

CC 11-15-2022

Special Meeting
1

Housing Element Update
Presentation

6th Cycle Housing Element Update

City Council
November 15, 2022



**CITY OF
CUPERTINO**

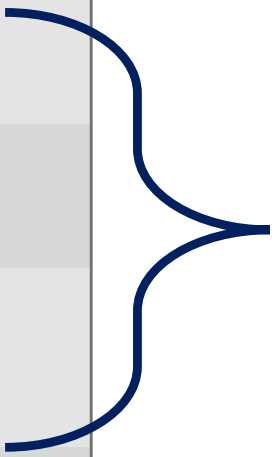


Recommendation

- Submit current Draft Housing Element to HCD, as-is, following the required public comment/response period.
- Draft Housing Element could be submitted to HCD by January 31, 2023.

RHNA for Cupertino 2023 - 2031

Income Group	Units
Very Low Income (<50% of AMI)	1,193
Low Income (50%-80% of AMI)	687
Moderate Income (80%-120% of AMI)	755
Above Moderate Income (>120% of AMI)	1,953
Total	4,588



Affordable
Units = 2,635



Background

- Housing Element part of General Plan.
 - Includes policies, programs, needs analysis and sites inventory to accommodate RHNA.
- Required to be updated every 8 years.
- 6th Cycle update covers 2023-2031.
- Certification Deadline: January 31, 2023.



Progress so far

- Housing Element update began in Fall 2021.
 - Council Study Sessions – Sept. & Nov. 2021
- Housing Commission Study Session and Community meeting December 9, 2021
- March 2022: Community Engagement Plan - Strategic Advisory Committee (CEP-SAC) formed by Council.



Outreach and Sites

- Over 20 Housing Element-related public meetings held in 2022.
- Meetings focused heavily on Sites Inventory and Community Engagement.
- July 5: Planning-Housing Commission Sites Inventory recommendation to Council.
- August 30: City Council approved Sites Inventory.



Draft Housing Element

- After Sites Inventory approved, project focus shifts to Draft Housing Element and CEQA process.
- October 11, 2022: Administrative Draft Housing Element received from EMC Planning.

HCD Review

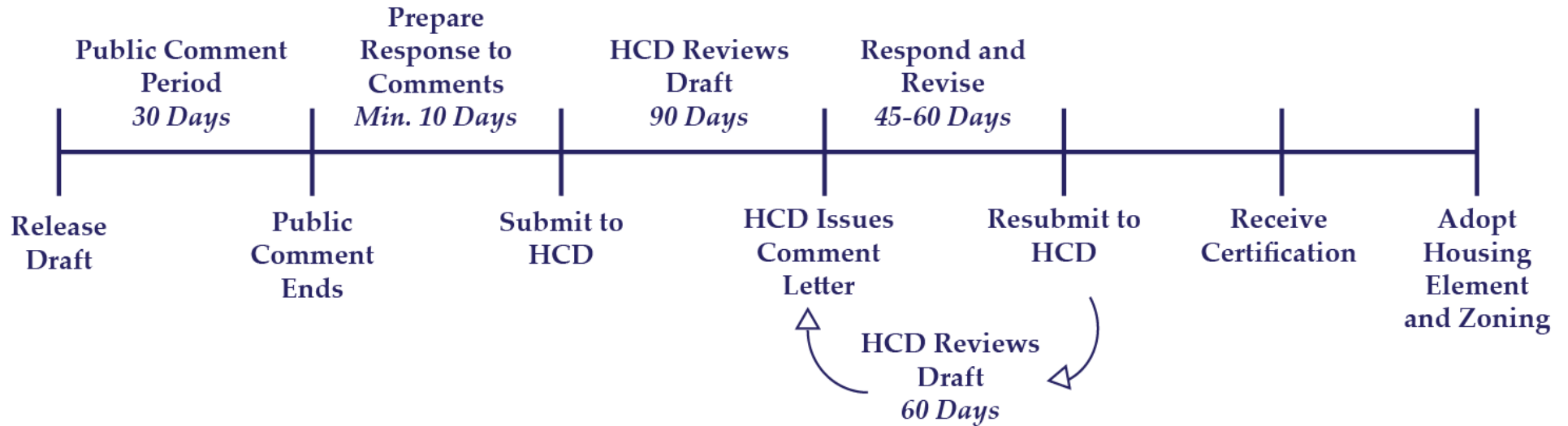
- (Govt Code 65585(b)(1)) **requires following prior to submittal to HCD:**
 - Public comment period of 30 days on Draft Housing Element
 - At least 10-business day response period for comments received on Draft Housing Element.



HCD Review

- State law allows HCD 90 days to review first Draft HE.
 - HCD reviews via comment letter to City identifying necessary changes to HE.
 - Schedule meeting with HCD late in initial review period to discuss.
- May require more than one round of review.
 - State law allows HCD 60 days for each additional round of review.

HCD Process





Alternatives

- Recommended: Submit current Draft HE to HCD, as-is, following required public comment/ response period.
 - Could be submitted by Jan. 31, 2023

OR

- New consultant to revise Draft HE, conduct required public comment/response period and submit to HCD.
 - Could be submitted in April 2023.

Questions?



Engage Cupertino Housing Website
<https://engagecupertino.org>

CC 11-15-2022

#8

Administrative Services
Department Update

Presentation

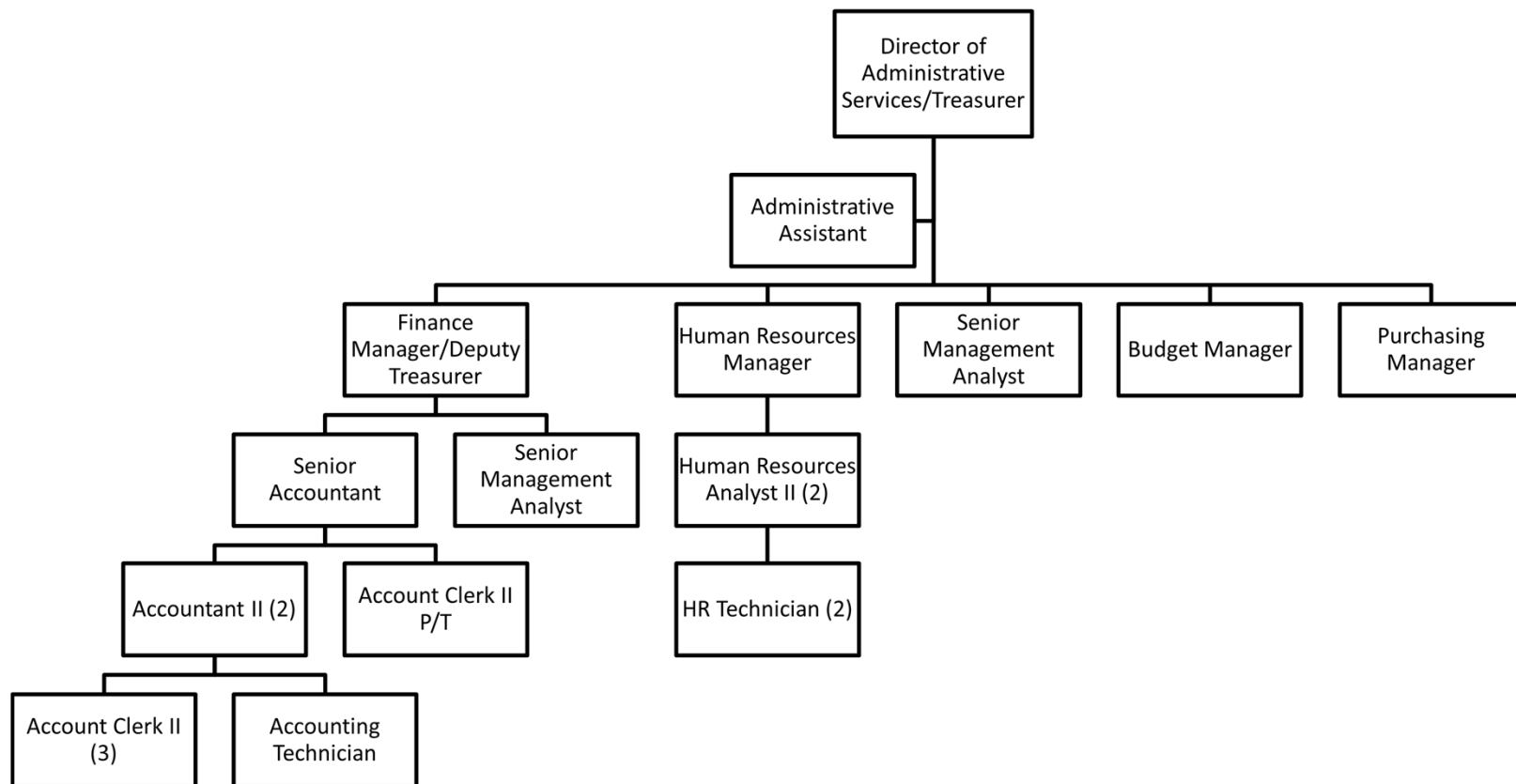
Administrative Services Department

City Council update 11/15



**CITY OF
CUPERTINO**

Organizational Chart



Major Duties by Division

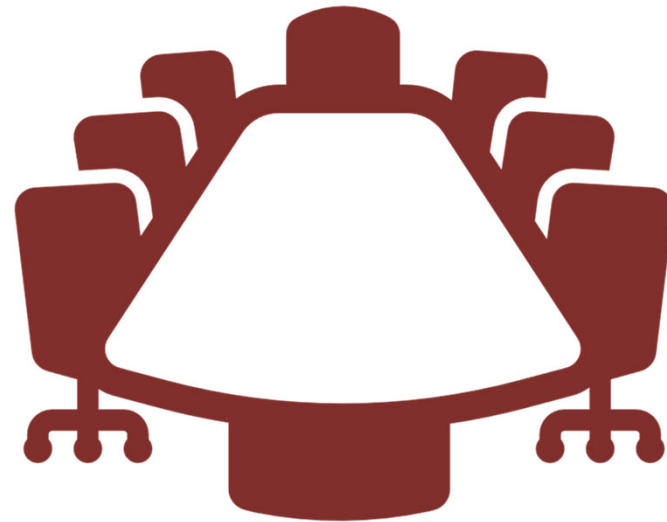
- Administration Division
- Finance Division
- Human Resources Division



Responsibilities: Commissions and Boards

12 Audit Committee
Meetings annually

Up to two Fiscal
Strategic
Committee
Meetings annually



Responsibilities: Finance by the Numbers FY 2021-22



1,687
Business
Licenses



Annual
Comprehensive
Financial Report
(ACFR)



4,979
Accounts
Payable



3 Online Tools

Responsibilities: Finance by the Numbers FY 2021-22



4 Budget
Reports



Community
Budget
Meeting



8,119 Payroll
Checks
Issued



6 Social
Media
Infographic
Videos



11,164
Accounts
Receivable

Responsibilities: Human Resources by the numbers FY21-22



325 Pay Rate
Changes
Salary
Administration



17 WC Claims
and 6 WC
Committee
Meetings



4 Brown Bag
Lunches,
Wellness Fair
and
Processed
158 Wellness
Hours
transactions



Over 11,000
Benefit
Administration
transactions

Responsibilities: Human Resources FY 21-22



96 Professional
Development and
Employee Training



38¹
Employees
Onboarding
and
2 New Hire
Orientations



42 Recruitments
Recruitments,
Classification and
Compensation Surveys
and Analysis



Employee
Relations,
including
Labor
Negotiations

¹Full Time Only

Recent Accomplishments

- Budget Adoption
- Established a Fraud, Waste, and Abuse Program
- Completed Labor negotiations with the City's two bargaining units
- Won the 2022 Innovation Award from the California Society of Municipal Finance Officers (CSMFO)

Key Projects FY 2022-23

- External Auditor RFP
- Fee Study RFP and Selection
- Budget Process Audit
- Grants centralization project
- Transition to hybrid purchasing format
- Online Recruitment Strategy
- Student Summer Intern Program

Administrative Services Department

For more information:

- Websites
 - [Cupertino.org/finance](https://cupertino.org/finance)
 - [Cupertino.org/human-resources](https://cupertino.org/human-resources)
- Interactive Tools
 - Resident Tax Calculator
 - Budget Forecast Tool



CC 11-15-2022

#23

FY 2022-23 First Quarter

Presentation

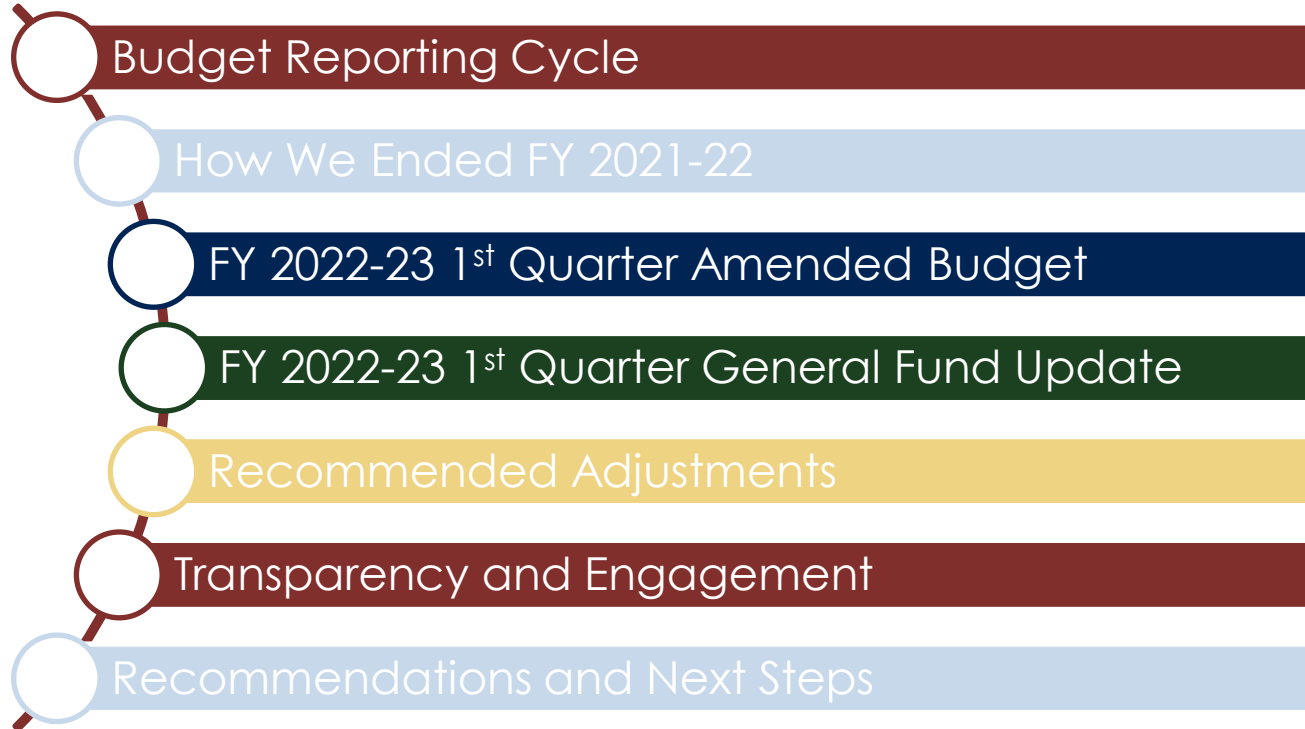
Fiscal Year 2022-23 First Quarter Financial Report

November 15, 2022



**CITY OF
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Agenda



Budget Reporting Cycle

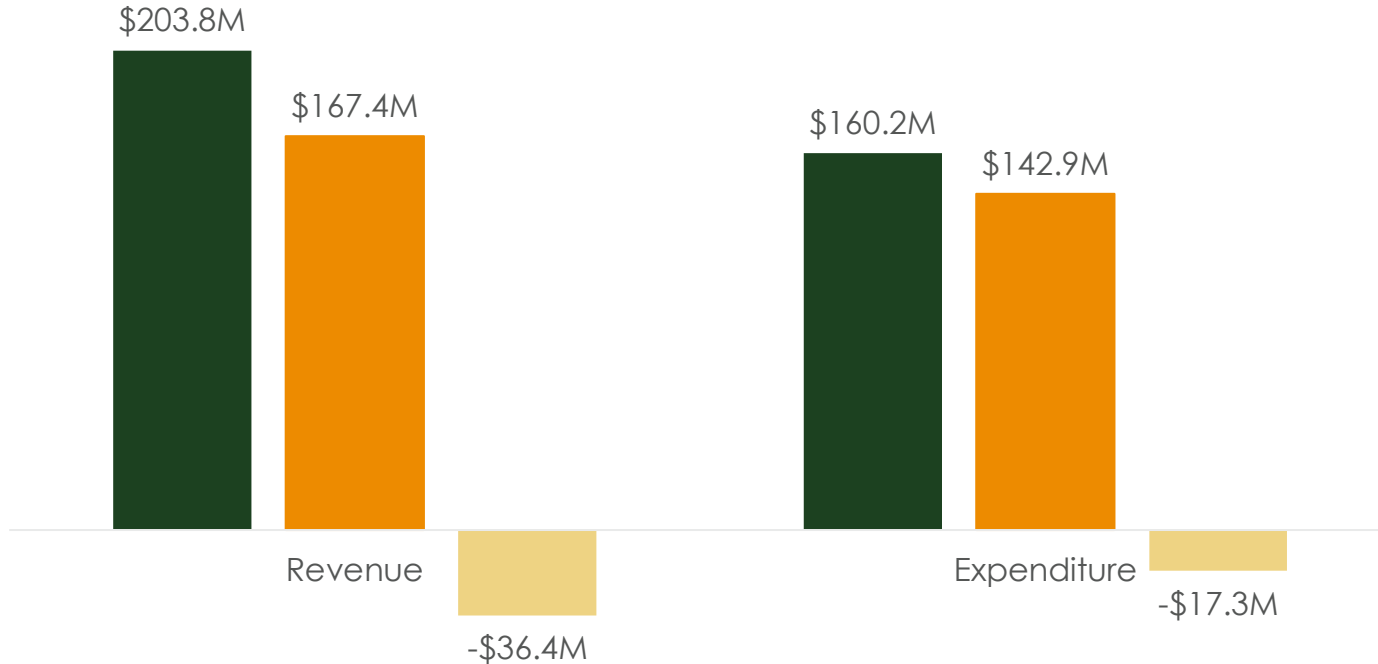


How We Ended FY 2021-22

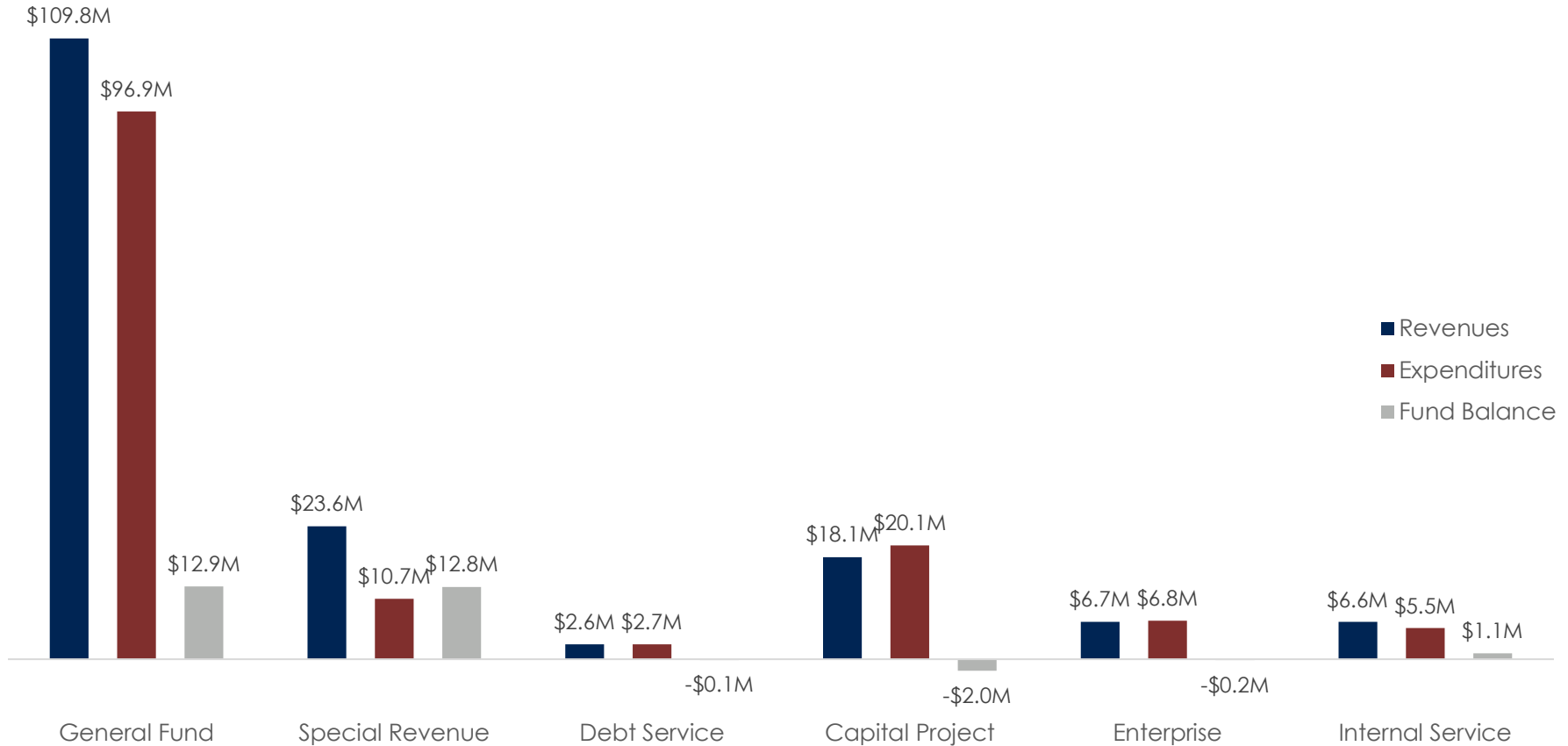


FY 2021-22 Year End Actual vs. Budget – All Funds

■ Budget ■ Year-End Actual ■ Variance



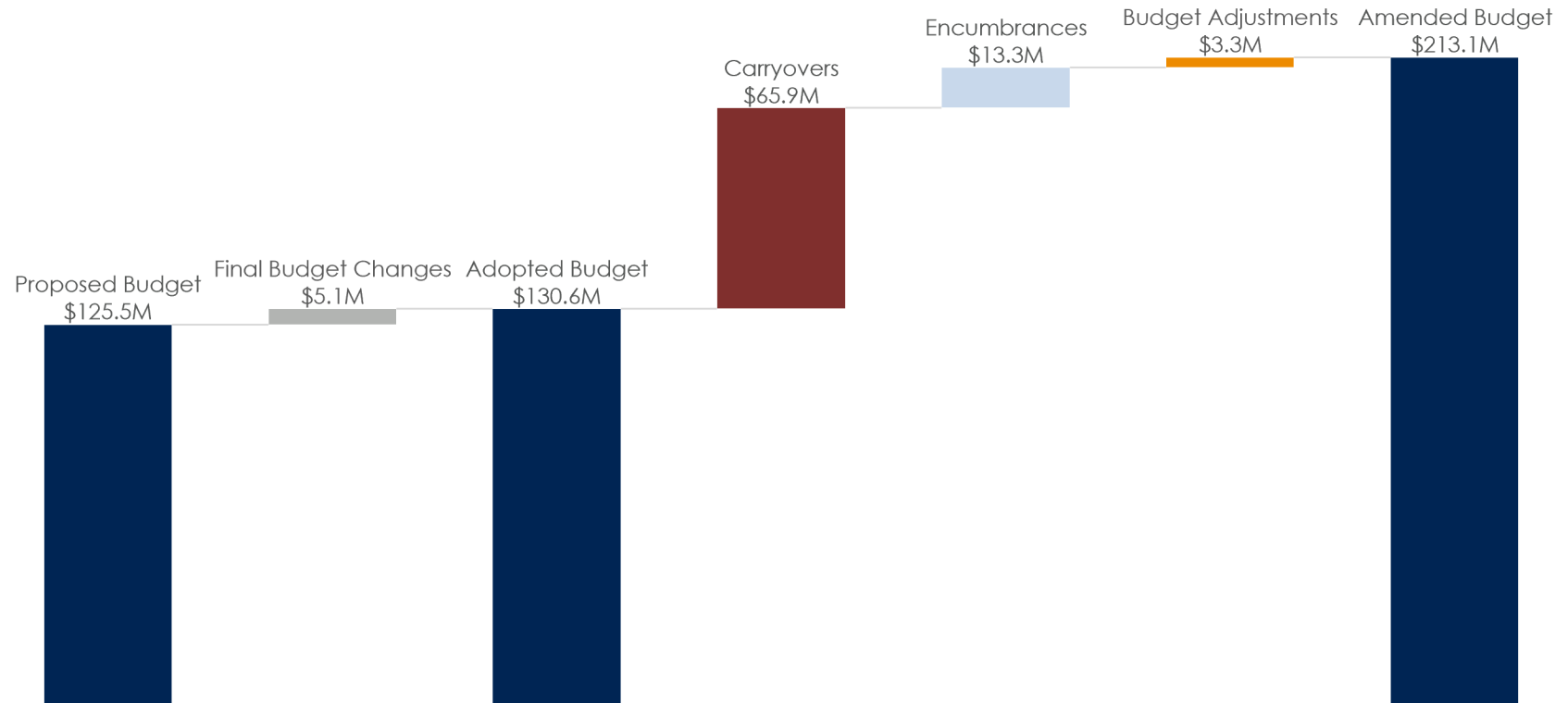
FY 2021-22 Year-End Fund Balance



FY 2022-23 1st Quarter Amended Budget



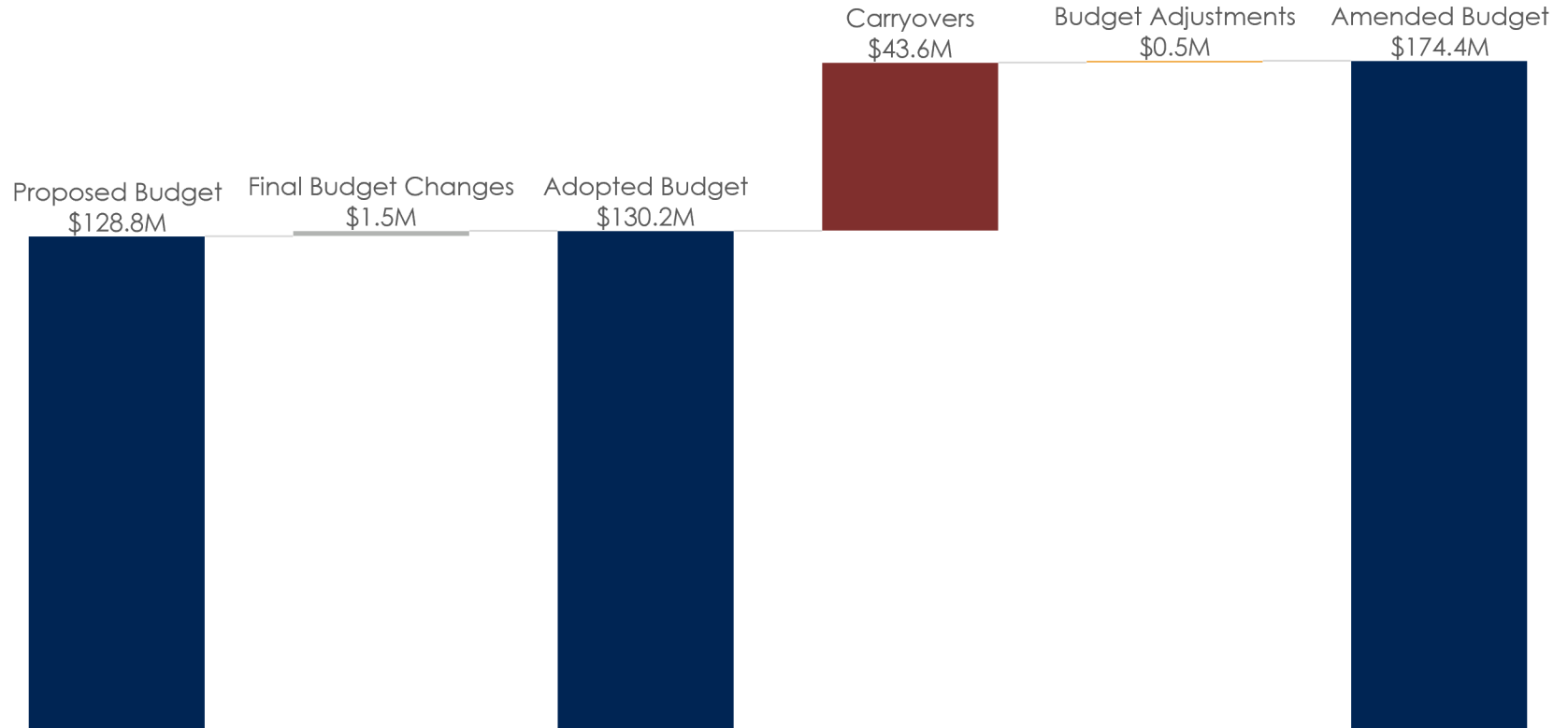
FY 2022-23 Amended Expenditures as of September 30, 2022



FY 2022-23 Appropriation Changes by Fund

Fund	FY 2022-23 Adopted Budget	Carryovers	Encumbrances	Adjustments Approved in First Quarter	FY 2022-23 Amended Budget as of Sept. 30, 2022
General	95,167,779	23,785,988	5,041,683	2,228,580	126,224,030
Special Revenue	11,244,109	18,140,319	3,965,049	174,220	33,523,697
Debt Service	2,675,800	-	-	-	2,675,800
Capital Projects	3,633,600	22,285,752	3,688,943	650,000	30,258,295
Enterprise	9,003,331	1,154,594	118,032	102,909	10,378,866
Internal Service	8,862,706	550,315	466,368	134,642	10,014,031
Total All Funds	\$130,587,325	\$65,916,968	\$13,280,075	\$3,290,351	\$213,074,719

FY 2022-23 Amended Revenues as of September 30, 2022



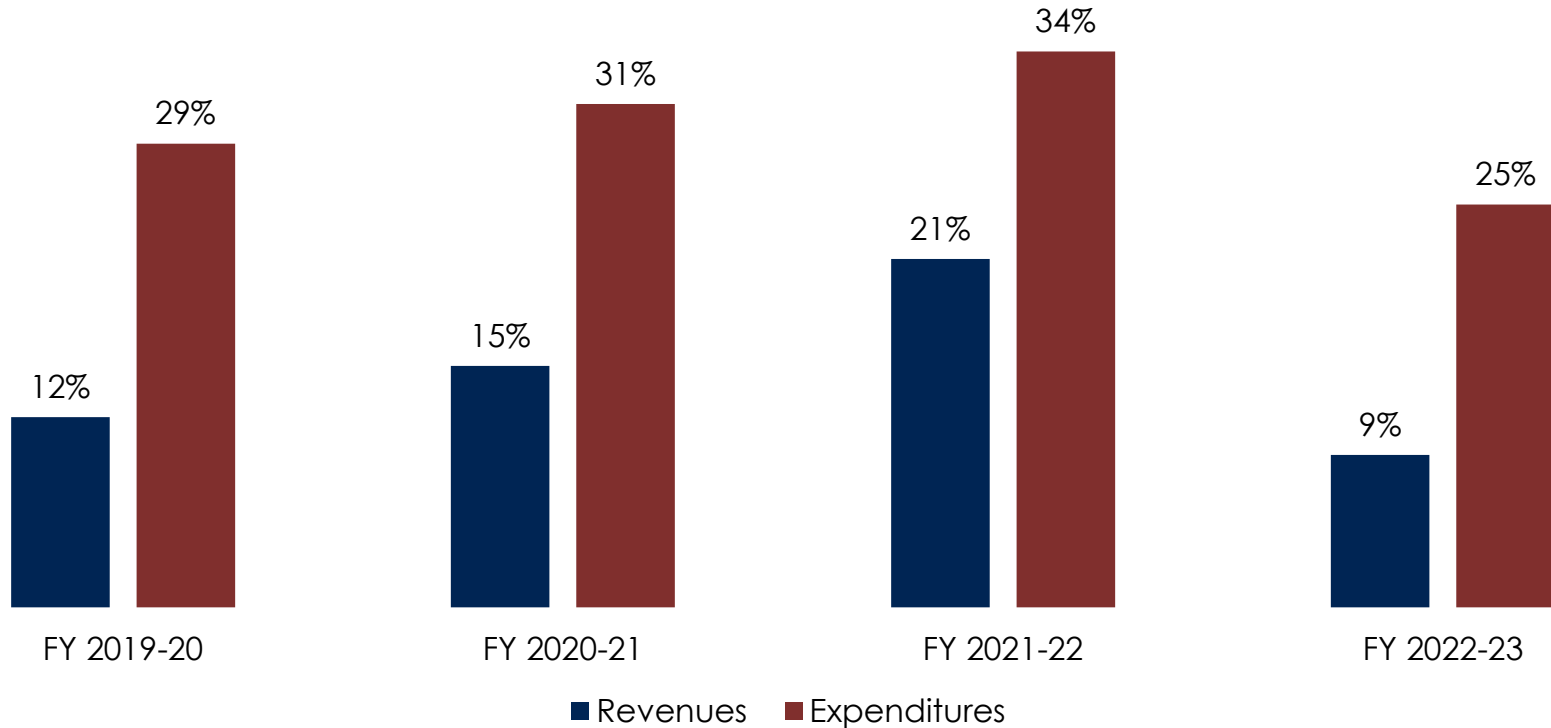
FY 2022-23 Revenue Changes by Fund

Fund	FY 2022-23 Adopted Budget	Carryovers	Adjustments Approved in First Quarter	FY 2022-23 Amended Revenues as of Sept. 30, 2022
General	94,661,388	38,699,046	1,579	133,362,013
Special Revenue	16,315,081	-	-	16,315,081
Debt Service	2,675,800	-	-	2,675,800
Capital Projects	2,500,000	4,931,904	500,000	7,931,904
Enterprise	6,181,392	-	-	6,182,392
Internal Service	7,909,496	-	-	7,909,496
Total All Funds	\$130,244,157	\$43,630,950	\$501,579	\$174,376,686

FY 2022-23 1st Quarter General Fund Update



General Fund Revenues & Expenditures – % Received/Spent as of 1st Quarter



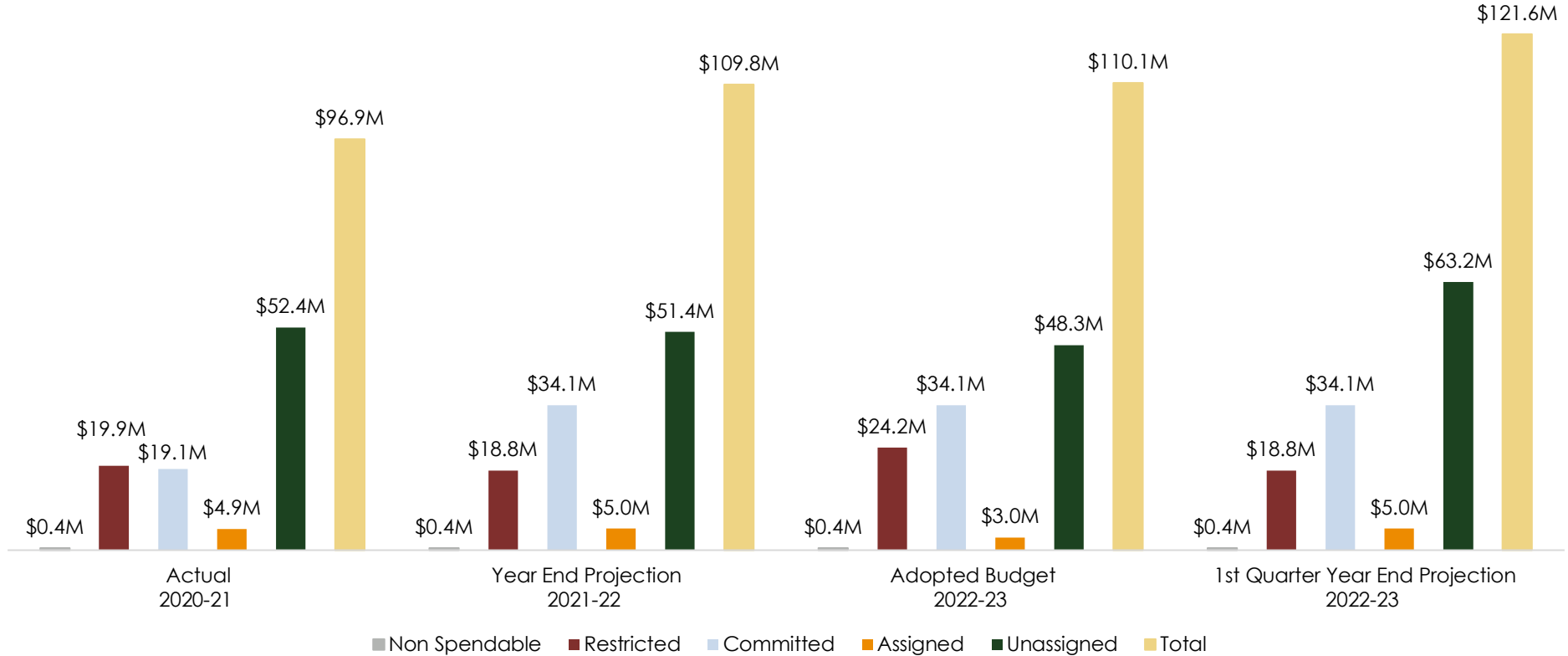
General Fund Revenues – 1st Quarter FY22 vs. FY23

Revenue Category	1 st Quarter 2022	1 st Quarter 2023	Variance	% Change
05 - Sales tax	9,459,612	4,082,699	(5,376,913)	-57%
10 - Property tax	265,394	79,078	(186,317)	-70%
15 - Transient occupancy	287,021	1,485,719	1,198,699	418%
20 - Utility tax	478,155	636,988	158,832	33%
25 - Franchise fees	170,876	180,066	9,191	5%
30 - Other taxes	386,972	328,349	(58,623)	-15%
35 - Licenses and permits	1,137,359	931,463	(205,895)	-18%
40 - Use of money and property	457,729	589,007	131,278	29%
45 - Intergovernmental revenue	2,786,645	1,070,673	(1,715,972)	-62%
50 - Charges for services	3,035,190	2,746,279	(288,911)	-10%
55 - Fines and forfeitures	36,578	41,997	5,419	15%
60 - Miscellaneous	236,900	292,886	55,986	24%
65 - Transfers in	4,862,387	61,140	(4,801,247)	-99%
70 - Other financing sources	-	-	-	0%
Total General Fund Revenues	\$23,600,818	\$12,526,346	\$(11,074,472)	-47%

General Fund Expenditures – 1st Quarter FY22 vs. FY23

Expenditure Category	1 st Quarter 2022	1 st Quarter 2023	Variance	% Change
05 - Employee compensation	4,526,689	5,886,488	1,359,799	30%
10 - Employee benefits	2,374,179	2,654,002	279,823	12%
15 - Materials	952,840	1,242,176	289,336	30%
20 - Contract services	5,826,209	6,525,117	698,908	12%
25 - Cost allocation	2,987,016	2,596,490	(390,525)	-13%
30 - Capital outlays	750	-	(750)	N/A
31 - Special projects	287,063	353,953	66,890	23%
35 - Contingencies	-	-	-	N/A
45 - Transfer out	16,099,371	11,996,300	(4,103,071)	-25%
50 - Other financing uses	139,096	75,186	(63,910)	-46%
Total General Fund Expenditures	\$33,193,212	\$31,329,712	\$(1,863,500)	-6%

General Fund Fund Balance



Recommended Adjustments



Adjustments by Fund and Department

Fund	Department	Revenue	Expenditure	Change in Fund Balance	Proposal
GENERAL FUNDS					
100 General Fund	Administration	-	9,650	(9,650)	Community Outreach Printing and Mailing
100 General Fund	Administration	-	7,150	(7,150)	Earth and Arbor Day Festival Services
100 General Fund	Administration	-	20,000	(20,000)	Greenhouse Gas Emissions Inventory Update
100 General Fund	Administration	-	30,000	(30,000)	Valley Water Cost Share Program
100 General Fund	Innovation & Technology	12,000	-	12,000	Revenue from Video Production Services
100 General Fund	Innovation & Technology	20,152	-	20,152	Revenue from HCD Grant
100 General Fund	Community Development	769,231	500,000	269,231	Construction Plan Check
100 General Fund	Public Works	-	11,965	(11,965)	McClellan Ranch Path Repair
100 General Fund	Public Works	-	136,734	(136,734)	Tree Maintenance
100 General Fund	Public Works	-	118,500	(118,500)	Utilities Adjustments
100 General Fund	Public Works	-	8,201	(8,201)	Backwater Check Valve Replacement
100 General Fund	Public Works	-	13,804	(13,804)	Pool Equipment Preventive Maintenance
100 General Fund	Non-Departmental	-	118,766	(118,766)	Transfer to I&T Fund for Faro Scanners
TOTAL GENERAL FUNDS		801,383	974,770	(173,387)	

Adjustments by Fund and Department

Fund	Department	Revenue	Expenditure	Change in Fund Balance	Proposal
SPECIAL REVENUE FUNDS					
230 Environmental Mgmt	Public Works	-	6,238	(6,238)	Utilities Adjustments
TOTAL SPECIAL REVENUE FUNDS		-	6,238	(6,238)	
ENTERPRISE FUNDS					
520 Resource Recovery	Public Works	-	31,377	(31,377)	Household Hazardous Waste (HHW)
520 Resource Recovery	Public Works	-	6,140	(6,140)	SB 1383 Grant Fund Allocation
TOTAL ENTERPRISE FUNDS		-	37,517	(37,517)	
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	Innovation & Technology	118,766	-	118,766	Transfer from General Fund for Faro Scanners
610 Innovation & Technology	Innovation & Technology	-	118,766	(118,766)	Faro Scanners for the Sheriff's Office
630 Vehicle/Equip Replacement	Public Works	-	669,046	(669,046)	Vehicle and Equipment Replacement
TOTAL INTERNAL SERVICE FUNDS		118,766	787,812	(669,046)	
TOTAL ALL FUNDS		\$920,149	\$1,806,337	\$(886,188)	

Administration

Adjustment	Revenue	Expenditures	Change in Fund Balance
Community Outreach Printing and Mailing	-	9,650	(9,650)
Earth and Arbor Day Festival Services	-	7,150	(7,150)
Greenhouse Gas Emissions Inventory Update	-	20,000	(20,000)
Valley Water Cost Share Program	-	30,000	(30,000)
Total	\$-	\$66,800	\$(66,800)

Innovation & Technology

Adjustment	Revenue	Expenditures	Change in Fund Balance
Revenue from Video Production Services	12,000	-	12,000
Revenue from HCD Grant	20,152	-	20,152
Faro Scanners for Sheriff's Office	118,766	118,766	(118,766)
Total	\$150,918	\$118,766	\$32,152

Community Development

Adjustment	Revenue	Expenditures	Change in Fund Balance
Construction Plan Check	769,231	500,000	269,231
Total	\$769,231	\$500,000	\$269,231

Public Works

Adjustment	Revenue	Expenditures	Change in Fund Balance
McClellan Ranch Path Repair	-	11,965	(11,965)
Tree Maintenance	-	136,734	(136,734)
Utilities Adjustments	-	124,738	(124,738)
Backwater Check Valve Replacement	-	8,201	(8,201)
Pool Equipment Preventive Maintenance	-	13,804	(13,804)
Household Hazardous Waste (HHW)	-	31,377	(31,377)
SB 1383 Grant Fund Allocation	-	6,140	(6,140)
Vehicle and Equipment Replacement	-	669,046	(669,046)
Total	\$-	\$1,002,005	\$(1,002,005)

Non-Departmental

Adjustment	Revenue	Expenditures	Change in Fund Balance
Transfer from General Fund to I&T Fund for Faro Scanners	-	118,766	(118,766)
Total	\$-	\$118,766	\$(118,766)

Staffing

- No recommended changes to staffing.

City Manager Discretionary Fund

- \$2,632.50 has been used for environmental consulting services related to a Phase I environmental site assessment at 21801 Stevens Creek Boulevard
- Staff will continue to report on the use of this fund

Additional Information and Enhancements

- Special Projects
- Grants
- Capital Improvement Program (CIP)
- Update CDTFA Audit

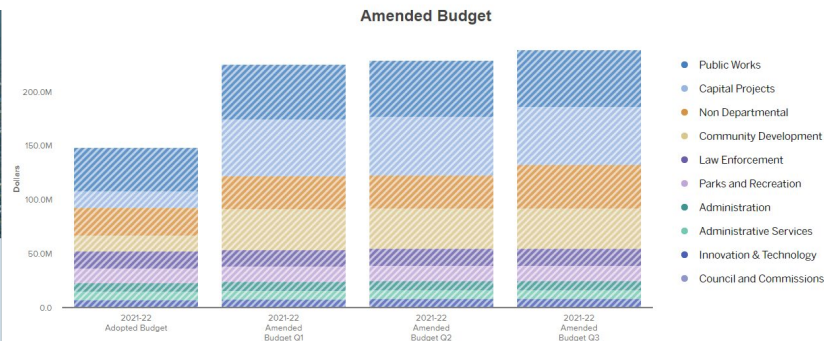
Transparency and Engagement



This [Financial Report](#) is interactive. Click on a chart to learn more.

Background

On June 9, 2022, the City Council adopted the Fiscal Year (FY) 2022-23 Adopted Budget, a \$130,587,325 spending plan funded by \$130,244,157 in revenue and \$343,168 in fund balance. The FY 2022-23 Adopted Budget reflected a \$5.1 million increase from the FY 2022-23 Proposed Budget of \$125,461,857, mainly due to operating changes, City Work Program, and the Capital Improvement Program. First quarter adjustments include carryovers and encumbrances for obligations from the previous fiscal year, as well as Council-approved adjustments. Combined, these adjustments result in the amended operating budget of \$213,074,719.



cupertino.org/budget

Next Steps

FY 2022-23

- Mid-Year Report to Council March 2023
- Third Quarter Report to Council May 2023

Recommendations

1. Accept the City Manager's First Quarter Financial Report for FY 2022-23
2. Adopt Resolution #22-XXX approving Budget Modification #2223-244 increasing appropriations by \$1,806,337 and revenues by \$920,149

Questions?



CC 11-15-2022

#24

City Hall Renovation
Project Update

Presentation

City Council

City Hall Project – Update
November 15, 2022



CUPERTINO

CIP Program – City Hall project

Recommendation Action

Recommended Action

1. Receive report of the City Hall Project Subcommittee; and
2. Direct staff to include the City Hall Renovation Project as part of the fiscal year 2023-24 proposed Capital Improvement Program (CIP) project and budget.

City Hall Project Update AGENDA

November 15, 2022

1. Background
2. Subcommittee Discussions
 - a. Site Tour
 - b. Seismic & Infrastructure
 - c. EOC
 - d. Space Programming
 - e. Parking
 - f. Funding
3. Recommendations



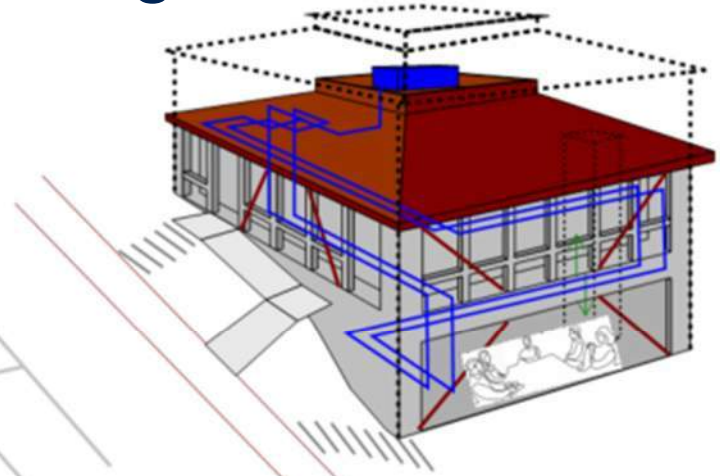
Background Information

from May 3, 2022 CIP presentation

City Hall Renovation / Replacement and Library Parking Garage: Design & Construction

Cost & Scope Scenarios

SEISMIC
ADA/ACCESSIBILITY
MECH, ELECT, PLUMBING & IT
PROGRAMMING (INTERIOR)
FUTURE-PROOFING / + STORY
PARKING



\$79.6M

SEISMIC + ACCESSIBILITY + MEP + INTERIOR/PROGRAMMING + STORY + **PARKING**

City Hall Project subcommittee

CM Moore and Willey were nominated for the subcommittee (July 19)

The task of the Subcommittee was to review the City Hall facility, evaluate viable solutions and bring forward recommendations for Council's consideration. The review would include options for seismic upgrades to the existing building, renovations to the existing building, replacement of the existing building, and other elements to support ongoing city operations.

A photograph of a campus scene. In the background is a large building with a prominent red-tiled roof. A paved walkway leads from the foreground towards the building. To the left of the path are several young trees supported by stakes and a black trash can. To the right is a green lawn and a modern fountain with several water jets. The sky is clear and blue.

Subcommittee Discussions

Project Discussion Topics

- a. [Introduction and Site Tour]
- b. Seismic Deficiencies and Options
- c. Emergency Operations Center (EOC) needs and options
- d. Space Programming
- e. Parking
- f. Funding Options and Recommendations

Site Tour

Project Introduction



Seismic & Infrastructure Considerations

Summary

While the focus of the reports may vary, the findings are consistent:*

- **The concrete structural elements do not have sufficient ductility to resist seismic lateral loads without sustaining significant damage.** Damage to these critical structural gravity load-resisting elements could result in collapse of the roof structure. The life safety and economic risk could be substantial.
- **The building does not comply with either the Risk Category IV** (Essential Services Facility) **or Risk Category II** (regular Office Building) evaluation criteria unless a seismic strengthening is undertaken.

** The 2021 structural report findings are similar to the findings in the 2005, 2006, 2011, 2012 and 2014 reports.*

Seismic & Infrastructure Considerations

Scope of Work Scenarios

1. Seismic Upgrade of the building: will trigger some additional work, like ADA/Accessibility improvements.
2. HVAC and other Infrastructure systems: how can you not replace these systems that are 50+ years old?
3. Seismic + HVAC/Infrastructure + Accessibility/ADA work will affect over 75% of the building, which leads us to consider a full interior renovation project.
4. Essential Facility (Risk Category IV) or not (Risk Category II)?



Seismic & Infrastructure Considerations

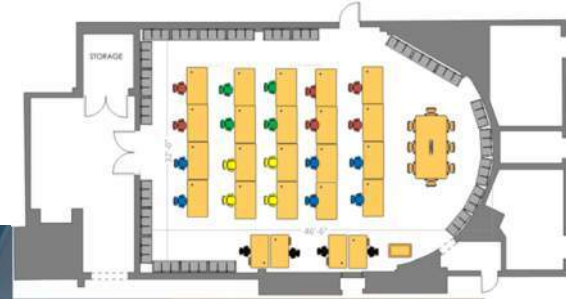
Recommendations

Summary:

It is well-documented that many structural engineers recommend that the 1965 City Hall building be seismically retrofit. The HVAC and other infrastructure systems are also significantly past their useful life and require replacement. **We recommend a full seismic/ structural upgrade, as well as a complete reconstruction of all infrastructure systems such as HVAC and life safety systems.** Council can consider proceeding with the City Hall project in Risk Category II or Risk Category IV.

EOC

Current Location (+/-1400 sq. ft.)



EOC

Recommendations

Summary:

On October 18, Council gave approval to proceed with programming, design, and construction of the City Hall Annex building as the City's Permit Center and Emergency Operations Center (EOC). **Council can consider proceeding with the City Hall project in Risk Category II or Risk Category IV.**

Space Programming (Interior)

Current Floor Plans

21,450 sq ft with 126 seats =
170 sq ft per person



61 seats, 9,950 sq ft



65 seats, 11,500 sq ft

Space Programming (Interior)

Growth Projections

Current Staff headcount at City Hall: 130 people

Move 25 occupants to City Hall Annex = 105 occupants

(does the Annex become a permanent Permit Center?)

Accounting for Population Growth:

- 10% increase: 116 people
- 20% increase: 126 people

Accounting for Telework:

- Current headcount + 10% Growth – 30% WFH = 84 people
- **Current headcount + 20% Growth – 20% WFH = 105 people**

***** 21,450 sq. ft. / 105 people = +/- 204 sq. ft./person *****

Space Programming (Interior)

Recommendations

Summary:

We believe the current footprint of City Hall can accommodate the Staff, Council offices and support functions such as community meeting rooms, planning for 20% growth and leveraging an efficient Telework policy that allows for 20% to be working remotely. We do not recommend the expansion of City Hall in order to address workplace overcrowding at this time.

We recommend a full interior renovation to make better use of the interior space.

Parking

Proposed Parking Improvements



FY23-24: 16
NEW SURFACE
SPACES BEHIND
COMMUNITY
HALL

FY24-25: +/- 21
NEW SURFACE
SPACES AND
ADJACENT
AMENITIES



**2015 CCMP diagram (for illustration only)*

Parking

Recommendations

Summary:

Since the pandemic has disrupted the parking patterns at Civic Center, it is difficult to ascertain the present and future parking needs at Civic Center. Assuming the City Hall building will not be expanding its footprint, **we recommend the immediate implementation of new surface parking along the rear of Community Hall (+16 spaces) , and plan for future surface parking along the north edge of Library field (+21 spaces, approximately).**

Funding

Cost Estimates

Project Size	Funding Options	Considerations
Small (\$7M)	Use of General Fund (GF) Fund Unassigned Fund Balance (FB) or General Fund Capital Reserve	Would leave Capital Reserve in GF and the Capital Fund intact for additional future projects
Medium (\$26M-44M)	Use of both GF Unassigned FB and GF Capital Reserve	Would limit future CIPs
Large (Over \$45M)	Debt Financing	Could wipe out several reserves leaving only economic uncertainty remaining should the City require additional funding. Limit future CIPs.

Funding Cost Estimates

Element	Area SF	Cost / SF	2023 Project Total (+25% soft costs)	2024 Project Total (5% escalation)
City Hall Renovation - Seismic Only, Non-Essential Facility	24,140	\$216	\$6,506,635	\$6,831,967
City Hall Renovation - Seismic Only, Essential Facility	24,140	\$232	\$7,007,540	\$7,357,917
City Hall Renovation - Seismic, MEP/IT, Interior gut, Non-Essential Facility	24,140	\$807	\$24,364,200	\$25,582,410
City Hall Renovation - Seismic, MEP/IT, Interior gut, Essential Facility	24,140	\$868	\$26,194,616	\$27,504,347
City Hall Replacement, Non-Essential Facility	24,140	\$804	\$24,250,139	\$25,462,646
City Hall Replacement, Essential Facility	24,140	\$908	\$27,401,918	\$28,772,013
City Hall Replacement w/ Added Floor, Non-Essential Facility	36,140	\$809	\$36,547,027	\$38,374,378
City Hall Replacement w/ Added Floor, Essential Facility	36,140	\$914	\$41,271,880	\$43,335,474
City Hall Replacement w/ Added Floor + 100 spaces Underground parking, Non-Essential Facility	70,140	\$529	\$46,339,451	\$48,656,424
City Hall Replacement w/ Added Floor + 100 spaces Underground parking, Essential Facility	70,140	\$582	\$51,064,305	\$53,617,520

CIP Program – City Hall project

Recommendations

We recommend proceeding with the **Full Renovation of City Hall building** (Seismic, HVAC, IT, Interiors, etc.), budgeting \$26M, as part of FY23-28 CIP. Council can also consider upgrading to “Essential Facility” standards (\$4M).

- **We also recommend adding parking behind Community Hall**, budgeting \$350,000 (scope and budget to be confirmed) as part of the existing \$1M Civic Center Parking project
- FY23-28 CIP proposal will include a **Library Parking project**, and an additional project to plan for **City Hall demobilization/mobilization** requirements and communications.

Thank You!



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