Edge of Mary Avenue (APN 326-27-053) Exempt Surplus Land under the California Surplus Land Act

Recommended Action

1) Adopt a Resolution declaring the Mary Avenue property located along the westerly edge of Mary Avenue (APN 326-27-053) to be exempt surplus land pursuant to California Government Code Section 54221(f)(1)(F)

CC 3-3-2026

#10

City Manager's Mid-Year
Financial Report - REVISED

Presentation

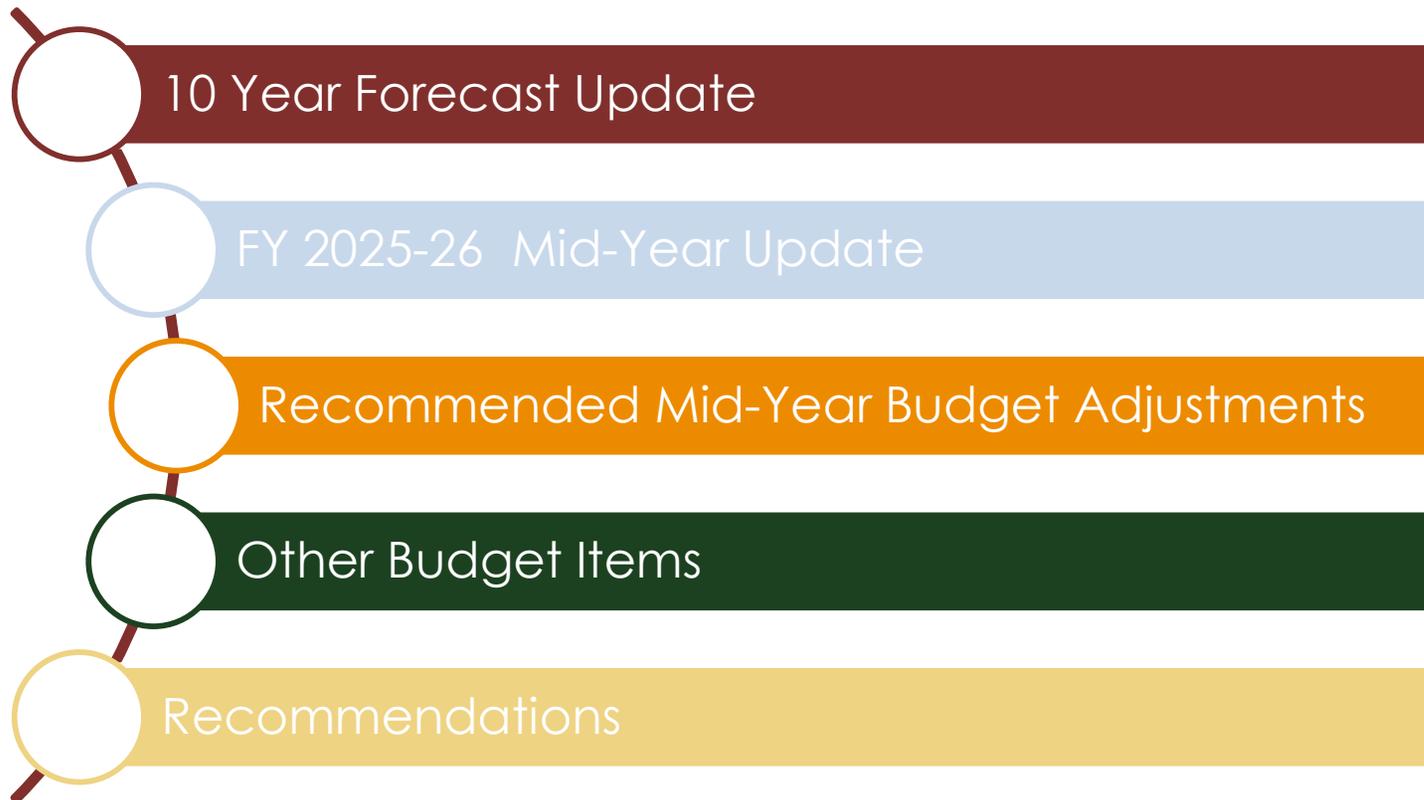
Fiscal Year 2025-26 Mid-Year Financial Report

March 3, 2026

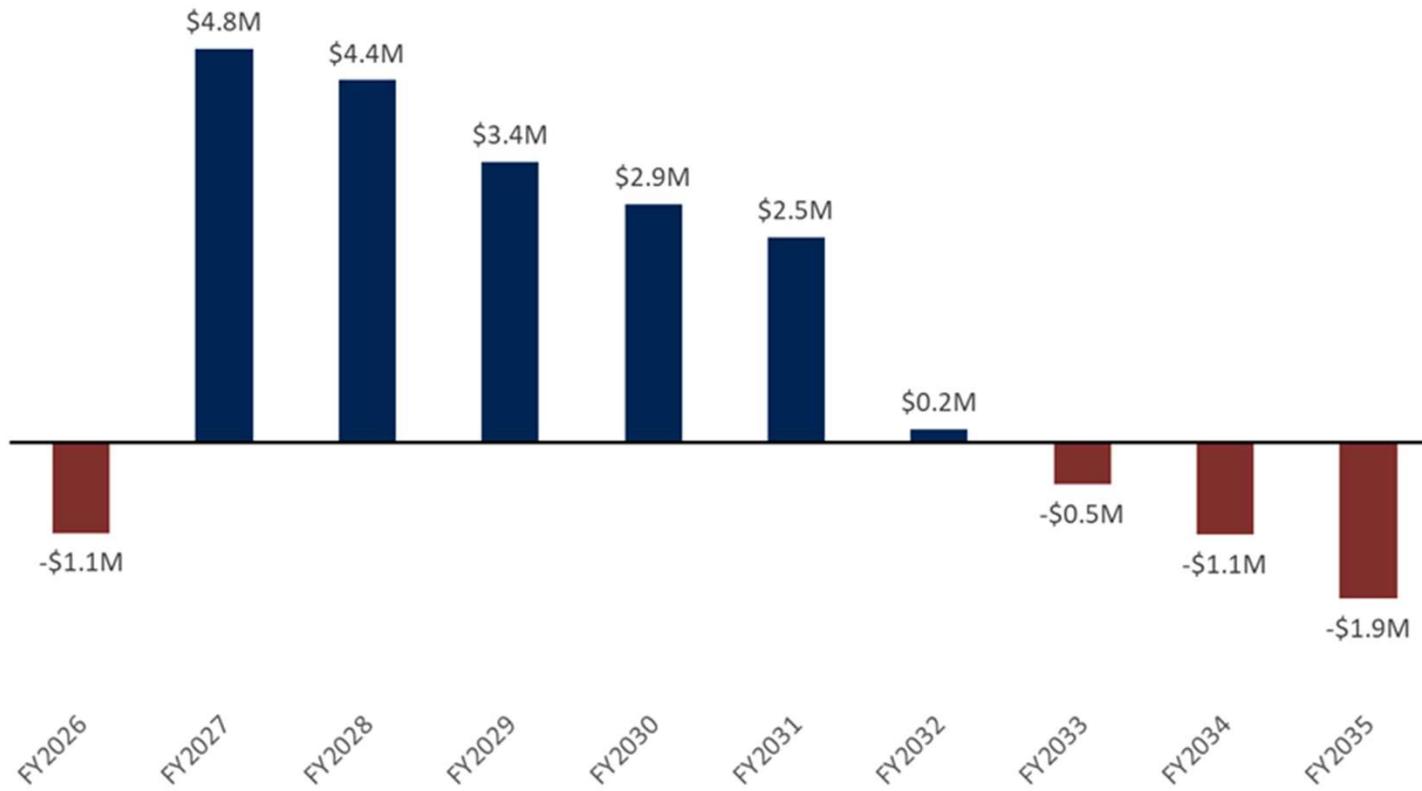


**CITY OF
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Agenda

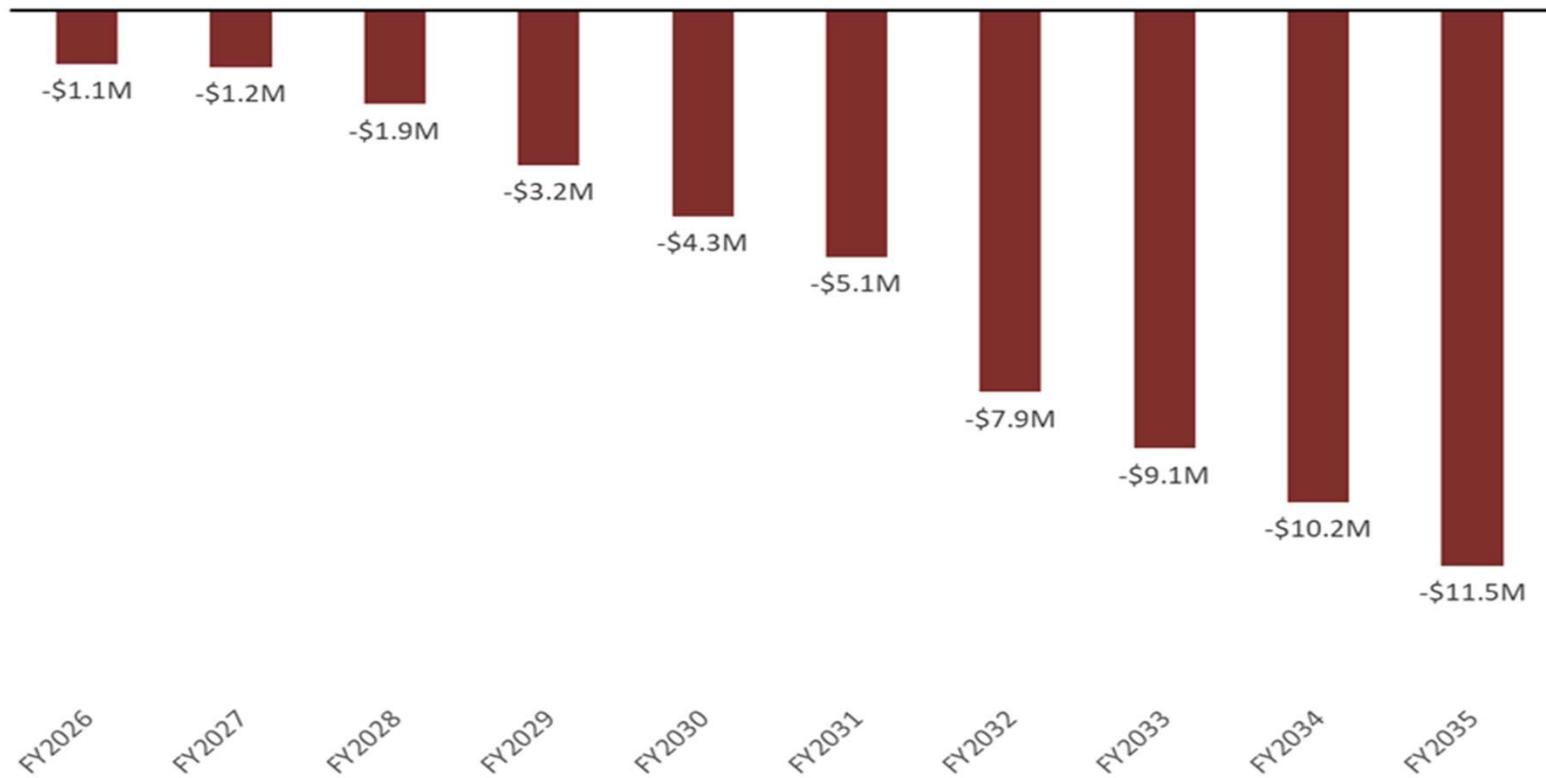
- 
- 10 Year Forecast Update
 - FY 2025-26 Mid-Year Update
 - Recommended Mid-Year Budget Adjustments
 - Other Budget Items
 - Recommendations

General Fund Annual Operating Surplus/(Deficit)



Sheriff's Contract Scenario

General Fund Annual Operating Surplus/(Deficit)



FY 2025-26 Mid-Year Update



FY 2025-26 Amended Budget – By Fund

(\$ in Millions)

Fund	FY 2025-26 Adopted Budget	Carryovers	Encumbrances	Adjustments Approved in 1st and 2nd Quarters	FY 2025-26 Amended Budget as of December 31, 2025
General	99,189,741	28,105,391	7,162,543	3,261,850	137,719,525
Special Revenue	10,810,122	17,269,837	1,604,982	135,181	29,820,122
Debt Service	2,676,600	-	-	-	2,676,600
Capital Projects	4,225,000	22,691,140	8,198,536	2,538,284	37,652,960
Enterprise	9,153,170	181,612	535,558	123,005	9,993,345
Internal Service	10,011,768	96,963	712,952	264,688	11,086,371
Total All Funds	\$ 136,066,401	\$ 68,344,943	\$ 18,214,571	\$ 6,323,008	\$ 228,948,923

General Fund Revenues – Year over Year

Revenue Category	Mid-Year 2025	Mid-Year 2026	Variance (\$)	Variance (%)
05 - Sales tax	6,253,234	7,771,677	1,518,444	24%
10 - Property tax	9,533,057	9,675,458	142,401	1%
15 - Transient occupancy	2,517,307	2,643,176	125,869	5%
20 - Utility tax	1,747,222	1,671,264	(75,958)	-4%
25 - Franchise fees	828,043	1,024,238	196,196	24%
30 - Other taxes	903,132	592,468	(310,663)	-34%
35 - Licenses and permits	2,704,260	3,174,439	470,179	17%
40 - Use of money and property	5,620,126	4,274,815	(1,345,311)	-24%
45 - Intergovernmental revenue	1,593,094	4,285,139	2,692,045	169%
50 - Charges for services	7,219,090	7,013,364	(205,726)	-3%
55 - Fines and forfeitures	157,093	99,778	(57,315)	-36%
60 - Miscellaneous	1,445,733	390,653	(1,055,080)	-73%
65 - Transfers in	15,000	15,000	-	0%
70 - Other financing sources	1,331,275	77,921	(1,253,355)	-94%
Total	\$ 41,867,665	\$ 42,709,392	\$ 841,726	2%

General Fund Expenditures – Year over Year

Expenditure Category	Mid-Year 2025	Mid-Year 2026	Variance (\$)	Variance (%)
05 - Employee compensation	10,566,467	11,165,494	599,026	6%
10 - Employee benefits	15,264,471	4,799,606	(10,464,865)	-69%
15 - Materials	2,813,766	2,963,067	149,300	5%
20 - Contract services	14,256,813	15,613,313	1,356,499	10%
25 - Cost allocation	5,319,290	5,549,229	229,939	4%
30 - Capital outlays	32,349	80,484	48,135	149%
31 - Special projects	623,226	1,243,515	620,290	100%
35 - Contingencies	3,035	7,400	4,365	144%
45 - Transfer out	7,403,168	10,594,653	3,191,485	43%
50 - Other financing uses	247,521	467,509	219,988	89%
Total	\$ 56,530,107	\$ 52,484,270	\$ (4,045,837)	-7%

General Fund - Fund Balance

(in millions)

Classification	Actual 2023-24	Actual 2024-25	Adopted Budget 2025-26	1st Quarter Projection 2025-26	Mid-Year Year End Projection 2025-26
Non Spendable	\$ 3.4	\$ 4.0	\$ 3.5	\$ 4.0	\$ 4.0
Restricted	23.3	25.8	22.1	24.8	25.8
Committed	108.6	88.6	87.2	88.6	86.1
Assigned	4.7	7.3	-	-	-
Unassigned	26.0	56.1	43.3	65.5	62.7
TOTAL FUND BALANCE	\$ 166.1	\$ 181.8	\$ 156.0	\$ 183.0	\$ 178.7

Note: Q2 Year-End Projections assume budgeted revenues and expenditures are fully collected and incurred. Fund balances do not consider City Council actions after December 31, 2025.

Proposed Mid Year Budget Adjustments



Budget Requests by Fund

Fund	Revenue	Expense	Fund Balance (use of)
General	\$18,478	\$663,616 \$653,155	(\$645,138) \$634,677
Internal Service	\$131,100	-	\$131,100
Total All Funds	\$149,578	\$663,616 \$653,155	(\$514,038) (\$503,577)

Recommended Budget Adjustments

Fund	Department	Revenue	Expenditure	Change in Fund	
				Balance	Proposal
GENERAL FUND					
100 General Fund	Administration - City Attorney's Office	-	410,000	(410,000)	City Attorney's Office Contract Services
	Administration - City Attorney's Office	-----	10,461	(10,461)	Senior Assistant City Attorney salary alignment - remainder of FY-2026
100 General Fund	Admin Services	-	75,000	(75,000)	Finance consulting, additional auditing and tax services pun group
100 General Fund	Innovation & Technology	-	15,000	(15,000)	ADA Closed Captioning
100 General Fund	Parks & Recreation	18,478	15,944	2,534	Hidden Treasures Proceeds
100 General Fund	Public Works	-	6,111	(6,111)	Emergency HVAC Compressor Replacement
100 General Fund	Non-Departmental	-	131,100	(131,100)	IT PEG Transfer Out
TOTAL GENERAL FUND		18,478	663,616 653,155	(645,138) (634,677)	
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	Innovation & Technology	131,100	-	131,100	IT PEG Transfer In
TOTAL INTERNAL SERVICE FUND		131,100	-	131,100	
TOTAL ALL FUNDS		\$ 149,578	663,616 \$ 653,155	(514,038) \$ (503,577)	

Staffing

- Senior Assistant City Attorney Salary Alignment (**Staff Recommends this request to be deferred to a future date**)
- Development Services Division Salary Savings for 3rd Party Inspection Services

City Manager Discretionary Fund

- As of December 31, 2025, the City Manager's Discretionary Fund has only been used for Property Appraisal Services for 10480 Finch Avenue at a cost of \$7,400
- Staff will continue to report on the use of this fund

Recommendations

1. Accept the City Manager's Mid-Year Financial Report for Fiscal Year 2025-26; and
2. Adopt Resolution No. 26-XXX approving Budget Modification No. 2526-433, increasing appropriations by \$~~663,616~~ 653,155 and revenues by \$149,578 resulting in use of \$~~514,038~~ 503,577 in one-time unassigned fund balance

Questions?



CC 3-3-2026

#11

FY 2026-2027 CIP and
Five-year Plan

Presentation

CAPITAL IMPROVEMENT PROGRAMS FY26-27 and 5-YEAR PLAN

City Council meeting

March 03, 2026



CUPERTINO

Tonight's Action

Subject: Fiscal Year 2026-2027 Capital Improvement Programs and Five-year Plan

Recommended Action: Receive presentation and approve the Capital Improvement Programs Project Prioritization process and the Fiscal Year 2026–2027 Capital Improvement Programs and Five-Year Plan proposal.

CIP webpage

For more detail on the status of current CIP projects, refer to the CIP page found under Public Works

Navigation: *Cupertino.gov > Your City > Departments > Public Works > Capital Improvement Programs Projects*

Capital Improvement Programs Projects



Capital Improvement Programs (CIP) projects are city-funded improvements to city land, parks, building and infrastructure. A Capital Improvement is a project that enhances the unit of property, restores or prolongs the useful life of the unit of property, or adapts the property to a new or different use. Capital Improvements are assets that are capitalized each year, routine maintenance projects are not. The CIP is a multi-year plan that identifies, plans and implements improvements over time, accounting for budgetary and staffing constraints, as well as ongoing facility and infrastructure needs.

How do we prioritize/rank the CIP projects?

- Repair or upgrading necessary to protect public Health and Safety take highest priority.
- Council Priorities, Commission suggestions and Community input.
- Subsequent phases of existing projects.
- Master Plans and General Plan have many stated goals and policies that affect the generation of CIP projects.
- Fiscally responsible use of City resources, including staff time and funding. If projects have secured (or could secure) outside funding, that is also considered.

Projects +

CIP Dashboard +

Engage Cupertino +

CIP Books +

Other Resources +

Contact Us

Capital Improvement Programs
Phone: 408.777.3354
capitalprojects@cupertino.gov

City of Cupertino Notifications Signup

[E-Notification Signup](#)

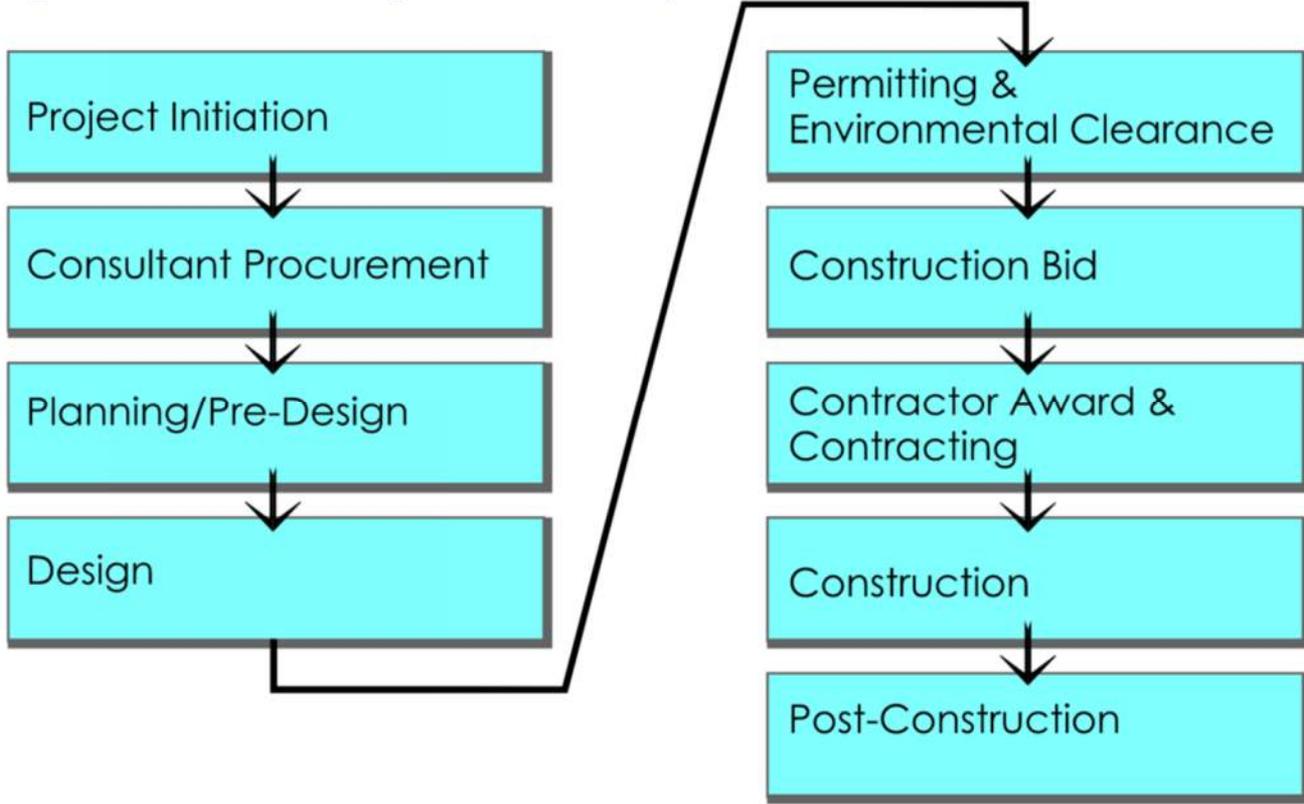
Agenda

1. FY25-26 Current Projects & Achievements
2. Prioritization Process
3. Proposed FY26-27 CIP and 5-Year Plan
4. Next Steps



1. FY25-26 Current Projects and Achievements

Project Delivery and Implementation Process



Achievements: Completed projects

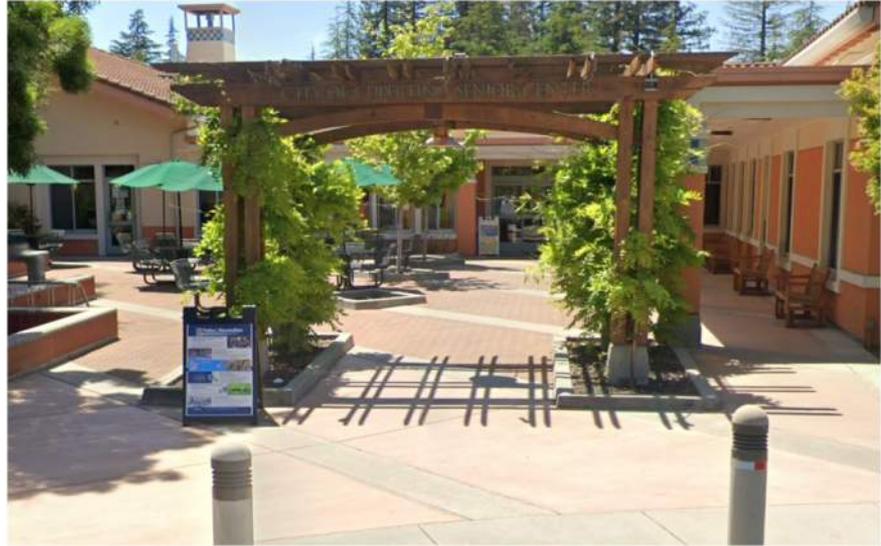
City Street Lighting - LED Improvements



Jollyman All-Inclusive Playground

Achievements: Completed projects

Bridge Preventative
Maintenance Program



Senior Center Fire
Alarm System Upgrade

Achievements: [Nearly] Completed projects

- Photovoltaic Project (3 sites)
- Stevens Creek Blvd Bikeway Phase 2A
- QCC Chiller replacement
- QCC Flat roof and Sports Center roof replacement



FY25-26 CIP Projects - Current

1	ADA Improvements (Annually funded)	13	Street Light Installation - Annual Infill (Annually funded)
2	Facilities Condition Assessment Implementation (FCA)	14	Vai Avenue Outfall
3	City Hall Annex	15	Stevens Creek Blvd CL IV Bikeway - Phase 2B Construction
4	City Hall Improvements	16	Stevens Creek Blvd CL IV Bikeway - Bandlely Dr. Signal
5	Library Expansion Project: landscaping & courtyard	17	Roadway Safety Improvements - High Friction Pavement & Speed Feedback Signage (HSIP)
6	Lawrence-Mitty Park and Trail Plan	18	Tamien Innu - East Segment
7	Park Amenity Improvements	19	Tamien Innu - Central Segment
8	MRP West Parking Lot Improvements (Habitat monitoring)	20	Tamien Innu - West Segment
9	Annual Playground Replacement	21	School Walk Audit Implementation
10	Outfalls Repairs	22	Electric Vehicle Charging Station (EVCS) expansion - Service Center
11	Stevens Creek Bridge Repair		
12	McClellan Road Bridge Reconstruction		

22 projects: 5 Facilities, 4 Parks & Recreation, 5 Streets & Infrastructure, 7 Bike/Ped/Transportation and 1 Sustainability

*Yellow = Facilities *Green = Parks *Orange = Streets & Infrastructure *Blue = Transportation *Magenta = Sustainability



2. Prioritization Process



CIP Prioritization Process



HEALTH
AND
SAFETY



LEGAL
MANDATES



ASSET
CONDITIONS



RESILIENCE &
SUSTAINABILITY



STRATEGIC
ALIGNMENT



COMMUNITY
BENEFIT



FINANCIAL
EFFECTIVENESS



PROJECT
READINESS

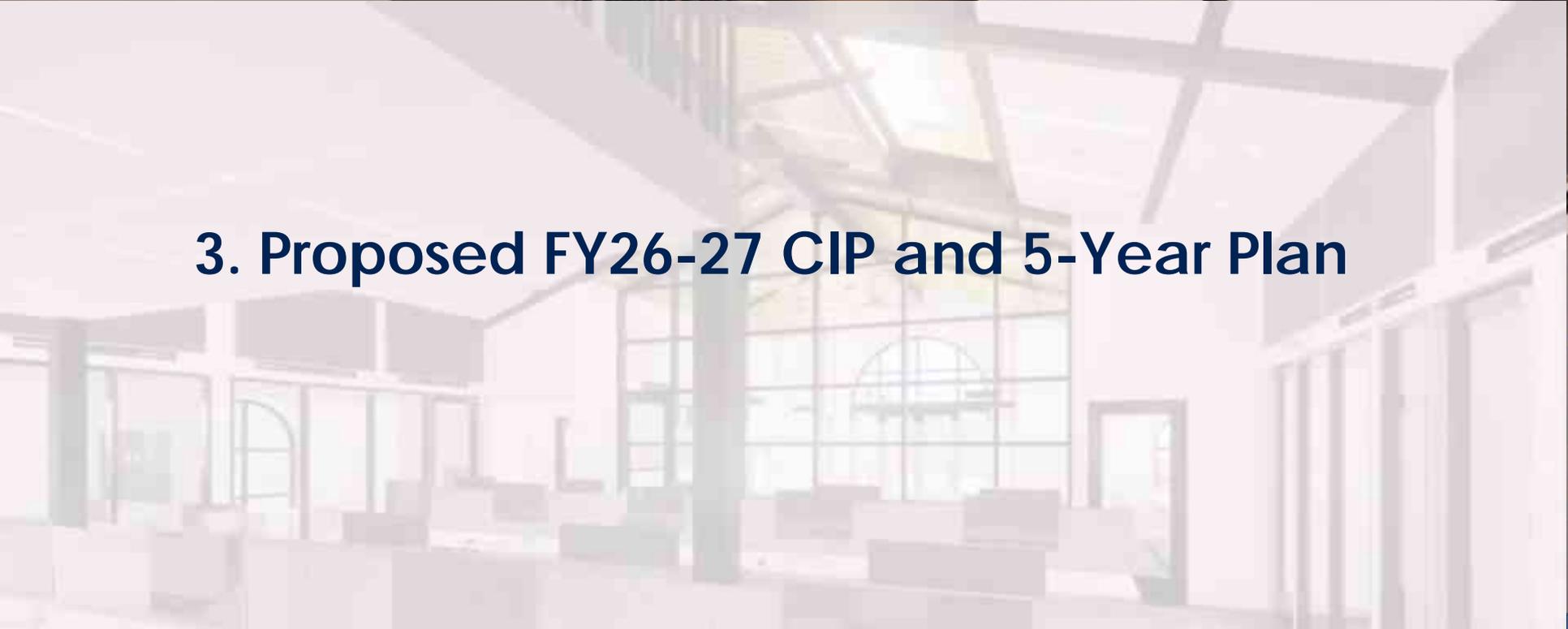
CIP Prioritization Process – Project Narratives

	Prioritization <i>(Score 0 – 5, refer to Scoring guide for further descriptions)</i>		
	Health & Safety	4	<i>Does the project impact public health and safety, directly or indirectly? Is the [facility] in a poor state of disrepair, for example? Please note that here.</i>
	Regulatory / Legal Mandate	3	<i>Is this required to meet federal, state, or local regulations, permits, or legal agreements?</i>
	Asset Condition & Infrastructure Risk	5	<i>Does this project address failing or near-end-of-life physical or digital infrastructure?</i>
	Climate Resilience & Sustainability	0	<i>Does this project reduce greenhouse gas emissions, improve energy efficiency, or enhance resilience to heat, drought, flooding, or power outages?</i>
	Strategic Alignment	0	<i>Is the project mentioned in a master plan? Please provide rankings that may be found there. Is the project listed in the Facility Condition Assessment (FCA) Report?</i>
	Community Benefit & Equity	4	<i>Is this a stated priority of the Council and/or Commissions (current or past)? Have we received a good deal of Community feedback? Please note that here.</i>
	Financial Leverage & Cost Effectiveness	2	<i>Maximizes grants, partnerships, lifecycle savings, or operational efficiencies?</i>
	Project Readiness	2	<i>Is this a latter phase of a current or past project? Has the design phase been initiated? Do we have environmental clearance?</i>

CIP Prioritization Process - Steps

Step by Step Prioritization Process

1. Project Intake & Eligibility Screening
2. Baseline Classification – Information gathering
3. Scoring Using the CIP Prioritization Matrix
4. Scoring Review & Calibration
5. Draft CIP Ranking & Financial Constraint
-  6. Policy Review & Council Consideration
7. Annual Update & Continuous Improvement



3. Proposed FY26-27 CIP and 5-Year Plan

Proposed FY26-27: **Additional Funding for Existing projects – FCA project**



Ongoing initiative to implement projects from the prioritized recommendations of the 2017/18 “Comprehensive Facility Condition and Use Assessment” and the “2022 Facility Condition Assessment” (FCA) reports.

9 New projects planned for F26-27: Sports Center Locker and Shower rooms improvements (construction), 5 Misc. HVAC equipment upgrades: Traffic Maintenance Bldg, Service Center, BBF Pools, QCC, Community Hall, and 3 Flat Roof replacements: Monta Vista (2), Senior Center

\$ 1,250,000 City Funding (FY26-27)

\$ 2,946,470 City Funding (Current)

\$ 417,312 External Funding

\$ 4,564,421 Total



Proposed FY26-27: **Additional Funding for Existing projects – City Hall Annex**



Program, plan and build facility improvements to facilitate use as the City's EOC and an interim workplace/ Permit Center during City Hall renovations.

\$ 5,000,000 City Funding (FY26-27)

\$ 3,025,000 City Funding (Current)

\$ 8,025,000 Total



Proposed FY26-27: **BBF Golf Course Pro Shop Renovation**



\$120,000 City Funding
_____ \$0 External Funding
\$120,000 Total

The Blackberry Farm Golf Course Pro Shop serves more than 40,000 golfers annually and is central to the visitor experience. However, the facility has not been comprehensively renovated in many years and is now outdated, inefficient, and out of alignment with current accessibility and building standards. This project proposes a full renovation to improve functionality, safety, and customer service.



Proposed FY26-27: Sports Center Courts Resurfacing



Resurfacing all tennis courts and the Sport Court at the Sports Center will prevent further damage, reduce liability, and avoid more costly repairs in the future, as well as maintain a suitable and safe playing environment.

\$210,000 City Funding
 \$0 External Funding
\$210,000 Total



Proposed FY26-27: Stevens Creek Blvd/SR 85 NB Ramp Intersection Improvements



Improvements to the NB ramp intersection include a separated Class IV bike lane, a tightened right-turn on-ramp, and traffic signal upgrades providing protected movements for vehicles, bicyclists, and pedestrians. The project will retain a civil engineering consultant to finalize design and obtain necessary Caltrans approvals.

\$0 City Funding
\$600,000 External Funding
\$600,000 Total



Proposed FY26-27: Memorial Park Pickleball Sound Attenuation



Neighboring residents have concerns about the degradation of the acoustic environment of their residences. Pickleball is very popular and generates great community. By providing sound attenuation to mitigate the noise, we hope to create a better environment for all.

\$150,000 City Funding
_____ \$0 External Funding
\$150,000 Total



Proposed FY25-26 Projects

Project name	Project Description	INTERNAL	EXTERNAL	FY26-27 Funding
Facilities Condition Assessment Implementation (FCA)	<i>Additional Funding</i> Implement priority projects identified in the FCA reports.	\$ 1,250,000	\$ 0	\$ 1,250,000
City Hall Annex	<i>Additional Funding</i> Renovate facility for EOC and interim Permit Center.	\$ 5,000,000	\$ 0	\$ 5,000,000
BBF Golf Course Pro Shop Renovation	Interior renovation to improve functionality and code compliance.	\$ 120,000	\$ 0	\$ 120,000
Sports Center Courts Resurfacing	Resurfacing the courts to provide safe and consistent surfaces.	\$ 210,000	\$ 0	\$ 210,000
SCB/SR 85 NB ramp Intersection improvements	Improve traffic conditions for all users at this intersection.	\$ 0	\$ 600,000	\$ 600,000
Memorial Park Pickleball Sound Attenuation	Provide Sound Attenuation and a reinforced fence perimeter.	\$ 150,000	\$ 0	\$ 150,000
		\$ 6,730,000	\$ 600,000	\$ 7,330,000

*Yellow = Facilities *Green = Parks *Orange = Streets & Infrastructure *Blue = Transportation *Magenta = Sustainability

Proposed CIP 5-year plan

Project	FY26-27 Funding	Year 2 FY27-28	Year 3 FY28-29	Year 4 FY29-30	Year 5 FY30-31
Facilities Condition Assessment Implementation (FCA)	\$ 1,250,000	\$ 1,300,000			
City Hall Annex	\$ 5,000,000				
BBF Golf Course Pro Shop Renovation	\$ 120,000				
Sports Center Courts Resurfacing	\$ 210,000				
SCB/SR 85 NB ramp Intersection improvements	\$ 600,000				
Memorial Park Pickleball Sound Attenuation	\$ 150,000				
ADA Improvements		\$ 100,000	\$ 110,000	\$ 120,000	\$ 125,000
Outfalls Repairs		\$ 600,000	\$ 300,000	\$ 600,000	\$ 600,000
BBF Golf Course Irrigation Renovation			\$ 1,580,150		
Park Shade Structures (5)				\$ 1,000,000	\$ 500,000
totals	\$ 7,330,000	\$ 2,000,000	\$ 1,990,150	\$ 1,720,000	\$ 1,225,000

*Yellow = Facilities *Green = Parks *Orange = Streets & Infrastructure *Blue = Transportation *Magenta = Sustainability

Next Steps

- **PROPOSAL DEVELOPED/STAFF & CMO REVIEWS**

FY26-27 and 5-year CIP proposal developed in February 2026. Staff reviews proposal with Senior Leadership and the City Manager.

- **COUNCIL – March 3**

FY26-27 and 5-year CIP proposal previewed at [this] 3/03 City Council meeting.

- **COMMISSIONS (T.B.D.)**

FY26-27 CIP proposal will be reviewed upcoming Commission meetings.

- **PLANNING COMMISSION (T.B.D.)**

FY26-27 CIP proposal will be presented at the Planning Commission, to review for conformance to the General Plan.

- **CITY COUNCIL – May/June**

CIP will be proposed as part of City's Annual Budget review

Tonight's Action

Subject: Fiscal Year 2026-2027 Capital Improvement Programs and Five-year Plan

Recommended Action: Receive presentation and approve the Capital Improvement Programs Project Prioritization process and the Fiscal Year 2026–2027 Capital Improvement Programs and Five-Year Plan proposal.

Thank You!



CUPERTINO